

Part 3

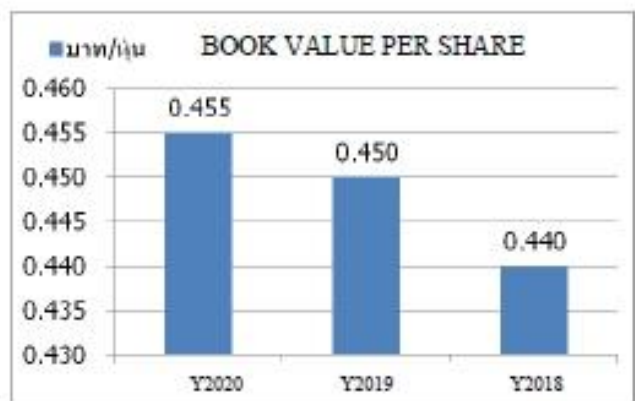
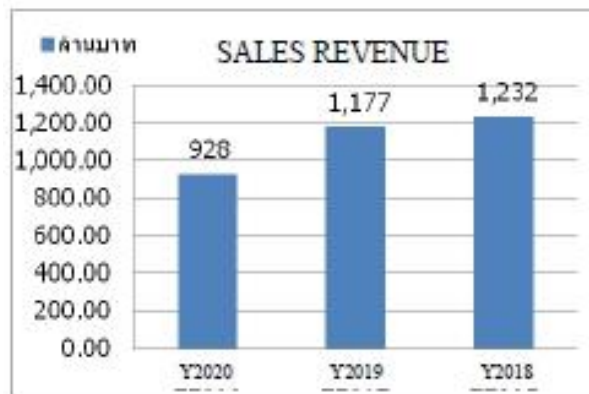
Financial Position and Operating Results

13. Significant financial information

13.1 Summarized financial statement table

Summarized past operation results and financial position (please see details in consolidated financial statement)

Significant financial information	2020	2019	2018
Consolidated income statement (million Baht)			
Income from sale	928	1,177	1,232
Costs and expenses	613	773	805
Earnings before interest, taxes, depreciation and amortization (EBITDA) including dividend receivables from subsidiaries	617	220	
Profit for the year*	92	131	163
Consolidated statement of financial position (million Baht)			
Assets	2,790	2,623	2,527
Liabilities	341	192	236
Shareholders' equity	2,449	2,431	2,290
Parent company shareholders' equity	2,414	2,393	2,290
Financial ratio			
Number of shares issued (million shares)**	5,386	5,386	5,204
Book value per share (Baht)	0.45	0.45	0.44
Profit per share (Baht)	0.02	0.02	0.03
Dividend payable per share (Baht)	0.008	0.015	0.015
Liquidity ratio (times)	6.18	11.21	9.28
Gross profit rate (%)	34%	34%	35%
Net profit rate (%)	10%	11%	13%
Shareholders' return rate (%)	3.8%	5.6%	7.2%
Total rate of return from assets (%)	3.4%	5.1%	6.5%
Debt to equity ratio (times)	0.14	0.08	0.10



Statement of Financial Position	Consolidated financial statement as per audit report					
	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	86,880	3	191,635	7	131,919	5
Temporary investment	-	-	-	-	-	-
Trade and other account receivables	118,930	4	127,660	5	156,185	6
Short-term loans	-	-	-	-	-	-
Inventories	1,532,889	55	1,147,571	54	1,646,482	66
Total current assets	1,738,699	62	1,736,866	66	1,934,586	77
Non-current assets						
Investments in associates	139,664	5	-	-	-	-
Land held for development	-	-	19,933	1	19,933	1
Real estate for investment	333,391	12	315,476	12	48,795	2
Property, plant and equipment	510,277	18	492,127	19	466,117	18
Intangible assets	3,492	0	3,667	0	2,274	0
Deferred tax assets	9,293	0	8,619	0	8,383	0
Non-operating assets	-	-	29,880	1	32,820	1
Rights of use assets	45,525	2				
Other non-current assets	9,657	0	16,634	1	13,904	1
Total non-current assets	1,051,299	38	886,336	34	592,226	23
Total assets	2,789,998	100	2,623,202	100	2,526,812	100
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	165,361	6	443	0	2,034	0
Trade and other account payables	96,597	3	130,820	5	183,301	7
Short-term loans	-	-	-	-	-	-
Long-term liabilities due within one year	7,192	0	7,520	0	3,112	0
Accrued income tax	12,143	0	16,204	1	20,049	1
Total current liabilities			154,987	6	208,496	8
Non-current liabilities						
Long-term loans	-	-	-	-	-	-
Financial lease liabilities	26,610	1	7,851	0	5,100	0
Deferred tax liabilities	6,571	0	6,000	0	5,737	0

