

ANNUAL REPORT 2020



รายงานประจำปี 2563

บริษัท ทีดับบลิวแซด คอร์ปอเรชั่น จำกัด (มหาชน)
TWZ CORPORATION PUBLIC COMPANY LIMITED



สารบัญ

สารจากคณะกรรมการ	1
รายละเอียดคณะกรรมการและผู้บริหาร	2
ข้อมูลทั่วไป	9
ลักษณะการประกอบธุรกิจ	10
ภาวะอุตสาหกรรมและการแข่งขัน	12
ปัจจัยความเสี่ยง	14
โครงสร้างการถือหุ้นและบริษัทย่อย	16
ความรับผิดชอบต่อสังคม	33
รายการระหว่างกัน	35
คำอธิบายและการวิเคราะห์ของฝ่ายจัดการ	36
รายงานของผู้สอบบัญชีรับอนุญาต	40
งบการเงิน	48

CONTENTS

Message from the Board of Directors	171
Directors and Management Team	172
General Information	179
Nature of Business	180
Industry and Competition	182
Risk Factors	184
Structure of shareholding and subsidiaries	186
Corporate Social Responsibility	204
Connected Transaction	205
Management Discussion and Analysis	207
Independent Auditor's Report	211
Financial Statements	220





Message from the Board of Directors

Dear Respected Shareholders

As we well known that the growth of communication technology today is rapidly changing. Especially the speed of data transfer in 5G technology at speeds of up to 1,000Mbps. There is also the ability to respond or latency to the command in different devices without delay or easy to understand simply, the latency is very low that it is almost Realtime. This technology allowing to be used to develop improve and progress for many Industrial without limiting and able to remote control perfectly, But the big issue of the new technology will be not supported with so many of the currently devices. We must have change dramatically to operate with the 5G system. After the end of the spectrum auction every operator have to accelerating operate to turn on the new system for their members as soon as possible.

Under the wireless new technology network of the 5G system will create a variety of devices that can work automatically and communicate with each other on the internet network which we called the Internet of Things or IoT. It will start to be clearer.

Therefore, in a variety of business opportunities will happening and we will taking benefits to the company, so we have to accelerate the development of organizations, merchandise, technologies, personnel training to together with world changing for maximize potential in order to creating stability and good results for the organization.

(Mr. Puttachat Rungkasiri)

Chairman

(Mr. Kittipong Kittipassorn)

Director, Deputy Managing Director,
Acting Managing Director

Directors and Management Team



Mr. Puttachat Rungkasiri

Position	Chairman
Shareholding	11.52%
Education	Bachelor of Accounting and Commerce, Chulalongkorn University
Program	Director Accreditation Program (DAP) Class 41/2005 Thai Institute of Directors Association (IOD)
Working Experience	2013-Present Chairman of TWZ Corporation Plc. 2013-Present Director of Piyachat Co., Ltd. 2016-2019 Director of Gear Corporation Co., Ltd. 2016-2018 Director of Mastech Tool and Service Co., Ltd.
Illegal Record in the past 10 years	None



Mr. Kittipong Kittipassorn

Position	Director, Deputy Managing Director, Acting Managing Director
Shareholding	None
Education	Bachelor of Avionic Engineering program: AEE, Civil Aviation Institution (Thailand)
Program	Director Accreditation Program (DAP) Class 86/2010 Anti-Corruption : The Practical Guide (ACPG) Class 43/2018 Thai Institute of Directors Association (IOD)
Working Experience	2020-Present Director of Skywell (Thailand) Co.,Ltd. 2020-Present Director of Electra Motive Co., Ltd. 2019-Present Director of Gear 2 Corporation Co.Ltd. 2019-Present Director of Mitra Corporation Co., Ltd. 2019-Present Director of PG & C 5714 Co.,Ltd. 2019-Present Director of Tang Corporation Co.Ltd. 2019-Present Director of K.B.M. Construction Co.Ltd. 2018-Present Director of TWZ Corporation Plc. 2018-Present Director of Piyachat Co., Ltd. 2018-Present Acting Vice President - Marketing and Business Development Department of TWZ Corporation Plc. 2015-Present Director of TZ Trading Co., Ltd. 2018-2019 Director of Mastech Tool and Service Co., Ltd. 2016-2019 Director of Gear Corporation Co., Ltd.
Illegal Record in the past 10 years	None



Assistant Professor Dr. Tippakorn Rungkasiri

Position	Director
Shareholding	None
Education	Master of Arts in International Management, SOAS, University of London Master of Business Administration, Chulalongkorn University Doctor of Education in Educational Technology, Kasetsart University
Program	Director Certification Program (DCP) Class 63/2005 Director Accreditation Program (DAP) Class 39/2005 and Anti-Corruption: The Practical Guide Program (ACPG) Class 21/2015 Thai Institute of Directors Association (IOD)
Working Experience	2014- 2015 Executive Board, MSc and Ph.D. in Technopreneurship and Innovation Management Program (Interdisciplinary), Graduate School, Chulalongkorn University 2013-Present Director of Piyachat Co., Ltd. 2005-Present Director of TWZ Corporation Plc. 2003- 2015 Assistant Professor of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University
Illegal Record in the past 10 years	None



Miss Kaikae Cherdvisavapan

Position	Director
Shareholding	None
Education	M.B.A., University of Dallas, USA
Program	Director Accreditation Program (DAP) Class 43/2005 Thai Institute of Directors Association (IOD)
Working Experience	2013-Present Director of Piyachat Co., Ltd. 2013-Present Director of Nature Heritages Co., Ltd. 2005-Present Director of TWZ Corporation Plc. 1994-Present Director of Southern Palm Oil Industry (1993) Co., Ltd.
Illegal Record in the past 10 years	None



Assoc. Prof. Pachara Pacharavanich

Position	Independent Director and Chairman of Audit Committee
Shareholding	None
Education	M.B.A. The University of North Carolina-Chapel Hill, NC, USA.
Program	None
Working Experience	2020-Present Independent Director and Chairman of Audit Committee Of TWZ Corporation Plc.
	2016-Present Independent Director and Member of Audit Committee of Synergetic Auto Performance Plc.
	2014-Present Executive Director The Valuers Association of Thailand
	2013-2020 Independent Director and Member of Audit Committee Of TWZ Corporation Plc.
	2013-Present Bangkok Property Valuation subcommittee, Department of Treasury
	2006-Present Associate Professor, Faculty of Commerce and Accountancy, Thammasat University
Illegal Record in the past 10 years	None



Mr. Bundal Udol

Position	Independent Director and Member of Audit Committee
Shareholding	None
Education	Education Bachelor of Engineering (Mechanical Engineering), Kasetsart University
Program	Director Accreditation Program (DAP) Class 41/2005 Thai Institute of Directors Association (IOD)
Working Experience	2019-Present Independent Director and Member of Audit Committee of TWZ Corporation Plc.
	2013-Present Independent Director of TWZ Corporation Plc.
	2005-2008 Director and Member of Executive Committee, TWZ Corporation Plc.
	1991-Present Captain, Thai Airways International Plc.
Illegal Record in the past 10 years	None



Mr. Phongcharn Samphaongern

Position	Independent Director and Member of Audit Committee
Shareholding	None
Education	Master of Public Administration Program - National Institute of Development Administration
Program	None
Working Experience	2021 – Present Independent Director and Member of Audit Committee of TWZ Corporation Plc. 2020-2020 Acting Managing Director of Small And Medium Enterprise Development Bank Of Thailand 2018-2020 Deputy Managing Director of Small And Medium Enterprise Development Bank Of Thailand 2015-2018 Assistant Managing Director of Small And Medium Enterprise Development Bank Of Thailand 2014-2015 Senior Vice President of Small And Medium Enterprise Development Bank Of Thailand
Illegal Record in the past 10 years	None



Mr. Sakon Pawitranon

Position	Vice President – Business Development Department
Shareholding	None
Education	Bachelor of Business Administration (Marketing), Assumption University
Program	Director Accreditation Program (DAP) Class 86/2010
Working Experience	2021 – Present Director of TZ Trading Co., Ltd. 2021 – Present Director of Piyachat Co., Ltd. 2021 – Present Vice President – Business Development of TWZ Corporation Plc. 2021 – Present Director of Skywell (Thailand) Co.,Ltd. 2020 – Present Director of Electra Motive Co., Ltd. 2018-2019 Vice President Sale Glory Technology Co.,Ltd. 2015-2019 Sales Manager (IT) of Niyom Phanich Co.,Ltd. 2003-2005 Sales Manager of TWZ Corporation Plc. 1992-2002 Sales Manager of Winwave Co.,Ltd.
Illegal Record in the past 10 years	None



Miss Nalinee Pratubsorn

Position	Vice President – Human Resource Department and Company Secretary
Shareholding	None
Education	Master of Science (Industrial Psychology) Kasetsart University
Program	Director Accreditation Program (DAP) Class 97/2012 Company Secretary Program (CSP) Thai Institute of Directors Association (IOD)
Working Experience	2021 – Present Director of Electra Motive Co., Ltd. 2020 – Present Director of Piyachat Co., Ltd. 2020 – Present Director of Gear 2 Co., Ltd. 2020 – Present Director of Mitra Corporation Co., Ltd. 2020 – Present Director of PG & C 5714 Co.,Ltd. 2020 – Present Director of Tang Corporation Co.Ltd. 2020 – Present Director of K.B.M. Construction Co.Ltd. 2018 – Present Director of TZ Trading Co., Ltd. 2014 – Present Company Secretary of TWZ Corporation Plc 2012 – Present Vice President – Human Resource Department of TWZ Corporation Plc. 2018-2019 Director of Gear Corporation Co., Ltd. 2018-2019 Director of Mastech Tool and Service Co., Ltd. 2005-2012 Human Resource Manager of TWZ Corporation Plc 2001-2005 Training and Development Manager of Central Department Store Co., Ltd.
Illegal Record in the past 10 years	None



Mr. Nuttachai Charoenkajonkul

Position	Vice President – Business Development Department (Non telecom Business)
Shareholding	None
Education	Bachelor of Business Administration (Financial Management), Mahidol University International College
Program	None
Working Experience	2021-Present Vice President – Business Development Department (Non telecom Business) of TWZ Corporation Plc. 2019-2020 Assistant Manager (Corporate Finance) of AEC Securities Public Company Limited 2016-2019 Assistant Vice President of Best Bonded Warehouse Co., Ltd. 2015-2016 Assistant Vice President of Best Bonded Warehouse Co., Ltd.
Illegal Record in the past 10 years	None



Mr. Thanachit Dechpongrom

Position	Assistant Vice President – Sales Department and Acting Vice President – Sales Department
Shareholding	None
Education	Bachelor of Business Administration (Finance) KhonKaen University
Program	Anti-Corruption : The Practical Guide (ACPG) Class 43/2018 Thai Institute of Directors Association (IOD)
Working Experience	2021-Present Assistant Vice President – Sales Department Acting Vice President – Sales Department of TWZ Corporation Plc. 2020-2021 Senior Division Manager- Business Development of TWZ Corporation Plc. 2018-2020 Manager of Business Development Department of TWZ Corporation Plc. 2008-2018 Sale Manager of TWZ Corporation Plc. 2005-2008 Sale Executive of TWZ Corporation Plc. 2002-2005 IT Officer of TWZ Corporation Plc.
Illegal Record in the past 10 years	None



Miss Ponpun Rungroj

Position	Assistant Vice President – Accounting Department and Acting Vice President – Accounting Department
Shareholding	None
Education	Bachelor of Business Administration Accounting Rajamangala University Of Technology Phranakhon
Program	None
Working Experience	2021-Present Assistant Vice President – Accounting Department Acting Vice President – Accounting Department of TWZ Corporation Plc. Chief – Accounting Department of TWZ Corporation Plc. 2016-2018 Office Manager – Accounting Department of TWZ Corporation Plc. 2007-2014 Manager – Accounting Department of TWZ Corporation Plc.
Illegal Record in the past 10 years	None



Miss Siriporn Jenratha

Position	Assistant Vice President – Finance Department and Acting Vice President – Finance Department
Shareholding	None
Education	Master of Business Administration Finance and Banking, Rajamangala University
Program	None
Working Experience	2021-Present Assistant Vice President – Finance Department and Acting Vice President – Finance Department of TWZ Corporation Plc. 2012-2021 Manager Finance Department of TWZ Corporation Plc. 2010-2012 Chief – Finance Department of TWZ Corporation Plc.
Illegal Record in the past 10 years	None

Financial Highlights

Unit: Million Baht

Financial Performance	2018	2019	2020
Total Assets	5,015.61	5,436.52	5,758.67
Total Liabilities	2,323.85	2,564.07	2,726.87
Shareholders' Equity	2,691.76	2,872.45	3,031.80
Total Revenues	3,480.20	3,788.81	3,302.38
Profit from continuing operations	63.61	43.91	(7.50)
Net Profit Margin (%)	1.83	1.16	(0.23)
Book Value per share (Baht)	0.31	0.34	0.43

General Information

Name	TWZ Corporation Public Company Limited
Nature of Business	Core business is a distributor of telecommunication devices which are mobile phones, SIM cards, pre-paid cards, and accessories.
Head Office	269 Ratchadapisek Road, Ratchadapisek Sub-District, Din Daeng District, Bangkok 10400
Registration No.	0107548000285
Home Page	www.twz.co.th
Telephone No.	(66) 2275-9789
Facsimile No.	(66) 2275-9798
Paid-up capital	Baht 990,668,925.00
Share Registrar	Thailand Securities Depository Company Limited, 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Telephone (66) 2299-2800 Facsimile (66) 2359-1262
Auditor	Mr. Jirote Sirirorote CPA No. 5113 Karin Audit Company Limited 72 CAT Telecom Tower, Floor 24, Charoen Krung Road, Bangrak, Bangkok 10500 Telephone (66) 2105-4661 Facsimile (66) 2026-3760

Nature of Business

TWZ Corporation Public Company Limited (“the Company” or “TWZ”), previously named “PC Communication and Transports Company Limited.”, was established by mobile phone distribution experts, Mr. Puttachat Rungkasiri, the first mobile phone distributor to open retail shop at MBK center, with the initial paid up capital of Baht 1.00 million on December 22, 1993. The Company’s main business is selling mobile phone and communication equipment. And company executives have experience, ability, experts Telecommunication business. As a result, the company has continued to expand its business. As of December 31, 2020, the Company has paid up capital Baht 990,668,925.00.

In 1994, the Company was granted Telewiz franchise from Advance Info Service Plc. (“AIS”) for selling goods and services under the trademark “Telewiz” such as registering numbers providing various registration services and being a service provider to receive payment for services or other expenses. The company opened the first Telewiz in Central Plaza Ramaindra. After that, the company has expanded its branches according to the growth of the mobile phone industry.

In 2008, the Company is the distributor of mobile phones “TWZ”. The Company has imported such products from China to distribute under its own brand names. And In 2012, the establishment of a representative office in Shenzhen, People’s Republic of China. The representative office will assist the Company in managing cost and controlling quality of products. The company has a complete marketing management, both retail and wholesale.

At present, the Company has total 23 branches, 17 Telewiz Shops, 3 AIS Shops, 1 AIS Buddy Shop, 2 TWZ Shops.

Location		
TELEWIZ / AIS SHOP	1. Room 333/1, 3 rd fl., Central Plaza Pinklao	12. Room 3032B, 3 rd fl., Fashion Island
	2. Room 305, 3 rd fl., Central Plaza Rama III	13. Room 509A, 5 th fl., Central City Bangna
	3. 2 nd fl., Tesco Lotus Chaengwattana	14. Basement, Big C Supercenter Bangna
	4. 2 nd fl., Tesco Lotus Sukhumwit 50	15. Room 529, 5 th fl., Central City Bangna
	5. 2 nd fl., Tesco Lotus Laksi	16. Room GCR109, Big C Supercenter Rama II
	6. 1 st fl., Tesco Lotus Rattanaibet	17. Room 225, 2 nd fl., Central Plaza Rama II
	7. 2 nd fl., Tesco Lotus Rama III	18. Room R252, 2 nd fl., Market Village Suvarnabhumi
	8. 2 nd fl., Tesco Lotus Bangna-Trad	19. Room 2CR220/1, Big C Supercenter Bangpli
	9. 2 nd fl., Tesco Lotus Srinakarin	20. Basement, Big C Supercenter Don Muang Sapanmai
	10. Room 309/1, 3 rd fl., Central Plaza Ramaindra	21. 269 Ratchadapisek Road, Ratchadapisek, Din Daeng
	11. Room 336/3, 3 rd fl., All Srasan Complex	
TWZ SHOP	1. No. 100/1-2 Mae Sot Tak	2. No. 270/12 Namuang, Muang, Ratchaburi

The company also has property development business for sale and rent as follows.

1) Property development project for sale which is a condominium for residential units of 119 units with a total area of 5,073.88 square meters, located at Na Chom Thian Subdistrict, Sattahip District, Chon Buri Province.

2) The Company and subsidiaries have obtained leasehold rights from the State Railway of Thailand. On Ratchadaphisek Road Area approximately 12,035.20 square meters and construction of a home office. Office building for commercial Total of 55 booths for both long and short term rentals.

In March 2019, the company invested in Mitra Corporation Limited ("MITRA") in the amount of 1,368,304 shares. With a par value of 100 baht per share, representing 52.63 percent of the paid-up shares through Gear 2 Corporation limited which is a subsidiary company. To operate a power plant business from industrial waste fuels, located at Saharatana Nakorn Industrial Estate Ayutthaya. It's a pasta system. Gasification In the burning and production of electricity the total electricity generating capacity is 3 MW and can eliminate up to 60 tons of waste per day and can expand the business to industrial waste disposal locations. The Electricity Authority will be the buyer of special electricity from industrial waste in the form of Feed-in Tariff (FiT) and MITRA also holds 99% of the shares in Tang Corporation Limited ("TC"). In order to operate the waste separation plant and the RDF production plant to convert waste into recycled materials and RDF located in Uthai District Ayutthaya. Able to dispose industrial waste and community waste by sorting and converting by selling materials from the operation with a full operational capacity of 300 tons per day. Which is a related and continuous business in delivering raw materials to power plants for generating electricity.

As of February 19, 2020, the company has the established of Electra Motive Co., Ltd. as a subsidiary. The Company has share holder of 100% and registered capital Baht 80.00 million for invest in the automotive sales business and As at July 4, 2020, the subsidiary has entered into a share purchase agreement of Skywell (Thailand) Company Limited ("SKY-TH") from Existing shareholder in the proportion of 3,060,000 shares, at a price of Baht 16.34 per share, totaling Baht 50 million, accounted for 51%. The company has entered into a subscription the capital increase agreement in order for Rich Asia Industry Company Limited ("RAI") to achieve the conditions of the Board of Investment, to increasing the registered capital of Baht 200 million before issuing promotion certificates. The subsidiary has been allocated 6,451,613 ordinary shares with a par value of Baht 31.00 per share, accounted for 31.17% of total issued and paid-up after the capital increase, by paying 25% of the additional share value on June 30, 2020, in the amount of Baht 50 million. The share transfer was completed on July 8, 2020. The remaining amount of Baht 150 million will be paid within 3 years since RAI issued the capital increase shares this time.

Business Goal

The Company has set its business goal to enhance its sales and services revenues consistently by emphasizing on the profitability and the increase of its distribution channels especially at the prime locations where consumers in such community have purchasing power and the places are convenience for using the services, not only the increase in number of various shops but also the increase in number of dealers as in order to access more target customers. The Company has improved its service standard to be more satisfied by customers and be competitive to other players. Besides, the Company will build up to be partner with additional well-known mobile phone manufacturers and distributors as well as import more mobile phones from China to distribute under its own brand names in order to be able to obtain quality products with various specifications to serve different customers' needs.

The Company has emphasized more on building up its brand name “TWZ” in order to strengthen its business operation. Therefore, the Company has representative office in Shenzhen, People’s Republic of China to be its center to manage cost and control the quality of products as well as to procure high quality products at the proper cost.

Besides, The Company also expanded its business into real estate development, renewable energy and automotive business. The company will develop all businesses to continue to increase profits for the company in the future.

Industry and Competition

Thailand will step into 5G Network Technology ERA, raise the competitiveness of the Telecommunications industrial sector. over 10 Million Baht investment towards 5G technology from Thai market, will lead to mobile network operators (operators) accelerate the expansion of the 5G users base through encouraging consumers to use smartphones that support 5G internet by some factors, such as the functionality factors of smartphones and applications. At present, the price of 5G smartphones has dropped, which will tend to make consumers more purchasing decisions. Operators also released 5G Packages to persuade consumers to apply for 5G software packages, which requires a compatible Smartphone to reach the performance of data speeds in 5G Technologies at speeds of 1,000Mbps or more, which will see more results and responsiveness.

Besides smartphone manufacturers, each brands of Smartphone will gradually launch new models that support 5G Frequency. In addition, 3G and 4G Smartphone market continues to expand. Due to COVID-19 outbreak, Thai government has continuously released measures to remedy the affected people, come out Projects: KHON LA KHRUENG, RAO CHANA, and RAO MAI THING KUN by working with wallets app “PAO TANG” which results in the group of people using the feature phones must turn to use smartphones that are not very expensive which can support above applications.

In the 5G era, Internet of Things (IOT) technology products have gradually developed. Both smart homes and smart devices have begun or have played a role in our daily lives. For example, IP cameras, robots and vacuum cleaners of smart home products that need to be controlled by smart phones.

Nowadays, smartphone applications are also active in the automotive sector. The application of smart phone programs in the automotive business has also become active. Many car brands have developed mobile phone applications with car maintenance and car control functions to build their own car brands’ selling points to compete in the market, as well as the growing trend of electric vehicles. Electric vehicles are likely to replace fuel vehicles in the future. In addition to it is environmentally friendly not emitting pollution, and reduces fuel consumption. Cheaper maintenance costs due to the fewer auto parts and based on the state's policy on electric vehicles, have always been promoted, such as the policy to produce electric vehicles in Thailand, as well as the likelihood that by 2030 it will drive the use of electric vehicles by 30%, exemption of corporate income taxes and excise duty reductions for BOI-promoted electric vehicle manufacturers. This will all have a positive impact on the development and growth opportunities of the electric vehicle business in the future.

The major players in the mobile phone distribution industry can be divided in 4 groups as follows:

1. Affiliated Dealer of Mobile Phone Service Operator

The 3 major mobile phone service operators in Thailand is AIS DTAC and True distribute their mobile phones SIM cards, Top-up Service and accessories through their affiliated shops which are shops managed by the operators themselves as well as shops under their franchising systems. These shops have clear and systematic management, after sales services and marketing strategies which determined by the mobile phone service operators. They always get useful news and information for supporting their sales and services. Besides, they always have been supported for their business operations and marketing promotions which enable them to be reliable and trusted by the customers.

2. Distributor / Dealer

The entrepreneurs in this group are appointed directly by foreign mobile phone manufacturers. Their main focuses are selling mobile phone for wholesale. Pricing and marketing policies are jointly determined between manufacturer and the distributor. The distributors purchase mobile phones directly from the manufacturers and sell through their dealers or general retail stores.

3. Dealer with its own retail shop / retail chain store

The entrepreneurs in this group are directly appointed as dealer by the foreign mobile phone manufacturer but focusing on selling through their own retail shops and selling points. At their own shops to serve all target group of customers while sell some of their products to other distributors also. The players of this group understand customers' needs and behaviors as they have to contact directly with both manufacturers and customers which enable them to be more adaptable to the fast change of the industry.

4. Retail Store

These retail stores employ small amount of investment and there is no management system and after sales services. The owner of the shop deals with customer himself, thus, the price is negotiable. The competition among the players in this group is only focusing on the price. Therefore, the credibility of this group is less than others.

Competitive Advantages

TWZ has competitive advantages as the Company plays a major role in mobile phone distribution industry which are:

1. The Company is affiliated dealer of the major mobile phone operator, AIS, by granted franchising to open 21 branches. TWZ has most Telewiz shops in Bangkok. The Company to have good relationship and always get strong support from AIS.
2. The Company is the distributor of mobile phones "TWZ" which the Company has imported such products from China to distribute under its own brand names. Such products are cheaper and provide various functions and they can serve all consumers' requirements. Besides, the group are directly appointed as dealer by the foreign mobile phone manufacturer. The Company also purchases from other distributors in Thailand. Therefore, the Company has variety of products and also be able to control cost more efficiency.
3. The Company has its own retail shops which are 2 TWZ Shops all located at prime areas.

With a network of distributors that covering areas of the country including quality after-sales service centers that can provide support both Distributors and Consumers. It's makes overall trust and confidence on products of TWZ Smartphone. Consequently, the Company has the potential to compete with other operators as well.

Risk Factors

1. Risk associated with the termination of franchise contract with Advance Info Service Plc.

The Company granted Telewiz franchise from Advance Info Service Plc. (“AIS”) which could be terminated if any events that violate the terms and conditions of the contract occur or either party may terminate this contract by giving written notice 60 days prior the termination date to the other party. At present, there are 21 Telewiz shops, AIS Shop and AIS Buddy under TWZ management. Therefore, the revenues of the Company might decrease if the contract is terminated. But due to the prime locations of the Company’s is able to operate these shops in form of TWZ shop if the termination of contract occurs.

The Company’s business consistently supports AIS’s business as it sells only SIM card and top up mobile of AIS network. The Company has most Telewiz shops in Bangkok. Therefore, the management believes that there is a minimal chance that the contract will be terminated and the Company’s business will be consistently supported by AIS.

2. Risk from depending on major distributors

Each distributor obtains the exclusive right to sell specific products/ models, therefore, to have variety of products, the Company has to purchase from various distributors. However, the decision to purchase from any distributor depends on the popularity of the products/ models of each period, discount and other sales promotions provided by each distributor.

The Company realizes the risk from depending on major distributors; therefore, the Company still maintains its relationship with other suppliers by diversifying its purchase to other distributors. Besides, the Company is the distributor of its own brand names “TWZ”. As a result, the Company has up-to-date products which can serve customers’ needs as well as decrease the dependence from major distributors.

3. Risk from Foreign Exchange Rate

The Company imported some mobile phones and accessories by paying in foreign currencies, thus, the Company might have the currency exchange risk. Therefore, the Company has followed exchange rate movement closely. The Company also has a policy to purchase forward contract to cover the exposure of foreign purchasing based on the situation as well as the appropriateness in order to mitigate the risk from foreign exchange rate that may occur.

4. Risk from product obsolescence

Mobile phone is the fast-paced technological change product, thus, the manufacturer has to consistently develop new models to serve customers’ need. Therefore, the Company might encounter problems with the inventory management for the out of dated models which the Company could not sell and eventually has to decrease the price to compete with new models.

As the Company’s management is in the mobile phone distribution industry more than 20 years, they understand thoroughly of the mobile phone industry. They realize the importance of carefully product selection of each brand/model to sell. Moreover, the Company consistently surveys opinions and needs of both distributors and dealers. Meanwhile, the Company obtains information about the new mobile phone model, new technology of mobile phone from well-known mobile phone manufacturers which enable the Company to be able to select products that are needed. Besides, the

Company has the efficient inventory management by establishing inventory online system which linked to all the Company's branches in order to be able to check each branch's stock. The Company also has distribution channels through its dealers; therefore, the Company can sell the products very fast before they are out-of-dated. Moreover, if its mobile phone manufacturers as well as major distributors who appoint the Company to be their dealers decrease their selling prices in order to be competitive in the market, the Company will be compensated the price change of each model in accordance with the condition that agreed with those manufactures and/or distributors.

5. Risk from competition

The fast growing of mobile phone and accessory distribution business Especially the growth of smart phones, therefore, mobile phone can be purchased from any sources, not only from operators. Thus, there are new players, who mostly are small retailers, participating in mobile phone business which will increase the competition especially the price competition in the industry.

The Company is the affiliated dealer of AIS who is the largest mobile phone operator, has various products to serve customers and has covered distribution channels as all the Company's retail shops located at the prime area over Bangkok and has dealers over the country. Besides, the Company has quality one-stop service centers, which are able to support all the Company's products and enable the Company to make consistently services revenues. As the Company's management understands thoroughly about the mobile phone industry as well as the customers' needs, they are able to solve all the problems very quickly. Due to the above reasons, the Company believes that it is ready and capable to compete with other players in the industry.

6. Risk associated with the rental contracts

The Company distributes its products to its retail customers via its 23 retail shops located in department stores and super centers; therefore, the Company has to rent the shop area both short term and long term. The Company may have risk of expiration of rental contracts or change in conditions that cause more expenses. Therefore, there is risk for contract extension in the future. However, as the Company is the good business partner with the area owner as well, the probability of this risk is considered low.

Structure of shareholding and subsidiaries

The company has 4 subsidiaries follow :

1. TZ TRADING CO., LTD. : The company invested in a 100% stake. It was registered as a limited company under Thai law on 20 September 2013 to operate as a procurement and distribution of mobile phones and communication devices.

2. PIYACHART CO., LTD. : Is a registered company established as a limited company under Thai law on March 27, 1991, to operate property development business for sale and rent. And Company, holding 100% of the shares by investing on October 1, 2013.

3. GEAR 2 CORPORATION CO., LTD. (GEAR2) : The company invests in a 100% stake. It was registered as a limited company under Thai law on April 5, 2019 in order to operate an investment in the production and distribution of electric power.

The company has 4 indirect holding companies through GEAR 2 follow :

3.1 MITRA CORPORATION CO., LTD. (MITRA) : Indirectly held through Gear2 with a 52.63% shareholding, which established a limited company under Thai law on January 9, 2019, to invest in the production and distribution of electric power.

3.2 TANG CORPORATION CO., LTD. : Indirectly held through MITRA with a 99% stake. Registered a limited company under Thai law on 25 August 2017 in order to operate community waste and industrial waste, which is expected to start earning from waste separation since Year 2020 onwards.

3.3 K.B.M. CONSTRUCTION CO., LTD. (KBM) : Indirectly held through MITRA with a 99% shareholding, which established a limited company under Thai law on December 24, 2012, to invest in the production and distribution of electric power.

3.4 PG&C 5714 CO., LTD : Indirect holding via MITRA with 49% shareholding and indirect holding through KBM Holding 50% shareholding, a total of 99% shareholding, which established a limited company under Thai law on November 6, 2015 to engage in the business of producing and distributing electric power. Currently, there is a power purchase agreement with the Provincial Electricity Authority. Expected to start commercial operation from 2020 onwards.

4. ELECTRA MOTIVE CO., LTD. (ELME) : The company invests in a 100% stake. It was registered as a limited company under Thai law on February 19, 2020 in order to operate an investment in the motor vehicle sales.

