

Part 3 Important Financial Information

13. Important Financial Information

13.1 Statement of Financial Position as of 31 December 2020

(Unit : Baht)

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
		Reclassified		Reclassified
<u>Assets</u>				
Current assets				
Cash and cash equivalents	29,497,202.32	35,013,570.19	8,879,005.95	22,380,122.04
Trade and other current receivables - related parties	4,954,493.96	4,820,275.05	6,043,605.68	12,643,473.27
Trade and other current receivables - third parties	80,616,597.34	95,621,579.12	76,839,085.52	73,351,996.60
Current portion of receivables of finance lease	40,251.51	156,850.60	28,858.27	22,687.93
Contract assets	1,331,207.53	2,511,021.68	-	13,333.33
Inventories	237,793,158.27	198,322,477.69	233,079,943.63	196,153,849.77
Other current financial assets	90,135.13	-	90,135.13	-
Total current assets	354,323,046.06	336,445,774.33	324,960,634.18	304,565,462.94
Non-current assets				
Deposits at financial institutions pledged as collateral	81,750,000.00	73,750,000.00	80,750,000.00	72,750,000.00
Receivables of finance lease	-	14,518.26	-	-
Investment in subsidiary	-	-	30,255,410.25	30,255,410.25
Property, plant and equipment	48,426,700.05	55,997,767.77	37,929,975.96	46,153,794.02
Right-of-use assets	22,366,815.28	-	21,612,334.72	-
Intangible assets	3,235,433.32	3,706,612.04	3,091,329.27	3,492,837.86
Revenue Department receivable	3,902,480.25	3,902,480.25	3,902,480.25	3,902,480.25
Other non-current assets	9,215,167.83	8,071,610.65	8,050,610.90	6,702,344.80
Total non-current assets	168,896,596.73	145,442,988.97	185,592,141.35	163,256,867.18
Total assets	523,219,642.79	481,888,763.30	510,552,775.53	467,822,330.12

(Unit : Baht)

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
		Reclassified		Reclassified
<u>Liabilities and Shareholders' Equity</u>				
Current Liabilities				
Bank overdrafts and short-term loan from financial institutions	174,496,531.67	150,352,572.54	174,496,531.67	150,352,572.54
Trade and other current payables - related parties	-	-	376,141.67	891,330.16
Trade and other current payables - third parties	87,130,046.03	71,202,039.38	76,097,796.84	64,006,658.00
Contract liabilities	22,841,937.74	36,635,956.24	22,762,091.06	36,036,968.54
Revenue Department payable	494,538.86	279,529.78	-	1,346.96

Provision for warranty	6,416,801.78	5,658,825.42	5,845,322.52	4,893,267.79
Current portion of lease liabilities	9,421,927.70	2,347,676.31	8,965,999.67	2,347,676.31
Accrued income tax payable	-	91,766.66	-	-
Total current liabilities	300,801,783.78	266,568,366.33	288,543,883.43	258,529,820.30
Non - current liabilities				
Long-term provision for warranty	574,229.59	31,147.76	-	-
Lease liabilities	9,844,127.06	2,352,314.46	9,515,562.77	2,352,314.46
Employee benefit obligations	17,235,485.47	15,026,485.89	16,058,431.96	13,702,404.81
Deferred tax liabilities	974,740.93	813,786.81	-	-
Other non-current liabilities	3,323,516.49	-	3,323,516.49	-
Total non - current liabilities	31,952,099.54	18,223,734.92	28,897,511.22	16,054,719.27
Total liabilities	332,753,883.32	284,792,101.25	317,441,394.65	274,584,539.57

(Unit : Baht)

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
	Reclassified		Reclassified	
Shareholders' equity				
Share capital				
Authorised 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
Issued and 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 shares	183,030,332.93	183,030,332.93	183,030,332.93	183,030,332.93
Surplus on share-based payment transactions	3,063,936.73	3,063,936.73	3,063,936.73	3,063,936.73
Retained earnings (Deficits)				
Appropriated - legal reserve	8,256,778.85	8,256,778.85	8,256,778.85	8,256,778.85
Unappropriated	(123,885,289.04)	(117,254,386.46)	(121,239,667.63)	(121,113,257.96)
Total shareholders' equity	190,465,759.47	197,096,662.05	193,111,380.88	193,237,790.55
Total liabilities and shareholders' equity	523,219,642.79	481,888,763.30	510,552,775.53	467,822,330.12

