

Part 3 Important Financial Information

13. Important Financial Information

13.1 Statement of Financial Position as of 31 December 2019

(Unit: Baht)

	Consolidated		Separate Financial Statement	
	2019	2018	2019	2018
		<i>Reclassifications</i>		<i>Re-classifications</i>
ASSETS				
Current assets				
Cash and cash equivalents	38,013,570.19	27,016,861.67	25,380,122.04	11,791,499.19
Trade and other current receivable – related parties	4,647,488.13	4,563,831.34	12,643,473.27	19,796,035.93
Trade and other current receivable – third parties	95,794,366.04	99,371,905.82	73,351,996.60	88,685,137.48
Current portion of receivables of finance lease	156,850.60	4,526,286.41	22,687.93	89,192.00
Assets under contract	2,511,021.68	267,357.70	13,333.33	107,060.49
Inventories	198,322,477.69	179,311,687.58	196,153,849.77	175,949,663.09
Contract completion cost	-	471,469.10	-	-
Total current assets	339,445,774.33	315,529,399.62	307,565,462.94	296,418,538.18
Non-current assets				
Deposit at financial institutions pledged as collateral	70,750,000.00	70,750,000.00	69,750,000.00	69,750,000.00
Receivables of finance lease	14,518.26	142,135.36	-	22,687.90
Investment in the Subsidiary	-	-	30,255,410.25	30,255,410.25
Property, plant and equipment	55,997,767.77	53,086,260.97	46,153,794.02	44,244,945.94
Intangible assets	3,706,612.04	4,765,475.36	3,492,837.86	4,477,214.67
Deferred tax assets	-	22,217.81	-	22,413.08
Revenue department receivable	3,902,480.25	3,902,480.25	3,902,480.25	3,902,480.25
Other non-current assets	8,071,610.65	6,854,546.83	6,702,344.80	5,404,169.06
Total non-current assets	142,442,988.97	139,523,116.58	160,256,867.18	158,079,321.15
Total assets	481,888,763.30	455,052,516.20	467,822,330.12	454,497,859.33
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Bank overdrafts & short term loan from financial institutions	150,352,572.54	191,447,502.13	150,352,572.54	191,447,502.13
Trade and other current payable – related parties	-	587,670.99	891,330.16	1,091,165.78
Trade and other current payable – third parties	71,202,039.38	52,566,047.88	64,006,658.00	44,309,749.95
Contractual liabilities	36,635,956.24	9,879,182.59	36,036,968.54	9,874,532.58
Revenue department payable	279,529.78	1,165,296.23	1,346.96	896,073.82
Provision for warranty	5,658,825.42	5,803,175.96	4,893,267.79	3,901,175.96
Current portion of liabilities under financial lease agreements	2,347,676.31	2,138,337.72	2,347,676.31	2,138,337.72
Short term loan from related parties	-	10,000,000.00	-	18,000,000.00
Accrued corporate income tax	91,766.66	-	-	-
Total current liabilities	266,568,366.33	273,587,213.50	258,529,820.30	271,658,537.94
Non-current liability				
Long term provision for warranty	31,147.76	225,100.00	-	-
Financial lease liabilities	2,352,314.46	577,572.26	2,352,314.46	577,572.26
Employee benefit obligations	15,026,485.89	11,264,685.01	13,702,404.81	10,225,533.22
Deferred tax liabilities	813,786.81	1,170,838.62	-	-
Total non-current liabilities	18,223,734.92	13,238,195.89	16,054,719.27	10,803,105.48
Total liabilities	284,792,101.25	286,825,409.39	274,584,539.57	282,461,643.42

(Unit: Baht)