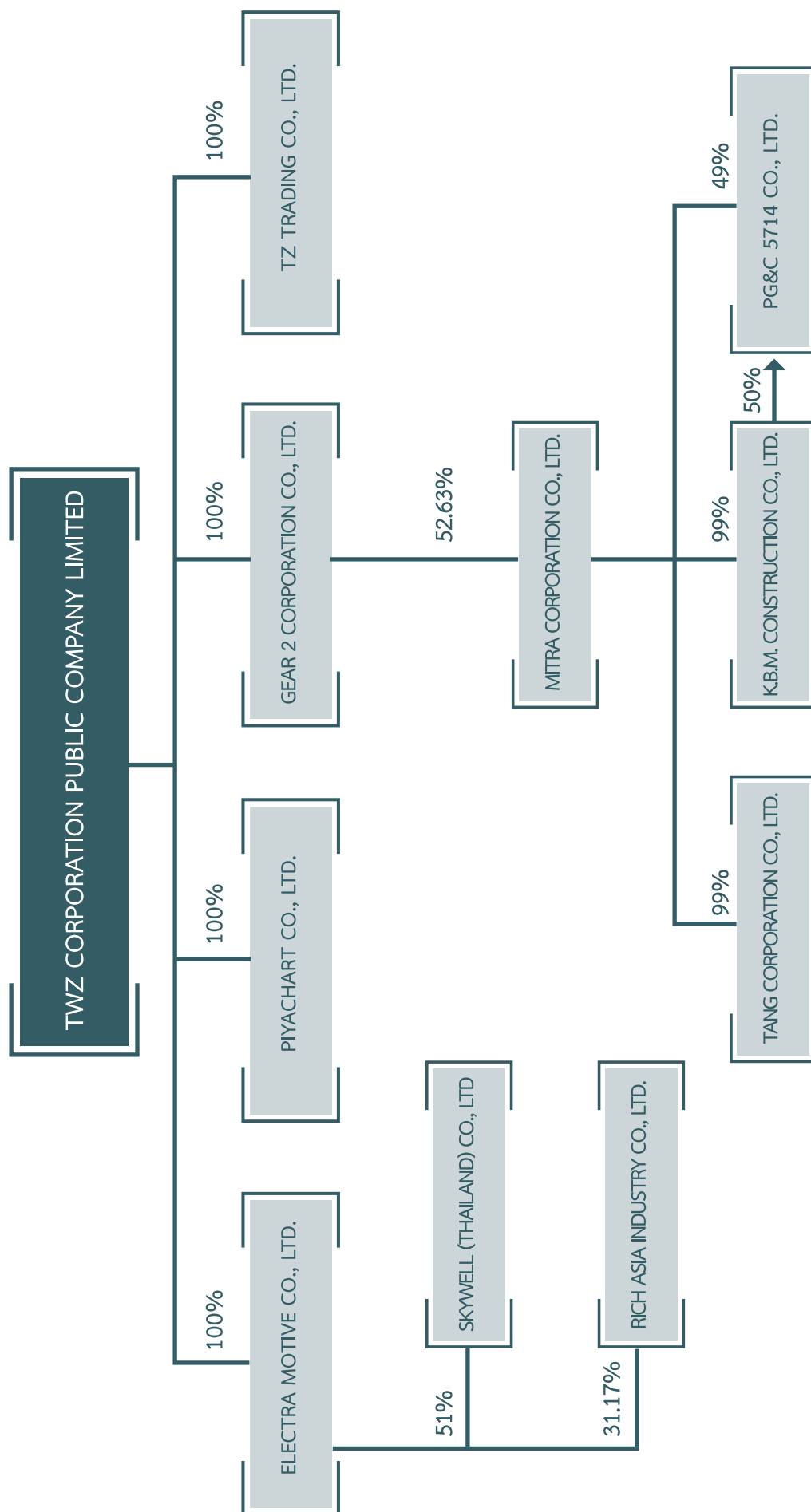
The company has 4 indirect holding companies through ELME follow:

4.1 SKYWELL (THAILAND) CO., LTD (SKY-TH) : Indirectly held through ELME with a 51% shareholding, which established a limited company under Thai law at July 4, 2020, to invest in the automotive trading.

4.2 RICH ASIA INDUSTRY CO., LTD. (RAI) : Indirectly held through ELME with a 31.17% shareholding, By paying for the shares at the rate of 25% of the capital increase share value. Already on June 30, 2020, amounting to 50 million baht and completed the share transfer on 8 July 2020 to operate the business of importing parts and assembling electric vehicles under Board of Investment's resolution. Which are recognized as investments in associated.

Structure of shareholding and subsidiaries

As of 31 December 2019



Note: * RICH ASIA INDUSTRY CO., LTD. consider it as an investments in an associated.

Shareholders and Management

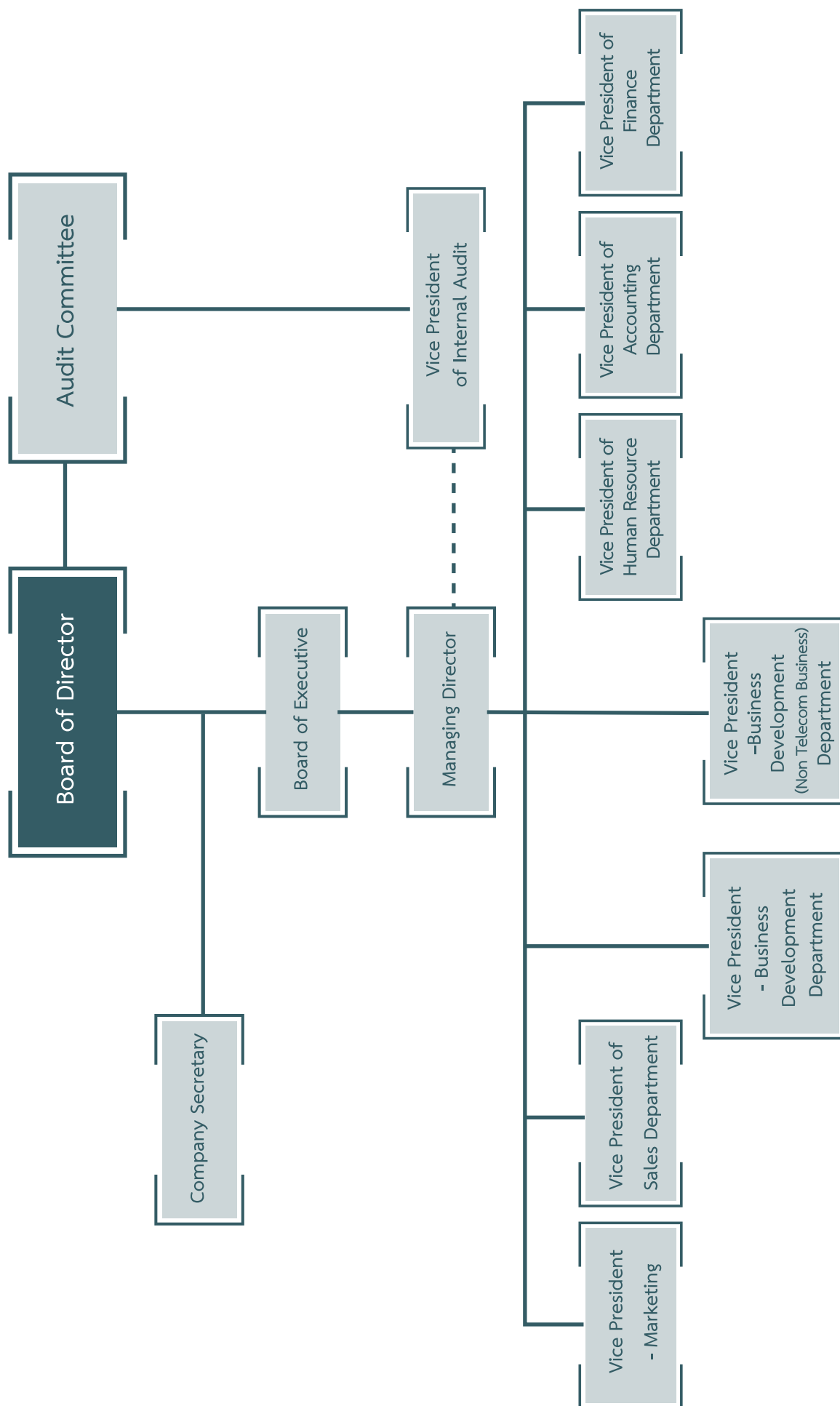
List of top 10 major shareholders as of the book closing date on January 12, 2021

Name of Shareholders		On January 12, 2021	
		No. of shares	%
1. Rungkasiri Group			
Mr. Puttachat Rungkasiri		1,141,428,571	11.52
Miss Nuttanuj Rungkasiri		470,049,498	4.74
Total Rungkasiri Group		1,611,478,069	16.27
2. Miss DUJDUEAN WARIN		394,382,747	3.98
3. Mr. Sippakorn Khaosaard		386,656,000	3.90
4. Mrs. Sasithorn Charnvirakul		251,370,000	2.54
5. Mrs. Petcharat Thongtang		161,000,000	1.63
6. Mrs. Alisa Galassi		110,000,015	1.11
7. Thai NVDR Company Limited		103,173,422	1.04
8. Mr. Smisr Jessadawut		101,382,000	1.02
9. Mr. Jaturon Komolmis		100,000,000	1.01
10. Mrs. Siriporn Tunchaiekkul		89,000,000	0.90

Dividend Policy

The Company's dividend payout policy is at a minimum of 40% of net profit after tax and legal reserve. However, the Board of Directors has the power not to follow the policy or change the policy occasionally under the condition that it has to maximize the benefit of the shareholders such as have to reserve for loan repayment or business expansion or in case that there are any changes of the market conditions which may affect the Company's cash flows in the future.

Organization Structure



Management Structure

The Company's director's structure comprises of 3 groups of directors, which are Board of Director, Executive Committee and Audit Committee. The details are as follows:

(1) Board of Directors

As of December 31, 2020 the Company's Board of Directors consists of 7 persons as shown in the list as follows:

Name-Lastname		Position
1. Mr. Puttachat	Rungkasiri	Chairman
2. Mr. Kittipong	Kittipassorn	Director and Deputy Managing Director
3. Asst. Prof. Dr.	Tippakorn	Director and Authorized Director
4. Miss Kaikae	Cherdvisavapan	Director and Authorized Director
5. Assoc. Pachara	Pacharavnich	Independent Director and Chairman of Audit Committee
6. Mr. Bandal	Udol	Independent Director and Member of Audit Committee
7. Mr. Phongcharn	Samphaongern	Independent Director and Member of Audit Committee

Miss Nalineee Pratubsorn is the secretary of Company.

Note : General Dr. Surapan Poomkaew resigned as director on 1 June 2020 and appoint Mr. Phongcharn Samphaongern as director on 14 August 2020.

Authorized Directors

The authorized directors are Mr. Kittipong Kittipassorn jointly with Miss Kaikae Cherdvisavapan or Asst. Prof. Dr. Tippakorn Rungkasiri, totally two authorized persons, to sign on behalf of the Company with the Company's seal affixed.

Company Secretary

The Board has appointed Miss Nalineee Pratubsorn, Vice President – Human Resource Department to the position Company Secretary on November 13, 2014 has a duty of care to the company compliance with laws and regulations related to the company and to adhere to the principles of good corporate governance as follows.

1. To adhere to good corporate governance.
2. To plan meetings and propose relevant agenda
3. To manage the Board of Directors' meeting And meeting notes in accordance with the rules and best practices.
4. To administer the Shareholders' meeting in line within the legal framework
5. To give advises on legal matters, Public Companies Act and all other rules and regulations of listed companies, the Company's affidavits aiming at full compliance with relevant laws
6. Become a contact point providing information to Directors and third parties
7. All matters concerning the Company's registrar and related document in safe keeping

Scope of Authority and Duty of the Board of Directors

1. To honestly manage the Company in accordance with the laws, objectives and articles of associations as well as resolutions of Shareholders' Meeting and to take precautions in order to protect the Company's benefits.
2. To authorize an appointment a set of directors as Executive Committee to execute one or several tasks in order to implement the work assigned by the Board of Directors as well as to authorize an appointment the Chairman of Executive Committee together with other committee such as Audit Committee, Nomination and Remuneration Committee as deemed appropriate.

3. To determine business goal, guideline, policy, plan and budget of the Company and monitor and ensure that the administration of the Executive Committee or the assigned person shall be according to the policy that set by the Board of Directors.
4. To consider, review and approve the policy, direction, strategy, business plan, annual budget, expenditure budget and project investment that proposed by the Executive Committee.
5. To consistently follow up the performance according to the policy and budget that have been set.
6. To consider and approve other related material matters or any appropriate actions that benefit to the Company.

Except for the following tasks which can be implemented only obtain the approvals from Shareholders' Meeting. Any directors or related persons who might be involved with either conflict of interest transaction or beneficial conflict transaction with the Company or its subsidiaries shall not be granted the right to vote in that matter.

- (a) Matters stipulated by Laws must be obtained the resolutions from Shareholders' Meeting.
- (b) Transactions that any directors are involved with either conflict of interest or any other beneficial conflicts particularly stated by the Laws or regulations of the Stock Exchange of Thailand must be obtained the resolutions from Shareholders' Meeting.

The execution of the following matters must be approved by the Board of Directors and the Shareholders' Meeting with the votes not less than 3 over 4 of total votes of the eligible shareholders present in the meeting.

- (a) To sale or transfer all or major parts of the Company's business.
- (b) To purchase or acquire of other company or other private company
- (c) To make, amend or terminate the contract related to the rent of all or some major parts of the Company's business. The appointment of other person who will manage the Company's business or the merging with other person in order to share profit and loss.
- (d) To amend the Memorandum of Associations or the Articles of Associations.
- (e) To increase or decrease capital, to issue debenture, to merge or to terminate the business.

(2) Executive Committee

The Company's Executive Committee comprised of 3 persons as follows:

Name-Lastname	Position
1. Mr. Kittipong Kittipassorn	Chairman of Executive Committee
2. Asst. Prof. Dr. Tippakorn Rungkasiri	Executive Committee
3. Miss Kaikae Cherdvisavapan	Executive Committee

Scope of Authority and Duty of the Executive Committee

The Executive Committee is assigned by the Board of Directors to be authorized to perform the following tasks for the Company.

1. To honestly manage the Company in accordance with the laws, objectives, articles of associations, resolutions of Shareholders' Meeting and resolutions of the Board of Directors' Meeting and to take precaution to protect the Company's benefits.
2. To determine organization structure, authority table and to ensure the coverage of details in terms of selection, training, recruitment, reshuffle and dismissal of the Company's personnel.

3. To plan and determine the business plan, business strategies and annual budget and propose to the Board of Directors for approval. Also, to consider and approve the allocation of annual budget, to amend, adjust, or increase annual expense budget in case of urgent needs and present to the Board of Directors accordingly.
4. To audit and monitor the Company's business operation, policy, and administrative guidance in a manner that is compatible to business situation.
5. To audit and to monitor in order to ensure that the company is operated in accordance with the approved business plans.
6. To authorize and approve the following financial implementations:
 - (1) The Executive Committee is entitled to approve unlimited financial amount in case that such implementation is stated in the business plan or annual budget.
 - (2) If not stated in documents mentioned in (1), the Executive Committee is entitled to approve an amount not exceeding Baht 40 million. Such approval shall include the approval on the expense occurred from general operations, investment on capital assets or fixed assets, borrowing, obtaining credit line including provision of guarantee, etc. and inform the Board of Directors for the acknowledgement accordingly.
7. To implement other tasks as periodically instructed by the Board of Directors.

Such assignment will not entitle the Chairman of the Executive Committee or the Executive Committee to approve on any matters that might be conflicts of interest to themselves or other party or matters that may cause any beneficial conflict whatsoever with the Company.

(3) The Audit Committee

The Company's Audit Committee comprised of 3 persons as follows:

Name-Lastname	Position
1. Assoc. Pachara Pacharavanich	Chairman of Audit Committee (Has knowledge and experience in financial statements review)
2. Mr. Bandal Udol	Member of Audit Committee
3. Mr. Phongcham Samphaongern	Member of Audit Committee

Scope of Authority and Duty of the Audit Committee

1. To ensure that the Company has accurately and adequately disclosed its financial statements to public by cooperating with auditor and in charge executives to prepare financial reports quarterly and annually by reviewing the financial statements, related financial reports, accounting policy, accounting standard, the existence of the Company, the major change in accounting policy as well as the management's opinion on the accounting policy determination prior to present to the Board of Directors and eventually disclose to shareholders and general investors. The Audit Committee may suggest the auditor to examine or investigate any matters considered to be necessary and important during the auditing period.
2. To ensure that there are suitable and effective internal control and auditing system in the company by co – auditing with external auditor and internal auditor (if any). To determine and review the Company's audit plan and to evaluate the audit result with the auditor and internal auditor (if any) regarding any problems or limitations arise during the financial statements auditing. To determine and control on the electronic data processing as well as the security of the information in order to protect the fraud or misuse the computer by the Company's employees or external persons.

3. To ensure that the company is operated in accordance with Laws governing Securities and Exchange, the regulations of the Stock exchange of Thailand and the laws pertaining to the business of the Company.
4. To select and make suggestions regarding the appointment of the Company's auditor together with the audit fee by taking into consideration the credibility, personnel sufficiency, work load of auditing firm as well as experience of the personnel to be appointed as the Company's auditor.
5. To consider and approve any connected transaction and/or any acquisition or disposal of the Company's assets as well as consider the disclosure of the information should there be any connected transactions or any conflict of interest transactions to be accurate and complete. In addition, to approve such transactions in order to propose to Board of Directors' meeting and/or shareholders' meeting as stipulated under the laws or related regulations of the Stock Exchange of Thailand.
6. To conduct other tasks as instructed by the Board of Directors and/or agreed by the Audit Committee, i.e. to make revisions on financial policies and risk management, make revisions on compliance with business ethics, make co – revisions with the Company's directors on important issues which need to be disclosed to public as stated by laws, for instance, report and analysis of the management team.
7. To prepare the Audit Committee report by disclosing on the Company's annual report. The report shall be signed by the Chairman of Audit Committee and should contain following information:
 - Comments on the preparation process and disclosure of information in the Company's financial statements regarding the accuracy and reliability.
 - Comments on the sufficiency of the Company's internal control system.
 - Reasons to believe that the Company's auditor is appropriate to be re-appointed for another term.
 - Comments on the compliance with Laws governing Securities and Exchange, the regulations of the Stock Exchange of Thailand and the laws related to the Company's business.
 - Report on other matters that shareholders and investors should be concerned within a scope of duties and responsibilities appointed by the Board of Directors.
8. To evaluate the Audit Committee's performance.
9. To perform any matters, which stipulated under the laws governing Securities and Exchange and/or regulations of the Stock Exchange of Thailand.

(4) Executives

As of December 31, 2019 the Company's executives comprised of 4 persons as follows:

Name-Lastname		Position
Mr. Kittipong	Kittipassorn	Deputy Managing Director
		Acting Managing Director
		Acting Vice President - Marketing Department
Miss Nalinee	Pratuborn	Vice President – Human Resource Department
Miss Ratchanok	Supanit	Assistant Vice President – Accounting and Finance Department
		Acting Vice President – Accounting and Finance Department
Mr.Thanachit	Dechpongprom	Assistant Vice President - Sales Department
		Acting Vice President - Sales Department

Note: - Miss Ratchanok Supanit resigned as Assistant Vice President – Accounting and Finance Department on 31 January 2021.

- Mr. Sakon Pawitranon as Vice President –Business Development Department effective from January 26, 2021.
- Miss Siriporn Rattanaummuaysiri as Assistant Vice President – Finance Department and Acting Vice President – Finance Department effective from February 26, 2021.
- Miss Ponpun Rungroj as Assistant Vice President – Accounting Department and Acting Vice President – Accounting Department effective from February 26, 2021.
- Mr. Nuttachai Charoenkajonkul as Vice President – Business Development (Non Telecom Business) Department effective from March 1, 2021.

Scope of Authority and Duty of the Managing Director

1. To manage and supervise general administration of the Company.
2. To perform as assigned by the Board of Directors in accordance with the Company's regulations and articles of associations.
3. To have the power to employ, transfer, remove, expel, determine wage rates, give gratuities and rewards, raise salaries, considerations, and bonuses for all employees except the executives.
4. To authorize an approval on the overall purchase and the expenditure which not exceeding Baht 30 million on general matters as stated in the Company's Authority Table.
5. To authorize the issuance of instructions, regulations, announcements, memorandums so that the Company is operated in compliance with the policy and for the Company's interest as well as for the discipline of the organization.
6. To have the power to represent the Company to deal with external individual for any related business that is useful to the Company.
7. To have the power to appoint advisor in various fields that are necessary for the Company's business.
8. To implement other tasks as periodically instructed by the Board of Directors or the Executive Committee

Managing Director is not entitled to approve any matters that might be a conflict of interest transaction or conflicts to related party or may cause any beneficial conflicts whatsoever with the Company or subsidiaries.

Selection of the directors

The directors shall be elected by shareholders' meeting as at the shareholders' meeting will select the directors under the procedures stated in the Company's articles of associations that can be summarized as follows:

1. The Board of Directors consists of at least 5 persons wherein the directors not less than half of the number of total directors must be domiciled in the Kingdom and they shall have qualifications as provided by law.
2. The Shareholders' meeting shall elect directors in accordance with the criteria and procedures as follows:
 - a. Each shareholder shall have one vote per one share.
 - b. Shareholders shall vote to elect each individual director.
 - c. The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the directors positions are filled. Where the votes

case for candidates in descending order are tied, which would otherwise cause the number of directors to be exceed, the chairman of the meeting shall make the final decision.

3. At every annual general meeting, one-third of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire. The directors that must retire from office within the first and second year after the listed of the Company shall be selected by casting lots. In subsequent years, the director who has held office longest shall retire. The directors who retire from the position may be re-elected.
4. Any directors who want to resign from the office have to submit the resignation letter to the Company and shall be effective on the date the resignation letter reached the Company.
5. The shareholders' meeting may pass a resolution removing any director from office prior to retirement as a result of the expiration of the director's term of office, by a vote of not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

Selection of independence directors

The Company's Board of Directors shall consider the preliminary qualifications of the persons to be elected as the independence directors by considering according to the qualifications as stated in the Public Limited Companies Acts, the laws governing Securities and Exchange as well as all related announcements, objectives and/or related regulations. The Board of Directors shall consider selecting the independence directors who are capable, experienced and appropriate in all aspects and then propose to the shareholders' meeting for appointment as the Company's Board of directors accordingly.

The definition of the independence of the Company's director is complied with the regulations of the Notification of the Capital Market Supervisory which are as follows:

1. Holding shares not more than 1% of the total shares with voting rights of the Company, its subsidiaries, which shall be inclusive of the shares held by related persons.
2. Not being or having previously been a director who takes part in management, an employee, a staff member or advisor who receives a regular salary, or a controlling person of the Company, its subsidiaries unless the termination of being in such position had occurred at least 2 years before an appointment as the Company's independent director.
3. Not being a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, sibling and child as well as child's spouse, of its executives, its major shareholders, its controlling persons or such other persons who will be nominated to be executives or controlling persons of the Company or its subsidiaries.
4. Having no current or previous business relationship with the Company, its subsidiaries, its major shareholders or its controlling persons which may interfere his /her independent discretion, and not being or having previously been a major shareholder or controlling person of the company which has a business relationship with the Company, its subsidiaries, its major shareholders or its controlling persons, unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.
5. Not being or having previously been an auditor of the Company, its subsidiaries, its major shareholders or its controlling persons and not being a major shareholder or partner of the audit office of the auditor of the Company, its subsidiaries, its major shareholders or its controlling persons unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.
6. Not being or having previously been any professional service provider including legal advisor or financial advisor who receives more than 2 million baht annually from the Company, its subsidiaries, its major shareholders or its

controlling persons and not being a major shareholder, controlling person or partner of such professional service provider unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.

7. Not being a director appointed as a representative of the Company's directors, major shareholder or a shareholder who is related to the Company's major shareholder.
8. Not operating any business which has the same nature and significant in competition with the Company, its subsidiaries or not being a major shareholder in partnership or a director who takes part in the management, an employee, a staff member or advisor who receives a regular salary or holding shares more than 1% of total shares with voting rights of other company who operates same business and significantly competes with the Company and its subsidiaries.
9. Having no characteristics that may affect the giving of independent opinions on the operation of the Company and its subsidiaries. Selection of Audit Committee The Board of Directors shall appoint at least 3 audit committees from independence directors who have qualifications according to the law governing Securities and Exchange including all related announcement, regulations of the Stock Exchange of Thailand regarding the qualifications and scope of duties of the Audit Committee. Besides, at least one of the Audit Committee has to have financial and accounting knowledge. The office term of each committee is 2 years.

Remuneration of Directors and Executives

(1) Monetary Remuneration

Board of Directors' Remuneration

The Company's Board of Directors comprised of 8 persons in 2020, the remunerations of each director were as follows:

Name-Lastname	Position	Remuneration* (Baht)	No. of Attendances	
			Regular	Additional
1. Mr. Puttachat Rungkasiri	Chairman	900,000	4/4	4/4
2. Mr. Kittipong Kittipassorn	Director	160,000	4/4	4/4
3. Asst. Prof. Dr. Tippakorn Rungkasiri	Director	460,000	4/4	4/4
4. Miss Kaikae Cherdvisavapan	Director	440,000	4/4	3/4
5. General Dr. Surapan Poomkaew **	Independent Director and Chairman of Audit Committee	225,000	2/4	-/4
6. Assoc. Pachara Pacharavanich ***	Independent Director and Chairman of Audit Committee	600,000	4/4	4/4
7. Mr. Bandal Udol	Independent Director Member of Audit Committee	460,000	4/4	4/4
8. Mr.Phongcharn Samphaongern	Independent Director and Member of Audit Committee	194,516	2/4	2/4
Total		3,439,516		

Remark:

* Board of Directors' remuneration consists of meeting allowances and gratuities.

** General Dr. Surapan Poomkaew resigned as Director on 1 June 2020.

*** Assoc. Pachara Pacharavanich appoint as Chairman of Audit Committee on 14 August 2020.

**** Mr.Phongcharn Samphaongern appoint as Independent Director and Member of Audit Committee on 14 August 2020.

According to the resolution of the Annual General Meeting of shareholders No. 1/2020 on August 14, 2020, the shareholders approved the Board of Directors' remuneration for not more than Baht 6 million per year.

Executives' Remuneration

Executives' remunerations in 2019 and 2020 were as follows:

Remuneration	2019		2020	
	No.	Total (Baht)	No.	Total (Baht)
Short term employee benefits	5	8,886,716	5	7,879,847
Post-employment benefits	5	529,628	5	508,174
Total		9,416,344		8,388,021

(2) Other Remunerations

- None -

Corporate Governance

The Company realizes the importance to operate and manage the business in relation to the good corporate governance in a firm and concrete manner. The Company has set the good corporate governance policy in order to increase the transparency of its operation and comply with the principles of good corporate governance for listed companies.

In 2020, the Company implemented the good governance practices following the regulations and the best practice of corporate governance for listed companies. There are five categories as follows:

1. Rights of Shareholders

The Company realizes the importance of the basic shareholder rights by operating as follows:

1. The Company will send an invitation letter with adequate supports for the shareholders in advance. The invitation letter has details and meeting agendas as well as documents related to rules and regulations and opinions from the Board of Directors. The proxy form and the map of the meeting place are also included and the letter notifies shareholders to prepare documents to be shown at the meeting and used when exercising their rights and voting including the Company's Articles of Associations regarding the shareholders meeting. The shareholders can look for information about the meeting rules and agendas on the Company's website before they get the invitation letter. Moreover, the Company will open for advance registration at least two hours before the meeting.
2. Before every meeting, the Chairman of the meeting will explain the voting method and the vote-counting method. The Chairman also informs the meeting the voting result for every agenda.
3. The Chairman of the meeting has to arrange sufficient time for the meeting and manage it properly and transparently. During the meeting, the Chairman will give chances for shareholders to express their opinions and ask questions before voting and concluding the meeting resolution for each agenda.
4. The Company will disclose information to shareholders regularly through the Stock Exchange of Thailand and the Company's website.
5. The Company will provide minor shareholders with access to information directly via electronic mail of the Company's investor relation department.

6. The Company will operate with efficiency in building sustainable growth for the organization and generating appropriate returns for the shareholders.

2. Equitable Treatment of Shareholders

The Company emphasizes on providing fair and equitable treatments for all shareholders as follows:

1. The Company will arrange the shareholders' meeting following the sequence of agendas notified in the invitation letter and having no policy to add more agendas without informing shareholders in advance providing shareholders with enough time to study details and related information in each agenda before making a decision.
2. The Board of Directors encourages the shareholders, who could not attend the meeting, to appoint their power of attorney to attend and vote for them. The Board of Directors will provide an option to shareholders by nominating independent directors for their choice as their proxy and using the proxy form on which the shareholders are able to specify their votes. The Board of Directors encourages the using of voting cards for important agenda items such as related party transactions, acquisition or disposal of significant assets, etc. for the transparency and be able to examine in case there is any argument later.
3. The minute of meeting is to be made precisely before submission to the Stock Exchange of Thailand within 14 days after the meeting which it will also be disclosed via the Company's website.
4. The Company shall outline the measures regarding information security and prevention of insider trading in the Company's corporate governance policy to create fairness for shareholders. Director, executive, employee and staff are prohibited to trade, transfer, accept the Company's share by using the Company's confidential information and/or inside information and/or to enter into any contractual agreement by using the confidential information and/or inside information which may cause any direct or indirect damages to the Company by prohibiting director, executive, employee and staff to trade the Company's shares for a period of 1 month prior to the release of financial statements to the public. This prohibition includes their couples as well as their minor children.

3. Role of stakeholders

The Company realizes the importance of role of stakeholders including shareholders, staff, trading partners, competitors, customers, the community, the society and the environment. Treatments for each stakeholder have been notified clearly in the corporate governance policy which staff at all levels will use it as a guideline of their duties and responsibilities.

- Shareholders : The Company is determined to take responsibility and to satisfy the shareholders by making a sustainable growth and an appropriate return constantly along with transparency in management and reliable accounting system.
- Customers : The Company will ensure customer satisfaction and confidence about quality products and services at reasonable prices. It will build long-term good relationship with customers.
- Trading partners: The Company is concerned about fairness, honesty and mutual benefit with its trading partners. Thus, the trading partners shall strictly comply with related rules and regulations as well as have business ethics.
- Competitors : The Company will follow rules of fair competition.

Staff : The Company considers staff as one of key factors for success. Staff will feel that they have good working environment and friendly corporate culture and this will promote a strong teamwork and staff confidence.

Community and Society : The Company realizes the responsibility to the community and society by considering the growth of the Company together with the development of the community.

4. Disclosure and Transparency

The Board of Directors shall ensure that all relevant information, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently by disclosing through the SET's channel and the Company's website (www.twz.co.th). Such information will be consistently updated so that the investor and related party have sufficient and equal information for the decision.