Employee benefit obligations	24,728	1	15,398	1	16,092	1
Other non-current liabilities	1,672	0	1,551	0	28,275	1
Total non-current liabilities	59,581	2	27,786	1	49,567	2
Total liabilities	340,874	12	236,282	9	252,111	10
Shareholders' equity						
Share capital						
Authorized share capital	557,000	20	557,000	22	557,000	23
Issued and paid-up capital	538,634	21	520,435	21	520,435	19
Premium on ordinary shares	1,325,757	51	1,286,265	51	1,286,265	48
Retained earnings						
Appropriated						
Legal reserve	55,700	2	55,700	2	55,700	2
Unappropriated	500,340	18	433,766	18	497,861	20
Other components of equity	(6,141)	(0)	(12,966)	(0)	(5,992)	(1)
Non-controlling interests	34,834	1	7,330	1	7,395	0
Total shareholders' equity	2,449,124	88	2,290,530	93	2,217,690	90
Total shareholders' equity	2,789,998	100	2,526,812	100	2,469,801	100

(Unit : thousand Baht)

Statement of comprehensive income	Consolidated financial statement as per audit report					
	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Income from sales and services	928,013	100	1,177,219	100	1,231,534	100
Cost of sales and services	(613,241)	66	(773,437)	(66)	(805,372)	(65)
Gross profit	314,772	34	403,782	34	426,162	35
Other income						
Profit from sales of Land	-	-	-	-	-	-
Profit from sales of real estate for investment	-	-	-	-	-	-
Share of profit from investments in associates	11,113	1				
Others	14,036	2	12,402	1	20,640	2
Selling expenses	(139,951)	(15)	(164,263)	(14)	(157,563)	(13)
Administrative expenses	(79,835)	(9)	(85,167)	(7)	(79,766)	(6)
Financial cost	(4,937)	(1)	(1,115)	(0)	(2,659)	(0)
Profit before income tax	115,198	12	165,639	14	206,814	17

Income tax expenses	(26,002)	(3)	(34,961)	(3)	(43,771)	(4)
Profit for the year	89,196	10	130,678	11	163,043	13
Other comprehensive income (expense)	-			-	-	-
Total comprehensive income for the year	89,196	10	130,678	11	163,043	13
Other comprehensive income	16,775	2	-	-	-	-
Total comprehensive loss for the year	105,971	11	130,678	11	163,043	13
Share of profit (loss)						
Part of the company	92,255	10	131,614	11	163,105	13
Equity of non-controlling interests	(3,059)	(0)	(936)	(0)	(62)	(0)
Total profit for the year	89,196	10	130,678	11	163,043	13
Total Share of profit (loss)						
Part of the company	109,030	12	131,614	11	163,105	13
Equity of non-controlling interests	(3,059)	(0)	(936)	(0)	(62)	(0)
Total profit for the year	105,971	11	130,678	11	163,043	13
Basic earnings per share	0.02		0.02		0.03	

(Unit : thousand Baht)

Statement of changes in shareholders' equity	Consolidated financial statement as per audit report		
	2020	2019	2018
Share capital			
Balance at the beginning of the year	538,634	520,435	475,160
Ordinary share purchase	-	-	-
From the exercise of warrants to purchase ordinary shares	-	18,199	42,275
Stock dividend	-	-	-
Balance at the end of the year	538,634	538,634	520,435
Share premium			
Balance at the beginning of the year	1,325,757	1,286,265	1,187,566
Increase during the year	-	39,492	98,699
Balance at the end of the year	1,325,757	1,325,757	1,286,265
Retained earnings			
Appropriated			
Balance at the beginning of the year	55,700	55,700	55,700
Legal reserve	-	-	-
Balance at the end of the year	55,700	55,700	55,700

Unappropriated			
Balance at the beginning of the year	471,956	426,792	497,861
Impact from adoption of new accounting policy on income tax	-	-	-
Legal reserve	-	-	-
Transferred to retained earnings	16,924		
Stock dividend	-	-	-
Dividend paid	(80,795)	(79,497)	(234,174)
Comprehensive profit for the year	92,433	131,614	163,105
Balance at the end of the year	500,340	478,909	426,792
Other components of shareholders' equity			
Difference from changes in investment proportion in subsidiaries			
Balance at the beginning of the year	(6,141)	(5,992)	(5,992)
Increase during the year	-	-	-
Balance at the end of the year	(6,141)	(5,992)	(5,992)
Total shareholders' equity	2,414,290	2,393,008	2,283,200