	Consolidated		Separate Financial Statement	
	2019	2018	2019	2018
		<i>Reclassifications</i>		<i>Reclassifications</i>
SHAREHOLDERS' EQUITY				
Share capital				
Authorized share capital				
576,000,000 Ordinary shares of Baht 0.25 each	144,000,000.00	144,000,000.00	144,000,000.00	144,000,000.00
Paid-up share capital				
480,000,000 Ordinary shares of Baht 0.25 each	120,000,000.00	120,000,000.00	120,000,000.00	120,000,000.00
Premium on ordinary share	183,030,332.93	183,030,332.93	183,030,332.93	183,030,332.93
Surplus from share-based payment transaction	3,063,936.73	3,063,936.73	3,063,936.73	3,063,936.73
Retained earning(deficit)				
Appropriated – Legal reserve	8,256,778.85	8,256,778.85	8,256,778.85	8,256,778.85
Unappropriated	(117,254,386.46)	(146,123,941.70)	(121,113,257.96)	(142,314,832.60)
Total shareholders' equity	197,096,662.05	168,227,106.81	193,237,790.55	172,036,215.91
Total liabilities and shareholders' equity	481,888,763.30	455,052,516.20	467,822,330.12	454,497,859.33

13.2 Statement of Comprehensive Income ended 31 December 2019

(Unit: Baht)

	Consolidated		Separate Financial Statement	
	2019	2018	2019	2018
		<i>Reclassifications</i>		<i>Reclassifications</i>
Revenues				
Revenue from sales	598,354,803.88	475,638,384.40	587,269,296.13	465,473,581.84
Revenue from services	102,176,453.76	89,903,863.10	57,746,506.90	54,731,614.38
Other income	11,995,957.41	7,176,862.44	14,615,224.34	6,086,174.21
Total revenues	712,527,215.05	572,719,109.94	659,631,027.37	526,291,370.43
Expenses				
Cost of sales	439,618,702.02	387,354,774.48	438,690,186.75	386,437,533.19
Cost of services	53,665,326.59	54,270,631.64	18,687,678.82	19,289,681.98
Cost of distribution	122,793,738.73	158,465,358.08	119,045,480.94	153,806,373.65
Administrative expenses	54,265,249.23	61,400,773.46	49,739,940.74	54,749,762.26
Finance cost	10,094,446.90	11,408,516.10	10,273,077.05	11,473,310.63
Total expenses	680,437,463.47	672,900,053.76	636,436,364.30	625,756,661.71
Profit(loss) before income tax expense	32,089,751.58	(100,180,943.82)	23,194,663.07	(99,465,291.28)
Income tax expense	(1,121,995.55)	(8,706,922.19)	23,172,249.99	(105,624,551.38)
Profit(loss) for the year	30,967,756.03	(108,887,866.01)	23,172,249.99	(105,624,551.38)
Other comprehensive income	-	-	-	-
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain(losses)	(2,098,200.79)	(1,909,570.29)	(1,970,675.35)	(1,820,817.08)
Other comprehensive income(loss)	(2,098,200.79)	(1,909,570.29)	(1,970,675.35)	(1,820,817.08)
Comprehensive income(loss) for the year	28,869,555.24	(110,797,436.30)	21,201,574.64	(107,445,368.46)
Basic earnings (loss) per share	0.06	(0.23)	0.05	(0.22)
Weighted average number of shared (unit: share)	480,000,000	480,000,000	480,000,000	480,000,000

13.3 Consolidated Statements of Changes in Shareholders' Equity ended 31 December 2019

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings(deficits)		Total
				Legal reserve	Unappropriated	
Balance as at 1 January 2018	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(35,326,505.40)	279,024,543.11
Actuarial gain(losses)	-	-	-	-	(1,909,570.29)	(1,909,570.29)
Gain(loss) for the year	-	-	-	-	(108,887,866.01)	(108,887,866.01)
Balance as at 31 December 2018	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(146,123,941.70)	168,227,106.81
Changes in shareholder's equity for the year						
Actuarial gain(losses)	-	-	-	-	(2,098,200.79)	(2,098,200.79)
Gain(loss) for the year	-	-	-	-	30,0967,756.03	30,967,756.03
Balance as at 31 December 2019	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(117,254,386.46)	197,096,662.05