The material information both financial and non-financial that have to be disclosed are as follows:

1. Annual statements (Form 56-1) and annual report
2. Corporate governance policy and the implementation of the policy
3. A statement of the Board of Directors' responsibilities concerning the Company's financial reports presented alongside the auditor report of the Company's annual report
4. Disclosure of the roles and responsibilities of the Board of Directors and other committees, including the number of the meetings and attendances of each director
5. Disclosure of the remuneration of the Board of Directors and the management

Besides, the Company has set up the Investor Relation unit to communicate and promote useful information to the shareholders, investors, analysts and general public through various channels including analyst meeting, conference call, answer question through phone and the Company's website, etc.

5. Responsibilities of the Board of Directors

The Board of Directors is the key of the Company's good corporate governance practices. The Board of Directors should comprise of those who possess knowledge and experience in the fields related to the Company's business and willing to contribute time for the Company.

Board of Directors' structure

1. The Company's Board of Directors comprise of 7 directors, of which 3 director are the Company's management and the remaining 4 directors are non-management including 3 independent directors according to the Company's Articles of Association which indicated that the Company shall maintain at least 5 directors at all time and the good corporate governance of which at least 1/3 of the entire Board of Directors have to be the independent directors.
2. The Company has clearly set term of service of directors to be in line with the principles of good corporate governance for listed companies and regulations of the SET. At every annual general meeting, one-third of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to 1/3 shall retire.
3. The Company clearly determines the qualifications of the Audit Committee; such qualifications are more restricted than minimum qualifications specified by the SEC and the SET.
4. The Company discloses details of each director in annual statement (Form 56-1) and be able to see the details from the SET's website (www.set.or.th)

5. The Chairman of the Board of Directors and the Managing Director are not the same person and their roles and responsibilities are different. The Board of Directors has clearly determined roles and responsibilities for both the Chairman of the Board and the Managing Director.

The Sub-Committee

To have a careful and efficient consideration on important plans and operation, the Company's Board of Directors appoints sub-committees as follows:

- The Audit Committee is appointed from at least three board directors and at least one among them must be an independent director and have knowledge and expertise on accounting and finance. The Audit Committee must have independence as required by the announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee has a duty to monitor and supervise the Company's operation, financial statements and internal controls. It may also consider the nomination of auditor, consider conflict of interests and manage risks for the Company.
- The Executive Committee is appointed from 3 board directors and has duty and responsibility to screen business plans and financial budgets which, then, will be proposed to the Board of Directors. The Executive Committee will outline the investment policy to suit the Company's major policy. The Committee may work on other tasks as assigned by the Board of Directors.

The Company has not set the Remuneration Committee; however, the Company has set the preliminary consideration procedure for the appropriate remuneration by comparing its remuneration amount with the comparable firms in the same industry together with the Company's performance.

Roles and Responsibilities of the Board of Directors

The Board of Directors shall be responsible for their role in managing for the best interest of the Company. Role, duties and responsibility of the Board of Directors shall comply with legislations, Company's Articles of Association, resolutions of the shareholders' meeting and corporate governance principles. The Board of Directors shall perform with honesty, integrity, responsibility and accountability, along with transparent disclosure of information. It will supervise the management performance to meet the goal, maximize profits for shareholders and also concern about interests of all stakeholders. To enhance the Company's strength and efficiency, the Board of Directors has active roles and duties as follows:

1. To contribute time and emphasize the importance of vision, direction and strategy for the Company by jointly expressing opinions and gathering important information. The Board of Directors will also consider risk factors to make sure that the management is able to implement the Company's business vision, direction and strategy for the highest benefit.
2. To examine and grant approval on the Company's important strategy and policy as well as financial projections and business plans. The Board of Directors will regularly follow up the management to work and implement all action plans initiated to meet the Company's business direction and strategy.
3. To establish the reliable accounting system, financial statements and auditing and pursuing the procedure and assessments of internal controls efficiently and effectively.

4. To examine business risks which may happen in the future and carefully adopt risk management policy. The Board of Directors will supervise the management to arrange the efficient risk-management system and explore new business opportunities arisen from the risks.
5. To examine and solve problems arisen from conflict of interests and connected transactions. The Board of Directors should consider major transactions which will benefit the Company, shareholders and stakeholders the most.
6. To arrange the remuneration system for the Company's executives to create incentives to perform in both short and long term.
7. To evaluate the performance of the Managing Director regularly and proposing remunerations for the Managing Director which is in line with the Company's performance.
8. To provide a channel to communicate with each group of shareholders and to evaluate the information disclosure to ensure that it is accurate, precise, transparent and highly reliable.
9. To have leadership and be a role model by complying with the Company's corporate governance practices.

Board Meetings

1. The Board of Directors shall set its meeting schedule in advance and notify each director of the schedule so that each member of the board can manage time to attend the meetings. In case of emergency, the Company may call for an additional meeting.
2. In 2020, there were 7 meetings of the Board of Directors which was appropriate to the obligations and responsibilities of the Board and nature of the Company.
3. The Chairman of the Board and the Managing Director should set the Board meeting agenda together and ensure that all important issues are already included. Each member of the Board should be free to propose an issue for a meeting agenda.
4. Meeting documents should be sent to each director in advance of the meeting date. The document should be concise, with all relevant information. Any confidential issues should be brought to discuss during the meeting.
5. The Chairman of the Board should appropriately allocate the meeting time for complete management's presentation and comprehensive directors' discussion. The Chairman should encourage careful consideration in the meeting.
6. The Board should have access to additional information, under a prearranged condition, via the managing director, the company secretary or the executive designated as a contact person.
7. Non-executive directors should be able to meet, as necessary, among themselves without management team in order for them to debate their concerns. The meeting outcome should be notified to the Managing Director.

Board Self –Assessment

1. The Board of Directors conducts the Board self-assessment annually to discuss and consider the performance and problem for further improvement. The topics of the self-assessment are clearly defined in order to be benchmark for performance comparing.
2. The Board of Directors assesses the performance of the Board as a whole and on individual basis, such assessment shall be performed cautiously and carefully.

Remuneration

1. Board of Directors' remuneration is comparable to the industry level in which the Company operates; reflect experience, obligations, scope of work, accountability and responsibilities and contributions of each director.

2. Remuneration of the Executive Committee, the Chairman of the Executive Committee, Managing Director and top executives are in accordance with the principle and policy as specified by the Board of Directors. For the best interest of the Company, executives' salaries, bonuses, and other long-term compensation should correspond to the Company's performance and that of each executive.

Board of Directors and Executives Training

1. The Board of Directors encourages and facilitates training for all internal parties related to corporate governance such as directors, members of the Audit Committee, executives, the secretary of the Board, internal audit department, SET's coordinator, etc. Training will enable them to continuously improve their performances.
2. New directors shall be provided with all documents and useful information to perform their duties. Introduction to the nature of the business and the operations of the company is necessary.
3. The Board of Directors shall establish a development program for the Executives. The Managing Director and the Executives shall report to the Board in relation to the operation result during each quarter for operation achievement according to the target and objective of the Company.

Personnel

Number of Staff

As at December 31, 2020, the total staffs of the Company classified by each department are as follows:

Department	No. of Staffs
Administration	7
Internal Control Department	2
Human Resource Department	7
Marketing and Business Development Department	12
Accounting and Finance Department	24
Sales and After Sales Services Department	297
Total	349

Staff Remuneration

(1) Monetary Remuneration

Staff remunerations (exclude executives remuneration) in 2019 and 2020 were as follows:

Type of Remuneration	2019 (Baht)	2020 (Baht)
Short term employee benefits	123,632,965	104,776,251
Post-employment benefits	3,485,202	1,811,091
Total	127,118,167	106,587,342

(2) Other Remuneration

- None -

Human Resources Development Policy

The Company supports and provides opportunities to all levels of employees to obtain additional knowledge and capability in order to be suitable with their positions and assigned duties as well as for the Company's and their own developments in the future by consistently arrange training which can be divided into 2 types as follows:

1. Internal Training which is trained by the supervisor or invite speaker in related business to share his knowledge, experience and give advises so that the staff can be able to apply the knowledge with his duty and responsibility. The inside training normally is arranged once in 1-3 months.
2. External Training which is held by the product owners such as AIS in order to educate the Company's staff to understand their products and services. The Company also provides other trainings to increase its staff efficiency when appropriate.

Internal Control

At the Board of Director's Meeting No. 1/2021 on February 25, 2021, the Board of Directors together with the Audit Committee had considered and assessed the sufficiency of the Company's internal control for five main areas as follows:

1. Organizational Control and Environmental measure
2. Risk Management Measure
3. Management Control Activities
4. International and Communication Measure
5. Monitoring

From the above assessment, the Board of Directors viewed that the Company has sufficient and proper internal control system of five main areas including the adequate internal control system on transaction done with the major shareholders, directors, executives or related persons. Besides, the Board of Directors encourages and supports the management to keep improving the quality on internal control system in order to obtain the Good Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY

Social Responsibility Policy

The company was aware of the importance of being part of Thailand and social responsibility in every of activities to the community, suppliers, partners, customers and employees. By adhering treated with fairness and not cause impact or burden on society includes not contrary to morals and laws.

The operations with fairness.

The company has a policy of purchasing products to sell from suppliers who operate their businesses legally. A product that does not infringe intellectual property rights of others. These include the product quality inspection from the manufacturers. The Company's policy is asked to visit an establishment or producing factory before making a purchase. Moreover the Company had to check the quality of the product again before being sold to customers to ensure that such products qualified established quality and not be dangerous to customers or users.

For the sale of the company, the company supports the competition is liberalization and fairness to all parties. No monopoly, or assign a partner to sell only products of the company. Wholesale pricing to dealers as to the criteria standards under the same conditions for each partner such as the volume of orders, payment history, etc. And retail pricing to the retail customer, it is compliant prices all the same. Moreover the Company does not support to acquire of competitor information illegally or against the good morals as well.

Anti-corruption.

The Company defines the policy against corruption, bribery, graft and corruption with all levels of employees, which clarified understanding in this matter with the staff regularly. And impose sanctions for employees who violate are strictly prohibited. The management of the company has attended the training. Anti-Corruption: The Practical Guide (ACPG) to clearly define policies and to counteract corporate fraud.

Respect for Human Rights.

The Company to respect human rights and freedom of employees at all levels. Do not block the expression of rights and freedom of employees to join any organization, group or association as action properly under the law. And provide opportunities for employees to exercise their right to vacations for participates the rights and freedom of expression. This must be done for the benefit of society or publicly. The companies are committed to respecting the privacy rights of employees by will not disclose the personal information of employees, such as family history, personal medical history, salary etc. to a third party or unrelated individuals, except with the permission of the employee or pursuant to law.

To treats labor fairly.

The company recognizes the value of collaboration in duty personnel for the company. It is important to strengthen potential, knowledge and competencies of employees. Also build moral and encouragement to perform equally.

The company also has welfare, health care and safety in the working to employees under the laws. Including care employees in the workplace, working environment, equipment, facilities needed to perform for aim to employees, a pleasure to work with the company. In addition to basic welfare, the company also provides additional benefits to

employees, such as the Free Lunch Program to encourage employees to have the opportunity to learn together interchangeable, apart from the normal practice. It also helps ease the burden of the cost of the livelihood of the employees another way.

For the development of knowledge and skills of employees. The company has provided training to employees within the organization to continually as appropriate and necessary to strengthen their capacity to live together in society and attitudes of employees, which will be helpful to development yourself, company and society.

Responsible to consumers.

The Company recognizes the importance of accountability to consumers is a key factor in business. Its products are sold to consumers through the quality inspection of the manufacturer, verified and authorized by the relevant governmental agencies and pass the quality check again before delivery to the consumer. Moreover the Company has a policy to guarantee the quality of all items by product type, under the terms and conditions set forth to give consumers confidence and security in the use of products.

Environment conservation.

The company has instilled employees to participate in saving the environment with the project within the organization such as water saving campaign together, saving electricity use at work, the paper is then recycled (Reuse) and project off the air conditioner 10 minutes before lunch etc.. Addition to the campaign within the organization, the company with a focus on saving the environment from products that may cause harm if not rid properly such as Project of leave the old battery at branches of company by customers or the public dispose of old batteries that are not used within a container prepared and the company will collect old batteries to a company with expertise in such matters was operated next.

Connected Transactions

The subsidiaries have entered into transactions with related company in 2020 were as follows:

Related parties	Relationship	Details	Transaction Value (Million Baht)	Necessity and Reasonableness
Sutee Holding Company Limited	Former shareholders of Mitra Corporation Limited	Loan agreement, 1.5% per year interest, and repayable on called.	69.51	To invest in machinery and proceed to make the generating and selling electricity that the Company invests can implement as projects planned.

Connected Transaction Approval Procedure

The Company has set a procedure to enter into any connected transactions with any related persons that the executives and the related persons shall not participate for the approval for any mentioned transactions. The Company shall arrange the Audit committee to provide the comment on the necessity, reasonableness, and price appropriateness of the transaction by stating the conditions to be in accordance with the normal business operation at the market price and be comparable to others. In case that the Audit Committee has no expertise to review such connected transaction, the Company will hire an independent expert or auditor to express the opinion for the

transaction occurred in order to use for further consideration at the Board of Directors' meeting or shareholder's meeting. In addition, the Company will disclose the connected transaction in the notes of the financial statements audited by the Company's auditor.

Additionally, the Board of Directors has to ensure that the Company abides by the laws governing Securities and Exchange and rules, announcement, declaration and regulations of the Stock Exchange of Thailand concerning the information disclosure of the connected transaction as well as the acquisition and disposal of the assets according to the accounting standard set by the Federation of Accounting Profession.

Policy for Future Connected Transaction

In the future, the Company might borrow short-term loan from its related persons in case of any urgent or necessity matters. If there are other connected transactions in the future, the Company will follow the procedure that has been set in the Connected Transaction Approval Procedure.

Management Discussion and Analysis

Revenues

In 2020, the company and its subsidiaries had total revenue Baht 3,302.38 million, decreased from Baht 3,788.81 million in the same period which was Baht 486.43 million or equivalent to increase of 5.30%, as follows

- Revenues from sales and services. The company and its subsidiary's has revenues from sales and services was Baht 3,247.54 million for the year 2020 decreased from Baht 3,697.10 million of the same period last year which was Baht 449.56 million or equivalent to the decrease of 12.16%. Because in the year 2020, the company was hit by the Covid-19 epidemic, resulting in lower sales revenues.
- Sales support income was Baht 28.96 million decreased from Baht 39.91 million of the same period last year which was Baht 10.95 million or equivalent to the decrease of 27.44%. Because the company has arranged marketing activities in order to accelerate the distribution of mobile phones and accessories therefore has received the support of sale from the supplier.
- Others income was Baht 25.88 million which was 0.78% of Total revenue decreased from Baht 51.80 million of the same period last year which was Baht 25.92 million or equivalent to the decrease of 50.04%. Because the Company gained from the sale of investment in Gear Corporation Limited and also has other income from the gain from the fair value adjustment of classify assets from property development projects for rent under financial leases to investment properties, Gain from foreign exchange rates, Interest income from fixed deposits, and interest income under financial lease agreements.

Cost of Goods Sold

Cost of sales and services was Baht 2,953.99 million decreased from Baht 3,359.45 million of the same period last year. Since the year 2020, the Company and its subsidiaries distribute products at a reduced value from the previous year.

Distribution Costs and Administration Expenses

- Distribution costs was Baht 69.25 million decreased from Baht 89.94 million of the same period last year. The company has Distribution costs to total revenue was 1.92% and 2.37% in 2020 and 2019 respectively.
- Administrative expenses was Baht 142.54 million decreased from Baht 169.44 million of the same period last year, which was Baht 26.90 million or equivalent to the decrease of 15.88%. Because the Company and its subsidiaries can manage the expenses efficiently.

Finance Cost

Finance cost was Baht 147.77 million increased from Baht 112.73 million of the same period last year. which was Baht 35.04 million or equivalent to the increase of 31.08%, Which is the result of borrowing in the normal operation of the company.

Performance

An amount of net loss was approximately Baht 8.70 million which was deducted by a deficit of non-controlling interests at Baht 1.20 million Accordingly total net loss was Baht 7.50 million. A number of year-over-year decrease was around Baht 43.91 million was Baht 51.41 million because the operating result as described above.

Financial Status

An amount of net loss was approximately Baht 8.70 million which was deducted by a deficit of non-controlling interests at Baht 1.20 million Accordingly total net loss was Baht 7.50 million. A number of year-over-year decrease was around Baht 43.91 million was Baht 51.41 million because the operating result as described above.

(a) Assets

The total assets of the Company in 2020 were Baht 5,758.67 million increased from Baht 5,436.52 million of the same period last year which was Baht 322.15 million or equivalent to the increase of 5.93%. The Company's total assets at the end of year 2020 consisted of current assets with the portion of 82.57 % and non-current assets with the portion of 17.43%. The Company's major assets were summarized as follows:

Trade and other receivables

Accounts receivable of the Company were Baht 1,734.02 million increases from Baht 1,583.06 million of the same period last year which was Baht 150.96 million or equivalent to the increase 9.54%. The Company's trade receivables increased due to the Company's Earn more from sales and services by giving customers more credit. To assist customers from the effects of the Covid-19 epidemic for other receivables, most of their operations consist of Advance payment for goods Other receivables Prepaid expenses Accrued income Operating advances and accrued interest.

Inventory

Inventories of the Company and its subsidiaries consisting of mobile phones and accessories including waste that is raw materials for electricity generation of subsidiaries. Inventories were Baht 1,781.64 million in the year 2020, which increased from Baht 1,606.88 million in the last year by Baht 174.76 million or increase 10.88%. The inventories are in accordance with the Company's product management policy. Currently, the cost of mobile phone products per unit is higher than in the past year.

Real estate development project for rental under financial lease agreement

Development of real estate for sale in 2020 was Baht 10.04 million decreases from Baht 21.08 million of the same period last year which was Baht 11.04 million or equivalent to the decrease of 52.37%. The Company's subsidiary has transferred its property development projects for lease under finance lease agreements to operate and Investment Property.

Other current financial assets

Other current financial assets amounted to Baht 351.40 million, a decrease from Baht 379.00 million last year. This amounted to Baht 27.60 million or a decrease of 7.28%. Most of them were collateral and fixed deposits.

Other current assets

Other current assets in 2020 and 2019 amounted to Baht 336.05 million, including assets held for sale of Baht 180.25 million, consisting of real estate development and developed land projects.

Investment properties

The Company and its subsidiaries had investment properties, which were changed from real estate development projects for rent under financial lease contracts for short-term leases, which in 2020 amounted to Baht 114.90 million an increase from Baht 104.80 million a year ago. Representing an amount of Baht 10.10 million or an increase of 9.64%.

For property, plant and equipment in 2020 amount of Baht 176.67 million decrease from Baht 177.35 million of the previous year. Representing an amount of Baht 0.68 million or a percentage decrease 0.38 and other intangible assets in 2020 amounting to Baht 453.50 million, most of which arises from investment in Mitra Corporation Co., Ltd. in 2019.

(b) Liquidity

Cash Flow

The company and its subsidiaries have cash and cash equivalent as December 31, 2020 was Baht 351.17 million decreases from the year ended of 2019 amount Baht 60.45 million or equivalent to the decrease of 14.69%. The details of the sources and uses of cash as follows

- Net cash provided from operating activities was Baht 244.08 million. Mainly due to Increase inventories and pay interest payment.
- Net cash used from investing activities was Baht 283.02 million. Mainly due to cash payments for purchase subsidiaries and associates.
- Net cash provided from financing activities was Baht 202.85 million. Mainly due to the cash received from the issuance of bonds.

Current Ratio

Current ratio of the Company in year 2019 - 2020 equaled to 2.30 times and 1.95 times, respectively. The Company's current assets in trade accounts receivable and receivables increased. And bank overdrafts and short-term loans to buy decrease purchase.

(c) Source of Capital

Capital Structure Appropriateness

The total liabilities of the Company as of December 31, 2020 amounted to Baht 2,726.87 million increased by 6.35% from year 2019. The increase in liabilities was This was mainly due to the increase in trade and other current payables. And debentures, while the shareholders' equity of the Company is Baht 3,031.80 million. the Company's debt to equity ratio was 0.90 times increases from 0.89 times in year 2019.

Audit Fee

Karin Audit Company Limited was the office of the auditor of the Company for year 2020, the remunerations are as follows:

1. Audit fee

The Company paid the audit fees to the office of the auditor for the year 2020 are as follows:

Company	Audit fees
TWZ Corporation Public Company Limited	1,634,000.00
TZ Trading Co.,Ltd	240,000.00
Piyachart Co.,Ltd	990,000.00
Gear 2 Corporation Co., Ltd.	325,000.00
Mitra Corporation Co.,Ltd.	120,000.00
PG&C 5714 Co., Ltd.	300,000.00
K.B.M. Construction Co., Ltd.	95,000.00
Tang Corporation Co., Ltd.	95,000.00
Skywell (Thailand) Co., Ltd.	140,000.00
Electra Motive Co., Ltd.	200,000.00
Total Audit fees	4,139,000.00

2. Non-Audit Fee

The Company has not received any other services from the office of the auditor or person or entity that related the auditor and the office of the auditor during the latest accounting period.

Person or entity that related to the auditor and the office of the auditor includes:

- 1) Spouse and children under support of the auditor
- 2) Juristic person that has control over the office of auditor, juristic person that is under control of the office of auditor and juristic person that is under the same control of the office of auditor both direct and indirect control
- 3) Juristic person that is significantly controlled by the office of auditor
- 4) Partner or equivalent of the office of auditor
- 5) Spouse and children under support of person in (4)
- 6) Juristic person that the auditor, person in (1), (4) or (5) has significant control power over both direct and indirect control

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of TWZ Corporation Public Company Limited

Opinion

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

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of TWZ Corporation Public Company Limited and its subsidiaries as at December 31, 2020, the consolidated and separate operating results and consolidated and separate cash flows for the year then ended, in accordance with financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Intangible Assets in the consolidated financial statement

Risk

As discussed in Note 16.1 and 17.3 to the financial statements, during the year 2019 the Group has acquired a plasma energy business unit from a group of company and the amount was recorded as intangible assets in consolidated financial statement consist of:

1. Raw material purchase agreement with three suppliers, of Baht 255 million
2. Electricity purchase agreement with Provincial Electricity Authority, of Baht 192 million
3. Goodwill, of Baht 15.52 million

The Company's management has assessed that there aren't the reasons to deduct the value of intangible assets as mention above, although the operation has been delayed by the impact from COVID-19. The reason for unreduced value of intangible assets cause the consideration in

- Raw material purchase agreement with sellers that specified period referring to Electricity purchase agreement.
- Agreement with Provincial Electricity Authority, the Company has extended the Scheduled Commercial Operation Date (SCOD) that unaffected to the agreement was made (According to Note 12.1).

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- I have audited Raw material purchase agreement with sellers by audited obligation period was mention that sellers will provide raw materials as amounting were agreed on agreement to the subsidiary to generate electricity "Throughout the term of the Electricity purchase agreement".
- I audited extension time request letter of Scheduled Commercial Operation Date as SCOD contract by The meeting of Energy Regulatory Commission of Thailand no.56/0563 (Issue no.699) held on October 21, 2020 has resolved to extend SCOD for 12 months after the original SCOD due date from November 1, 2020 to October 31, 2021 (According to Note 12.1).
- I have inquired the management and also audited the projected future cash flows, discounted to present value, and found that there are no significant factors that affect the value of the investment in the project. If the company is still able to implement a plan for a plasma power plant project (For this reason, it can be said that Goodwill has no indication of impairment yet).
- I have audited the assumption to consider the reasonableness of projected future cash flows.

Intangible Assets in the consolidated financial statement (Cont.)

- I was concerned about the progress of that project. Therefore, I have audited the progress of importing the machinery from abroad that was delay from the original schedule, by requesting pictures of the machinery which completely prepared from manufacturer and will be imported into Thailand but delayed by the effects of COVID-19.

- I have compared the imported machinery item list that obtained investment promotion (BOI) compared with the machinery was imported from abroad as the same item.

Allowance to Reduce Inventory to Net Realizable Value**Risk**

As discussed in Note 8 to the financial statements, The Group's main business is a mobile phone dealer including parts and accessories. The majority of products are affected by technological change since consumers tend to change rapidly, so this is why the Company had a risk of obsolete inventory or product deterioration. As at December 31, 2020, the consolidated financial statements shown that the Group had inventories amounted to Baht 1,781.64 million with an allowance for impairment and obsolete of inventory amounted Baht 29.27 million, the recognition of such matter had significant impact and risk to the financial statements since the estimated value depended upon judgement of the Group's management by considering assumptions or information to decide adequacy and appropriateness which include;

- Tracking information on the selling price of each model closely
- Duration of storage and inventory life cycle
- Slow moving inventory that exceed the Company's policy
- Comparison report between cost and net realizable value and/or analysis of aging inventory report

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- To understand the policies and methods that the Group's management uses to estimate declines in inventory values.
- To test of the reasonableness of obsolete goods estimates calculation method and assess the reasonableness of the product life report, by sampling items from the inventory aging report to consider that the inventory was properly classified in each age group or not.

- To sampling for test the net realizable value of the inventories, by subsequent sales documents that there are sale at a price lower than the cost or not to assess the estimation and decisions of the management about an appropriate and adequate estimate of the decrease in inventory value or not.

Allowance to Reduce Inventory to Net Realizable Value (Cont.)

- To consider the sufficient of the historical declining value of inventories to appropriately assess of the assumptions that used in the current and assess the reasonableness of the assumptions that the management used to consider long outstanding products, selling at a lower cost and future operation plans to determine the appropriateness of the estimation of declining inventories.

- To evaluate the sufficiency of disclosure of the Company's Group that accordance with Thai Financial Reporting Standards.

Allowance for doubtful debts

Risk

As discussed in Note 7 to the financial statements, "Accounting estimates and Judgement" of allowance for doubtful accounts and the note to financial statements 9.1 "Account receivables of real estate project under financial lease agreement".

The consolidated financial statement as at December 31, 2020, the Group and the Company have account receivables of real estate project under financial lease agreement amounted to Baht 71.75 million and Baht 45.50 million respectively, allowance for doubtful accounts amounted to Baht 17.67 million and Baht 17.67 million respectively, which the recognition of these items is material to the financial statements and is subject to risks. As a result, the management is required to make judgments in estimates of expected losses that may be incurred in the collection of receivables. Thus, the above estimated loss required management to consider the past collection experience, the age of outstanding debt, and the economic condition at that time including other evidence and reasons in order to consider the ability of repayment of the debtor.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- To understand and review the criteria and policies used to determine the allowance for doubtful accounts and the write-off of specific receivables.
- To test the accuracy of the aging report of receivables.
- To analyze the age of the debtor to identify the group of receivables that are indicative of late payment.

- To examine received vouchers and other documents that occurred during the year and after the end of the fiscal period.
- To verify the accuracy of the allowance for doubtful accounts.
- To examine the approval in the voucher that setup allowance for doubtful accounts.

Valuation of investment property

Risk

As discussed in Note 13 to the consolidated financial statements, As at December 31, 2020, the Group had investment property amounted to Baht 114.90 million or 2 percentage of total assets. During the year, the Group recognized gain from fair value adjustment on investment property of Baht 9.46 million in the consolidated statements of comprehensive income. The recognition of such material transaction was material to the financial statements and was subjected to risk since the Group's management used judgment in evaluating the reliability of assumptions using in estimation of fair value by an independent appraiser. However, in estimating fair value, the management considered the following information:

- Competency and independence/experiences of appraiser.
- Reasonableness of information, assumptions about current market price for rent, tenancy agreement, revenue growth and a discount rate etc. and fair value method using in the valuation process of investment property.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- To review qualification and certificate of independent appraiser issued by Stock Exchange Commission (SEC).
- To review independence of appraiser with related documents i.e. Certificate and Bor.Mor.Jor.6 including other sources.
- To assess the methodologies used and appropriateness of the key assumptions based on my knowledge in business and the available evidence. This included an assessment of the market price for rent with the comparable property in the similar locations and conditions, include reviewing the appropriateness of the discount rate with the comparable rate used in the same industry.

Emphasis of Matter

1. As explained in the Note 2.1 to the financial statements for the impact of the COVID-19, The Group has prepared the accompanying interim financial for the year ended December 31, 2020 by electing Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situations” announced by The Federation of Accounting Professions. However, for my opinion is not modified in respect of this matter.

2. I draw attention to Note 12 in the financial statements which indicates that the Company has invested in Ordinary shares of Skywell (Thailand) Company Limited and Rich Asia Industry Company Limited via Electra Motive Company Limited. As at December 31, 2020, the Company is considering the fair value of the business by the management has appointed an independent appraiser to appraise the fair value. However, as of the date the consolidated financial statements were approved, the Company is still considering such information. Therefore, the fair value of the assets acquired and liabilities are estimated values as of the acquisition date and subject to adjustments as described in the notes to the financial statements.

Other Matter

The financial statement of TWZ Corporation Public Company Limited and its subsidiaries as at December 31, 2019 were audited by another auditor in firm as mine, who issued his audit report date February 28, 2020 expressed an unqualified opinion.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information 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 of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

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

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

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- 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 if I identify during my audit.