13.2 Statement of Comprehensive Income ended 31 December 2020

(Unit : Baht)

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
	Reclassified		Reclassified	
Revenues				
Revenue from sales	646,600,360.61	598,354,803.88	639,840,052.57	587,269,296.13
Revenue from services	85,626,993.78	102,176,453.76	47,346,353.95	57,746,506.90
Gain on exchange rate	378,413.31	9,604,487.94	463,900.21	9,604,487.94
Other income	1,232,694.75	2,391,469.47	5,215,104.68	5,010,736.40

Total revenues	733,838,462.45	712,527,215.05	692,865,411.41	659,631,027.37
Expenses				
Cost of sales	522,817,795.63	440,841,836.63	522,389,247.26	438,690,186.75
Cost of services	48,634,826.98	52,439,026.43	17,162,199.64	18,687,678.82
Cost of distribution	100,328,825.13	122,796,904.28	94,795,034.28	119,045,480.94
Administrative expenses	54,165,968.40	54,265,249.23	44,913,432.72	49,739,940.74
Finance cost	11,295,915.30	10,094,446.90	11,241,258.50	10,273,077.05
Total expenses	737,243,331.44	680,437,463.47	690,501,172.40	636,436,364.30
Profit (loss) before income tax expense	(3,404,868.99)	32,089,751.58	2,364,239.01	23,194,663.07
Income tax expense	(110,323.29)	(1,121,995.55)	-	(22,413.08)
Profit (loss) for the year	(3,515,192.28)	30,967,756.03	2,364,239.01	23,172,249.99
Other comprehensive income				
Items must not be classified into profit or loss in the future				
Actuarial losses	(234,176.43)	(2,098,200.79)	(494,820.24)	(1,970,675.35)
Total comprehensive loss for the year	(234,176.43)	(2,098,200.79)	(494,820.24)	(1,970,675.35)
Total comprehensive income (loss) for the year	(3,749,368.71)	28,869,555.24	1,869,418.77	21,201,574.64

13.3 Consolidated Statements of Changes in Shareholders' Equity ended 31 December 2020

						(Unit : Baht)
			Surplus			
	Issued and		on share-based	Retained earnings (deficits)		
	paid-up	Share	payment			
	share capital	premium	transactions	Legal reserve	Unappropriated	Total
Balance as at January 1, 2019	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(146,123,941.70)	168,227,106.81
Change in equity for the year						
Actuarial losses	-	-	-	-	(2,098,200.79)	(2,098,200.79)
Profit for the year	-	-	-	-	30,967,756.03	30,967,756.03
Balance as at December 31, 2019 (as previously reported)	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(117,254,386.46)	197,096,662.05
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	-	-	-	-	(2,881,533.87)	(2,881,533.87)
Balance as at January 1, 2020 (as restated)	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(120,135,920.33)	194,215,128.18
Change in equity for the year						
Actuarial losses	-	-	-	-	(234,176.43)	(234,176.43)
comprehensive loss for the year	-	-	-	-	(3,515,192.28)	(3,515,192.28)
Balance as at December 31, 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,885,289.04)	190,465,759.47

13.4 Separate Statements of Changes in Shareholders' Equity ended 31 December 2020

						(Unit : Baht)
			Surplus			
	Issued and		on share-based	Retained earnings (deficits)		
	paid-up	Share	payment			
	share capital	premium	transactions	Legal reserve	Unappropriated	Total
Balance as at January 1, 2019	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(142,314,832.60)	172,036,215.91
Change in equity for the year						
Actuarial losses	-	-	-	-	(1,970,675.35)	(1,970,675.35)
Profit for the year	-	-	-	-	23,172,249.99	23,172,249.99
Balance as at December 31, 2019 (as previously reported)	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,113,257.96)	193,237,790.55
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	-	-	-	-	(1,995,828.44)	(1,995,828.44)
Balance as at January 1, 2020 (as restated)	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(123,109,086.40)	191,241,962.11
Change in equity for the year						
Actuarial losses	-	-	-	-	(494,820.24)	(494,820.24)
Profit for the year	-	-	-	-	2,364,239.01	2,364,239.01
Balance as at December 31, 2020	120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,239,667.63)	193,111,380.88