13.4 Separate Statements of Changes in Shareholders' Equity ended 31 December 2019

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings(deficits)		Total
				Legal reserve	Unappropriated	
Balance as at 1 January 2018	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(35,326,505.40)	279,024,543.11
Changes in shareholder's equity for the year						
Actuarial gain(losses)	-	-	-	-	(1,820,817.08)	(1,820,817.08)
Gain(loss) for the year	-	-	-	-	(105,624,551.38)	(105,624,551.38)
Balance as at 31 December 2018	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(142,314,832.60)	172,036,215.91
Changes in shareholder's equity for the year						
Actuarial gain(losses)	-	-	-	-	(1,970,675.35)	(1,970,675.35)
Gain(loss) for the year	-	-	-	-	23,172,249.99	23,172,249.99
Balance as at 31 December 2019	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,113,257.96)	193,237,790.55

13.5 Statement of cash flows for the year ended 31 December 2019

(Unit: Baht)

	Consolidated		Separate Financial Statement	
	2019	2018	2019	2018
		<i>Reclassification</i>		<i>Reclassification</i>
Cash flows from operating activities				
Profit(loss) before income tax expense	32,089,751.58	(100,180,943.82)	23,194,663.07	(99,465,291.28)
Adjustment to reconcile net income to net cash provided by (used in) operating activities				
Depreciation and amortization	21,042,365.24	19,599,468.24	19,631,032.20	18,569,670.39
Doubtful debe (reversal)	(757,934.38)	(516,577.44)	(757,934.38)	(520,954.23)
Impairment loss on assets (reversal)	(2,078,414.52)	(1,411,149.13)	(2,078,414.52)	(1,411,149.13)
Impairment loss on intangible assets	-	1,540,000.00	-	-
Unrealized gain from exchange rates	(1,117,236.90)	(1,115,476.81)	(977,227.06)	(1,132,062.17)
Loss from write-off withholding tax	161,594.92	-	-	-
Loss from write-off property plant and equipment	747,828.17	297,350.19	745,152.77	291,868.33
Gain from disposal property plant and equipment	(370,076.04)	(157,876.39)	(370,076.04)	(157,876.39)
Loss on diminution in value of inventories	(16,668,107.65)	6,653,915.04	(17,150,934.37)	6,641,098.40
Provisions for employee benefits (reversal)	1,733,688.73	2,773,136.58	1,608,166.24	2,670,590.15
Estimated aftersale expenses (reversal)	(338,302.78)	560,564.35	992,091.83	335,464.35
Interest income	(2,500,155.62)	(1,745,001.03)	(670,806.92)	(582,868.74)
Interest expense	10,094,446.90	11,408,516.10	10,273,077.05	11,473,310.63
Gain(loss) from operating activities before changes in-				
Operating assets and liabilities	42,039,447.65	(62,294,074.12)	34,438,789.87	(63,288,199.69)
Increase(decrease) in trade & other current receivable – related parties	(83,656.79)	(1,715,741.63)	7,152,562.66	2,037,706.29
Increase(decrease) in trade & other current receivable – third parties	4,737,969.02	19,868,043.75	15,932,870.69	(7,920,237.62)
Decrease in financial lease receivables	4,497,052.91	15,144,094.34	89,191.97	498,809.23
Increase(decrease) in contractual assets	(2,243,663.98)	7,617.44	93,727.16	(52,547.49)
Increase(decrease) in inventories	(3,759,529.94)	43,130,697.28	(4,466,050.55)	46,511,631.91
Decrease in contract completion cost	471,469.10	-	-	-
Decrease in other non-current assets	245,517.01	2,598,541.00	326,000.00	1,955,041.51
Increase(decrease) in trade & other current payable – related parties	-	-	452,630.16	200,291.72
Increase(decrease) in trade & other current payable – third parties	18,194,109.82	(18,411,064.90)	19,135,016.54	(10,312,072.47)
Increase in contractual debt	26,756,773.65	7,570,571.56	26,162,435.96	7,565,921.55
Increase(decrease) in revenue department payable	(885,766.45)	548,611.20	(894,726.86)	456,811.97
Cash generated by operations	89,969,722.00	6,447,295.92	98,422,447.60	(22,346,843.09)
Cash paid for employee benefits obligations	(101,970.00)	-	(101,970.00)	-
Cash received from interest	2,045,202.29	1,800,329.26	776,553.03	657,481.22
Cash paid for income tax	(2,957,357.26)	(3,688,164.07)	(1,624,175.74)	(1,217,995.47)
Net cash provided by (used in) operating activities	88,955,597.03	4,559,461.11	97,472,854.89	(22,907,357.34)