(Unit : thousand Baht)

Statement of cash flows	Consolidated financial statement as per audit report		
	2020	2019	2018
Cash flows from operating activities			
Profit before income tax	115,199	165,639	206,814
Adjustment	-	-	-
Profit from changes in investment value	-	-	-
Doubtful accounts	(3,251)	37	54
Reserve for obsolete products	55,529	48,333	187
Share of profit from investments in associates	(11,113)	-	-
Amortized withholding income tax	1,063	120	53,378
Depreciation			
Loss on obsolete goods			
Gain from sales of real estate for investment			
(Profit) loss from disposal of tangible assets	13	-	-
Gain from sales of equipment	-	(1,301)	(319)

Intangible asset amortization	854	237	697
Employee benefit provision	4,618	5,995	1,266
Dividend received	(480)	-	-
Interest payable expenses	4,713	1,008	2,501
Profit from operating activities before changes in assets and operating liabilities	167,145	220,268	264,578
(Increase) decrease in components of operating assets			
Trade and other account receivables	6,662	32,382	(14,293)
Inventories	(116,476)	(40,411)	(384,308)
Land held for development	-	-	-
Other non- assets	2,971	(1,630)	(1,845)
Other non-current assets	-	(2,767)	(5,679)
(Increase) decrease in components of operating liabilities			
Trade and other account payables	(31,749)	(27,515)	(56,797)
Employee benefit obligations	-	-	-
Other non-current liabilities	(145)	266	(4)
Cash generated (paid) from operation	28,408	180,393	(198,348)
Cash paid, interest paid	(4,239)	(539)	(2,121)
Cash Benefits Employee	(1,118)	(216)	(2,341)
Income tax paid	(31,707)	(41,907)	(37,451)
Net cash generated from (paid in) operating activities	(8,656)	137,731	(240,261)
Cash flows from investment activities	-	-	394,613
Proceeds from sales of temporary investment	-	-	-
(Increase) decrease in short-term loan	-	-	-
Cash paid for equity securities of other parties	(80,068)	-	-
Cash Dividends Received from Equity Instruments of Other Entities	480	-	-
Cash paid for equity securities in associates	(31,760)	-	-
Cash paid to purchase a subsidiary	(52)	-	-
Cash paid for intangible assets	(627)	-	-
Cash received from the sale of investments in subsidiaries	-	-	-
Cash received from sale of investment property	-	-	-
Proceeds from sales of real estate for investment	(61,329)	(84,014)	(36,158)

Cash paid for purchase of tangible assets	236	3,823	1,883
Proceeds from sales of equipment	-	-	-
Net cash generated from (paid in) investment activities	(173,120)	(80,191)	360,338
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(164,918)	(1,591)	915
Increase (decrease) in short-term loans	-	-	-
Increase (decrease) in long-term loans	-	-	-
Payments for financial lease liabilities	(7,101)	(5,926)	(2,401)
Proceeds from share capital increase	-	-	-
Proceeds from share capital increase Subsidiary	-	31,500	-
Proceeds from Warrant	-	57,691	143,974
Dividends paid	(80,796)	(79,498)	(234,175)
Net cash generated from (paid in) financial activities	77,021	2,176	(91,687)
Net increase (decrease) in cash and cash equivalents	(104,755)	59,716	28,390
Cash and cash equivalents as at 1 January	191,635	131,919	103,530
Cash and cash equivalents as at 31 December	86,880	191,635	131,920

Financial ratio	2020	2019	2018
Liquidity Ratio			
Liquidity ratio (time)	6.18	11.21	9.28
Liquidity quick ratio (time)	0.73	2.06	1.38
Trade account receivable turnover ratio (time)	10.18	11.21	11.17
Average debt collection time (day)	35.87	32.55	32.68
Inventory turnover ratio (time)	0.42	0.50	0.55
Average goods selling time (day)	878.00	723.00	660.20
Account payable turnover ratio (time)	5.39	4.92	4.36
Debt repayment time (day)	67.68	74.12	83.66
Cash Cycle (day)	846.19	681.43	609.22
Profitability Ratio			
Gross profit rate (%)	33.9%	34.3%	34.6%