13.5 Statement of cash flows for the year ended 31 December 2020

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	2020	2019	2020	2019
		Reclassified		Reclassified
Cash flows from operating activities				
Profit (loss) before income tax expense	(3,404,868.99)	32,089,751.58	2,364,239.01	23,194,663.07
Adjustments to reconcile profit (loss) before income tax expense for cash provided by (used in) operating activities				
Depreciation and amortization	21,315,827.77	21,042,365.24	18,140,754.17	19,631,032.20
Allowance for expected credit loss (Reversal)	5,170,764.04	(757,934.38)	291,490.54	(757,934.38)
Impairment loss on assets (Reversal)	19,558.36	(2,078,414.52)	19,558.36	(2,078,414.52)
Loss from write-off of withholding tax	-	161,594.92	-	-
Unrealised gain from exchange rates	(7,011,959.26)	(1,117,236.90)	(7,012,420.50)	(977,227.06)
Loss from write-off of property, plant and equipment	79,148.85	745,726.59	78,193.45	743,051.19
Gain from disposal of property, plant and equipment	(8,721.49)	(370,076.04)	(8,721.49)	(370,076.04)
Loss from write-off of intangible assets	18,057.39	2,101.58	18,057.39	2,101.58
Loss from obsolete inventories (Reversal)	2,343,402.98	(16,668,107.65)	2,106,528.23	(17,150,934.37)
Employee benefit obligations	2,173,934.11	1,733,688.73	1,995,156.91	1,608,166.24
Provision for warranty (Reversal)	1,301,058.19	(338,302.78)	952,054.73	992,091.83
Unrealised gain from other current financial assets	(5,360.33)	-	(5,360.33)	-
Difference from rental reduction	4,710.32	-	4,710.32	-
Interest income	(846,992.19)	(2,500,155.62)	(637,123.10)	(670,806.92)

Interest expenses	11,295,915.30	10,094,446.90	11,241,258.50	10,273,077.05
Profit from operating activities before changes in operating assets and liabilities	32,444,475.05	42,039,447.65	29,548,376.19	34,438,789.87
(Increase) decrease in trade and other current receivables - related parties	(135,929.15)	(83,656.79)	6,597,967.24	7,152,562.66
(Increase) decrease in trade and other current receivables - third parties	6,753,370.64	4,737,969.02	(5,920,571.79)	15,932,870.69
(Increase) decrease in finance lease receivables	131,117.35	4,497,052.91	(6,170.34)	89,191.97
(Increase) decrease in contract assets	1,179,814.15	(2,243,663.98)	13,333.33	93,727.16
Increase in inventories	(44,795,829.72)	(3,759,529.94)	(40,573,122.74)	(4,466,050.55)
Decrease in costs to contract fulfill	-	471,469.10	-	-
(Increase) decrease in other non-current assets	(94,917.01)	245,517.01	(15,000.00)	326,000.00
Increase (decrease) in trade and other current payables - related parties	-	-	(515,188.49)	452,630.16
Increase in trade and other current payables - third parties	19,463,976.94	18,194,109.82	15,675,609.16	19,135,016.54
Increase (decrease) in contract liabilities	(13,794,018.50)	26,756,773.65	(13,274,877.48)	26,162,435.96
Increase (decrease) in revenue department payable	215,009.08	(885,766.45)	(1,346.96)	(894,726.86)
Cash paid for employee benefit obligation	(133,950.00)	(101,970.00)	(133,950.00)	(101,970.00)
Cash generated from operation	1,233,118.84	89,867,752.00	(8,604,941.87)	98,320,477.60
Cash received from interest	951,660.01	2,045,202.29	646,136.41	776,553.03
Cash paid for income tax expense	(2,182,215.09)	(2,957,357.26)	(1,157,266.10)	(1,624,175.74)
Cash received from income tax	1,160,582.85	-	-	-
Net cash provided by (used in) operating activities	1,163,146.61	88,955,597.03	(9,116,071.56)	97,472,854.89

(Unit : Baht)