13.5 Financial Ratio

	Consolidated		
	Jan-Dec 2019	Jan-Dec 2018	+/(-)
Liquidity Ratio			
Current Ratio	1.28	1.15	0.13
Quick Ratio	0.53	0.50	0.03
Profitability Ratio			
Gross Profit Margin (%)	29.58%	21.91%	7.67
Operating Profit Margin (%)	6.02%	(15.70)%	21.72
Net Profit Margin (%)	4.42%	(19.25)%	23.67
Efficiency Ratio			
ROE (%)	16.95%	(48.69)%	65.64
ROA (%)	6.61%	(21.84)%	28.45
Total Asset Turnover	1.45	1.24	0.21
Financial Policy Ratio			
Debt to Equity	1.44	1.70	(0.26)

14. Management's Discussion and Analysis

February 27, 2020

Subject: Management's Discussion and Analysis of Operating Results for the twelve-month period of 2019 ended December 31, 2019

Attention: The President of the Stock Exchange of Thailand

Masterkool International Public Company Limited ("the Company") would like to announce the operating results of the Company for the twelve-month period of 2019 ended December 31, 2019 which has been reviewed in the Board of Directors' Meeting No. 1/2020 arranged on February 27, 2020 as following: -

Table 1: Overall performance for the twelve-month period of 2019 ended December 31, 2019

Million Baht

Description	FY2019 (12 Months)	FY2018 (12 Months)	Increase (Decrease)	
			Amount	%
Net Product Sales	598.35	475.64	122.71	25.80
Net Service Sales	102.18	89.90	12.28	13.66
Other Revenue *	12.00	7.18	4.82	67.13
Total Revenues	712.53	572.72	139.81	24.41
Cost of Goods Sold	439.62	387.35	52.27	13.49
Cost of Service	53.67	54.27	(0.60)	(1.11)
Selling Expenses	122.79	158.47	(35.68)	(22.52)
Administrative Expenses	54.26	61.40	(7.14)	(11.63)
Financial Cost	10.10	11.41	(1.31)	(11.48)
Profit (Loss) before Income Tax	32.09	(100.18)	132.27	312.18
Income Tax	(1.12)	(8.71)	(7.59)	(677.68)
Net Profit (Loss)	30.97	(108.89)	139.86	451.60
EPS (Baht/Share)	0.06	(0.23)	0.29	383.33

* Other revenue such as interest income, foreign exchange gains, government grants, etc

Business Overview

Performance of the Company for the twelve-month period of 2019 ended December 31, 2019 compared to the same period in last year, there has been a change in the direction that has improved in all aspects, in terms of income grew by 24.41%. The high growth business channel is the Retail Channel, following by the Export Channel and the Corporate Channel. For cost of sales, cost of services and distribution costs, there is both growth at a lower rate than sales growth, resulting costs reduced. With higher sales resulting in a higher gross profit margin including reduced in administrative expenses; making the business return to make a profit by the management of the sales price structure and conducting promotions efficiently. As well as strictly implementing policies to control costs, resulting in operating performance for the twelve-month period of 2019 ended December 31, 2019; the company has a net profit of 30.97 million baht.

Half of the revenue comes from Retail Channel Sales through Modern Trade, Dealer, Online Channels. Next is the export and corporate channels for corporate customers. Each channel manages the overall picture of the channel to be in accordance with the policy of the Board of Directors by considering the cost and expenses incurred. The 12-month operation in 2019 had sales of 712.53 million baht, representing an increase of 139.81 million baht or an increase of 24.41% of sales in the same period last year.

As for the expenses that the company has controlled and managed through quality and efficiency goals, the cost of distribution decreased by 35.68 million baht or 22.52% decrease and the administrative expenses decreased by 7.14 million baht or decreased down 11.63% compared to last year. The increased cost of sales is in accordance with the proportion of revenue.

Economic and industrial conditions affecting operations

The country's overall economic downturn slowed down, causing business sectors to reduce confidence and slow down investment in major projects in second half of 2019, together with the drought situation in the north, flooding in north east Region of Thailand causing the purchasing power of consumers in the area to contract and increasing competition conditions, especially online businesses. In addition, at the end of the year 2019, the outbreak of the new corona virus 2019 or COVID-19 raises, concerning for retail consumers, therefore it is an important factor that the company must closely monitor the situation; and continually adjust the strategic plan.