I certify to those charged with governance that I have complied with the code of conduct related to independence and communicate with those responsible for overseeing all relationships as well as other matters. I believe that there are reasons that outsiders may consider affecting my independence and the measures I take to prevent me from being lack of independent. 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 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 consider that the matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to have a greater negative impact than the public interest of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Mr. Jirote Sirirorote

(Mr. Jirote Sirirorote)
Certified Public Accountant
Registration No. 5113
Karin Audit Company Limited
Bangkok, Thailand.
February 25, 2021

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

		Consolidated		Separate	
	Notes	2563	2562	2563	2562
ASSET					
Current assets					
Cash and cash equivalents	6	351,171,611	411,616,748	340,580,119	403,201,356
Trade and other current receivables	7	1,734,016,317	1,583,065,880	1,789,172,737	1,584,314,888
Short - term loans to related parties	5.1	5,500,000	-	220,000,501	199,000,000
Inventories	8	1,781,639,024	1,606,878,102	1,699,799,352	1,526,017,939
Other current financial assets					
- Account receivables of real estate project under financial lease agreement	9.1	4,797,389	2,436,619	2,725,208	1,050,923
- Real estate development project for rental under financial lease agreement	9.2	10,041,694	21,080,002	-	-
- Other current financial assets	9.3	351,402,905	378,996,570	350,928,079	350,615,435
Other current assets	10	336,048,641	336,048,641	-	-
Non - current assets or disposal groups classified as held for sale	11	180,249,734	180,249,734	192,349,734	192,349,734
Total current assets		4,754,867,315	4,520,372,296	4,595,555,730	4,256,550,275
Non-current assets					
Other non - current financial assets					
- Account receivables of real estate project under financial lease agreement	9.1	66,949,523	67,911,668	42,678,940	42,995,723
- Other non - current financial assets		7,161,906	7,156,361	-	-
Investments in subsidiaries and associates	12.1, 12.2.1	50,387,177	-	406,000,000	329,958,069
Investments property	13	114,900,000	104,800,000	15,900,000	16,400,000
Property, plant and equipment	14	176,665,496	177,349,005	80,010,370	92,463,803
Right of use assets	15	8,501,807	-	11,748,263	-
Goodwill	16	66,312,526	42,705,168	-	-
Other intangible assets other than goodwill					
- Leasehold land	17.1	10,649,682	20,384,484	-	-
- Leasehold areas	17.2	1,047,812	1,535,069	1,047,812	1,535,069
- Other intangible assets	17.3	453,504,031	450,328,268	6,501,176	3,322,180
Deferred tax assets	18	1,146,667	1,907,513	-	-
Other non - current assets	19				
- Land held for development		23,625,000	23,625,000	-	-
- Other non - current assets		22,954,991	18,448,482	20,760,375	15,928,992
Total non - current assets		1,003,806,618	916,151,018	584,646,936	502,603,836
Total assets		5,758,673,933	5,436,523,314	5,180,202,666	4,759,154,111

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

		Consolidated		Separate	
	Notes	2563	2562	2563	2562
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term borrowings	20	1,572,279,599	1,704,333,437	1,562,806,823	1,694,486,527
from financial institutions	21	311,899,306	261,455,442	152,395,414	130,268,382
Trade and other current payables					
Current portion of lease liabilities	22	3,296,074	-	4,440,390	-
Current portion of long - term liabilities	24	6,672,000	62,512,474	6,672,000	62,512,474
Short term loan from related parties	5.1	69,509,346	84,558,313	42,407,575	-
Short term loan from unrelated parties					
- Bill of exchange	25.1	-	96,920,880	-	96,920,880
- Promissory note	25.2	-	25,000,000	-	-
- Other short term loan	25.3	94,640,770	81,471,886	94,228,613	30,000,000
Corporate income tax paybles		2,619,068	3,880,069	2,190,458	2,736,152
Other current financial liabilities					
- Financial lease - Movable assets	26.1	3,570,607	3,008,071	3,570,607	3,008,071
- Financial lease - Real Estate	26.2	2,283,416	880,697	1,108,744	199,691
Total current liabilities		2,066,770,186	2,324,021,269	1,869,820,624	2,020,132,177
Non - current liabilities					
Long term loan	24	13,328,000	-	13,328,000	-
Lease liabilities	22	4,726,498	-	6,181,570	-
Bonds	23	410,802,579	-	410,802,579	-
Deferred tax liabilities	18	116,177,910	118,086,513	6,815,537	7,652,998
Non - current provisions for employee benefits					
Other non - current financial liabilities	27	11,345,070	12,624,197	10,795,076	10,584,914
- Financial lease - Movable assets	26.1	5,871,396	8,946,618	5,871,396	8,946,618
- Financial lease - Real Estate	26.2	97,240,529	99,967,038	47,216,482	48,768,319
Other non - current liabilities		608,401	427,400	246,600	246,600
Total non - current liabilities		660,100,383	240,051,766	501,257,240	76,199,449
Total current liabilities		2,726,870,569	2,564,073,035	2,371,077,864	2,096,331,626

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

หมายเหตุ	Consolidated		Separate	
	2563	2562	2563	2562
Shareholders' equity				
Share capital				
Authorized share capital	28.1			
6,442,246,820 ordinary shares of Baht 0.10 each	1,644,224,682		1,644,224,682	
16,482,246,820 ordinary shares of Baht 0.10 each		1,648,224,682		1,648,224,682
Issued and paid-up share capital				
9,906,689,250 ordinary shares of Baht 0.10 each	990,668,925		990,668,925	
8,548,952,743 ordinary shares of Baht 0.10 each		854,895,274		854,895,274
Share premium on ordinary shares	1,215,168,242	1,215,168,242	1,215,168,242	1,215,168,242
Retained earnings				
Appropriated				
- Legal reserve	53,622,358	53,367,186	53,622,358	53,367,186
- Treasury stock	28.2	3,600,000	-	3,600,000
Unappropriated	500,477,313	501,255,131	549,665,277	539,391,783
Treasury stock	-	(3,600,000)	-	(3,600,000)
Other components of shareholders' equity	-	58,506	-	-
Total shareholders' equity of parent company	2,759,936,838	2,624,744,339	2,809,124,802	2,662,822,485
Non - controlling interests	271,866,526	247,705,940	-	-
Total shareholders' equity	3,031,803,364	2,872,450,279	2,809,124,802	2,662,822,485
Total liabilities and shareholders' equity	5,758,673,933	5,436,523,314	5,180,202,666	4,759,154,111

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Notes	Consolidated		Separate	
		2563	2562	2563	2562
Revenues from sales and services	5.2,37	3,247,542,066	3,697,101,819	3,157,946,034	3,601,497,369
Other income					
- Sales promotion income	31	28,960,209	39,905,109	25,447,359	38,665,109
- Others income	5.2,31	25,876,173	51,804,885	30,664,551	49,996,205
Total revenues		3,302,378,448	3,788,811,813	3,214,057,944	3,690,158,683
Cost of sales and services		(2,953,989,013)	(3,359,445,888)	(2,881,435,700)	(3,282,658,007)
Selling expenses		(63,246,127)	(89,945,722)	(63,246,127)	(89,487,883)
Administrative expenses		(142,542,079)	(169,441,237)	(118,102,628)	(143,506,365)
Finance cost	34	(147,770,342)	(112,726,808)	(142,601,619)	(106,134,619)
Share of profit (loss) of investment associates		387,146	-	-	-
Total expenses		(3,307,160,415)	(3,731,559,655)	(3,205,386,074)	(3,621,786,874)
Profit (loss) before income tax expenses		(4,781,967)	57,252,158	8,671,870	68,371,809
Income (Expense) tax	35	(3,914,187)	(15,502,576)	(3,568,430)	(13,840,583)
Net profit (loss) for the year from continuing operations		(8,696,154)	41,749,582	5,103,440	54,531,226
Net Profit (loss) for the year		(8,696,154)	41,749,582	5,103,440	54,531,226
Discontinuing operations					
Profit (loss) for the period from discontinued operations					
- Net income tax		-	4,253,737	-	-
Net Profit (loss) for the year		(8,696,154)	46,003,319	5,103,440	54,531,226
Other comprehensive income					
Non - classified item to profit or loss in the after					
Actuarial gains arising from post-employment benefit obligations		2,917,952	2,588,051	1,425,226	2,588,051
Total non - classified item to profit or loss in the after		2,917,952	2,588,051	1,425,226	2,588,051
Classified item to profit or loss in the after					
The difference of exchange rate from translating financial statement		-	(295,868)	-	-
Other comprehensive income (loss) for the year		2,917,952	2,292,183	1,425,226	2,588,051
Total comprehensive income (loss) for the year		(5,778,202)	48,295,502	6,528,666	57,119,277

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Notes	Consolidated		Separate	
		2563	2562	2563	2562
Profit (loss) attributable to :					
Equity holders of the Company					
Profit (loss) for the year from continuing operations		(7,499,104)	42,118,874	5,103,440	54,531,226
Profit (loss) for the year from discontinuing operations		-	1,789,645	-	-
Profit (loss) attributable to equity holders of the Company		(7,499,104)	43,908,519	5,103,440	54,531,226
Non-controlling interests					
Profit (loss) for the year from continuing operations		(1,197,050)	(369,292)	-	-
Profit (loss) for the year from discontinuing operations		-	2,464,092	-	-
Total		(8,696,154)	46,003,319	5,103,440	54,531,226
Total comprehensive income (loss) attributable to:					
Equity holders of the Company					
Comprehensive income (loss) for the year from continuing operations		(4,581,152)	44,411,057	6,528,666	57,119,277
Comprehensive income (loss) for the year from discontinuing operations		-	1,789,645	-	-
Comprehensive income (loss) attributable to equity holders of the Company		(4,581,152)	46,200,702	6,528,666	57,119,277
Non-controlling interests					
Comprehensive income (loss) for the year from continuing operations		(1,197,050)	(369,292)	-	-
Comprehensive income (loss) for the year from discontinuing operations		-	2,464,092	-	-
Total		(5,778,202)	48,295,502	6,528,666	57,119,277

Earnings (loss) per share

Basic earnings (loss) per share

Profit (loss) attributable to equity holders of the Company	36	(0.0008)	0.0051	0.0005	0.0064
---	----	----------	--------	--------	--------

Basic earnings (loss) per share for continuing operations

Profit (loss) from continuing operations attributable to equity holders of the Company	36	(0.0008)	0.0049	0.0005	0.0064
--	----	----------	--------	--------	--------

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

Notes	Consolidated									
	Retained earnings									
	Share capital issued and paid-up	Premium on ordinary shares	Treasury Stock	Appropriated Legal reserve	Appropriated Treasury stock	Unappropriated	Gains (losses) on remeasurements of defined benefits	Exchange differences on translation of financial statements	Total other components of shareholders' equity	Total shareholders' equity of the Company
Beginning balance as at January 1, 2019	854,895,274	1,215,168,242	-	50,640,625	-	485,535,127	-	354,374	354,374	2,606,593,642
Change in ownership interest in subsidiaries of controlling interest with a change in control	-	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	-	-	-	-	-	-	-
Comprehensive income (loss) for the year	-	-	-	-	-	(24,450,005)	-	-	-	(24,450,005)
Surplus (deficit) from the changes in the ownership interests in subsidiaries	-	-	-	-	-	43,908,519	2,588,051	(295,868)	2,292,183	46,200,702
Increase from purchase of subsidiary	-	-	-	-	-	-	-	-	-	-
Transfer to treasury stock	-	-	-	-	3,600,000	(3,600,000)	-	-	-	-
Transfer to retained earnings (Loss)	-	-	-	-	-	2,588,051	(2,588,051)	-	(2,588,051)	-
Increase (decrease) in treasury stock	-	-	(3,600,000)	-	-	-	-	-	-	(3,600,000)
Other - Legal reserve	-	-	-	2,726,561	-	(2,726,561)	-	-	-	-
Ending balance as at December 31, 2019	854,895,274	1,215,168,242	(3,600,000)	53,367,186	3,600,000	501,255,131	-	58,506	58,506	2,624,744,339
Ordinary shares issued	139,773,651	-	-	-	-	-	-	-	-	139,773,651
Comprehensive income (loss) for the year	-	-	-	-	-	(7,499,104)	2,917,952	-	2,917,952	(4,581,152)
Increase from purchase of subsidiary	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in treasury shares	(4,000,000)	-	3,600,000	-	400,000	-	-	-	-	-
Transfer to retained earnings (loss)	-	-	-	-	(4,000,000)	6,976,458	(2,917,952)	(58,506)	(2,976,458)	-
Other - Legal reserve	-	-	-	255,172	-	(255,172)	-	-	-	-
Ending balance as at December 31, 2020	990,668,925	1,215,168,242	-	53,622,358	-	500,477,313	-	-	-	2,759,936,838
										271,866,526
										3,031,803,364

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

Separate										
Notes		Share capital issued and paid-up	Retained earnings				Total			
			Premium on ordinary shares	Treasury Stock	Appropriated Legal reserve	Appropriated Treasury stock		Unappropriated	Other components of shareholders' equity	
Beginning balance as at January 1, 2019		854,895,274	1,215,168,242	-	-	50,640,625	-	513,049,072	-	2,633,753,213
Paid dividends		-	-	-	-	-	-	(24,450,005)	-	(24,450,005)
Comprehensive income (loss) for the year		-	-	-	-	-	-	54,531,226	2,588,051	57,119,277
Transfer to treasury stock		-	-	-	-	-	3,600,000	(3,600,000)	-	-
Transfer to retained earnings (Loss)		-	-	-	-	-	-	2,588,051	(2,588,051)	-
28.2	Increase (decrease) in treasury stock	-	-	(3,600,000)	-	-	-	-	-	(3,600,000)
30	Other - Legal reserve	-	-	-	-	2,726,561	-	(2,726,561)	-	-
Ending balance as at December 31, 2019		854,895,274	1,215,168,242	(3,600,000)	-	53,367,186	3,600,000	539,391,783	-	2,662,822,485
28.1	Ordinary shares issued	139,773,651	-	-	-	-	-	-	-	139,773,651
Comprehensive income (loss) for the year		-	-	-	-	-	-	5,103,440	1,425,226	6,528,666
28.2	Increase (decrease) in treasury shares	(4,000,000)	-	3,600,000	-	-	400,000	-	-	-
Transfer to retained earnings (loss)		-	-	-	-	-	(4,000,000)	5,425,226	(1,425,226)	-
30	Other - Legal reserve	-	-	-	-	255,172	-	(255,172)	-	-
Ending balance as at December 31, 2020		990,668,925	1,215,168,242	-	-	53,622,358	-	549,665,277	-	2,809,124,802

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated		Separate	
	2563	2562	2563	2562
Cash flows from operating activities				
Net Profit (loss) for the year	(8,696,154)	46,003,319	5,103,440	54,531,226
Adjustment of profit (loss) on cash received (paid)				
Adjustment on income (expense) tax	3,914,187	15,310,482	3,568,430	13,840,583
Adjustment on financial cost				
- Real estate development project for rental under financial lease agreement	7,276,574	7,825,328	3,533,241	3,569,442
- Others	140,493,768	106,412,288	139,068,378	102,565,177
Adjustment on Trade and Other current receivables (increase) decrease	(138,816,688)	(157,732,044)	(194,613,117)	(126,220,994)
Adjustment on Inventories (increase) decrease	(178,256,828)	4,626,858	(177,561,596)	2,969,618
Adjustment on Other assets (increase) decrease	(2,189,546)	(5,914,100)	(10,243,317)	113,023,631
Adjustment on Trade and other payables increase (decrease)	53,456,200	162,562,277	24,088,921	33,867,140
Adjustment on Other liabilities (increase) decrease	(64,619)	(705,568)	-	(740,751)
Depreciation depletion and amortization charge				
- Depreciation	13,605,837	18,090,457	13,127,342	15,314,847
- Amortization of right of use assets	2,490,846	-	3,495,992	-
- Amortization of leasehold land	1,209,325	1,746,956	-	-
- Amortization of leasehold areas	487,257	485,926	487,257	485,926
- Amortization of other intangible assets	1,359,337	1,243,908	1,356,104	276,247
Adjustment loss impairment of asset (reversal)				
- Provision cost of goods return (reversal)	(1,372,805)	(3,413,101)	(1,372,805)	(3,413,101)
- Loss from diminution values of inventories (reversal)	4,568,448	(4,875,273)	4,845,381	(4,232,962)
- Loss from obsolete inventories	302,532	(2,203,122)	307,606	(2,208,486)
Other adjustments on non-cash	473,765	592,173	473,765	429,648
Adjustment on Provisions liabilities (reversal)				
- Employee benefit expenses	2,441,445	4,273,354	1,991,695	3,704,065
Adjustment on loss (gain) fair value	9,462,564	(548,032)	500,000	1,200,000
Adjustment on share of profit (loss) in associated	(387,145)	-	-	-
Adjustment on Bad debts and allowance for doubtful accounts (reversal)				
- Allowance for doubtful accounts	(3,191,153)	(214,149)	(556,247)	(983,285)
- Provision refund liabilities	(1,473,037)	(4,816,740)	(1,473,037)	(4,816,740)
- Allowance for doubtful accounts - Account receivables of project under financial lease agreement	(1,361,379)	-	(1,361,378)	-
Adjustment on loss (gain) form closing a subsidiary	(165,902)	-	(387,342)	-

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated		Separate	
	2563	2562	2563	2562
Cash flows from operating activities (Cont.)				
Adjustment on Cash generated from investments or loans				
- Interest income	(3,993,708)	(10,902,524)	(14,958,754)	(11,459,247)
- Interest income from financial lease agreement	(5,513,192)	(6,327,179)	(3,734,656)	(4,145,683)
- Amortization fee from loan	(14,968,809)	-	(14,968,809)	-
- Loss (gain) Disposal of investment	-	(18,711,953)	-	(22,002,597)
Net cash provided by (used in) operating activities	(118,908,880)	152,809,541	(219,283,506)	165,553,704
Interest expenses	(132,179,369)	(110,927,275)	(113,697,301)	(105,926,576)
Interest income	13,622,837	14,569,908	13,286,692	10,885,862
Income Tax expense refund (paid)	(6,614,631)	(16,770,676)	(5,307,891)	(13,771,615)
Other cash received (paid) from operating activities				
- Provision for employee benefits	-	11,246	-	-
Net cash flows provided from (used in) operating activities	(244,080,043)	39,692,744	(325,002,006)	56,741,375
Cash flows from investing activities				
Cash received from disposal of investment in subsidiaries	-	134,000,000	-	134,000,000
Cash paid for purchases of subsidiaries and associates				
net of cash acquired	(78,507,810)	(161,878,530)	-	-
Cash paid for establishing in a subsidiary	-	-	(80,000,000)	(3,000,000)
Cash paid for purchasing of land property, plant and equipment	(12,401,077)	(17,244,159)	(153,603)	(361,643)
Cash paid for purchasing other intangible assets	(4,535,100)	(3,457,678)	(4,535,100)	(3,457,678)
Other cash received from investing activities	1,554,170	1,449,789	1,150,543	1,158,225
- financial assets	(5,500,000)	-	(25,070,501)	(151,000,000)
Loans to unrelated parties or related parties	-	100,425,222	4,070,000	-
Cash received from loans to unrelated parties or related parties	-	100,425,222	4,070,000	-
Net cash flows provided from (used in) investing activities	(99,389,817)	53,294,644	(104,538,661)	(22,661,096)
Cash flows from financing activities				
Cash received from issue of ordinary share	139,773,651	-	139,773,651	-
Cash paid for purchase of treasury stock	-	(3,600,000)	-	(3,600,000)
Cash received from bonds	420,000,000	-	420,000,000	-
Cash received from loans	170,000,000	162,683,628	220,000,000	126,920,880
Cash paid for loans	(412,595,887)	(241,628,841)	(378,705,482)	(142,097,196)
Cash form lessee for decreasing lease liabilities	(7,210,851)	(7,030,405)	(7,407,201)	(6,592,702)
Dividends paid	-	(24,450,005)	-	(24,450,005)
Interest expenses	(26,942,190)	-	(26,741,538)	-
Net cash flows provided from (used in) financing activities	283,024,723	(114,025,623)	366,919,430	(49,819,023)
Net Increase (decrease) in cash and cash equivalents before effect from exchange rates	(60,445,137)	(21,038,235)	(62,621,237)	(15,738,744)
Effect from foreign exchange in cash and cash equivalents	-	(295,868)	-	-

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated		Separate	
	2563	2562	2563	2562
Net Increase (decrease) in cash and cash equivalents	(60,445,137)	(21,334,103)	(62,621,237)	(15,738,744)
Cash decrease form non controlling interests	-	(9,626,356)	-	-
Cash and cash equivalents at the beginning of the year (Note 6)	411,616,748	442,577,207	403,201,356	418,940,100
Cash and cash equivalents at the ending of the year (Note 6)	351,171,611	411,616,748	340,580,119	403,201,356

Supplemental disclosures of cash flows information :

- For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash on hand and cash at banks and short-term investment in promissory notes which are due within 3 months.
- During the year 2020, The Group and the Company has commitment on account receivables of real estate project under financial lease agreement in consolidated and separate financial statements amount of Baht 71.75 and 45.40 million, respectively.(2019 : Baht of 70.35 and 44.05 million, respectively).
- During the year 2020, The Group and the Company has commitment on real estate development project for rental under financial lease agreement in consolidated and separate financial statements amount of Baht 99.52 and 48.33 million, respectively.(2019 : Baht of 100.85 and 48.97 million, respectively).
- During the year 2020, the Group and the Company has office rental agreements and has been reclassified as a lease contract on January 1, 2020, which is part of the process of applying the lease standard for the first time. The Group has financial lease liabilities in the consolidated financial statements in the amount of Baht 4.02 million and in the separate financial statements amount of Baht 3.73 million respectively (Note 3.1.2).
- During the year 2020, the subsidiary transferred assets of real estate development project for rent under the financial lease agreement and leasehold land to investment amount of Baht 19.56 million (2019 : Baht of 33.85 million).
- During the year 2020, The Company purchased 1 vehicle by entering into a financial lease agreement amount of Baht 1 million (During the year 2019 : 12.00 million).

Supplemental disclosures of cash flows information (Cont.) :

- During the year 2019, The Company disposal of investment in a subsidiary the following statement of cash flows:

	(Unit : Million Baht)
Cash and cash equivalents	9.63
Trade and other current receivables	43.35
Property, plant and equipment	176.68
Goodwill	7.40
Intangible assets - Power purchase agreement	88.68
Deferred tax assets	1.68
Other non-current assets	25.70
Trade and other current payables	(9.52)
Long - term loan	(134.72)
Provisions for employee benefits	(0.15)
Deferred tax liabilities	(17.74)
Net - disposal of assets	190.99
Non - controlling interests	(87.63)
Net - disposal of assets of parent company	103.36
The consideration received from the disposal of investment in a subsidiary	134.00
Less Advance payment	(12.62)
Gain on sale of investment in a subsidiaries in the consolidated financial statements	18.02

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

1. General information

The Company was registered as a juristic entity in accordance with the civil and commercial code on December 22, 1993, with registration no. (1) 2785/2536. Under the name of P.C. Communication and Transport Co., Ltd. Later, on July 8, 2004, the Company changed its name to TWZ Corporation Co., Ltd. and became a public company limited on April 12, 2005, with the registered no.0107548000285 (formerly no. 0107574800285). Its head quarter is located at 269 Ratchadapisek, Din Daeng, Bangkok. The Group conducts business as an distribution agent of mobile phones, spare parts and related accessories, as a service center of telecommunication equipment and as counter service for payment of service fee of GSM Cellular 900 and GSM 1800 system mobile phones. Project development real estate and investing in companies, whose objectives are to generate and sell electricity.

On February 16, 2012, the Company has register representative office in Shenzhen, People's Republic of China. The representative office will assist the Company in managing cost and controlling quality of products.

For reporting purposes, the Company and its subsidiaries are referred as "The Group".

2. Basis of financial statement preparation and principles of consolidation**2.1. Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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 of the group for reporting period ending between January 1, 2020 and December 31, 2020.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT****AS AT DECEMBER 31, 2020**

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

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group and the Company uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

2.2. Basis for financial statement

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.3. New financial reporting standards

Financial reporting standards that became effective in the current year

The change in the disclosure of accounting policy explains the impact that the Group has adopted TFRS 9 on the financial instruments and the standard group related to financial instruments and No. 16 on the lease agreement for the first time. Such new accounting policies adopted since January 1, 2020 are described in Note 2.3.1

The Group and the Company has adopted these two standards since January 1, 2020 by using the method to recognize the cumulative effects of the adoption of the such financial reporting standards as the modified retrospective and did not retrospectively adjusted to the financial statements last year shown as the comparison. Therefore, the reclassification and adjustment arising

from the changes in accounting policies are recognized in the statements of financial position as at January 1, 2020.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

2.3.1. New accounting policies applied in the current year

2.3.1.1. Financial instruments

- Item classification and measurement
- Classification of items and measurement of financial assets of debt securities divided into 3 categories, which are amortized cost, fair value through profit or loss and fair value through other comprehensive income. It depends on the Group business model of financial asset management and the contractual cash flow characteristics of such financial asset.
- Classification of items and measurement of financial assets of equity securities must be measured at fair value through profit or loss. The Group can choose to recognize financial assets in the form of equity securities at fair value through other comprehensive income which cannot be subsequently transferred to profit or loss.
- Financial liabilities are classified and measured by using the amortized cost method. The Group can choose to measure the value at fair value through profit or loss when certain conditions are met.
- Derivatives are classified and measured by using the fair value through profit or loss method, except for derivative contracts used for hedging.
- Impairment requirements in accounting for the estimated credit losses for financial assets that are measured by using the amortized cost method or financial assets of bond measured at fair value through other comprehensive income, lease receivables and assets resulting from loan commitments and financial guarantees without having to wait for credit incidents to occur first, the Group must consider changes in credit quality of financial assets into three levels. In each level, it will be considered the method for determining the allowance for loss and calculations of different actual interest methods with the exception for accounts receivable or assets resulting from contracts under TFRS 15 that does not have significant financing components and the lease receivables will use the simplified approach for determining loss allowances.
- Hedging accounting has the purpose to show the effect of financial statements which is caused by the risk management activities of enterprises using financial instruments to manage the open position arising from such risks. It may affect profit or loss (or other comprehensive income in the case of investments in equity securities that the entity chooses to present changes in fair value in other comprehensive income). Such method aims to expose the context of hedging instruments under hedging accounting to Understanding the purpose and effect.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

- Disclosure of classification and measurement of financial assets and liabilities at the end of the reporting period.

2.3.1.2. Leases

Where the Group and the Company is the lessee, leases are recognised as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, The Group uses the Group's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as expense in the statement of income.

2.3.2. Impact of financial statements

In order to comply with TFRS 16, the Group and the Company have elected to apply the cumulative effect of initially of these standards, by adjustment retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

The affect form New Thai Financial Report Standards to consolidate and separate financial statements as at January1, 2020 are as follows:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

Consolidated financial statements

	As at December 31, 2019	TFRS 9	TFRS 16	As at January 1, 2020
Statement of financial position				
Current Assets				
Trade and other current				
receivables	1,583,065,880	(615,449)	-	1,582,450,431
Non-current assets				
Right-of-use assets	-	-	4,530,828	4,530,828
Current liabilities				
Current portion of				
lease liability	3,888,768	-	1,535,072	5,423,840
Non-current liabilities				
Lease liabilities	108,913,656	-	2,487,378	111,401,034

(Unit : Baht)

Separate financial statements

	As at December 31, 2019	TFRS 9	TFRS 16	As at January 1, 2020
Statement of financial position				
Current Assets				
Trade and other current				
receivables	1,584,314,888	(992,357)	-	1,583,322,531
Non-current assets				
Right-of-use assets	-	-	4,209,572	4,209,572

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

Consolidated financial statements				
	As at December 31, 2019	TFRS 9	TFRS 16	As at January 1, 2020
Current liabilities				-
Current portion of				
lease liabilities	3,207,762	-	1,364,975	4,572,737
Non-current liabilities				
Lease liabilities	57,714,937	-	2,365,340	60,080,277

As at January 1, 2020, The Group has right of use assets are higher value than lease liabilities due to security deposit of lease agreements on the consolidated and separate financial statements in a total of Baht 508.38 Thousand and Baht 479.26 Thousand, respectively.

2.3.2.1. Financial instruments

Trade receivable

The Group has adopted a simplified approach to measure the value of credit losses that are expected to occur throughout the life of all trade receivables.

In measuring the expected credit loss The Group has a group of trade accounts receivable in accordance with credit risk of a combination nature and an overdue period. The expected credit loss rate is based on past payments. Credit loss data based on past experience and future factors that may affect the rate of credit losses expected to occur. With the above method allowance for loss on trade accounts receivable as at January 1, 2020 are as follows:

(Unit : Thousand Baht)

Consolidated financial statements							
	Recourse trade account receivables	In due	Over due 1-30 Days	Over due 31-60 Days	Over due 61-90 Days	More than 91 Days	Total
As at January 1, 2020							
Trade receivable	1,586	1,165,139	66,949	762	138	3,039	1,237,613
Allowance for loss	-	(3,179)	1,366	602	62	534	(615)

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Thousand Baht)

	Separate financial statements						Total
	Recourse trade account receivables	In due	Over due 1 - 30 Days	Over due 31 - 60 Days	Over due 61 - 90 Days	More than 91 Days	
As at January 1, 2020							
Trade receivable	1,586	1,166,354	65,789	658	67	286	1,234,740
Allowance for loss	-	(3,179)	1,415	656	67	49	(992)

2.3.2.2. Leases

For adoption in TFRS 16, The Group and the Company has classified lease liabilities which it had been recognized as operating leases previously as required on TAS 17 Leases to right of use assets at an amount equal to the value of lease liabilities and adjusted by the amount of any prepaid or accrued lease payments recognised immediately on the financial statements before commencement date. Lease liabilities will measure with the present value of the remaining lease payments, discounted using the Group and the Company's incremental borrowing rate at approximately percentage of 6, which it was adopted to evaluate the lease liabilities as at January 1, 2020.

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at		
December 31, 2019	31,104,033	30,393,973
<u>Less</u> Lease agreements for which underlying assets have low value are recognized as expenses on a straight - line method	(14,285,233)	(14,238,042)
<u>Add</u> Contracts reassessed as lease agreements	1,143,300	1,143,300
<u>Less</u> Contracts reassessed as lease agreements	(13,599,940)	(13,244,910)
	4,362,160	4,054,321
<u>Less</u> Deferred interest expenses	(339,710)	(324,006)
Additional lease liabilities from TFRS 16 adoption	4,022,450	3,730,315
Finance lease liabilities as at December 31, 2019	112,802,424	60,922,699
Lease liabilities recognized as at January 1, 2020	116,824,874	64,653,014

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
Constitute :		
Current lease liabilities	5,423,840	4,572,737
Non-current lease liabilities	111,401,034	60,080,277

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

	Consolidated financial statements	Separate financial statements
As at January 1, 2020		
Right of use of rental building area	3,489,421	3,168,165
Vehicle	1,041,407	1,041,407
Total right of use assets	4,530,828	4,209,572

2.3.3. Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

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

Definition of Business

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

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

Definition of Materiality

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

The Interest Rate Reform

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

Conceptual Framework for Financial Reporting

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

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

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

2.4. Principle of consolidation

The consolidated financial statements include the financial statements of TWZ Corporation Public Company Limited and its subsidiaries which are under its control with more than 50 percent voting rights as follows:

		Percentage of investment (%)		
Company's name	Type of business	As at December 31, 2020	As at December 31, 2019	Country of incorporation
<u>Direct shareholding</u>				
TWZ INTERNATIONAL LIMITED	Supplier and distributor of mobile phone and all kinds of communication device	-	100	Hong Kong
TZ Trading Co., Ltd	Supplier and distributor of mobile phone and all kinds of communication device	100	100	Thailand
Piyachart Co., Ltd	Project development real estate for sale and rent	100	100	Thailand
Gear 2 Corporation Co., Ltd.	Investing in the generating and selling electricity	100	100	Thailand
Electra Motive Co., Ltd.	Sales of new vehicles, passenger cars, pickup trucks, vans and similar small cars	100	-	Thailand
<u>Subsidiaries by shareholding through Gear 2 Corporation Co., Ltd.</u>				
Mitra Corporation Co., Ltd.	Investing in the generating and selling electricity	52.63	52.63	Thailand
PG&C 5714 Co., Ltd.	Generating and selling electricity	49	49	Thailand
Tang Corporation Co., Ltd.	Municipal solid waste (MSW) and industrial waste sorting plant	99	99	Thailand

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Company's name	Type of business	Percentage of investment (%)		
		As at December 31, 2020	As at December 31, 2019	Country of incorporation
K.B.M.Construction Co., Ltd.	Investing in the generating and selling electricity	99	99	Thailand
<u>Subsidiaries by shareholding through K.B.M.Construction Co., Ltd.</u>				
PG&C 5714 Co., Ltd.	Generating and selling electricity	50	50	Thailand
<u>Subsidiaries and associates by shareholding through Electra Motive Co., Ltd</u>				
Skywell (Thailand) Co., Ltd.	distributor electric vehicles	51	-	Thailand
Rich Asia Industry Co., Ltd.	Production and distribution of steel pipe, steel product and service of steel production and production of battery electric vehicles	31.17	-	Thailand

Significant transactions with subsidiaries have been eliminated in the consolidated financial statements. The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

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

	Percentage of subsidiaries's total assets to consolidated total assets		Percentage of subsidiaries's total revenues to consolidated total revenues	
	As at December 31,		For the year ended December 31,	
	2020	2019	2020	2019
TWZ INTERNATIONAL LIMITED	-	0.07	-	-
TZ Trading Co., Ltd.	0.77	0.76	2.08	2.11

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

	Percentage of subsidiaries's total assets to consolidated total assets		Percentage of subsidiaries's total revenues to consolidated total revenues	
	As at December 31,		For the year ended December 31,	
	2020	2019	2020	2019
Piyachart Co., Ltd.	6.79	7.39	0.53	0.41
Gear 2 Corporation Co., Ltd.	11.04	12.77	-	0.02
Electra Motive Co., Ltd	2.05	-	0.07	-

3. Significant accounting policies

3.1. Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. Cash and cash equivalents comprise of cash on hand, deposits held at call at banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition and are not used as collateral.