Net profit rate (%)	9.9%	11.2%	13.2%
Shareholder return rate (%)	3.8%	5.1%	7.2%
Efficiency Ratio			
Rate of return on total assets (%)	3.4%	5.1%	6.5%
Tangible asset turnover ratio (time)	1.80	2.46	2.70
Total assets turnover ratio (time)	0.34	0.46	0.49
Financial Ratio			
Rate of debt to equity ratio (time)	0.14	0.08	0.10
Interest solvency ratio (time)	24.33	149.55	78.81

14. Management Discussion and Analysis (MD&A)

Management Discussion and Analysis for the 2020 operating results (consolidated financial statement)

1. Operating result analysis for 2020 consolidated financial statement compared with the 2019

1.1 Income from sale and service provision

In the year 2020 and 2019, the Company had revenues from sales and services of Baht 928.01 million and Baht 1,177.22 million, respectively. The total revenue was down by Baht 249.21 million or 21.2%. The segment of construction materials business decreased by Baht 187.67 million or 19.7%. Real estate business decreased Baht 61.54 million or 27.2%. The drop in sales was due to the economic conditions in Sabra, a result of the COVID-19 virus outbreak, and commercial banks' retail credit control measures. This is the main reason for the slowdown in the real estate sector this year.

Unit : Million Baht

	2020	2019	Difference	
			Increase (decrease)	%
1.1.Income from sale and service provision				
1.1.1 Construction materials	763.19	950.86	(187.67)	(19.7%)
1.1.2 Real estate business	164.82	226.36	(61.54)	(27.2%)
1.1.3 Total income	928.01	1,177.22	(249.21)	(21.2%)

Proportions of incomes between construction material business and real estate business

Unit : Per cent

	2020	2019
Income from construction material business	82	81
Income from real estate business	19	19
Total income	100	100

1.2 Costs of sale and service provision

Cost of sales and services in 2020 was Baht 613.24 million and Baht 773.44 million in 2019, a decrease of Baht 160.20 million or 20.7% due to lower revenue from sales, Energy, fuel and labor costs for the year 2020 are at the same rate as the year 2019.

Unit : Million Baht

	2020	2019	Difference	
			Increase (decrease)	%
1.2 Cost of sale and service provision				
1.2.1 Construction material business	518.51	626.81	(108.30)	(17.3%)
1.2.2 Real estate business	94.73	146.63	(51.90)	(35.4%)
1.2.3 Total cost of sale and service provision	613.24	773.44	(160.20)	(20.7%)

1.3 Gross profit

The gross profit margin of the year 2020 was Baht 314.77 million, a decrease of Baht 89.01 million or 5.3% in 2019 (Year 2019 gross profit is 403.78 million baht.) due to the increase in sales and service income. Increased cost of sales. The gross margin in the segment of construction materials business was Baht 244.68 million and the real estate business was Baht 70.09 million.

Unit : Million Baht

	2020	2019	Difference	
			Increase (decrease)	%
1.3 Gross profit				
1.3.1 Construction material business	244.68	324.05	(79.37)	(24.5%)
1.3.2 Real estate business	70.09	79.74	(9.65)	(12.1%)
1.3.3 Total gross profit	314.77	403.78	(89.01)	(22.0%)

Gross profit rate to total income from sale and service provision

Unit : Per cent

	2020	2019
Gross profit rate of construction material business	32.1	34.1
Gross profit rate of real estate business	42.5	35.2
Total gross profit	33.9	34.3

1.4 Selling expenses

Selling expenses were Baht 139.95 million and Baht 164.26 million for the year 2020 and 2019, respectively, decreased by Baht 24.31 million or 14.8%. Because of new reporting categorization. The selling expenses of the construction materials business decreased by Baht 23.94 million or 18.2% and the selling expenses of the real estate business increased by Baht 0.37 million or 1.1%. Due to the cost of advertising, publicizing and promoting sales.

Selling expenses compared to revenue from sales and services of the construction materials business were 14.1%, which is equal to 2019, and for the real estate business, it was 19.8% in 2020 and 14.5% in Year 2019

Unit : Million Baht

	2020	2019	Difference	
			Increase (decrease)	%
1.4 Selling expenses				
1.4.1 Construction material business	107.39	131.33	(23.94)	(18.2%)
1.4.2 Real estate business	32.56	32.93	(0.37)	(1.1%)
1.4.3 Total selling expenses	139.95	164.26	(24.31)	(14.8%)

Selling expense rate compared with income from sale and service provision

Unit : Per cent

	2020	2019
Selling expenses compared with income from sale		
Selling expenses of construction material business	14.1	13.8
Selling expenses of real estate business	19.8	14.5
Total selling expenses	15.1	14.0

1.5 Administrative Expenses

Administrative expenses were Baht 69.95 million and Baht 85.17 million for the year 2020 and 2019, respectively, decreased by Baht 15.21 million or 17.9%.