Linkage of policies, strategies and goals

Economic factors and the negative circumstances mentioned causing the company to be vigilant, conduct business with caution; and manage the business according to the situation especially the Retail Business Channel that sells products via Modern Trade Department which have the reactive sales style to reduce inventory risk for a long time. Therefore, the company is still looking for opportunities to continuously create new marketing bases. Both through sales channels, corporate customers and export channels.

Analysis on the performance of the company by key business units

The company has various distribution channels. The main channels are Retail channels, Export channels and Sales channels for corporate customers which the performance is as follows: -

Table 2: Sales summary by segments for the twelve-month period of 2019 ended December 31, 2019*Million Baht*

Segmentation	Jan-Dec 2019	Jan-Dec 2018	% Differential Y-o-Y
Retail Channel	313.40	210.00	49.24
Corporate Customer Channel	79.29	73.15	8.39
Exporting Distribution	199.44	164.18	21.48
Services and Rental Units	97.68	67.99	43.67
Other Sales Channel	10.72	50.22	(78.65)
Others*	12.00	7.18	67.13
Total Revenues	712.53	572.72	24.41

Retail Market

The company's retail channels consist of Selling through a modern trade mall Online dealers and product sales booths When comparing the twelve-month period of 2019 ended December 31, 2019, retail channels have increased sales by 103.4 million baht or 49.24% up, when considered by sub-channel of the retail business group Found that consumer groups still believe that the brand of evaporative fan group is reliable products and services are accepted.

On the other hand, sales through that dealer. This is because the retail market in the region has changed behaviors by searching for products from modern trade department stores, especially during various promotions. May affect the overall sales through distributors. Therefore, the sales management through distributors therefore emphasizes on only the groups that have the potential and are ready to be able to continuously drive sales.

As for online retail channels in 2019, there has been a slowdown in some of the time, in which the company has conducted ongoing promotional campaigns in conjunction with the main shopping channels such as Lazada, Shopee, JD Central etc.; therefore, the Company has growth of the overview channel in 2019.

Corporate Market

The organization's sales channel the company continues to expand the target customer base. Sales increased 6.1 million baht or increased 8.39% compared to the same period of 2018 due to management according to the business unit guidelines that have to control both the cost and expenses of the business unit. Make this organization's customer sales channel still a way to create sales and profits The company must also accelerate the expansion of its customer base in the corporate market to cover the planned sales target. To strengthen business back and able to reduce the revenue fluctuation of the company overall Because it is a way to generate continuous revenue (Recurring Revenue) from providing services with expertise in technology to solve hot air problems. Application of ozone systems for energy saving and environmental protection.

Export

The twelve-month period of 2019 ended December 31, 2019, the international business channel, which is an export channel, showed sales growth when compared to the same period last year. The company has sales for the period equal to 199.44 million baht or 21.48% increase of sales in the same period of the previous year which has sales of 164.18 million baht, which is continuous sales from expanding the marketing base. To countries in the southern hemisphere.

Comparative analysis to the budgeting plan

Action plan for the 12-months of year 2019, the company has been allocated sales to key channels that are retail channel 40%, export channel 40%, corporate channel and others 20%, which an overview for the period was as expected.

For future operations plans Expansion of the marketing base for sales channels for corporate customers is still necessary. To reduce the risk of revenue fluctuations as a whole and for the retail channel It may be necessary to expand the line of products without seasonality restrictions in order to be more comprehensive and meet the needs of consumers.