3.2. Financial instruments

Accounting policies adopted since January 1, 2020

The Group and the Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

Classification and measurement of financial assets

The Group and the Company have the classified financial assets, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group and the Company is business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group and the Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (FVTPL)

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group and the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, the Group and the Company have are recognised at initial recognition at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group and the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group and the Company may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either has transferred substantially all the risks and rewards of the asset, include transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group and the Company have dercogised a financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, by recognition the difference in the respective carrying amounts in the statement of profit or loss.

Impairment of financial assets

For trade receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopt before January 1, 2020

Trade receivables

Trade accounts receivable are stated at the net realisable value. The Group and the Company have recognised allowance for doubtful accounts that provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Investments

Other long-term investments in non-marketable equity securities are stated at cost net of allowance for impairment loss (if any). The weighted average method is used for computation of the cost of investments.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

Offsetting of financial instruments

Account receivables of real estate project under financial lease agreement are showed at net realizable value and unearned interest income shown as a deduction from a finance lease receivables.

Real Estate Development Project for Rental under Financial Lease Agreement

Real estate development project for rental under financial lease agreement is showed at cost, which consisted of cost of land development, costs of constructions of building and rental under financial lease agreement.

Other financial assets

Other financial assets consist of collateral deposits and fixed deposits with maturity dates of 3 months from the end of an accounting period.

3.3. Derivatives and hedge accounting

The Group uses interest rate swaps as a derivative to hedge its interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group and the Company formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group and the Company will assess

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT****AS AT DECEMBER 31, 2020**

whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through profit or loss over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists or no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

3.4. Inventories

Inventories of financial statement are valued at lower of moving average cost or net realizable value. The net realizable value is from estimate of selling price in the ordinary course of business, minus the costs of completion and selling expenses.

The cost of purchase comprises both the purchase price and direct cost which related to that purchasing expenses, such as transportation charge less all attributable discounts and rebates from purchase goods (if any).

The Group and the Company shall set aside allowance for obsolete inventories by calculating at the higher of mark-to-market price or inventory aging value. Allowance for obsolete inventories shall be established according to following criteria:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

<u>Aging of inventory</u>	<u>Rate of Allowance for obsolete inventory</u>
181-270 Days	25 %
271-365 Days	50 %
over 365 Days	100 %

3.5. Non - current assets or disposal groups classified as held for sale

Real estate development project for sale

Real estate development project for sale in consist of land and cost of real estate development project progress are stated at cost less provision for loss on diminution in value of projects.

The details of cost calculation are as follows: Land, The cost of land is recorded by separating the sale area of each project.

Cost of real estate development consist of cost of construction, public utility costs and interest capitalised to cost of projects (if any) by records cost of construction and public utilities based on the actual cost incurred.

3.6. Investments in subsidiaries and associates

Investments in subsidiaries undertaking der takings are accounted for in the separate financial statements by using the cost method of accounting less an allowance for impairment in value.

Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared.

Investments in associates are presented by the equity method. That is, the initial cost is adjusted with a share of profit or loss and dividend income.

Purchase and sales of investment are recognized on the trade date, which is the date that the Company commits to purchase or sell the investment, cost of investment includes transaction costs.

The Group and the Company a test for impairment in carried out when there is a indicating factor that an investment might be impaired. If the carring value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carring amount is charged or credited to the statements of comprehensive income. When disposing of part of the Company of a particular investment in debt or equity securities, the carring amount of the disposed part is determined by the weight average carring amount of the total holding of the investment.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

3.7. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Investment property of the parent company is land held for a currently undetermined future use. The parent company has not determined that it will use the land as owner-occupied property or for short-term sales.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at cost deduct with accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

All other repairs and maintenance costs are expensed when incurred.

3.8. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to write off the cost of each asset, to their residual values over their estimated useful lives as follows :

	Year
Building (Except office building depreciation that will be calculated base on the right of railway lease agreement)	20
Building Improvement	5
Machineries and equipment	5
Office Equipment	5
Office Furniture	5
Motor Vehicle	5
Equipment of electric from solar power	10 - 20

Depreciation is included in determining income.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT****AS AT DECEMBER 31, 2020**

No depreciation is provided on land and assets under installation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in profit or loss.

The Group and the Company recognizes borrowing costs which are interest or other financial expenses that are directly related to the acquisition of assets resulting from the construction or production of assets with specified qualifications. In order to make the assets available for use as objectives, recorded as cost of assets.

3.9. Borrowing costs

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

Capitalization rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects. (If any)

3.10. Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

In the impairment test of goodwill, goodwill is allocated to the units that generate to cash flows, that unit may be the same unit or multiple units combined, which is expected to get benefit from the business combination. Goodwill arises from the identified operating section.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

3.11. Other intangible assets other than goodwill**Computer software**

Acquired computer software licences are capitalised as intangible assets on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life 5 years.

Electricity supply contract

The Group acquired ownership of the power purchase agreement from purchasing of investment in a subsidiary. Power purchase agreements are amortized on a straight-line method over the term of the power purchase agreement, the amortization will begin when the group has begun to distribute electricity to the commercial system.

Leasehold rights

Leasehold rights is recorded at cost and deducted by accumulated amortization and leasehold rights shall be amortized in accordance with the lease period of each contract.

3.12. Land held for development

Land held for development is stated at cost. It is consisted of cost of land and related expenses.

3.13. Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.14. Lease

At inception of contract, the Company assesses whether a 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 Group and the Company assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases 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

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

3.14.1. The Group and the Company as a lessee

The Group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group and the Company recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease liabilities based on lease payments.

a) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease 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.

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

b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees, include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group and the Company calculating the present value of lease payments, the Group and the Company uses 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 interest

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

วันที่ 31 ธันวาคม 2563

and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is 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.

c) Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

3.15. Employee benefit**Short term employee benefits**

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

Defined contribution plans

The Group and the Company and its employee have jointly established a provident fund. The fund is monthly contributed by employee and by the Company. The fund's assets are separate from trust fund and the Company and recognised as expenses when incurred.

Defined benefit plans

The Group and the Company has obligations in respect of the severance payments which paid to employees when their retirement have incurred under labor law. The Group treats these severance payment obligations as a defined benefit plan.

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

The actuarial gains and losses arising from defined benefit plans in other comprehensive income and all. Expenses related to defined benefit plans in profit or loss

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

วันที่ 31 ธันวาคม 2563

3.16. Provision

Provision are recognized when the Group and the Company have a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimation of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.17. Share Capital

Ordinary shares is classified as equity.

3.18. Legal reserve**Parent company**

Section 116 of the public companies Act B.E. 2535 requires that the Company shall allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10 percent of the registered authorized capital. The legal reserve is not available for dividend distribution

Subsidiary company in Thailand

The subsidiary companies shall allocate not less 5 percent of its annual net profit each time a dividend is declared, to a reserve account (“legal reserve”) until the reserve reaches 10 percent of authorized share capital. The legal reserve is not available for dividend distribution.

3.19. Treasury stock

Treasury shares are valued in the statement of financial position at cost as a deduction from equity. If the selling price of the treasury shares is higher than the purchase price of the treasury shares, the Company will recognize the difference into the account of the premium on treasury shares. If the selling price of the treasury shares is lower than the purchase price of the treasury shares, the company will deduct the difference from the premium treasury shares first, then deduct the remaining difference from the retained earnings account.

3.20. Dividends

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Company’s shareholders.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

วันที่ 31 ธันวาคม 2563

3.21. Revenue and expenses recognition**Revenue from sales**

Sales of goods are recognised at the point in time when control of the asset is transferred to the customer. Sales income are presented as an invoice value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

Revenue from service

Service income is recognized when the Company and its subsidiaries have provided the service. By considering the ratio of work completed. Which is calculated in accordance with the total cost of service incurred to the total estimated cost that will be used in providing the service under the contract.

Revenues from interest are recognized by timing which concern the effective interest rate.

Interest Income under Financial Lease Agreement is recognized on effective interest rate method in accordance with the lease period of contract.

In determining the cost of real estate development project for sale sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to real estate development project for sale sold on the basis of the salable area and then recognised as costs in the income statement concurrently with revenue from sales.

Development costs are stated at cost, consisting of cost of land, design fees, utilities, construction and related interest (if any.)

Cost of sales and expenses are recognized by accrual basis of accounting.

3.22. Foreign currency translation**Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements and separate financial statements are presented in Thai Baht, which is the Group and the Company's functional and presentation currency

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. When the Group and the Company a gain or loss on a non-monetary item in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

The Group

- Assets and liabilities in both monetary and non-monetary items are all converted at the
- prevailing closing exchange rates at the end of the relevant accounting periods.
- Share capital is converted at the prevailing exchange rate on the date such capital fund is received.
- Revenues and expenses are converted at the average exchange rate of each month.
- All resulting exchange differences are recognised in statements of comprehensive income

3.23. Income tax**Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

The Group and the Company record current tax at the amount expected to be paid to the government's taxation authority, by calculating tax profits in accordance with the criterion prescribed in the tax laws of each country.

Deferred tax

The Group and the Company record deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period or highly probable to be effective at the end of the reporting period.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT****AS AT DECEMBER 31, 2020**

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 jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The Group and the Company recognise deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At the end of reporting period, the Group and the Company will review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group and the Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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

3.24. Earnings (loss) per share**Primary earnings (loss) per share**

Primary earnings (loss) per share is calculated by dividing net profit (loss) with weighted average the number of issued and paid-up shares.

Diluted earning (loss) per share

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares are warrants for existing shareholder. The convertible share is assumed to have been converted into ordinary shares. For the warrant, a calculation is made to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. (Determine from average price of ordinary shares of the Company shares in these periods.) The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

3.25. Executive benefit expenses

Executive benefit expenses represents the benefits paid to the Company's executive such as salaries and related benefit including the benefit paid by other means. The Company's executive is the persons who are defined under the law on Securities and resources to those segments.

3.26. Operating segments

Operating Segments is requires the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Company's chief operating decision maker in order to assess each segment's performance and to allocate resources to those segments.

3.27. Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

3.28. Related companies

Related companies comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Group and the Company.

They also included associated companies and individuals which directly or indirectly own a voting interest in the Company and subsidiary that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and directing the Group and the Company's operations.

3.29. Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group".)

Business combinations

The group applies the acquisition method for all business combinations accounting record, when control is transferred to the group.

Control means the power to control. The group must take the voting rights into the consideration. The acquisition date is the date that the controlling authority is transferred to the buyer. Determining the acquisition date and specifying the transfer of control from the acquiree to the buyer, requires discretion to get involved.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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

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

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Subsidiaries

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

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

Non controlling interests

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

4. Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the effect on the amount recognised in the financial statements is included in the following notes:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

4.1. Leases

In determining the lease term, the management is required to exercise judgment in assessing whether the Group and the Company is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for The Group and the Company to exercise either the extension or termination option. After the commencement date, The Group and the Company reassesses 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 extend or to terminate.

To consider the type of lease agreement as either a operating lease or financial lease, The management of The Group's and the company will be consider by reviewing the condition term and detail on agreement that who transfer the risk and advantage of leased asset agreement.

4.2. Allowance for doubtful account

In estimating the expected credit loss allowance of trade receivables and contract assets. Management is required to exercise judgment in estimating the expected credit losses to each debtor by taking into the past collection experience, the age of outstanding debt and expected economic conditions of customers with similar credit risk, etc. However, historical credit loss data and the Group's economic projections may not imply actual future breach of the customer contract.

4.3. Allowance for impairment of real estate development project for sale

The Group and the Company estimates allowance for impairment of real estate development project for sale to reflect the impairment of real estate development project for sale based on net realisable value.

4.4. Allowance for obsolete, slow-moving and defective inventories

The Group and the Company maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

4.5. Impairment of assets

The Group and the Company treats assets as impaired when the management judges that there has been a significant decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" requires

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

4.6. Building improvement and equipments and Depreciation

In determining depreciation of building improvement and equipments, management is required to make estimates of the useful lives and residual values of the Company's building improvement and equipments and to review estimate useful lives and residual values when there are any changes.

4.7. Deferred tax assets

The Group and the Company recognized a deferred tax assets when it is probably the future taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future profits.

4.8. Retirement employee benefits

The Group and the Company has commitments on retirement benefits to employees under the Labour Law. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation, employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the Company determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group and the Company considers the current yields on long-term government bonds.

5. Related party transactions

The followings are relationships with enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

Company's name and related persons	Relationship
<u>TWZ Corporation Public Company</u>	
<u>Limited Group</u>	
TWZ INTERNATIONAL LIMITED	Subsidiary company by direct holding (Closing in 2020)
TZ Trading Co., Ltd.	Subsidiary company by direct holding
Piyachart Co., Ltd.	Subsidiary company by direct holding
Gear 2 Corporation Co., Ltd.(2)	Subsidiary company by direct holding
Electra Motive Co., Ltd.(4)	Subsidiary company by direct holding
Gear Corporation Co., Ltd.(1)	Subsidiary company by direct holding

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Company's name and related persons	Relationship
<u>Gear 2 Corporation Co., Ltd. Group</u>	
Mitra Corporation Co., Ltd.(3)	Subsidiary company, by indirect hold in Gear 2 Corporation Co., Ltd.
PG&C 5714 Co., Ltd.	Subsidiary company, by indirect hold in Mitra Corporation Co., Ltd.
Tang Corporation Co., Ltd.	Subsidiary company, by indirect hold in Mitra Corporation Co., Ltd.
K.B.M.Construction Co., Ltd.	Subsidiary company, by indirect hold in Mitra Corporation Co., Ltd.
<u>Electra Motive Co., Ltd. Group</u>	
Skywell (Thailand) Co., Ltd.(5)	Subsidiary company, by indirect hold in Electra Motive Co., Ltd.
Rich Asia Industry Co., Ltd.(6)	Associated company, by indirect hold in Electra Motive Co., Ltd.
<u>Gear Corporation Co., Ltd. Group</u>	
Mastech Tool and Service Co., Ltd.	Subsidiary company, by indirect hold in Gear Corporation Co., Ltd.
<u>Related persons</u>	
Mr. Puttachat Rungkasiri	Director and shareholder
Mr. Parin Sathianpagilanagorn	Director and shareholder of subsidiaries (Resigned from director of Skywell (Thailand) Co., Ltd. on October 30, 2020)
Mr. Suthee Luangrattanacharoen	Director and shareholder of subsidiaries
Mr. Teera Phoncharoensuk	Director and shareholder of associated
<u>Related persons</u>	
Sutee Holding Co., Ltd.	Director and Shareholder in Mitra Corporation Co., Ltd. Group

Company's name and related persons	Relationship
Rich Asia Corporation Public Co., Ltd.	Director and Shareholder in Electra Motive Co., Ltd. Group
G.Y.T. Engineering Co., Ltd.	Director and Shareholder in Electra Motive Co., Ltd. Group
EV Smart Management Co., Ltd.	Director in Electra Motive Co., Ltd. Group

The pricing policies for particular types of transactions were as follows:

Transactions	Pricing policy
Revenue from sales	Cost plus pricing
Purchases	Cost plus pricing
Interest income and expense	According to the contract agreed
Right of use assets	According to the contract agreed
Management income	5% of revenues from sales and services

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT****AS AT DECEMBER 31, 2020**

(1) As at March 31, 2019, The Parent Company was sold investment of Gear Corporation Co., Ltd. As a result, the lost control on March 29, 2019.

(2) During the year 2019, The Parent Company established a subsidiary company, Gear2 Corporation Co., Ltd. As a result, the control on May 31, 2019.

(3) During the year 2019, the subsidiary (Gear2 Corporation Co., Ltd.) purchased the investment in Mitra Corporation Co., Ltd. As a result, the control on May 31, 2019.

(4) During the year 2020, The Parent Company established a subsidiary company, Electra Motive Co., Ltd. As a result, the control on February 19, 2020.

(5) During the year 2020, the subsidiary (Electra Motive Co., Ltd.) purchased the investment in Skywell (Thailand) Co., Ltd. As a result, the control on July 4, 2020.

(6) During the year 2020, the subsidiary (Electra Motive Co., Ltd.) purchased the investment in Rich Asia Industry Co., Ltd. on July 8, 2020 (The Company has no control).

The Group had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those companies. The summary of those transactions are as follows:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

5.1. Asset and liabilities

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
<u>Transactions with subsidiaries</u>				
TWZ International Limited				
Advance receipts	-	-	-	26,018
TZ Trading Co., Ltd.				
Accrued income	-	-	-	5,575,319
Account payable	-	-	-	1,478,735
Advance receipts	-	-	28,210,794	35,007,115
Piyachart Co., Ltd.				
Advance payment	-	-	33,405,761	224,046
Accrued interest income	-	-	30,327,032	30,339,537
Loan	-	-	48,000,000	48,000,000
Accrued expenses	-	-	3,313,153	2,177,160
Rights of use assets	-	-	6,364,944	-
Accumulated depreciation	-	-	1,561,373	-
- Rights of use assets	-	-	4,446,000	-
Lease liabilities	-	-	286,593	-
Deferred interest expenses	-	-	36,000	-
Service contract deposit	-	-	-	-
Gear2 Corporation Co., Ltd.				
Advance payment	-	-	1,470,021	582,100
Accrued interest income	-	-	13,123,000	4,929,808
Loan	-	-	151,000,000	151,000,000
Electra Motive Co., Ltd.				
Accrued interest income	-	-	726,869	-
Loan	-	-	20,500,501	-
<u>Transactions with subsidiaries</u>				
Skywell (Thailand) Co., Ltd.				
Accrued interest expenses	-	-	564,650	-
Loan	-	-	42,407,575	-

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
<u>Transactions with associated companies</u>				
Rich Asia Industry Co., Ltd.				
Advance payment for goods	6,190,841	-	-	-
Accrued interest income	1,778,689	-	-	-
Loan	5,000,000	-	-	-
Account payable	734,000	-	-	-
<u>Transactions with associated companies</u>				
Sutee Holding Co., Ltd.				
	69,509,346	84,558,313	-	-
Loan	2,129,345	1,086,705	-	-
Accrued interest expenses	137,000,000	137,000,000	-	-
Accrued expenses				
EV Smart Management Co., Ltd.				
Accrued interest income	14,104	-	14,104	-
Loan	500,000	-	500,000	-

Transactions with related persons

Mr. Suthee Luangrattanacharoen

Advance payment	95,215	31,048,967	-	-
Advance receipts	1,037,710	-	-	-
Accrued interest income	2,815,717	2,815,717	-	-

Transactions with related persons

Mr. Parin Sathianpagilanagorn

Advance receipts	8,000,000	-	-	-
Accrued expenses	290,000	-	-	-

Movements during year ended December 31, 2020 on loans to Subsidiaries and related companies were as follows:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Movements during year ended December 31, 2020 on loans to Subsidiaries and related companies were as follows:

(Unit : Baht)

	Separate financial statements			
	As at January 1, 2020	Increase	(Decrease)	As at December 31, 2020
<u>Loans to Subsidiaries</u>				
Piyachart Co., Ltd				
Loan	48,000,000	-	-	48,000,000
Accrued interest income	30,339,537	2,640,000	(2,652,505)	30,327,032
Total	78,339,537	2,640,000	(2,652,505)	78,327,032
Gear 2 Corporation Co., Ltd.				
Loan	151,000,000	-	-	151,000,000
Accrued interest income	4,929,808	8,193,192	-	13,123,000
Total	155,929,808	8,193,192	-	164,123,000
Electra Motive Co., Ltd.				
Loan	-	20,500,501	-	20,500,501
Accrued interest income	-	726,869	-	726,869
Total	-	21,227,370	-	21,227,370
Skywell (Thailand) Co., Ltd.				
Loan	-	4,070,000	(4,070,000)	-
Accrued interest income	-	150,273	(150,273)	-
Total	-	4,220,273	(4,220,273)	-
<u>Loans to related companies</u>				
EV Smart Management Co., Ltd.				
Loan	-	500,000	-	500,000
Accrued interest income	-	14,104	-	14,104
Total	-	514,104	-	514,104

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

Consolidated financial statements

	As at January 1, 2020	Increase	(Decrease)	As at December 31, 2020
<u>Loans to associated companies</u>				
Rich Asia Industry Co., Ltd.				
Loan	-	5,000,000	-	-5,000,000
Accrued interest income	-	1,778,689	-	1,778,689
Total	-	6,778,689	-	6,778,689

Loans to related companies

EV Smart Management Co., Ltd.				
Loan	-	500,000	-	500,000
Accrued interest income	-	14,104	-	14,104
Total	-	514,104	-	514,104

As at December 31, 2020, The Company has loans to Piyachart Co., Ltd and Gear 2 Corporation Co., Ltd. under loans agreement and repayment when called with interest rate at 5.50% per annum.

As at December 31, 2020, The Company has loans to Electra Motive Co., Ltd. and EV Smart Management Co., Ltd. under loans agreement and repayment when called with interest rate at 7.15% per annum.

During the year 2020, the Company has loans to Skywell (Thailand) Co., Ltd. under loans agreement by the due date for repayment on September 25, 2020 with interest rate at 7.15% per annum. Subsequently the Company has received all amount of loans.

As at December 31, 2020, the Company has loans to Rich Asia Industry Co., Ltd. under loans agreement by the due date for repayment on December 27, 2021 with interest rate at 6.00% per annum.

Movements during the year ended December 31, 2020 on loans form Subsidiaries and related companies were as follows:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

Separate financial statements

	As at January 1, 2020	Increase	(Decrease)	As at December 31, 2020
<u>Loans from Subsidiary</u>				
Skywell (Thailand) Co., Ltd.				
Loan	-	50,000,000	(7,592,425)	42,407,575
Accrued interest expenses	-	1,298,332	(733,682)	564,650
Total	-	51,298,332	(8,326,107)	42,972,225

(Unit : Baht)

Consolidated financial statements

	As at January 1, 2020	Increase	(Decrease)	As at December 31, 2020
<u>Loans from related party</u>				
Suttee Holding Co., Ltd.				
Loan	84,558,313	-	(15,048,967)	69,509,346
Accrued interest expenses	1,086,705	1,042,640	-	2,129,345
Total	85,645,018	1,042,640	(15,048,967)	71,638,691

As at December 31, 2020, the Company has short-term loans from Skywell (Thailand) Co., Ltd. under loans agreement by the due date for repayment on June 26, 2021 with interest rate at 5.50% per annum.

As at December 31, 2020, the Company has short-term loans from Suttee holding Co., Ltd. under loans agreement and repayment when called with interest rate at 1.50% per annum.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Movements during the year ended December 31, 2020 on Lease liabilities with Subsidiary were as follows:

(Unit : Baht)

	Separate financial statements		
	As at January 1, 2020	Increase	(Decrease)
			As at December 31, 2020
<u>Lease liabilities with Subsidiary</u>			
Piyachart Co., Ltd			
Lease liabilities	-	6,156,000	(1,710,000)
Less: Deferred interest expenses	-	535,056	(248,463)
Net Lease liabilities	-	5,620,944	(1,461,537)

During the year 2020, TWZ Corporation Public Company Limited entered into a 3 years lease agreement with a subsidiary company from March 1, 2020 to February 28, 2023.

5.2. Revenue and expenses transactions as follows :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2020	2019	2020	2019
<u>Transactions with subsidiaries</u>				
TZ Trading Co., Ltd.				
Purchases	-	-	2,369,022	578,481
Purchase return	-	-	925	-
Revenues from sales	-	-	32,243	7,944
Sale return	-	-	9,925	-
Management fee	-	-	4,109,076	3,844,622
Piyachart Co., Ltd.				
Interest income	-	-	2,640,000	2,640,000
Rental	-	-	1,214,032	1,129,920
Other expenses	-	-	73,091	-
Amortization of rights of use assets	-	-	1,561,373	-
Interest expense – rights of use assets	-	-	248,463	-

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

Consolidated financial statements Separate financial statements

	For the year ended December 31,			
	2020	2019	2020	2019
Gear 2 Corporation Co., Ltd.				
Interest income	-	-	8,193,192	4,929,808
Electra Motive Co., Ltd.				
Interest income	-	-	726,869	-
Skywell (Thailand) Co., Ltd.				
Revenues from sales	-	-	3,720	-
Interest income	-	-	150,273	-
Interest expenses	-	-	1,298,333	-
<u>Transactions with associated company</u>				
Rich Asia Industry Co., Ltd.				
Interest income	150,820	-	-	-
Consultant fee	224,299	-	-	-
<u>Transactions with related companies</u>				
Sutee Holding Co., Ltd.				
Interest expenses	1,042,640	943,280	-	-
EV Smart Management Co., Ltd.				
Interest income	14,104	-	14,104	-
Rich Asia Corporation Public Co., Ltd.				
Electricity expenses	6,445	-	-	-
Office rent	240,000	-	-	-
<u>Transactions with related persons</u>				
Mr. Suthee Luangrattanacharoen				
Interest income	-	382,826	-	-
Mr. Parin Sathianpagilanagorn				
Consultant fee	870,000	-	-	-

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

5.3. Management remunerations

(Unit : Baht)

	Consolidated and Separate financial statement			
	For the year ended December 31,			
	2020	2019	2020	2019
Short term employee benefits	12,255,794	13,278,910	12,255,794	13,278,910
Post-employment benefits	508,174	529,628	508,174	529,628
Total	12,763,968	13,808,538	12,763,968	13,808,538

6. Cash and cash equivalents

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Cash	4,823,486	1,051,834	4,725,960	682,225
Bank - current accounts	334,164,208	209,018,068	331,122,590	206,817,559
Bank - saving accounts	12,183,917	142,572,846	4,731,569	136,727,572
Cheque on hand	-	58,974,000	-	58,974,000
Total	351,171,611	411,616,748	340,580,119	403,201,356

Cash at bank earn interest at the rate determined by the bank.

7. Trade and other current receivables

Outstanding trade accounts receivables of the Group and the Company can be identified the age as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade account receivables	1,348,932,128	1,237,613,374	1,346,656,107	1,234,740,142
<u>Less</u> Allowance for doubtful debt	(3,021,712)	(5,373,907)	(2,847,644)	(2,619,843)
Estimated goods return	-	(1,473,037)	-	(1,473,037)
Trade account receivables - net	1,345,910,416	1,230,766,430	1,343,808,463	1,230,647,262

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Other current receivables

Advance payment for goods	339,916,415	289,612,550	332,409,119	289,612,550
<u>Less Allowance for doubtful debt</u>	<u>-</u>	<u>(729,048)</u>	<u>-</u>	<u>(729,048)</u>
Net	339,916,415	288,883,502	332,409,119	288,883,502
Other receivables	19,265,496	10,956,386	15,965,283	8,708,181
Prepaid expenses	1,476,795	2,007,807	1,292,037	1,623,271
Accrued income	17,528,423	11,337,463	14,354,437	15,682,873
Accrued interest income	5,286,519	4,428,861	44,559,804	36,565,099
Advance	2,010,216	32,782,849	36,702,184	2,106,793
Account receivable - Revenue				
department	2,540,617	1,859,584	-	-
Deposits and guarantee	81,421	152,908	81,410	152,907
Total	388,105,901	352,409,360	445,364,274	353,722,626
<u>Less Allowance for doubtful debt</u>	<u>-</u>	<u>(109,910)</u>	<u>-</u>	<u>(55,000)</u>
Total other receivables	388,105,901	352,299,450	445,364,274	353,667,626
Total trade and other current				
receivables	1,734,016,317	1,583,065,880	1,789,172,737	1,584,314,888

(Unit : Baht)

Consolidated financial statements Separate financial statements

As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
4,823,486	1,051,834	4,725,960	682,225
334,164,208	209,018,068	331,122,590	206,817,559
12,183,917	142,572,846	4,731,569	136,727,572
-	58,974,000	-	58,974,000
351,171,611	411,616,748	340,580,119	403,201,356

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Recourse trade account receivables	2,129	1,585,970	2,129	1,585,970
Trade account receivables :				
In due	1,270,281,660	1,270,281,660	1,270,279,410	1,166,354,560
Over due				
1 - 30 Days	76,641,668	76,641,668	75,593,516	65,788,669
31 - 60 Days	473,316	473,316	167,733	657,757
61 - 90 Days	279,275	279,275	135,274	67,139
More than 91 Days	1,254,080	1,254,080	478,045	286,047
Total	1,348,932,128	1,348,932,128	1,346,656,107	1,234,740,142
<u>Less</u> Allowance for doubtful debt	(3,021,712)	(3,021,712)	(2,847,644)	(2,619,843)
Estimated goods return	-	-	-	(1,473,037)
Net	<u>1,345,910,416</u>	<u>1,345,910,416</u>	<u>1,343,808,463</u>	<u>1,230,647,262</u>

Parent company

As at December 31, 2020 and 2019 the Company sold the partial of trade receivables under the factoring agreement in the amount Baht 374.11 million and Baht 372.65 million, respectively, Advance payment for goods was the payment in advance according to normal commercial condition, which the Company agreed with manufacturers and distributors of mobile phones and accessories.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Allowance for doubtful trade accounts receivable have changed during the year as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	(6,846,944)	(10,894,548)	(4,092,880)	(8,909,620)
Increase	(314,172)	(769,136)	(227,801)	-
Decrease	4,139,404	4,816,740	1,473,037	4,816,740
Ending balance	(3,021,712)	(6,846,944)	(2,847,644)	(4,092,880)

During the year 2020, the Group and the Company have reduced allowance for doubtful accounts, trade accounts receivable. Because to receive payments from trade accounts receivable in the amount of Baht 4.14 million and Baht 1.47 million, respectively (2019 : amount of Baht 4.82 million and Baht 4.82 million, respectively).