1.6 Financial costs

The financial cost in 2020 was Baht 4.72 million and in the year 2019 was Baht 1.11 million, a increase of Baht 3.61 million or 325%

1.7 profit for the year

In 2020, the company had the net profit attributable to the parent company equal to 92.43 million baht, decreased from 39.19 million baht in year 2019, representing 29.8 percent (In 2019, the net profit attributable to the parent company was 131.62 million baht), with The main reason was due to

the sales decreased by 249.21 million baht causing the gross profit to decrease 89.01 million baht and the selling and administrative expenses decreased by 29.65 million baht.

2. Analysis of financial position for the consolidated financial statements of 2020 and 2019

2.1 Assets

As at 31 December 2020 the Company and subsidiaries had total assets of 2,790 million Baht, increasing by 166.80 million Baht or 6.40 per cent from 2019. Significant changes to the assets were:

Unit : Million Baht

	2020	2019	Difference	
			Increase (decrease)	%
Cash and cash equivalents, temporary investment	86.88	191.63	(104.75)	(54.7%)
Trade and other account receivables	118.93	127.66	(8.73)	(6.8%)
Inventories	1,532.89	1,417.57	115.32	8.1%
Investments in associates	139.66	-	139.66	N/A
Property, plant and equipment	510.28	522.01	(11.73)	(2.2%)

1. Cash and cash equivalents, short-term investments decreased by Baht 104.75 million due to cash flow from financing activities of Baht 77.02 million derived from investment activities of Baht 173.02 million and used in operating activities Baht 8.65 million.

2. Inventories decreased by Baht 115.32 million or 8.1%. Almost all of which were the decrease in the real estate business due to investing in land purchases for low-rise houses development projects for sale, which are expected to begin recognizing revenues in 2022.

3. Investments in associates increased by 139.66 million baht due to investments in ordinary shares of the company. Prinsiri Public Company Limited, accounting for 6.7% of the registered capital of that company.

4. Property, plant and equipment decreased by 11.73 million baht in 2020, machinery and equipment increased by 64.21 million baht and depreciated by 53.33 million baht and the impact of the introduction of financial reporting standards, financial instruments and leases. Come to use as a result, the fixed assets must be reduced by Baht 21.75 million and increased in leasehold assets by the same amount.

2.2 Liabilities

As at 31 December 2020 the Company and subsidiaries had total liabilities of 344.08 million Baht, increasing by 151.78 million Baht or 78.9 per cent from 2019. Material transactions were as follows.

Unit : Million Baht

	2020	2019	Difference	
			Increase (decrease)	%
Short-term loans from financial institutions	165.36	0.44	164.92	N/A
Trade payables and other payables	96.60	130.82	(34.22)	26.2
Lease liabilities	26.61	7.85	18.76	239
Non-current Provisions - Employee Benefits	24.73	21.65	3.08	14

2.3 Shareholders' equity

As at the end of 2020, the Company and its subsidiaries had total shareholders' equity of Baht 2,445.92 million, an increase of Baht 15.02 million from the end of 2019 due to the increase in comprehensive income for the year 6.44 million baht (net from the effect of change in accounting policy 6.95 million baht), cash dividend payment of 80.79 million baht and net profit 89.37 million baht.

3. Liquidity, asset manageability and profitability

As at 31 December 2020 the Company and subsidiaries had current assets of 1,738.70 million Baht and current liabilities of 281.29 million Baht, hence a liquidity ratio of 6.18 times and a liquidity quick ratio of 0.73 times, average debt collection time of 36 days and average debt repayment time of 68 days.

From the operating results of the year 2020, the company has a total net profit of 92.43 million baht, a decrease from the year 2019 by 39.18 million baht, resulting in the year 2020 the company has a return on total assets ratio of 3.4 percent. Fixed assets was 1.80 times, decreased from 2019, which was 2.38 times, and total asset turnover was 0.34 times, decreasing from 2019, which was 0.46 times.

At the end of 2020, the Company and its subsidiaries had a total debt to equity ratio of 0.14 times, an increase from the year 2019, which was 0.08 times.