Financial Status

Table 3: Summary statement of financial position as of December 31, 2019

Million Baht

Statement of Financial Position	Consolidated financial statements			
	31 Dec 2019	31 Dec 2018	+ / (-)	%
Cash and cash equivalents	38.01	27.02	10.99	40.67
Trade and other receivables – related parties	4.65	4.56	0.09	1.97
Trade and other receivables – other parties	95.80	99.37	(3.57)	(3.60)
A/R under finance lease agreements due within one year	0.16	4.53	(4.37)	(96.47)
Asset under contract	2.51	0.27	2.24	829.63
Inventory	198.32	179.31	19.01	10.60
Completed contract costs	0.00	0.47	(0.47)	(100.00)
Total Current Assets	339.45	315.53	23.92	7.58
Deposits with financial institutions that are pledged	70.75	70.75	0.00	0.00
Finance lease receivables	0.01	0.14	(0.13)	(92.86)
Property, plant and equipment	56.00	53.08	2.92	5.50
Intangible assets	3.71	4.77	(1.06)	(22.22)
Deferred tax assets	0.00	0.02	(0.02)	(100.00)
Revenue Department receivable	3.90	3.90	0.00	0.00
Other non-current assets	8.07	6.86	1.18	17.64
Total non-current assets	142.44	139.52	2.92	2.09
Total assets	481.89	455.05	26.84	5.90
Bank over drafts and short - term loans from financial institution	150.35	191.45	(41.10)	(21.47)
Trade and other payables – related parties	0.00	0.59	(0.59)	(100.00)
Trade and other payables – other parties	71.20	52.57	18.63	35.44
Contractual liabilities	36.64	9.88	26.76	270.85
Revenue Department Payable	0.28	1.16	(0.88)	(75.86)
Product Warranty <i>Estimated Liabilities</i>	5.66	5.80	(0.14)	(2.41)
Long-term liabilities due within 1 year	2.35	2.14	0.21	9.81
Short-term loans from related parties	0.00	10.00	(10.00)	(100.00)
Accrued corporate income tax	0.09	0.00	0.09	100.00
Total current liabilities	266.56	273.59	(7.02)	(2.57)

Statement of Financial Position	Consolidated financial statements			
	31 Dec 2019	31 Dec 2018	+/(−)	%
Estimated long-term quality guarantee	0.03	0.24	(0.21)	(87.50)
Finance lease liabilities	2.36	0.57	1.79	314.04
Employee benefit obligations	15.03	11.26	3.77	33.48
Deferred tax liabilities	0.81	1.17	(0.36)	(30.77)
Total non-current liabilities	18.23	13.24	4.99	37.69
Total liabilities	284.79	286.83	(2.04)	(0.71)
Ordinary capital 576,000,000 shares, value 0.25 baht per share	144.00	144.00	0.00	0.00
Paid-up capital	120.00	120.00	0.00	0.00
Share premium	183.03	183.03	0.00	0.00
Surplus from share-based payment	3.06	3.06	0.00	0.00
Retained earnings (loss)				
- Appropriated for legal reserve	8.26	8.26	0.00	0.00
- Un-appropriated retained earnings	(117.25)	(146.12)	28.87	19.76
Total shareholders' equity	197.10	168.22	28.88	17.17
Total liabilities and shareholders' equity	481.89	455.05	26.84	5.90

Assets

As of December 31, 2019, the company has total assets of 481.89 million baht, compared to the value of assets as of December 31, 2018 with the value of 455.05 million baht. The company has total assets decreased by 26.84 million baht or equivalent to a decrease of 5.90%. The main details consist of: -

- Trade and other receivables - other parties: Value at the end of the period December 31, 2019, equal to 38.01 million baht, an increase of 10.99 million baht, representing an increase of 40.67% from the sale of products and services.
- Inventories: the value at the end of the period as of December 31, 2019 increased by 19.01 million baht, representing a decrease of 10.60% due to preparing goods for selling in 2020.
- Finance lease receivables due within 1 year: Value at the end of the period as of December 31, 2019 decreased by 4.37 million baht, representing a decrease of 96.47% according to normal business operations.

Liabilities

As of December 31, 2019, the company has total liabilities of 284.79 million baht, compared to the total liabilities as of 31 December 2018 with the value of 286.83 million baht. The company has total liabilities decreased by 2.04 million baht or equivalent to a decrease of 0.71% which The main details include: -

- Bank overdrafts and short-term loans from financial institutions: The value at the end of the period on December 31, 2019 was 150.35 million baht, a decrease of 41.10 million baht or a 21.74% decrease which came from overdrafts and long-term loans. This short is used as working capital and has a partial repayment.
- Trade and other payables - other parties: the value at the end of the period on December 31, 2019 equals 71.20 million baht, a increase of 18.63 million baht or an increase of 35.44%, which is the normal payment for goods from manufacturers and distributors. Both domestically and internationally The company will pay when the next payment is due.