Allowance for doubtful other accounts receivable have changed during the year as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	(838,958)	(1,822,243)	(784,048)	(1,767,333)
Decrease	838,958	983,285	784,048	983,285
Ending balance	-	(838,958)	-	(784,048)

During the year 2020, the Group and the Company have reduced allowance for doubtful accounts, trade accounts other receivable. Due to writing off bad debts in accounting According to the Group and the Company policy in the amount of Baht 0.84 million and Baht 0.78 million, respectively (2019 : amount of Baht 0.98 million and Baht 0.98 million, respectively).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

8. Inventories

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Mobile phones and accessories	1,725,544,069	1,545,287,823	1,722,109,328	1,541,110,931
Spare part for repairing	6,727,610	7,418,802	6,727,610	7,418,802
Raw material	77,200,000	77,200,000	-	-
Sample product	1,439,653	-	-	-
Total	1,810,911,332	1,629,906,625	1,728,836,938	1,548,529,733
Add Estimated cost for goods return	-	1,372,805	-	1,372,805
Total	1,810,911,332	1,631,279,430	1,728,836,938	1,549,902,538
Less Allowance for diminution value				
of inventories	(28,240,767)	(23,672,319)	(28,006,335)	(23,160,954)
Allowance for obsolete inventories	(1,031,541)	(729,009)	(1,031,251)	(723,645)
Net	1,781,639,024	1,606,878,102	1,699,799,352	1,526,017,939

Allowance for declining in value of inventories have changed during the year as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	(24,401,328)	(31,479,723)	(23,884,599)	(30,326,047)
Increase	(7,568,603)	(2,192,950)	(7,485,726)	(2,949,876)
Decrease	2,697,623	9,271,345	2,332,738	9,391,324
Ending balance	(29,272,308)	(24,401,328)	(29,037,587)	(23,884,599)

During the year 2020, The Group and the Company reverse allowance for value of inventories in the consolidated and separate statements of comprehensive income amounting to Baht 2.70 million and Baht 2.33 million, respectively, since the sale of inventories (During the year 2019, amount of Baht 9.27 million and Baht 9.39 million, respectively).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

9. Financial asset

9.1. Account receivables of real estate project under financial lease agreements.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Account receivables of real estate				
Project under financial lease				
agreement	130,260,477	135,736,422	92,205,991	95,944,522
<u>Less</u> Deferred interest income from				
financial lease agreement	(40,846,054)	(46,359,245)	(29,134,331)	(32,868,986)
Current portion of account				
receivables of real estate project				
under financial lease agreement	(4,797,389)	(2,436,619)	(2,725,208)	(1,050,923)
Total	84,617,034	86,940,558	60,346,452	62,024,613
<u>Less</u> Allowance doubtful debt	(17,667,511)	(19,028,890)	(17,667,512)	(19,028,890)
Net	<u>66,949,523</u>	<u>67,911,668</u>	<u>42,678,940</u>	<u>42,995,723</u>

The aggregate minimum lease receives under long-term lease agreements were as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Less than 1 year	14,071,943	12,062,782	10,237,312	8,884,939
More than 1 year but less than 5 years	38,793,187	36,247,023	26,834,617	25,288,516
More than 5 year	77,395,347	87,426,617	55,134,062	61,771,067
Total	<u>130,260,477</u>	<u>135,736,422</u>	<u>92,205,991</u>	<u>95,944,522</u>

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Changes in the allowance for doubtful accounts of the finance lease receivables during the year as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning	(19,028,890)	(19,028,890)	(19,028,890)	(19,028,890)
Increase	(192,508)	-	(192,508)	-
Decrease	1,553,886	-	1,553,886	-
Ending balance	(17,667,512)	(19,028,890)	(17,667,512)	(19,028,890)

During the year of 2020, the allowance for doubtful accounts decreased due to receiving debt repayment amount of Baht 1.55 million.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

9.2. Real estate development project for rental under financial lease agreement

	As at December 31, 2019	Consolidated financial statement			As at December 31, 2020
		Increase	Decrease	Transfer in / Transfer out	
Building	20,859,104	-	-	(6,822,921)	14,036,183
Rental under financial lease agreement	5,111,691	-	-	(4,215,387)	896,304
Total	25,970,795	-	-	(11,038,308)	14,932,487
Less Allowance for impairment in real estate development project for rental under financial lease agreement	(4,890,793)	-	-	-	(4,890,793)
Net	21,080,002	-	-	(11,038,308)	10,041,694

The Company / subsidiary

As at December 31, 2020 and 2019, The Group and the Company transferred assets in the real estate development project for rent under the financial lease agreement to investment property amount to Baht 11.04 million and amount to Baht 15.95 million, respectively.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

9.3. Other current financial assets

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Bank deposits under the				
guarantee obligation	340,932,360	340,603,041	340,822,669	340,603,041
Bank - fixed accounts	10,470,545	38,393,529	10,105,410	10,012,394
Total	351,402,905	378,996,570	350,928,079	350,615,435

As at December 31, 2020 and 2019, The Group and the Company pledged a fixed deposit as collateral for the credit facility from commercial banks and finance institutions. (Note.38)

Fix accounts have period 3 - 12 months, by interest rate 0.09 - 1.25% per annum.

10. Other current assets

(Unit : Baht)

	Consolidated financial statements	
	As at December 31, 2020	As at December 31, 2019
Land	259,614,872	259,614,872
Cost of development project (Construction expenses)	9,351,736	9,351,736
Total	268,966,608	268,966,608
<u>Less</u> Allowance for loss on decline in value of projects	(1,608,737)	(1,608,737)
Total	267,357,871	267,357,871
Deposit of machine	68,690,770	68,690,770
Net	336,048,641	336,048,641

As at December 31, 2020, The Company has pledged the subsidiary's land as a collateral for bonds (Note 23).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

11. Non - Current assets or disposal groups classified as held for sale

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Land	19,245,766	19,245,766	26,740,423	26,740,423
Cost of development project (Construction expenses)	162,736,746	162,736,746	167,342,089	167,342,089
Capitalised interest and financial costs	4,519,263	4,519,263	4,519,263	4,519,263
Total	186,501,775	186,501,775	198,601,775	198,601,775
Less Accumulated cost of sales recognized as cost of sales	(6,252,041)	(6,252,041)	(6,252,041)	(6,252,041)
Net	180,249,734	180,249,734	192,349,734	192,349,734

On October 16, 2020, the Company entered into a property sale agreement with an unrelated company as a return rental agreement. The Company received an amount of Baht 100 million, recorded as a liability in the financial statements and the Company has the right to buy the property back at a price of Baht 100 million within April 2021. As of December 31, 2020, ownership of the said property still on behalf of the money lender. As at December 31, 2020 and 2019, the Company has capitalized borrowing costs in the real estate development project for sale amount of Baht 4.52 million and the Company has pledged its land for short-term loans and long-term loans from institutions (Note.38) As at December 31, 2020 and 2019, the real estate development expenses recognize as cost of sales in the statement of income amount of Baht 6.25 million and amount of Baht 6.25 million, respectively.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

12. Investments in subsidiaries, joint ventures and associates

12.1. Investments in subsidiaries

	Separate financial statements							
	Thousand Baht							
	Percentage of Investment (%)		Issue and paid up capital		Cost		Dividend received	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
TWZ INTERNATIONAL LIMITED	-	100	-	1,000	-	3,958	-	-
TZ Trading Co., Ltd.	100	100	3,000	3,000	3,000	3,000	-	-
Piyachart Co., Ltd.	100	100	250,000	250,000	320,000	320,000	-	-
Gear 2 Corporation Co., Ltd.	100	100	3,000	3,000	3,000	3,000	-	-
Electra Motive Co., Ltd.	100		80,000	-	80,000	-	-	-
Total					406,000	329,958	-	-

TWZ INTERNATIONAL LIMITED

TWZ INTERNATIONAL LIMITED terminated as a related company because during the year 2020, the subsidiary has deregistered with the Government of the Hong Kong Special Administrative Region.

Gear Corporation Co., Ltd.

As the resolution of the Board of Directors No. 2/2019 on March 21, 2019 approved the sale of a subsidiary as Gear Corporation Company Limited which invests in solar power generation project. The sale of ordinary shares of Gear Corporation Company Limited, which holds 80 % of the paid-up shares of Mastech Tool and Service Company Limited in the amount of Baht 134 million resulting in profit from the sale of investment in the said subsidiary in the consolidated financial statements and the separate statements of Baht 18.02 million and Baht 22.00 million, respectively, which has been recorded in the statements of comprehensive income.

Discontinued operation

Gear Corporation Co., Ltd. and subsidiaries. The Group investing in the generating and selling electricity. This segment as classified as discontinued segment. The Company separately presented the operating results of the

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

discontinued segment from normal operating profits and presented it as profit (loss) from discontinued operations - net of tax in the consolidated statement of income and other comprehensive income (loss) from discontinued operations in the consolidated statement of comprehensive income. The Group has represented transactions of this segment for the year 2019 as discontinued operation to compare with the current year financial statements.

(Unit : Baht)

	Consolidated	
	2020	2019
<i>For year ended December 31,</i>		
Results of discontinued operation		
Revenue	-	11,132,592
Expenses	-	(7,070,949)
Results from discontinued operating activities	-	4,061,643
Income (Expense) tax	-	192,094
Results from discontinued operating activities, net of income tax	-	4,253,737

Earning per share (in Baht):

Basic earning (Loss) per share from discontinued operation

- 0.0005

(Unit : Baht)

	Consolidated	
	2020	2019
<i>For year ended December 31,</i>		
Cash flows from (used in) discontinued operation		
Net cash from (used in) operating activities	-	10,273,872
Net cash from (used in) investing activities	-	(11,384,820)
Net cash from (used in) financing activities	-	(3,318,452)
Net cash from (used in) discontinued operation	-	(4,429,400)

Gear 2 Corporation Co., Ltd.

According to the meeting of the Executive Committee No. 3/2019 on April 5, 2019, The Board of Director has approved the establishment of 1 subsidiary company, Gear 2 Corporation Co., Ltd., which investments and operate in alternative energy business by held in 100% of shares and has a registered capital of Bath 3,000,000.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Mitra Corporation Co., Ltd

According to the meeting of Board of Directors No.4/2019 held on August 14, 2019, to approved the increase of PG&C 5714 Co., Ltd.'s registered capital and approved the reservation to purchase the increase share capital to Mitra Corporation. Co., Ltd. (Indirect subsidiary company) which the current registered capital of Baht 133,000,000 divided into the ordinary share 1,330,000 shares at a par value of Baht 100, representing a capital paid-up total of Baht 133,000,000. The increasing of registered capital for existing shareholders amount 498,750 shares divided into the ordinary share 498,750 share at a par value of Baht 100, representing a total of Baht 49,875,000. To paid-in capital refer to 25% of the registered capital. The total after registering is amount of Baht 182,875,000 divided into the ordinary share 1,828,750 shares at a par value of Baht 100 in order to reinforce in RDF power plant business and expansion to invest in alternative energy industry. In this regard, the capital increasing has been increased for existing shareholders in 8 current shares to 3 new shares, hereby Mitra Corporation Co., Ltd. and K.B.M Construction Co., Ltd. will be reserve to purchase ordinary in order to keep the proportion of voting which it shall be equal to the former number of shareholder. The details and proportion of shareholders are below :

Ratio of the increase capital is 8 current shares : 3 new shares

Shareholders	Before increase (Share)	% Of registered capital	Increased (Share)	% Of reseveing capital	After increase (Share)	% Of registered capital
MITRA	651,700	49.00%	244,389	49.00%	896,089	49.00%
KBM	665,000	50.00%	249,375	50.00%	914,375	50.00%
Other Minor Shareholders	13,300	1.00%	4,986	1.00%	18,286	1.00%
Total	1,330,000	100%	498,750	100%	1,828,750	100%

According to the minutes of the Board of Directors' Meeting No. 2/2019 on March 21, 2019, the Board of Directors has approved the company to buy an 1,368,304 ordinary shares in Mitra Corporation Co., Ltd. ("MITRA"), with a par value of Bath 100 per share, 52.63% of paid-up shares. The seller and buyer as an unrelated person. By entering the transaction, the Company acquired 52.63% of Mitra Corporation Limited's shares, which the company operates both direct and indirect shareholding in PG&C 5714 Co., Ltd ("PGC") in the proportion of 99%. PG&C 5714 Co., Ltd ("PGC") engages in power plant business industrial waste is located at Saha Rattana Nakorn Industrial Estate, Ayutthaya, which is a gasification power plant in burning and producing electricity. The total electricity production capacity is 3 MW and can eliminate up to 60 tons of waste per day and can expand the business to be an industrial waste disposal facility. The Provincial Electricity Authority (PEA) will purchase special electricity from industrial

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

waste in the form of Feed-in Tariff (FIT). Mitra Corporation Co., Ltd. holding shares in Tang Corporation Co., Ltd. ("TC") in the proportion of 99% as well to operate the waste separation plant and RDF production plant by converting waste into recyclable materials and RDF fuel, located in Uthai District, Ayutthaya, able to eliminate industrial waste and community waste by sorting and converting and selling materials waste from operations, having the capacity to perform a full capacity of 300 tons per day, which is a related and on going business for each other to send raw materials to the power plant in production electricity. By determining the total value of the purchase of shares not exceeding Baht 291 million.

As at December 31, 2020, the Group has an outstanding balance of shares value of Baht 137,000,000, which the payment will be paid when PG&C 5714 Co., Ltd. able to generate the power to a commercial system (COD).

Details of the net asset value arising from the purchase of investment in Mitra Corporation., Ltd.

(Unit : Baht)

	Book value	Fair value adjustment	Fair value
Cash and cash equivalents	29,121,470	-	29,121,470
Trade and other current receivables	31,413,117	-	31,413,117
Short - term loans	22,300,000	-	22,300,000
Inventories	77,200,000	-	77,200,000
Other current assets	68,690,770	-	68,690,770
Long term loan	78,125,223	-	78,125,223
Property, plant and equipment	60,572,241	8,490,325	69,062,566
Intangible assets	-	447,000,000	447,000,000
Goodwill	8,610,382	-	8,610,382
Other non - current assets	96,050	-	96,050
Trade and other current payables	(1,972,913)	-	(1,972,913)
Short term loans	(171,897,675)	-	(171,897,675)
Long term loans	(43,217,145)	-	(43,217,145)
Deferred tax liabilities	-	(91,098,065)	(91,098,065)
Total net assets	<u>159,041,520</u>	<u>364,392,260</u>	<u>523,433,780</u>
Noncontrolling interests (47.37%)	75,337,968	172,612,614	(247,950,582)
Book value of net assets acquired (52.63%)	83,703,552	191,779,646	275,483,198
Total consideration paid	(291,000,000)	-	(291,000,000)
Goodwill	<u>207,296,448</u>	<u>(191,779,646)</u>	<u>15,516,802</u>

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

In accordance with TFRS3, administrator is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for certain acquisitions of businesses acquired during 2019 is dependent on determination of the ultimate purchase price and result of the purchase price allocation. The Company has assessed the fair value of assets which transferred from the business acquisition of Mitra Corporation Company Limited and appointing an independent external appraiser certified by the Securities and Exchange Commission (SEC), which has Assess the fair value of identifiable assets, by considering the measurement of assets and considering the possibility that the group will reliably receive economic benefits from the assets. It is found that each identified asset has no significant difference between the book value and the fair value at the acquisition date. Except for the following assets list :

Property, Plant and Equipment

The fair value of Property, Plant and Equipment is determined by Cost Approach method according to the Current Replacement Cost, to estimate the residual value of the future economic benefits for assets of a similar nature and use in an entity's operation. Which this method is higher than the book value in amount of Baht 8 million.

Intangible assets

The fair value of the intangible assets that received from the business acquisition consists of the Power Purchasing Agreement (PPA) for power generation capacity of 2.5 MW throughout 20 years with Provincial Electricity Authority (PEA) in amount of Baht 192 million. PG&C 5714 Co., Ltd. expected to start the Commercial Operation Date (COD) on January 1, 2020 to December 31, 2039, which it is the expiration date of agreement including Refuse Derived Fuel Agreement (RDF) to the PG&C5714 Co., Ltd. By the way Tang Corporation Co., Ltd. has received income from waste segregation and product of Refuse Derived Fuel (RDF) of Baht 255 million for a period of approximately 20 years, ending on December 31, 2039, as PG&C 5714 Co., Ltd.'s the Power Purchasing Agreement (PPA) expiration date. Subsequent to the meeting of the Energy Regulatory Commission (ERC) held on January 17, 2020 has considered on PG&C 5714 Company Limited's request to the postponement for SCOD as a PPA which the former date within December 31, 2019 changed to the date with in October 31, 2020. The Energy Regulatory Commission (ERC) has resolved to postpone the SCOD as a PPA and also approved the period for PPA to be 20 years as the previous. Notwithstanding the PAE has the same opinion as the resolution of the Energy Regulatory Commission (ERC).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

As at December 31, 2020, The Group has issued a letter for requesting to extend the period of the power purchase agreement and the Schedule Commercial Operation Date (SCOD) including, clarify the reasons of necessity to the Energy Regulatory Commission (ERC). The ERC meeting No.56/0563 (No. 699) on October 21, 2020, resolved to extend the SCOD schedule for 12 months count next to the former SCOD deadline from November 1, 2020 to October 31, 2021, due to the coronavirus crisis (COVID-19), the international shipments were suspended and Russian manufacturers were unable to deliver plasma machines as originally scheduled, because of the aforementioned reasons and necessities according to the Power Purchase Agreement, Clause 7.1 (3) Force Majeure Due to the Epidemic and Article 7.2, paragraph 3, the contract specify that the period must be extended to comply with the contract Equal to the time that the force majeure occurred and the time used to resolve the force majeure event unless the party entitled to an extension of the period but does not want to extend the period any longer. The Group will certainly be able to supply electricity to the system in time for further expansion.

Electra Motive Co., Ltd.

The Board of Director's Meeting of the Company No.5/2019 held on October 29, 2019 has passed the resolutions to the establishment of a subsidiary, Electra Motive Co., Ltd. Sale of new passenger motor vehicles pick-up trucks, vans and light motor vehicles. The Company has share holder of 100% and registered capital Baht 80,000,000, registered with the Department of Business Development in February 19, 2020.

Skywell (Thailand) Co., Ltd.

Following the Board Meeting No.1/2020 on February 28, 2020, resolve to invest in electric vehicles business with a conditions for legal examinations, Tax audit and Accounting audit of Rich Asia Industry Co., Ltd., The Company completed all studies.

In the Board of Directors Meeting No. 4/2020 on May 15, 2020, has resolved to approve Electramotive Company Limited ("Subsidiary") to invest in Rich Asia Industry Company Limited in the amount of Not exceeding Baht 200 million, including investment in other companies in total business value of Baht 540 million, with details as follows:
Item 1 As at July 4, 2020, the subsidiary has entered into a subscription the capital increase agreement in order for Rich Asia Industry Company Limited ("RAI") to achieve the conditions of the Board of Investment, to increasing the registered capital of Baht 200 million before issuing promotion certificates. The subsidiary has been allocated 6,451,613 ordinary shares with a par value of Baht 31.00 per share, accounted for 31.17% of total issued and paid-up after the capital increase, by paying 25% of the additional share value on June 30, 2020, in the amount of Baht 50 million. The share transfer was completed on July 8, 2020. The remaining amount of Baht 150 million will be paid within 3 years since RAI issued the capital increase shares this time.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Item 2 As at July 4, 2020, the subsidiary has entered into a share purchase agreement of Skywell (Thailand) Company Limited (“SKY-TH”) from Pholboon Holding Company Limited (“Existing shareholder”) in the proportion of 3,060,000 shares, at a price of Baht 16.34 per share, totaling Baht 50 million, accounted for 51%. The deposit in the joint venture agreement between the Company and the existing shareholders as at January 30, 2020 in the amount of Baht 50 million as payment for shares under this share purchase agreement. The subsidiary agrees to pay a special compensation to the existing shareholders in the amount of Baht 105 million if the existing shareholders are able to allow SKY-TH to have a financial budget of at least Baht 200 million within December 15, 2021 or any other date according to the two parties will agree in writing.

Item 3 As at July 4, 2020, the subsidiary has entered into a share purchase agreement of EV Smart Management Company Limited (“EVSM”) from Pholboon Holding Company Limited (“Existing shareholder”) in the proportion of 300,000 shares at the price of Baht 16.66 per share, total amount of Baht 5 million, accounted for 60%. On August 14, 2020, the subsidiary has not yet paid for the shares. The subsidiary agrees to pay a special compensation to the existing shareholders in the amount of Baht 180 million if the existing shareholders are able to allow EVSM to sell at least 6,000 electric vehicles within December 15, 2021 or any other date as specified by both parties would have agreed in writing.

Item 4 As at July 4, 2020, a subsidiary has entered into a share purchase agreement of Skywell Leasing Company Limited (“SKY-L”) from Pholboon Holding Company Limited (“Existing Shareholder”) in the proportion of 4,997 shares from SKY-L total of 5,000 shares, in the amount of Baht 5 million, on August 14, 2020 has not yet paid for shares.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Details of the net asset value arising from the purchase of investment in Skywell (Thailand) Co., Ltd. are as follow:

	(Unit : Baht)
Cash and cash equivalents	21,492,222
Trade and other current receivables	7,663,724
Short - term loans	35,000,000
Inventories	2,270
Property, plant and equipment	943
Trade and other current payables	(8,338,881)
Short term loan	(4,070,000)
Total net assets	51,750,278
Non controlling interests (49%)	(25,357,636)
Book value of net assets acquired (51%)	26,392,642
Total consideration paid	50,000,000
Goodwill	23,607,358

As at December 31, 2020 the Company during consider the business's fair value, and has assigned the independent appraiser to evaluated such business fair value. At the dated of these financial statements approval, the Company during consider such information. Accordingly, the fair value of assets acquired and liabilities acquired as at the date of acquisition value estimate. And may be updated.

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for certain acquisitions of businesses acquired during 2020, is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

12.2. Investments in associated

12.2.1. The movement of Investments in associated for the year ended

December 31, 2020 are as follow :

	<u>Consolidated financial statements</u>	
	For the year ended December 31,	
	<u>2020</u>	<u>2019</u>
As at January 1,	-	-
Purchase	50,000,032	-
Share of profit (loss) from		
investment in associated	<u>387,145</u>	<u>-</u>
As at December 31,	<u>50,387,177</u>	<u>-</u>

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

12.2.2. Details of Investments in associated company consist of :

(Unit : Baht)

Company's name	Paid-up share Capital	Holding Portion (%)	Consolidated financial statements	
			Equity Method	
			ณ วันที่ 31 ธันวาคม 2563	ณ วันที่ 31 ธันวาคม 2562
Rich Asia Industry Co., Ltd.	491,701,237	31.17	50,387,177	-

12.2.3. Summarized financial information of associated company

(Unit : Baht)

Company's name	Consolidated financial statements					
	Paid-up share capital As at December 31, 2020	Total assets		Total liabilities		Profit (loss) For the year ended December 31, 2020
		As at		As at		
		December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	
Rich Asia Industry Co., Ltd.	491,701,237	719,259,455	798,486,723	235,890,383	36,489,924	

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Rich Asia Industry Co., Ltd.

On July 4, 2020, the subsidiary company entered into a share subscription agreement in order for Rich Asia Industry Company Limited ("RAI") to achieve the conditions of the Board of Investment, to increase registered capital of Baht 200 million before issuing promotional certificates. The subsidiary has been allocated 6,451,613 ordinary shares with a par value of Baht 31.00 per share, in the proportion of 31.17% of total issued and sold ordinary shares after the capital increase, by paid up 25% of the capital increase on June 30, 2020 in the amount of Baht 50 million and share were transferred completed on July 8, 2020. The remaining Baht 150 million will be paid within 3 years since RAI issued the capital increase shares this time.

Financial information of such associated company as at December 31, 2020 has audited by another auditor of such associated company

As at December 31, 2020 the Company during consider the business's fair value, and has assigned the independent appraiser to evaluated such business fair value. At the dated of these financial statements approval, the Company during consider such information.

Accordingly, the fair value of assets acquired and liabilities acquired as at the date of acquisition value estimate. And may be updated.

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date.

During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for certain acquisitions of businesses acquired during 2020 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

- 12.2.4. As at December 31, 2020 the Associated company had current liabilities exceeded current assets by amount of Baht 665.86 million and total liabilities exceeded total assets by amount of Baht 79.23 million. (As at December 31, 2019 the Associated company had current liabilities exceeded current assets by amount of Baht 703.58 million and total liabilities exceeded total assets by amount of Baht 165.71 million). These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Associated company's ability to continue as a going concern and therefore the Associated company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Associated company is in the process of improving its operating and preparing additional operations to produce and distribute of electric vehicles, including finding additional credit facilities and therefore the Central Bankruptcy Court has ordered the business rehabilitation of Rich Asia Corporation Public Co., Ltd., (The parent company) and appointed Rich Asia Corporation Public Co., Ltd. as the planner. The Associated company's management believes that it is able to obtain further capital and adequate credit facilities for continuing its operation.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

12.3. Non controlling interests

Information about subsidiary companies in which the Group does not hold all of the shares which have significant non-controlling interests to the Group as at December 31, 2020 and 2019 are as follows:

(Unit : Million Baht)

Company	Proportion held by non-controlling interests		Accumulated non-controlling interests in subsidiaries		Profit (loss) allocated to non-controlling interests in subsidiaries during the year		Dividends paid to non-controlling interests during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(ร้อยละ)	(ร้อยละ)						
Mitra Corporation Co., Ltd.	48	48	247.06	247.70	(0.65)	(0.37)	-	-
Skywell (Thailand) Co., Ltd.	51	-	24.81	-	(0.56)	-	-	-

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Summarized financial information before eliminating inter-company transactions of each subsidiary in which the Group does not hold all shares with significant non-controlling interests for the years ended December 31, 2020 and 2019 are as follows: Statement of financial position as at December 31, 2020 and 2019, Statement of comprehensive income and statement of cash flow for the year ended December 31, 2020 and 2019

(Unit : Baht)

	Skywell (Thailand) Co., Ltd.		Mitra Corporation Co., Ltd.	
	2020	2019	2020	2019
Statements of financial position				
- indirect menthod as at December 31,				
Current assets	59,797,721	-	152,292,004	210,738,062
Non - current assets	13,147	-	98,229,617	87,334,604
Current liabilities	(9,182,150)	-	(93,472,353)	(139,660,633)
Net assets	50,628,718	-	157,049,268	158,412,033
Statements of comprehensive income				
- indirect menthod for the year ended December 31,				
Total revenues	3,104,775	-	457,204	2,668,927
Net Profit (loss) for the year	(174,056)	-	(1,362,765)	(754,737)
Total comprehensive income	(174,056)	-	(1,362,765)	(754,737)
Statement of cash flow				
- indirect method for the year ended December 31,				
Net cash from (used in) operating activities	(43,585,763)	-	70,349,750	(26,797,225)
Net cash used in investing activities	7,578,415	-	(11,062,498)	(113,591,163)
Net cash from (used in) financing activities	33,000,000	-	(59,399,558)	140,706,284
Net cash increase (decrease)	(3,007,348)	-	(112,306)	317,896

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

13. Investment property

	Consolidated financial statements	(Unit : Baht) Separate financial statements
Investment property at January 1, 2020	104,800,000	104,800,000
Transfer from		
- Real estate development project for rental under financial lease agreement (Note 9.2)	11,038,308	11,038,308
- Leasehold land (Note 17.1)	8,524,256	8,524,256
Total	124,362,564	124,362,564
Gain (loss) from transfer asset	(9,462,564)	(9,462,564)
Investment property at December 31, 2020	114,900,000	114,900,000

At as December 31, 2020 and 2019, subsidiary brought commercial buildings in 3 units and 4 units, respectively out of a total of 13 units to lease to a client which have entered into 3 year short-term lease agreements. Originally, all buildings were recognized under real estate development project for rental under financial lease agreement which the objective is for sale and uses the lower of cost or net realizable value either is lower as its value. Therefore, in preparing the financial statements commercial buildings were reclassified from the real estate development project for rental under financial lease agreement which the objective is for sale to investment property which the objective is the benefits from rental income under the contract in accordance with Thai Accounting Standards 40 about Investment Property.