Shareholders' Equity

As of December 31, 2019, the company has total shareholders' equity of 197.10 million baht, an increase of 28.88 million baht or 17.17% increase compared to shareholders' equity as of 31 December 2018, which has shareholders' equity equal to 168.22 million baht, which the increase in shareholders' equity is due to the company's net profit for the 12-month period of 2019 at 30.97 million baht.

Table 4: Financial Ratio

Financial Ratio	Consolidated financial statements		+/(−)
	Jan-Dec 2019	Jan-Dec 2018	
Liquidity Ratio			
Current ratio	1.28	1.15	0.13
Quick ratio	0.53	0.50	0.03
Profitability Ratio			
Gross profit margin %	29.58%	21.91%	7.67
EBIT margin %	4.50%	(17.49)%	21.99
Net profit margin %	4.35%	(19.01)%	23.36
Efficiency Ratio			
Return on equity (ROE) %	15.71%	(64.73)%	80.44
Return on asset (ROA) %	6.43%	(23.93)%	30.36
Total assets turnover	1.48	1.26	0.22
Financial Policy Ratio			
Debt to equity ratio	1.44	1.70	(0.26)

Liquidity Ratio

Due to the factors affecting the operating results for the 12-month period of 2019, the liquidity ratio increased by 0.13 times compared to the ratio at the end of the period 31 December 2018, which came from sales and can receive payment in cash.

As for the quick ratio, increased by 0.03 times compared to the ratio at the end of the period 31 December 2019, due to increased sales. And the company still has inventory in the amount of 159.07 million baht that the company can sell in the future because the company's products are durable goods that are not deteriorated easily.

Profitability Ratio and Efficiency Ratio

From the 12-month performance of the year 2019, the company has gross profit margin increased by 7.67% from controlling the sales price structure. The operating profit margin and net profit margin The company has improved operations. The operating profit margin for the 12-month period of the year 2019 was increased 21.99% compared to the same period of the previous year and the net profit margin was 4.35% compared to the same period of the year which is equal to -19.01%.

Financial Policy Ratio

The company's debt to equity ratio decreased from the previous year. The debt-to-equity ratio for the 12-month period of the year 2019 was 1.44 times, which decreased by 0.26 times when compared to the same period in 2018 as a result of liquidity that can make payment for overdrafts and loans. Short-term as working capital in the business.

(Mr. Noppachai Veeraman)
Managing Director

Board Responsibilities for Financial Reports

The Board of Directors of Masterkool International Public Company Limited is responsible for the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries. Including financial information that appears in the annual report such financial statements are prepared in accordance with generally accepted accounting standards in Thailand. The Board of Directors considers choosing to use appropriate accounting policies and consistently adheres to With prudent discretion and the most appropriate estimate of preparation Including adequate disclosure of important information in the notes to the financial statements And comply with the requirements of the Securities and Exchange Commission Including the Stock Exchange of Thailand And related regulatory agencies Such financial statements have been audited And giving opinions on unconditional financial statements from independent auditors Therefore reflecting the financial status and operating results that are real, transparent, and can be checked for the benefit of the shareholders of the company and general investors.

The Board of Directors has set a policy and provides a risk management system. And appropriate internal control systems to ensure that the accounting data is reliable It is worthwhile to use and maintain the assets of the company. As well as for the development of operations and prevention of risks that may have a significant impact

The Board of Directors has appointed the Audit Committee, which is from the Independent Committee, to oversee the quality of financial reporting and internal control systems. The opinion of the Audit Committee regarding this matter has already appeared in the report of the Audit Committee in this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company and its subsidiaries is at a satisfactory level. And can confirm the reliability of the information in the financial statements and consolidated financial statements of the company and subsidiaries as at 31 December 2019.

(Mr. Sanpat Sapon)
Chairman of the Board of Directors

(Mr. Noppachai Veeraman)
CEO / Managing Director