As at December 31, 2020 and 2019, the fair value of investment properties, by using the appraiser's report of value According to the market price comparison method by bringing the land price, which can be compared at the nearby area, to adjust which is the fair value in level 2 of the fair value hierarchy. (Note 3.29)

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

14. Property, plant and equipment

	Consolidated financial statements								(Unit : Baht)	
	Land	Building	Building improvement	Machineries and equipment	Office Equipment	Office Furniture	Motor Vehicles	Work in Construction	Equipment of electricity from solar power	Total
Cost:										
January 1, 2020	62,062,853	77,192,792	15,917,440	966,295	2,526,963	4,512,942	41,736,889	27,325,185	-	232,241,359
Addition	-	-	-	586,156	106,263	164,676	1,489,000	11,056,599	-	13,402,694
Increase from acquisition of subsidiaries (Note 12.1)	-	-	-	-	1,201	-	-	-	-	1,201
Disposal/Write-off	-	-	(1,848,206)	-	-	-	-	-	-	(1,848,206)
December 31, 2020	62,062,853	77,192,792	14,069,234	1,552,451	2,634,427	4,677,618	43,225,889	38,381,784	-	243,797,048
Accumulated Depreciation:										
January 1, 2020	-	11,657,312	12,270,905	478,956	1,884,546	3,149,093	25,451,542	-	-	54,892,354
Depreciation for the year	-	5,713,141	2,114,632	219,910	389,850	711,360	4,456,944	-	-	13,605,837
Increase from acquisition of subsidiaries (Note 12.1)	-	-	-	-	258	-	-	-	-	258
Depreciation on disposals/write-off	-	-	(1,366,897)	-	-	-	-	-	-	(1,366,897)
December 31, 2020	-	17,370,453	13,018,640	698,866	2,274,654	3,860,453	29,908,486	-	-	67,131,552
Net Book Value:										
January 1, 2020	62,062,853	65,535,480	3,646,535	487,339	642,417	1,363,849	16,285,347	27,325,185	-	177,349,005
December 31, 2020	62,062,853	59,822,339	1,050,594	853,585	359,773	817,165	13,317,403	38,381,784	-	176,665,496
Depreciation are recognized in statements of comprehensive income for the year ended December 31,										
2020										13,605,837
2019										18,090,457

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

	Consolidated financial statements								(Unit : Baht)	
	Land	Building	Building improvement	Machineries and equipment	Office Equipment	Office Furniture	Motor Vehicles	Work in Construction	Equipment of electricity from solar power	Total
Cost:										
January 1, 2019	4,380,108	77,192,792	35,155,679	4,451,101	21,475,401	48,359,915	28,915,363	-	198,000,000	417,930,359
Addition	-	-	209,060	271,607	87,811	34,147	12,000,000	16,641,534	-	29,244,159
Increase from acquisition of subsidiaries (Note 12.1)	57,682,745	-	-	-	-	-	821,526	10,683,651	-	69,187,922
Disposal/Write-off	-	-	(19,524,026)	(2,577,584)	(18,938,903)	(44,840,549)	-	-	-	(85,881,062)
Decrease from disposal in subsidiaries	-	-	(20,619)	(209,629)	-	(9,771)	-	-	(198,000,000)	(198,240,019)
Transfer-In/(Out)	-	-	97,346	(969,200)	(97,346)	969,200	-	-	-	-
December 31, 2019	62,062,853	77,192,792	15,917,440	966,295	2,526,963	4,512,942	41,736,889	27,325,185	-	232,241,359
Accumulated Depreciation:										
January 1, 2019	-	5,959,166	27,371,552	3,141,242	20,318,212	46,502,662	21,258,548	-	19,134,785	143,686,167
Depreciation for the year	-	5,698,146	3,976,079	284,530	532,189	1,171,786	4,067,638	-	2,360,089	18,090,457
Increase from acquisition of subsidiaries (Note 12.1)	-	-	-	-	-	-	125,356	-	-	125,356
Depreciation on disposals/write-off	-	-	(19,099,952)	(2,577,380)	(18,934,811)	(44,841,051)	-	-	-	(85,453,194)
Decrease from disposal in subsidiaries	-	-	(7,818)	(50,971)	-	(2,769)	-	-	(21,494,874)	(21,556,432)
Transfer-In/(Out)	-	-	31,044	(318,465)	(31,044)	318,465	-	-	-	-
December 31, 2019	-	11,657,312	12,270,905	478,956	1,884,546	3,149,093	25,451,542	-	-	54,892,354
Net Book Value:										
January 1, 2019	4,380,108	71,233,626	7,784,127	1,309,859	1,157,189	1,857,253	7,656,815	-	178,865,215	274,244,192
December 31, 2019	62,062,853	65,535,480	3,646,535	487,339	642,417	1,363,849	16,285,347	27,325,185	-	177,349,005
Depreciation are recognized in statements of comprehensive income for the year ended December 31,										
2019										18,090,457
2018										23,290,125

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

	Consolidated financial statements							(Unit : Baht)
	Land	Building	Building improvement	Machineries and equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Cost:								
January 1, 2020	4,380,108	78,499,892	15,917,441	417,561	2,156,158	3,666,820	38,794,802	143,832,782
Addition	-	-	-	74,900	77,590	3,729	999,000	1,155,219
Disposal/Write-off	-	-	(1,848,206)	-	-	-	-	(1,848,206)
December 31, 2020	4,380,108	78,499,892	14,069,235	492,461	2,233,748	3,670,549	39,793,802	143,139,795
Accumulated Depreciation:								
January 1, 2020	-	11,600,441	12,270,904	295,615	1,579,507	2,513,218	23,109,294	51,368,979
Depreciation for the year	-	5,713,141	2,114,632	57,801	363,199	619,850	4,258,720	13,127,343
Depreciation on disposals/write-off	-	-	(1,366,897)	-	-	-	-	(1,366,897)
December 31, 2020	-	17,313,582	13,018,639	353,416	1,942,706	3,133,068	27,368,014	63,129,425
Net Book Value:								
January 1, 2020	4,380,108	66,899,451	3,646,537	121,946	576,651	1,153,602	15,685,508	92,463,803
December 31, 2020	4,380,108	61,186,310	1,050,596	139,045	291,042	537,481	12,425,788	80,010,370
Depreciation are recognized in statements of comprehensive income for the year ended December 31,								
2020								113,127,343
2019								15,314,847

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

	Consolidated financial statements							(Unit : Baht)
	Land	Building	Building improvement	Machineries and equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Cost:								
January 1, 2019	4,380,108	78,499,892	35,135,061	2,938,632	21,021,624	47,834,001	26,794,802	216,604,120
Addition	-	-	209,060	56,513	73,437	22,633	12,000,000	12,361,643
Transfer-In/(Out) form subsidiary	-	-	66,302	-	-	650,735	-	717,037
Disposal/Write-off	-	-	(19,492,982)	(2,577,584)	(18,938,903)	(44,840,549)	-	(85,850,018)
December 31, 2019	4,380,108	78,499,892	15,917,441	417,561	2,156,158	3,666,820	38,794,802	143,832,782
Accumulated Depreciation:								
January 1, 2019	-	5,902,295	27,364,750	2,735,313	20,049,716	46,284,441	19,137,988	121,474,503
Depreciation for the year	-	5,698,146	3,975,062	137,682	464,602	1,068,049	3,971,306	15,314,847
Depreciation on disposals/write-off	-	-	(19,068,908)	(2,577,380)	(18,934,811)	(44,839,272)	-	(85,420,371)
December 31, 2019	-	11,600,441	12,270,904	295,615	1,579,507	2,513,218	23,109,294	51,368,979
Net Book Value:								
January 1, 2019	4,380,108	72,597,597	7,770,311	203,319	971,908	1,549,560	7,656,814	95,129,617
December 31, 2019	4,380,108	66,899,451	3,646,537	121,946	576,651	1,153,602	15,685,508	92,463,803
Depreciation are recognized in statements of comprehensive income for the year ended December 31,								
2019								15,314,847
2018								13,234,403

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

As at December 31, 2020 and 2019, the Group and Company the had assets with the depreciation fully calculated but still in use which had a cost of Baht 29.28 million and Baht 19.16 million, respectively (The Company : 26.65 million and 16.96 million, respectively).

As at December 31, 2020 and 2019, the assets under financial lease which the Company is the lessee included in the above list consist of vehicles, with net book value of Baht 12.41 million (cost price Baht 20.99 million and accumulated depreciation Baht 8.58 million) (2019: net book value of Baht 15.50 million (cost price of Baht 19.99 million and accumulated depreciation in the amount of Baht 4.49 million)).

15. Rights of use assets

The movement transactions of rights of use assets for the year ended December 31, 2020 as follow:

(Unit : Baht)

	Consolidated financial statements		
	Area lease agreement	Motor Vehicles	Total
Cost:			
January 1, 2020	3,489,421	1,041,407	4,530,828
Addition	6,197,035	1,792,086	7,989,121
Revised agreement/write off	(1,527,296)	-	(1,527,296)
December 31, 2020	8,159,160	2,833,493	10,992,653
Accumulated Depreciation:			
January 1, 2020	-	-	-
Depreciation for the year	(1,772,435)	(718,411)	(2,490,846)
December 31, 2020	(1,772,435)	(718,411)	(2,490,846)
Net Book Value:			
December 31, 2020	6,386,725	2,115,082	8,501,807

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Separate financial statement		
	Area lease agreement	Motor Vehicles	Total
Cost:			
January 1, 2020	3,168,165	1,041,407	4,209,572
Addition	12,561,979	-	12,561,979
Revised agreement/write off	(1,527,296)	-	(1,527,296)
December 31, 2020	14,202,848	1,041,407	15,244,255
Accumulated Depreciation:			
January 1, 2020	-	-	-
Depreciation for the year	(3,158,238)	(337,754)	(3,495,992)
December 31, 2020	(3,158,238)	(337,754)	(3,495,992)
Net Book Value:			
December 31, 2020	11,044,610	703,653	11,748,263

16. Goodwill

(Unit : Baht)

	Consolidated financial statements	
	ณ วันที่ 31 ธันวาคม 2563	ณ วันที่ 31 ธันวาคม 2562
Goodwill	42,705,168	25,978,362
Decrease from disposal in subsidiaries	-	(7,400,378)
Increase from acquisition of subsidiaries (Note 12.1)	23,607,358	24,127,184
Net	66,312,526	42,705,168

Goodwill which increased during the period as a result of buying an ordinary shares in Skywell (Thailand) Co., Ltd., The management expects that the such acquisition will be able to add a value to the Company, because of the electric vehicle business will bring more revenue and effect in better performance of the Company (Note 12.1).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

17. Other intangible assets other than goodwill

17.1. Leasehold Land

(Unit : Baht)

Consolidated financial statement					
	As at December 31, 2019	Increase	Decrease	Transfer in/ Transfer out	As at December 31, 2020
Leasehold Land	44,844,021	-	-	(14,916,396)	29,927,625
<u>Less Accumulated</u>					
amortization	(24,459,537)	(1,209,325)	-	6,390,919	(19,277,943)
Net	<u>20,384,484</u>	<u>(1,209,325)</u>	<u>-</u>	<u>(8,525,477)</u>	<u>10,649,682</u>

During the year 2020 and 2019, the Group transferred leasehold land to investment property amount to Baht 8.52 million and amount to Baht 17.90 million. Because the Group commercial buildings in 3 units out of a total of 7 units and 6 units out of a total of 13 units, respectively, which has a 3 years lease agreement to be rented to customers (Note 13).

As at December 31, 2020 and 2019, the subsidiaries has pledged a leaseholder land as collateral for the credit facility from commercial banks and financial institute. (Note 38.1).

Parent company

According to the resolution of Board of Director meeting No.2/2008, dated February 27, 2008, has approved the investment plan in real estate project by acquiring a leasehold rights from a non-related company in order to entering a contract with State Railway Thailand to lease 6,126 square meters land. Later in the Board of Director meeting No. 3/2008, dated March 24, 2008, has provided the ratification to approve the lease.

The Company entered into an aforesaid direct leasehold contract with State Railway of Thailand and the rights of leasehold has been completely transferred to the Company since March 11, 2008. The value of transferred rights is not higher than the official appraisal value which is evaluated by market comparison approach and income approach according to leasehold appraisal report in 2005 by an independent appraiser, providing by the rights transferred company.

Leasehold rights consists of 2 leasehold agreements as follows;

Agreements No.1 Land leasehold agreement for construction, commenced from March 10, 2008 until October 31, 2010 for the period of 2 years 7 months and 21 days. Next time State Railway of Thailand has approved the extension of construction period as follows:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT****AS AT DECEMBER 31, 2020**

On November 9, 2009, State Railway of Thailand has approved the extension of construction period for another 1 year and 6 months, starting from November 1, 2010 to April 30, 2012.

On July 24, 2012, State Railway of Thailand has approved the extension of construction period for 8 months, starting from May 1, 2012 to December 31, 2012.

The Company recognized rental from Land leasehold agreement for construction is expenses with the lease period of contract.

Agreements No.2 Land and property leasehold agreement, commenced from November 1, 2010 to August 14, 2031 for the period of 20 years 9 months and 14 days. Next time State Railway of Thailand has approved the extension of construction period as follows:

On November 9, 2009, State Railway of Thailand has approved the extension of construction period for another 1 year and 6 months, this leasehold agreement shall also be postponed to start from May 1, 2012 to August 14, 2031 for the period of 19 years 3 months and 14 days.

On July 24, 2012, State Railway of Thailand has approved the extension of construction period for 8 months, this leasehold agreement shall also be postponed to start from January 1, 2013 to August 14, 2031 for the period of 18 years 7 months and 14 days.

The Company recognized rental from Land and property leasehold agreement in account Real estate development project for rental under financial lease agreement.

Subsidiary company

Leasehold rights consists of 2 leasehold agreements as follows;

Agreements No.1 Land leasehold agreement for construction, commenced from March 10, 2008 until October 31, 2010 for the period of 2 years 7 months and 21 days. Next time State Railway of Thailand has approved the extension of construction period as follows:

On November 9, 2009, State Railway of Thailand has approved the extension of construction period for another 2 year starting from November 1, 2010 to October 31, 2012.

The Company recognized rental from Land leasehold agreement for construction is expenses with the lease period of contract.

Agreements No.2 Land and property leasehold agreement, commenced from November 1, 2010 to August 14, 2031 for the period of 20 years 9 months and 14 days. Next time State Railway of Thailand has approved the extension of construction period as follows:

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

On November 9, 2009, the State Railway of Thailand has approved the extension of construction period for another 2 year this leasehold agreement shall be postponed to start from November 1, 2012 to August 14, 2031 for the period of 18 years 9 months and 14 days. The Company recognised rental from Land and property leasehold agreement in account Real estate development project for rental under financial lease agreement.

17.2. Leasehold Areas

(Unit : Baht)				
Consolidated / Separate financial statement				
	As at December 31, 2019	Increase	Decrease	Transfer in/ Transfer out
				As at December 31, 2020
Leasehold Areas	9,895,771	-	-	-
<u>Less</u> Accumulated				
amortization	(8,360,702)	(487,257)	-	-
Net	<u>1,535,069</u>	<u>(487,257)</u>	<u>-</u>	<u>-</u>
				<u>1,047,812</u>

As at December 31, 2020 and 2019 the Company pledged a leasehold rights which has original value of Baht 9.89 million with book value of Baht 1.05 million with book value of Baht 1.54 million, respectively, which as collateral for the credit facility from commercial banks and finance institutions (Note.38.1).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

17.3. Other intangible assets

The book value of other intangible assets as at December 31, 2020 and 2019 are as follows:

(Unit : Baht)

	Consolidated financial statements				Total
	Program	Accounting system installation fee	Electrical and RDF agreement	Trademark rights	
Cost					
December 31, 2019	5,523,112	360,000	447,000,000	3,457,678	456,340,790
Addition	-	-	-	4,535,100	4,535,100
December 31, 2020	5,523,112	360,000	447,000,000	7,992,778	460,875,890
Accumulated Amortization					
December 31, 2019	(5,466,712)	(359,999)	-	(185,811)	(6,012,522)
Amortization for the year	(40,671)	-	-	(1,318,666)	(1,359,337)
December 31, 2020	(5,507,383)	(359,999)	-	(1,504,477)	(7,371,859)
Net book value					
December 31, 2019	56,400	1	447,000,000	3,271,867	450,328,268
December 31, 2020	15,729	1	447,000,000	6,488,301	453,504,031

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

Consolidated financial statements					
	Program	Accounting system installation fee	Electrical and RDF agreement	Trademark rights	Total
Cost					
December 31, 2018	5,523,112	360,000	97,455,656	-	103,338,768
Addition	-	-	-	3,457,678	3,457,678
Increase from acquisition of subsidiaries (Note 12.1)	-	-	447,000,000	-	447,000,000
Decrease from disposal in subsidiaries	-	-	(97,455,656)	-	(97,455,656)
December 31, 2019	5,523,112	360,000	447,000,000	3,457,678	456,340,790
Accumulated Amortization					
December 31, 2018	(5,369,085)	(359,999)	(7,811,945)	-	(13,541,029)
Amortization for the year	(97,627)	-	(960,470)	(185,811)	(1,243,908)
Decrease from disposal in subsidiaries	-	-	8,772,415	-	8,772,415
December 31, 2019	(5,466,712)	(359,999)	-	(185,811)	(6,012,522)
Net book value					
December 31, 2018	154,027	1	89,643,711	-	89,797,739
December 31, 2019	56,400	1	447,000,000	3,271,867	450,328,268

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated financial statements			
	Program	Accounting system installation fee	Trademark rights	Total
Cost				
December 31, 2019	5,436,356	360,000	3,457,678	9,254,034
Addition	-	-	4,535,100	4,535,100
December 31, 2020	5,436,356	360,000	7,992,778	13,789,134
Accumulated Amortization				
December 31, 2019	(5,386,044)	(359,999)	(185,811)	(5,931,854)
Amortization for the year	(37,438)	-	(1,318,666)	(1,356,104)
December 31, 2020	(5,423,482)	(359,999)	(1,504,477)	(7,287,958)
Net book value				
December 31, 2019	50,312	1	3,271,867	3,322,180
December 31, 2020	12,874	1	6,488,301	6,501,176

(Unit : Baht)

	Consolidated financial statements			
	Program	Accounting system installation fee	Trademark rights	Total
Cost				
December 31, 2019	5,436,356	360,000	-	5,796,356
Addition	-	-	3,457,678	3,457,678
December 31, 2020	5,436,356	360,000	3,457,678	9,254,034
Accumulated Amortization				
December 31, 2019	(5,295,608)	(359,999)	-	(5,655,607)
Amortization for the year	(90,436)	-	(185,811)	(276,247)
December 31, 2020	(5,386,044)	(359,999)	(185,811)	(5,931,854)
Net book value				
December 31, 2019	140,748	1	-	140,749
December 31, 2020	50,312	1	3,271,867	3,322,180

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

18. Deferred tax assets (deferred tax liabilities)

	Consolidated financial statements						(Unit : Baht)
	As at December 31, 2020			As at December 31, 2019			
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net	
Deferred tax assets	1,146,667	-	1,146,667	1,907,513	-	1,907,513	
Deferred tax liabilities	43,438,722	(159,616,632)	(116,177,910)	46,884,230	(164,970,743)	(118,086,513)	
Net	<u>44,585,389</u>	<u>(159,616,632)</u>	<u>(115,031,243)</u>	<u>48,791,743</u>	<u>(164,970,743)</u>	<u>(116,179,000)</u>	
	Separate financial statements						(Unit : Baht)
	As at December 31, 2020			As at December 31, 2019			
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net	
Deferred tax liabilities	33,162,058	(39,977,595)	(6,815,537)	34,177,507	(41,830,505)	(7,652,998)	

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Movement in total deferred tax assets and liabilities during the years ended December 31, 2020 and 2019 were as follows:

	Consolidated financial statements				(Unit : Baht)
	As at December 31, 2019	Changing increase/(decrease)			
		Profit (loss)	Other comprehensive income	Change of investments in subsidiaries	
Deferred tax assets					
Allowance for diminution in value of inventories	5,155,462	699,001	-	-	5,854,463
Allowance for diminution in value of land and improvement	428,997	(107,249)	-	-	321,748
Liabilities by contract of financial leased	184,933	113,353	-	-	298,286
Employee benefit obligations	2,524,838	401,690	(744,114)	-	2,182,414
Cost of real estate project for rental					
under financial lease agreement	34,467,300	(3,869,553)	-	-	30,597,747
Allowance for doubtful accounts	5,032,644	(742,714)	-	-	4,289,930
Allowance for impairment in real estate development project for rental under financial lease agreement	978,159	-	-	-	978,159
Provision liabilities of lawsuit	-	50,334	-	-	50,334
Estimated cost of repair	19,410	(7,102)	-	-	12,308
Total	48,791,743	(3,462,240)	(744,114)	-	44,585,389

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Deferred tax liabilities

	Consolidated financial statements				(Unit : Baht)
	Changing increase/(decrease)				
	As at December 31, 2019	Profit (loss)	Other comprehensive income	Change of investments in subsidiaries	
Deferred tax liabilities					
Revenue from real estate project for rental under financial lease agreement	72,639,966	(4,139,902)	-	-	68,500,064
Additional assets from the acquisition of subsidiaries	110,259,519	(1,214,209)	-	-	109,045,310
Decrease asset from disposal in subsidiaries	(17,928,742)	-	-	-	(17,928,742)
Total	164,970,743	(5,354,111)	-	-	159,616,632
Net	(116,179,000)	1,891,871	(744,114)	-	(115,031,243)

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

	Consolidated financial statements				(Unit : Baht)
	As at December 31, 2019	Changing increase/(decrease)			
		Profit (loss)	Other comprehensive income	Change of investments in subsidiaries	
Deferred tax assets					
Allowance for diminution in value of inventories	6,295,944	(1,140,482)	-	-	5,155,462
Allowance for diminution in value of land and improvement	428,997	-	-	-	428,997
Liabilities by contract of financial leased	24,095	160,838	-	-	184,933
Employee benefit obligations	2,344,804	827,046	(647,012)	-	2,524,838
Cost of real estate project for rental under financial lease agreement	42,920,627	(8,453,327)	-	-	34,467,300
Allowance for doubtful accounts	4,878,817	153,827	-	-	5,032,644
Allowance for impairment in real estate development project for rental under financial lease agreement	978,159	-	-	-	978,159
Provision liabilities of lawsuit	1,652,280	(1,652,280)	-	-	-
Estimated cost of repair	-	19,410	-	-	19,410
Total	59,523,723	(10,084,968)	(647,012)	-	48,791,743

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Consolidated financial statements					(Unit : Baht)
Changing increase/(decrease)					
As at	Profit (loss)	Other comprehensive income	Change of investments in subsidiaries	As at	
December 31,				December 31,	
2019				2020	
Deferred tax liabilities					
Revenue from real estate project for rental under financial lease agreement	78,502,267	(5,862,301)	-	-	72,639,966
Additional assets from the acquisition of subsidiaries	23,557,661	(1,914,305)	-	91,098,065	112,741,421
Decrease asset from disposal in subsidiaries	-	-	-	(20,410,644)	(20,410,644)
Total	102,059,928	(7,776,606)	-	70,687,421	164,970,743
Net	(42,536,205)	(2,308,362)	(647,012)	(70,687,421)	(116,179,000)

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated financial statements			
	Changing increase/(decrease)			As at December 31, 2020
	As at December 31, 2019	Profit (loss)	Other comprehensive income	Change of investments in subsidiaries
Deferred tax assets				
Allowance for diminution in value of inventories	4,776,920	1,030,598	-	-
Liabilities by contract of financial leased	184,933	113,352	-	-
Employee benefit obligations	2,116,983	398,339	(356,307)	-
Cost of real estate project for rental				
under financial lease agreement	22,597,430	(2,011,545)	-	-
Financial lease payable	-	43,929	-	-
Allowance for doubtful accounts	4,481,831	(226,714)	-	-
Provision liabilities of lawsuit	19,410	(7,101)	-	-
Total	34,177,507	(659,142)	(356,307)	-
				33,162,058
Deferred tax liabilities				
Revenue from real estate project for rental under				
financial lease agreement	41,830,505	(1,852,910)	-	-
Total	41,830,505	(1,852,910)	-	-
Net	(7,652,998)	1,193,768	(356,307)	-
				(6,815,537)

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Consolidated financial statements			
	Changing increase/(decrease)			As at December 31, 2020
	As at December 31, 2019	Profit (loss)	Other comprehensive income in subsidiaries	
Deferred tax assets				
Allowance for diminution in value of inventories	6,065,210	(1,288,290)	-	4,776,920
Liabilities by contract of financial leased	24,095	160,838	-	184,933
Employee benefit obligations	2,023,183	740,812	(647,012)	2,116,983
Cost of real estate project for rental				
under financial lease agreement	24,601,735	(2,004,305)	-	22,597,430
Allowance for doubtful accounts	4,481,831	-	-	4,481,831
Provision liabilities of lawsuit	-	19,410	-	19,410
Total	37,196,054	(2,371,535)	(647,012)	34,177,507
Deferred tax liabilities				
Revenue from real estate project for rental under				
financial lease agreement	45,429,028	(3,598,523)	-	41,830,505
Total	45,429,028	(3,598,523)	-	41,830,505
Net	(8,232,974)	1,226,988	(647,012)	(7,652,998)

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

19. Other non-current assets

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Guarantee for leasehold rights and services	17,844,341	18,343,833	15,649,725	15,824,343
Other non-current assets	5,110,650	104,649	5,110,650	104,649
Total	22,954,991	18,448,482	20,760,375	15,928,992
Land held for development	23,625,000	23,625,000	-	-
Net other non-current assets	46,579,991	42,073,482	20,760,375	15,928,992

20. Bank overdraft and short-term borrowings from financial institutions

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Bank overdrafts	48,052,054	54,480,873	38,579,278	44,633,963
Loans from trust receipt	724,938,105	851,735,017	724,938,105	851,735,017
Short-term loans from promissory note	799,289,440	798,117,547	799,289,440	798,117,547
Total	1,572,279,599	1,704,333,437	1,562,806,823	1,694,486,527

The parent company entered into a factoring agreement which has trade receivables as collateral, with interest rate of MOR-1 per annum.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

21. Trade and other current payables

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade payables				
Trade payables	88,783,793	68,484,195	83,711,770	64,917,687
Total	<u>88,783,793</u>	<u>68,484,195</u>	<u>83,711,770</u>	<u>64,917,687</u>
Other payables				
Advance received from real estate project	15,722,258	14,620,356	12,026,135	10,039,856
Accrued expense	156,342,746	158,816,517	17,213,195	13,541,138
Accrued interest expense	17,034,626	4,525,866	8,532,531	4,251,093
Account payable of retention	6,386,352	5,178,989	825,981	825,981
Witholding tax payable	309,847	365,595	270,051	292,481
Other payable – Revenue Department	433,093	557,135	378,641	450,020
Advance receipts	549,244	-	28,262,216	35,222,347
Other	26,337,347	8,906,789	1,174,894	727,779
Total	<u>223,115,513</u>	<u>192,971,247</u>	<u>68,683,644</u>	<u>65,350,695</u>
Total trade and other current payables	<u>311,899,306</u>	<u>261,455,442</u>	<u>152,395,414</u>	<u>130,268,382</u>

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

22. Lease liabilities

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
As at January 1,	4,362,161	-	4,054,321	-
Increase	8,194,698	-	12,509,015	-
Revised agreement	(1,368,075)	-	(1,368,075)	-
<u>Less</u> Payment	(2,559,783)	-	(3,777,309)	-
<u>Less</u> Deferred interest expenses	(606,429)	-	(795,992)	-
As at December 31,	8,022,572	-	10,621,960	-
<u>Less</u> Current portion	(3,296,074)	-	(4,440,390)	-
Net	4,726,498	-	6,181,570	-

23. Bonds

According to the Annual General Meeting of Shareholders for 2017 on April 28, 2017 approved TWZ Corporation Public Company Limited to the issuance of the bonds amounting to not exceeding Baht 5,000 million. To repay the existing debts, and/or to use as the revolving capital of the Company, and/or to use for business expansion, or for other purposes as the Board of Directors may deem appropriate. The Company has issuance and offering of Secured Bond of TWZ Corporation Public Company Limited No. 1/2020, For institution investor and High Net Worth investor (II & HNW), The details are as follows:

Securities Type : Unsubordinated and Unsecured Debentures, there is a Debenture holders' Representative in the Name-Registered

Issue Size : THB 420,000,000

Issue Term : 2 years 1 day from the date of issuance

Interest Rate : Fixed 7.00% per annum

Interest Payment : Every 3 months, date January 23, April 23, July 23 and date October 23 each year. The first interest payment on April 23, 2020 and the final interest payment on the maturity date of the debentures. However, if the due date of interest payment is not a business day Postpone the interest payment date to the next business day.

Issue Date : January 23, 2020

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Maturity Date	:	January 24, 2022
Lead Underwriters	:	AEC Securities Public Company Limited, UOB Kay Hian Thailand Public Company Limited and KINGSFORD SECURITIES Public Company Limited
Registrar	:	CIMB Thai Bank Public Company Limited
Bond	:	UOB Kay Hian Thailand Public Company Limited
Holder Representatives	:	
Collateral	:	Main Collateral
		1. Vacant land at Mu Si Subdistrict, Pak Chong District, Nakhon Ratchasima owned by the subsidiary - Piyachat Co.,Ltd. Market valued Baht 227,800,000 and appraised at October 4, 2019 by Real Estate Appraisal Co.,Ltd.
		2. Vacant land at Mu Si Subdistrict, Pak Chong District, Nakhon Ratchasima owned by the subsidiary - Piyachat Co.,Ltd. Market valued Baht 58,700,000 and appraised at October 4, 2019 by Real Estate Appraisal Co.,Ltd.
	:	<u>Additional Collateral</u>
		1. Vacant land at Hat Yai Subdistrict, Hat Yai District, Songkhla owned by Suvarnabhumicity Co., Ltd. And Mr. Sitichai Charoenkajonkul which are unrelated company/party Market valued Baht 344,540,000 and appraised at August 4, 2019 by Agency For Real Estate Affairs Co.,Ltd.

After issuance and offering of bonds. The Company will have a credit limit of issuance of Bonds amount of Baht 4,580 million.

Movements of the bonds account during the year ended December 31, 2020 has details are as follow:

	(Unit : Baht)
	Consolidated / Separate financial statements
	Bond no. 1/2020
Balance as at January 1, 2020 (Face value)	-
Issued during the year	420,000,000
Less Deferred bond issuing expense	(9,197,421)
Balance as at Deceemember 31, 2020	410,802,579

Under the terms of issuing bond, the Company must maintain a net debt to equity. In a ratio not exceeding 3: 1 at the end of the quarterly accounting period or the end of the fiscal year.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

24. Current portion of long - term liabilities

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Loans from financial institutions	20,000,000	62,512,474	20,000,000	62,512,474
Less Current portion of long-term loans	(6,672,000)	(62,512,474)	(6,672,000)	(62,512,474)
Net	13,328,000	-	13,328,000	-

During the year, movements of loans from financial institutions are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Beginning balance	62,512,474	212,541,672	62,512,474	74,506,267
Add Received loans	20,000,000	-	20,000,000	-
Less Repayment loans	(62,512,474)	(15,422,205)	(62,512,474)	(11,993,793)
Amortization of borrowing expenses	-	109,959	-	-
Decrease form sale of subsidiary	-	(134,716,952)	-	-
Ending balance	20,000,000	62,512,474	20,000,000	62,512,474

The parent company has a long-term loan from financial institution amounting to Baht 140 million. The loan has a 36 months loan as of the date of the first drawdown and when the mortgage of condominium is released and ready to transfer to the buyer. The borrower will pay the principal 70% of the selling price of each condominium unit. Interest is paid every month at MLR per annum, which the Company pledged land and building as collaterals.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

25. Short term loan from unrelated parties

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Bill of exchange	-	96,920,880	-	96,920,880
Promissory note	-	25,000,000	-	-
Other short term loan	94,640,770	81,471,886	94,228,613	30,000,000
Total	94,640,770	203,392,766	94,228,613	126,920,880

25.1. Bills of exchange

Bill of Exchange's movement during the year ended December 31, 2020 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	96,920,880	-	96,920,880	-
<u>Add</u> Received loans	-	200,000,000	-	200,000,000
<u>Less</u> Repayment loans	3,079,120	5,011,232	3,079,120	5,011,232
Amortization of borrowing expenses	-	(8,090,352)	-	(8,090,352)
Decrease form sale of subsidiary	(100,000,000)	(100,000,000)	(100,000,000)	(100,000,000)
Ending balance	-	96,920,880	-	96,920,880

The parent company has paid short-term loans in February 2020 and has complete fully redeemed all related collateral.

25.2. Promissory note

During the year 2020, the Company issued non-transferable promissory notes of Baht 50 million to a financial institution as a source of working capital.

Purpose	:	Sources of funds in activities of the Company
maturity date	:	Within 6 month from issued date
Interest rate	:	15% per annum
Collaterals	:	Real estate Development of the Company (Note 10)

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Movements in promissory note during the year ended December 31, 2020 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	25,000,000	-	-	-
Increase during the period	50,000,000	25,000,000	50,000,000	-
Amortization of deferred interest	6,250,000	-	6,250,000	-
<u>Less</u> deferred interest	(6,250,000)	-	(6,250,000)	-
<u>Less</u> repayment loan	(75,000,000)	-	(50,000,000)	-
Ending balance	-	25,000,000	-	-

25.3. Other short-term loans

Other short-term loans's movement during the year ended December 31, 2020 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	81,471,885	6,709,137	30,000,000	-
Increase during the period	100,000,000	74,762,749	100,000,000	30,000,000
Amortization of deferred interest	3,902,789	-	3,902,789	-
<u>Less</u> deferred interest	(9,674,176)	-	(9,674,176)	-
<u>Less</u> repayment loan	(81,059,728)	-	(30,000,000)	-
Ending balance	94,640,770	81,471,886	94,228,613	30,000,000

According to the lease agreement dated October 16, 2020, specify that the leasee has the right to buy the property back at a price of Baht 100 million, the payment must be made within April 15, 2021 and must pay the rental fee in accordance with the terms of the agreement. In addition, the leasee must inform the lessor 15 days before the due date, whereby the existing shareholders of the lessor will transfer all of the shares to the Company on the date of payment.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

26. Financial liabilities

26.1. Financial lease – Movable assets

	(Unit : Baht)	
	Consolidated / Separate financial statements	
	As at December 31, 2020	As at December 31, 2019
Financial lease liabilities	10,202,659	13,206,315
Less deferred interest	(760,656)	(1,251,626)
Total	9,442,003	11,954,689
Less Current portion	(3,570,607)	(3,008,071)
Net	5,871,396	8,946,618

The Company has made the financial lease liabilities for leasing vehicles to use in company's operating. The lease payment is determined as on lease agreements with monthly payment throughout the term of lease about 4 to 6 years.

26.2. Financial lease - Real Estate

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Rental for real estate recognized under				
financial lease agreement	151,405,455	160,041,816	73,517,010	77,710,514
<u>Less</u> Deferred interest expenses	(51,881,510)	(59,194,081)	(25,191,784)	(28,742,504)
<u>Less</u> Current portion of rental for				
real estate recognized under				
financial lease agreement	(2,283,416)	(880,697)	(1,108,744)	(199,691)
Net	97,240,529	99,967,038	47,216,482	48,768,319

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

The aggregate minimum lease payments under financial lease agreements as follows:

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Less than 1 year	9,499,996	8,636,361	4,612,854	4,193,504
More than 1 year but less than 5 years	48,498,426	44,089,479	23,549,081	21,408,256
More than 5 years	93,407,033	107,315,976	45,355,075	52,108,754
Net	151,405,455	160,041,816	73,517,010	77,710,514

27. Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	12,624,197	11,585,906	10,584,914	10,115,912
<u>Add</u> Service cost	2,319,265	4,014,831	1,877,303	3,477,333
Interest cost	122,180	258,523	114,392	226,732
<u>Add</u> Re-measurement – actuarial loss (gain) from changes in financial assumptions	(3,720,572)	(3,235,063)	(1,781,533)	(3,235,063)
Ending balance	11,345,070	12,624,197	10,795,076	10,584,914

The cumulative amount of actuarial gains recognised in the other comprehensive income for the year ended December 31, 2020 of the consolidate and separate financial statements of amounting Baht 3.72 million and Baht 1.78 million, respectively (2019: Baht 3.24 million and Baht 3.24 million, respectively).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

The principal actuarial assumptions used were as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Discount rate	1.30 - 2.31	2.05 - 2.72	1.30	2.72
Future salary increases rate	3-5	5	3	5
Turnover Rate	0 - 40	0 - 48	0 - 40	0 - 43
Retirement age	60	60	60	60

The result of sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,216,330)	1,428,760	(1,126,729)	1,319,662
Future salary increases rate	1,415,227	(1,227,726)	1,308,100	(1,137,961)
Turnover Rate	(1,306,699)	578,521	(1,206,791)	514,417
Retirement age	57,872	(57,537)	53,436	53,140

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2020, the maturity analysis of undiscounted cash flows of benefit payments are as follows:

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Within 1 year	-	-
Over 1 year but less than 5 year	2,841,090	2,841,090
Over 5 year	207,540,071	158,643,594

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

28. Share capital and warrants

28.1. Ordinary shares

	Consolidated / Separate financial statements			
	As at December 31, 2020		As at December 31, 2019	
	Number of shares (Thousand shares)	Amount (Thousand Baht)	Number of shares (Thousand shares)	Amount (Thousand Baht)
Registered shares capital				
Beginning ordinary shares	16,482,246,820	1,648,224,682	16,482,246,820	1,648,224,682
Less Decreased ordinary shares	(40,000,000)	(4,000,000)	-	-
Ending ordinary shares	16,442,246,820	1,644,224,682	16,482,246,820	1,648,224,682
Issued and paid-up share capital				
Beginning ordinary shares	8,548,952,743	854,895,274	8,548,952,743	854,895,274
Add Increased ordinary shares	1,397,736,507	139,773,651	-	-
Less Decreased ordinary shares (Note 23.2)	(40,000,000)	(4,000,000)	-	-
Ending ordinary shares	9,906,689,250	990,668,925	8,548,952,743	854,895,274

On January 28, 2020, TWZ Corporation Public Company Limited decreased and increased of the Company's paid-up capital as follows:

Decreased of the Company's paid-up capital

Former capital : 8,548,952,743 shares at per value of 0.10 Baht/share, totaling Baht 854,895,274.30.

New capital : 8,508,952,743 shares at per value of 0.10 Baht/share, totaling Baht 850,895,274.30.

Increased of the Company's paid-up capital

Former capital : 8,508,952,743 shares at per value of 0.10 Baht/share, totaling Baht 850,895,274.30.

Increased 1,397,736,507 shares

New capital : 9,906,689,250 shares at per value of 0.10 Baht/share, totaling Baht 990,668,925.00.

Allocated for Warrants (TWZ-W5) 1,397,736,507 units exercise to 1,397,736,507

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

28.2. Treasury stock

As at March 31, 2020, the Company cut off 40 million shares of repurchased and unsold shares of the Company with a par value of 0.10 Baht per share, totaling Baht 4 million. In this regard, the Company transferred the difference from the capital reduction of Baht 0.04 million and reserve the treasury stock of Baht 3.60 million to the same retained earnings.

As at December 31, 2019, the Company has repurchased shares of 40 million shares or 0.47% of all outstanding shares in total of Baht 3.60 million.

The Company has allocated as reserve retain earnings for shares repurchasing as above in totality.

On May 22, 2019, The Board of director has unanimously approval about plan for treasury shares, with limit of repurchasing not exceed 9.94% of outstanding shares or not exceed 850 million shares. The Company aims to manage excess liquidity efficiently.

The amount was approved for repurchasing of Baht 120 million and price for repurchase shares not exceed 115% of average closing price from The Stock Exchange of Thailand (SET). The Company can repurchase shares via The Stock Exchange of Thailand (SET) on June 6, 2019 to June 26, 2019 within 15 days before date of selling-purchasing shares.

According to the letter of Securities and Exchange Commission (SEC) as no. Chor Sor. (Wor) 2/2548 on February 14, 2005 said about shares repurchasing, which the Company can conduct by less than the amount of total retained earnings and reserve retained earnings as equal as the amount of paid for shares repurchasing until all treasury shares are resold, or the company reduce paid-up capital with reducing shares unsold, as the case may be.

28.3. Warrants

Shareholder's approved the issuance of warrants to purchase the ordingry shares of the Company (TWZ-W5) are 2,289,871,672 unit as follows:

Warrant trading symbol	:	TWZ -W5
Secondary market	:	SET
Trading date	:	February 8, 2019
Number of listed warrants	:	2,289,871,672
Exercise ratio (Warrant: Common stock)	:	1 : 1
Exercise price (Baht per share)	:	0.10
Term of warrants	:	1 year from the Issuance date (February 1, 2019)
Warrant price (Baht per unit)	:	0.00
First exercise date	:	January 31, 2020
Last exercise date	:	January 31, 2020

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

During the year 2020, increased its register capital to allocate for the exercise of warrant (TWZ-W5) of 1,397,736,507 unit and shall be change to the ordinary shares in 1,397,736,507 shares.

The unused right of warrant (TWZ-W5) to purchase the ordinary shares and exhaustion of right of 2,774,984,207 unit. At the Extraordinary General Meeting of Shareholders No. 1/2021 on February 25, 2021, stipulated to reduce the registered capital in proportion to the expired warrants.

29. Dividend

According to the Board of Director's Meeting of Company No.5/2020 held on June 18, 2020, approved the suspension of dividend payment for the year 2019

30. Legal reserve

According to the Public Company Limited Act. The Company must allocate a portion of its annual net profit as a legal reserve of not less than 5 percent of the annual net profit after deducting the deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. Consequently, legal reserve can not be used to pay dividends.

31. Other income

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2020	2019	2020	2019
Sales promotion income	28,960,209	39,905,109	25,447,359	38,665,109
Interest income from financial lease	5,513,192	6,327,179	3,734,656	4,145,683
Interest income	3,993,708	4,475,393	14,958,754	11,459,346
Gain from transfer assets	4,627,359	11,625,474	-	-
Other income	11,741,914	29,376,839	11,971,141	34,391,176
Total	54,836,382	91,709,994	56,111,910	88,661,314

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

32. Expenses by nature

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2020	2019	2020	2019
Change in inventories	181,002,437	2,199,344	180,307,205	3,856,583
Loss from diminution in value of inventory (reversal)	4,870,980	(7,078,395)	5,152,988	(6,441,448)
Purchases of goods	3,109,988,006	3,353,165,191	3,056,273,006	3,285,749,589
Employee expense	118,414,879	140,198,705	97,650,155	132,866,772
Depreciation - Property, plant and equipment	13,605,837	18,090,457	13,127,342	15,314,847
Depreciation - Right of use assets	2,490,846	-	3,495,992	-
Amortization Leasehold Land				
Amortization other	1,696,582	2,232,882	487,257	485,926
intangible assets	1,359,337	1,243,908	1,356,105	276,247
Rental and Service	34,577,671	44,248,634	34,813,403	44,292,395
Promotion expenses	885,354	787,729	878,459	786,229
Consultant fee	8,907,516	5,653,946	6,217,741	3,003,856

33. Provident fund

The Group and the Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act A.D. 1987.

Under the provident fund plan, employees and Company's contributions are equivalent pay 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. A.D. 1987.

The Group and the Company have contributed to provident fund for the years ended December 31, 2020 and 2019 were as follows

December 31, 2020 and 2019 were as follows	(Unit : Baht)			
	<u>Consolidated financial</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Contributed to provident fund	1,023,174	963,735	909,504	873,320

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

34. Finance cost

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2020	2019	2020	2019
Bank charge	8,545,960	8,976,238	8,545,960	8,976,238
Fee form other loan	16,840,880	-	16,840,880	-
Finance cost	122,384,502	103,750,570	117,215,779	97,158,381
Total	147,770,342	112,726,808	142,601,619	106,134,619

35. Income tax expense

Corporate income tax was calculated on profit before income tax for the year, using the estimated effective tax rate for the year as follows :

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2020	2019	2020	2019
Current income tax :				
Corporate income tax	5,866,417	17,163,926	4,762,197	15,067,571
Deferred tax :				
Relating to origination and reversal				
of temporary differences	(1,952,230)	(1,661,350)	(1,193,767)	(1,226,988)
Income tax expenses reported in the statements of comprehensive income				
- continuing operations	-	15,502,576	-	13,840,583
Income tax expenses reported in the statements of comprehensive income				
- discontinuing operations	-	(192,094)	-	-
Income tax expenses reported in the statements of comprehensive income	3,914,187	15,310,482	3,568,430	13,840,583

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2020	2019	2020	2019
Accounting profit (loss) before tax	(4,781,967)	61,313,801	8,671,870	68,371,809
Add back loss accounting of some subsidiary	(15,419,208)	(10,094,324)	-	-
Accounting profit (loss) before tax-net	10,637,241	71,408,125	8,671,870	68,371,809
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by	2,127,448	14,281,625	1,734,374	13,674,362
Effects of :				
Tax exempted revenue and tax exempted revenue	1,786,739	1,028,857	1,834,056	166,221
Income tax expenses reported in the statements of comprehensive income	3,914,187	15,310,482	3,568,430	13,840,583

As at December 31, 2020 and 2019, the Group has accumulated tax loss that have not yet been recorded as deferred tax assets amounting to Baht 11.03 Million and Baht 13.86 Million, respectively, the Company has not recognised those tax losses as deferred tax assets due to the management assesses that there are economical uncertainties on future operating performance. Therefore, the Company will recognise the deferred tax assets from tax loss when actual tax obligation incurred.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

36. Earning (loss) per share

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2020	2019	2020	2019
Basic earning (loss) per share				
Net profit (loss) from continuing operations	(7,499,104)	42,118,874	85,103,440	54,531,226
Net profit from discontinuing operations	-	1,789,645	-	-
Net profit attributable to equity holders of the parent company	(7,499,104)	43,908,519	5,103,440	54,531,226
Weighted average number of ordinary shares in issue				
	9,738,655,353	8,527,856,853	9,738,655,353	8,527,856,853
Basic earnings per share for equity holders of the parent company (Thousand Baht : Share)				
	(0.0008)	0.0051	0.0005	0.0064
Basic earnings per share for Continuing operations (Thousand Baht : Share)				
	(0.0008)	0.0049	0.0005	0.0064

Diluted earnings (loss) per share weighted average number of ordinary shares in issue during the year is adjusted by the number of dilutive potential ordinary shares, assuming that the dilutive potential ordinary shares are exercised and converted to ordinary shares. The Company has diluted ordinary shares, is warrants to purchase ordinary shares. The Company calculates the equivalent of the discounted shares based on the fair value based on the par value of the share option price accompanying the warrants to purchase the ordinary shares (The calculation is based on the weighted average number of ordinary shares in issue during the year). The Company has prepared this calculation for determining the added ordinary shares with the ordinary shares held by others. To calculate the diluted Earning per Share, there is no the adjustment of Net profit. However there is no the calculation of the diluted Earning Per share for this year ended on December 31, 2019 and ended on December 31, 2020 since the fair value of ordinary share is lower than the exercise price of warrant and the warrant expired on January 31, 2020, respectively.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

37. Segment financial information

Segment information is presented in respect of the Company's business segment. The primary format, business segments is based on the Company's management and internal reporting structure.

Segment assets and revenues include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Company comprises of six business segments that are communication equipment trading segment, real estate development segment, Investment property segment, generating and selling electricity plasma segment, electric vehicles segment and generate and selling electricity segment (discontinued segment).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit : Baht)

Consolidated financial statements								(Unit : Baht)
For the year ended December 31, 2020								
	Communication equipment trading	Real estate Development	Investment property	Generating and selling electricity plasma	Electric vehicles	Total continuing operations	Generating and selling electricity (discontinued segment)	Total
Revenues domestic	3,225,782,422	9,983,068	11,675,565	85,000	16,011	3,247,542,066	-	3,247,542,066
Other income	36,420,120	-	-	-	-	36,420,120	-	36,420,120
Interest income	12,326,714	5,584,949	-	372,234	132,365	18,416,262	-	18,416,262
Finance costs	(137,179,479)	(9,297,189)	-	(1,293,674)	-	(147,770,342)	-	(147,770,342)
Depreciation and amortization	(17,684,644)	(1,298,668)	-	(167,484)	(1,806)	(19,152,602)	-	(19,152,602)
Profit (loss) from segment	7,377,490	(9,535,763)	1,627,888	(1,610,004)	(2,641,578)	(4,781,967)	-	(4,781,967)
Income (Expense) tax	(3,586,623)	(762,943)	520,220	(84,841)	-	(3,914,187)	-	(3,914,187)
Net book value of segment assets	4,235,472,665	596,035,790	114,900,000	721,559,031	90,706,447	5,758,673,933	-	5,758,673,933

Information about main client

For the year ended December 31, 2020 and the Group has revenues from client of communication equipment trading segment amounts 4 clients representing 70.41 percent of the total revenues of the Group.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

		Consolidated financial statements						(Unit : Baht)
		For the year ended December 31, 2020						
		Communication equipment trading	Real estate Development	Investment property	Generating and selling electricity plasma	Electric vehicles	Total continuing operations	Generating and selling electricity (discontinued segment)
								Total
Revenues domestic		3,669,207,458	16,092,260	9,623,500	2,178,601	-	3,697,101,819	10,996,248
Other income		63,993,684	16,913,581	-	-	-	80,907,265	-
Interest income		3,904,430	6,406,680	-	491,619	-	10,802,729	136,344
Finance costs		(98,470,642)	(13,238,076)	-	(1,018,090)	-	(112,726,808)	(1,510,808)
Depreciation and amortization		(16,074,787)	(1,918,010)	-	(97,660)	-	(18,090,457)	(3,383,769)
Profit (loss) from segment		63,138,295	(9,531,407)	4,623,500	(978,230)	-	57,252,158	4,061,643
Income (Expense) tax		(15,148,069)	1,366,701	(1,686,024)	(35,184)	-	(15,502,576)	192,094
Net book value of segment assets		3,991,893,684	570,361,804	104,800,000	769,467,826	-	5,436,523,314	-

Information about main client

For the year December 31, 2019 and the Group has revenues from client of communication equipment trading segment amounts 2 clients representing

71.70 percent of the total revenues of the Group.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

38. Obligations commitment and contingent liabilities

Obligations commitment and contingent liabilities are as follows:

38.1. Credit facility and Contingent Liabilities

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Credit facility for letter of guarantee				
Credit facility (million Baht)	71.85	71.85	60.00	60.00
Used credit facility (million Baht)	57.56	55.46	45.71	43.61
Balance of credit facility (million Baht)	14.29	16.39	14.29	16.39
Credit facility for overdraft				
Credit facility (million Baht)	60.00	60.00	50.00	50.00
Used credit facility (million Baht)	47.96	54.31	38.49	44.47
Balance of credit facility (million Baht)	12.04	5.69	11.51	5.53
Credit facility for letter of credit				
trust receipt and promissory note				
Credit facility (million Baht)	1,815.00	1,815.00	1,815.00	1,815.00
Used credit facility (million Baht)	1,250.12	1,377.76	1,250.12	1,377.76
Balance of credit facility (million Baht)	564.88	437.24	564.88	437.24
Credit facility (million EUR)	-	2.56	-	-
Used credit facility (million EUR)	-	2.56	-	-
Balance of credit facility (million EUR)	-	-	-	-
Credit facility for factoring				
Credit facility (million Baht)	300.00	300.00	300.00	300.00
Used credit facility (million Baht)	299.29	298.12	299.29	298.12
Balance of credit facility (million Baht)	0.71	1.88	0.71	1.88

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Credit facility for foreign exchange				
forward contract				
Credit facility (million Baht)	265.00	265.00	265.00	265.00
Used credit facility (million Baht)	-	20.48	-	20.48
Balance of credit facility (million Baht)	265.00	244.52	265.00	244.52
Credit facility (million USD)	21.67	5.00	21.67	5.00
Used credit facility (million USD)	-	0.93	-	0.93
Balance of credit facility (million USD)	21.67	4.07	21.67	4.07
Loan				
Credit facility (million Baht)	20.00	140.00	20.00	140.00
Used credit facility (million Baht)	20.00	62.51	20.00	62.51
Balance of credit facility (million Baht)	-	77.49	-	77.49
Credit card loan limit				
Credit facility (million Baht)	1.40	1.40	1.40	1.40
Used credit facility (million Baht)	0.07	0.08	0.07	0.08
Balance of credit facility (million Baht)	1.33	1.32	1.33	1.32
Fleet card credit limit				
Credit facility (million Baht)	-	1.00	-	1.00
Used credit facility (million Baht)	-	-	-	-
Balance of credit facility (million Baht)	-	1.00	-	1.00

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

38.2. Credit line collateral

As of December 31, 2020 and 2019, the Group and the Company have pledged securities to secure credit facilities of the Group and the Company are as follows:

38.2.1. Bank

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Bank – Savings Accounts	57,339	57,287	-	-
Bank – Fix Accounts	358,017,831	357,703,356	350,913,265	350,604,282
Total	358,075,170	357,760,643	350,913,265	350,604,282

38.2.2. Right of use assets

Some right of use assets are used as collateral for credit facilities (Note 15).

38.3. Foreign exchange forward contract

Contract furation	Consolidated / Separate financial statements					
	Foreign currency contract amount		Contract rate		(Unit : Baht)	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
USD						
6/9/2562-10/3/2563	-	356,700	-	30.1010	-	10,737,027
7/9/2562-4/3/2563	-	141,000	-	30.2819	-	4,269,748
17/12/2562-19/6/2563	-	316,800	-	30.0373	-	9,515,817
18/12/2562-12/6/2563	-	785,850	-	30.2197	-	23,748,151

The Company had obligations under foreign exchange forward contract from financial institutions as follows:

The Company recognize derivatives on currency future in its financial statements. Derivatives on foreign exchange contracts (Fair value level 2) will be evaluated by valuation model. The variables are obtained from comparison with existing variables in the market with respect to information on relationship of foreign exchange, discount rate, time to maturity, and volatility. The fair value is calculated by counter parties which are financial institutions.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Fair value

As at December 31, 2020, the Company does not record the net fair value of forward foreign exchange contracts because at the end of the period, the Company does not use forward foreign exchange contracts.

As at December 31, 2019, it is a liability forward exchange contract amounting to Baht 0.45 million.

38.4. Obligations as long-term lease agreement

Parent company

As at December 31, 2020 the Company entered into 23 service agreements, with terms ranging from 1 year to 25 years and short-term lease contracts of 15 contracts with a period of 1 year.

As at December 31, 2019 the Company entered into service contract and long-term lease agreements in total of 45 contracts, with various durations from 1 to 25 years. The Company has the rights to to renew such contract.

Subsidiary company

As at December 31, 2020 the Company entered into 3 service agreements, with terms ranging from 1 year to 3 years and short-term lease contracts of 1 contracts with a period of 1 year.

As at December 31, 2019 the Company entered into service contract and long-term lease agreements in total of 4 contracts, with various durations from 1 to 3 years.

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Less than 1 year	13,272,192	24,343,729	12,993,107	23,883,269
More than 1 year but less than 5 years	6,155,289	6,760,304	6,087,999	6,510,704
Total	19,427,481	31,104,033	19,081,106	30,393,973

According to adopt in TFRS 16 Lease liabilities, all operating leases in the previous year are required to consider about conditions and classify to financial lease which it affected to commitments from the previous year was decreased. Leases was not classified to financial lease will be service agreements and operating leases (Note 2.3.2).

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTE TO FINANCIAL STATEMENT**

AS AT DECEMBER 31, 2020

38.5. Obligations about capital expenditure

As at December 31, 2020, the subsidiaries company had capital expenditures in amount of Baht 40.20 million and 19.51 million (2019 : amount of Baht 40.20 milion and Baht 19.51 milion) approximately that relate with cost of waste separation plants construction and cost of the power plant construction respectively. Furthermore, there are an obligation for machinery payment and cost of controlling the installation of the machines and inspecting the system approximately in amount of Euro 12.11 million and Euro 0.90 million respectively (2019 : amount of Euro 12.11 milion and Euro 0.90 milion).

339. Financial instrument**39.1. Financial risk management policies**

The Group and the Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group and the Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

39.2. Capital management

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

39.3. Credit risk

Credit risk means the risk that the party of the one part will be unable to execute according to commitments, which is specified with financial instruments and it makes the party of other part damage in term of finance.

The Group and the Company has the credit risk related to account receivable which the company has several and various customers. However, The Company has a comprehensive loan policy which required guarantee for large loans, thus the Group and the Company expects no significant damage from collecting debt of such account receivable. The Group and the Company also estimate the allowance for doubtful accounts based on the management appraisal regarding the account receivables debt service ability in the past which the management believes it is sufficient.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

39.4. Interest rate risk

Interest rate risk means the risk that the value of financial instruments will change because the changes of interest rate. The Company is exposed to interest rate risk relating primarily to its deposits, short-term loans and loans from financial institutions. So the Company is exposed to the risk of the fluctuation in the future market rate.

Significant financial assets and liabilities as at December 31, 2020 and 2019 classified by type of interest rates are summarised in the table below :

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

(Unit: Million Baht)

Consolidated financial statements

	Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Interest rate per annum (%)
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	
Financial assets	12.18	142.57	-	-	338.99	269.05	351.17	411.62	0.05-0.35
Cash and cash equivalents	-	-	-	-	1,734.02	1,583.07	1,734.02	1,583.07	-
Trade and other current receivables	-	-	5.50	-	-	-	5.50	-	6.00-7.15
Short - term loans									
Other current financial assets	356.20	381.43	-	-	10.04	21.08	366.24	402.51	0.20-7.71
Other non - current financial assets	74.11	75.07	-	-	-	-	74.11	75.07	0.05-7.71
Financial liabilities									
Bank overdrafts and short-term borrowings from financial institutions	48.05	54.48	1,524.23	1,649.85	-	-	1,572.28	1,704.33	1.74-7.50
Trade and other current payables	-	-	-	-	311.90	261.46	311.90	261.46	-
Short term loan from related parties	-	-	69.51	84.56	-	-	69.51	84.56	1.50
Short term loan from unrelated parties	-	-	94.64	196.68	-	6.71	94.64	203.39	1.8
Current portion of long - term liabilities	-	-	6.67	62.51	-	-	6.67	62.51	2.00
Other current financial liabilities									
- Financial lease - Movable assets	-	-	3.57	3.01	-	-	3.57	3.01	5.39-7.25
Other current financial liabilities									
- Financial lease - Real Estate	-	-	2.28	0.88	-	-	2.28	0.88	5.39-7.25
Financial liabilities (cont.)									
Long term loan	-	-	13.33	-	-	-	13.33	-	2.00
Bonds	-	-	410.80	-	-	-	410.80	-	7.00

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Consolidated financial statements (Unit: Million Baht)

	Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Interest rate per annum (%)
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	
Financial assets									
Current portion of lease liabilities	-	-	3.30	-	-	-	3.30	-	5.25-6.00
Lease liabilities	-	-	4.73	-	-	-	4.73	-	5.25-6.00
Other non - current financial liabilities									
- Financial lease - Movable assets	-	-	5.87	8.95	-	-	5.87	8.95	5.39-7.25
Other non - current financial liabilities									
- Financial lease - Real Estate	-	-	97.24	99.97	-	-	97.24	99.97	5.39-7.25

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

39.5. Foreign exchange risk

The Group and the Company has exposure to foreign exchange rate risk because the Group and the Company has assets dominated in foreign currencies. However, the management believe that the risk does not have a significant impact on the Company' financial statements as the Company has arranged foreign exchange forward contracts as disclosed in Note 38.3.

As at December 31, 2020 and 2019 the Group and the Company has financial assets and financial liabilities denominated in foreign currencies are as follow:

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Financial liabilities				
Advance receipts (HKD)	-	-	-	6,648
Accounts payable (USD)	283,000	416,200	283,000	416,200
Trust receipts (USD)	680,550	741,500	680,550	741,500
Obligation				
Letter of credit (USD)	838,500	858,850	838,500	858,850
Letter of credit (EUR)	-	2,560,000	-	-

39.6. Fair valur

The Group and the Company has accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, bank overdrafts, short-term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value. The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid prices at the reporting date.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

TWZ CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTE TO FINANCIAL STATEMENT

AS AT DECEMBER 31, 2020

Consolidated financial statements						(Unit : Baht)
Level 1	Level 2		Level 3		Total	
2020	2019	2020	2019	2020	2019	2020

The fair value of asset disclosure

Investment properties⁽¹⁾ - - 114,900,000 104,800,000 - - 114,900,000 104,800,000

Other intangible assets other than goodwill⁽²⁾ - - - 447,000,000 447,000,000 447,000,000 447,000,000

⁽¹⁾ Level 2 - The fair value determined by using the net asset value as published by the Asset Management.

⁽²⁾ Level 3 - The fair value determined by using the based on information about estimated future cash flows.

Consolidated financial statements						(Unit : Baht)
Level 1	Level 2		Level 3		Total	
2020	2019	2020	2019	2020	2019	2020

The fair value of asset disclosure

Investment properties⁽¹⁾ - - 15,900,000 16,400,000 - - 15,900,000 16,400,000

⁽¹⁾ Level 2 - The fair value determined by using the net asset value as published by the Asset Management

40. Reclassification

Certain accounting entires in the financial statements for the year 2019 have been reclassified in accordance with and announcement of the Department of Business Development dated December 26, 2019, regarding the determination of the required condensed items in the 2019 financial statements.

(Unit : Thousand Baht)

Account	Consolidated	Seperate	Previously Account	Reclassified Account
Deposits under guarantee	350,615	350,615	Other non-current assets	Other current financial assets
Fixed deposit for a period exceeding one year.	28,092	-	Other non-current assets	Other current financial assets
Fixed deposit for a period not exceeding one year.	289	-	Temporary investment	Other current financial assets
Bangkok Bank fixed deposit	1,264	-	Temporary investment	Other current financial assets
Deposits under guarantee obligation	5,893	-	Temporary investment	Other current financial assets

41. Subsequent Event

The Board of Directors' Meeting No. 2/2021 resolved to approve the Extraordinary General Meeting of Shareholders No. 1/2021 on Thursday February 25, 2021, subjected to the following agenda;

- Consideration approving the decrease of registered capital of the Company.
- Consideration approving the increase of the Company share registered by Baht 660,445,950.
- Consideration and approve the allocation of up to 6,604,459,500 newly issued ordinary shares at the par value of THB 0.10 per share for an offering to the existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering).

42. Approval of the financial statements

These financial statements have been approved by the Company's Board of Director on February 25, 2021



บริษัท ทีดับบลิวแซด คอร์ปอเรชั่น จำกัด (มหาชน)
TWZ CORPORATION PUBLIC COMPANY LIMITED

269 ถนนรัชดาภิเษก แขวงรัชดาภิเษก เขตดินแดง กรุงเทพฯ 10400

269 Ratchadapisek Rd., Ratchadapisek, Din Daeng, Bangkok 10400

www.twz.co.th