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
	Reclassified		Reclassified	
Cash flow from investing activities				
Increase in other current financial assets	(84,774.80)	-	(84,774.80)	-
Cash paid for purchase of property, plant and equipment	(4,951,293.39)	(13,980,071.61)	(3,139,156.81)	(11,661,940.20)
Cash received from disposal of property, plant and equipment	29,386.45	586,228.28	29,386.45	586,228.28
Cash paid for purchase of right-of-use assets	(284,683.74)	-	(284,683.74)	-
Cash paid for purchase of intangible assets	(596,000.00)	(385,500.00)	(591,000.00)	(385,500.00)
Increase in fixed deposits pledged as collateral	(8,000,000.00)	(3,000,000.00)	(8,000,000.00)	(3,000,000.00)
Net cash by used in investing activities	(13,887,365.48)	(16,779,343.33)	(12,070,228.90)	(14,461,211.92)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short - term loans from financial institutions	27,413,445.83	(40,427,852.91)	27,413,445.83	(40,427,852.91)
Cash paid for short-term loans from related parties	-	(10,000,000.00)	-	(18,000,000.00)
Cash paid for lease liabilities	(8,934,443.32)	(3,098,800.91)	(8,511,766.75)	(3,098,800.91)
Interest expense on lease liabilities	(1,127,592.51)	-	(1,072,935.71)	-

Cash paid for interest expense	(10,143,559.00)	(10,652,891.36)	(10,143,559.00)	(10,896,316.30)
Net cash provided by (used in) financing activities	7,207,851.00	(64,179,545.18)	7,685,184.37	(72,422,970.12)
Net increase (decrease) in cash and cash equivalent	(5,516,367.87)	7,996,708.52	(13,501,116.09)	10,588,672.85
Cash and cash equivalents, beginning balance	35,013,570.19	27,016,861.67	22,380,122.04	11,791,449.19
Cash and cash equivalents, ending balance	29,497,202.32	35,013,570.19	8,879,005.95	22,380,122.04

13.5 Financial Ratio

	Consolidated		
	Jan-Dec 2020	Jan-Dec 2019	+ / (-)
Liquidity Ratio			
Current Ratio	1.18	1.26	0.08
Quick Ratio	0.39	0.52	0.13
Profitability Ratio			
Gross Profit Margin (%)	21.96%	29.58%	(7.63%)
Operating Profit Margin (%)	1.08%	6.02%	(4.94%)
Net Profit Margin (%)	(0.48%)	4.42%	(4.90%)
Efficiency Ratio			
ROE (%)	(1.81%)	16.95%	(18.77%)
ROA (%)	(0.70%)	6.61%	(7.31%)
Total Asset Turnover	1.40	1.45	(0.05)
Financial Policy Ratio			
Debt to Equity	1.75	1.44	0.31

14. Management's Discussion and Analysis

February 24, 2021

Subject: Management's Discussion and Analysis of Operating Results for the twelve-month period of 2020 ended December 31, 2020

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 2020 ended December 31, 2020 which has been reviewed in the Board of Directors' Meeting No. 1/2021 arranged on February 24, 2021 as following: -

Table 1: Overall performance for the 12-month period of 2020 ended December 31, 2020

Description	Million Baht			
	FY2020	FY2019	Increase (Decrease)	
	(12 Months)	(12 Months)	Amount	%
Net Product Sales	646.60	598.35	48.25	8.06
Net Service Sales	85.63	102.18	(16.55)	(16.20)
Profit from Exchange Rate	0.38	9.61	(9.23)	(96.05)
Other Revenue *	1.23	2.39	(1.16)	(48.54)
Total Revenues	733.82	712.53	21.31	2.99
Cost of Goods Sold	522.82	440.84	81.98	18.60
Cost of Service	48.63	52.44	(3.81)	(7.27)
Selling Expenses	100.33	122.80	(22.47)	(18.30)

Description	FY2020	FY2019	Increase (Decrease)	
	(12 Months)	(12 Months)	Amount	%
Administrative Expenses	54.17	54.27	(0.10)	(0.18)
Financial Cost	11.29	10.09	1.20	11.89
Total Cost	737.24	680.44	56.80	8.35
Profit(Loss) before Income Tax	(3.40)	32.09	35.49	(110.59)
Tax Expense(Tax Income)	(0.11)	(1.12)	(1.01)	(90.18)
Net Profit (Loss)	(3.52)	30.97	34.49	(111.37)
Items that do not need to be classified into profit or loss later				
Actuarial losses	(0.17)	(2.10)	(1.93)	(91.90)
Comprehensive profit (loss) for the period	(3.68)	28.87	32.55	(112.75)
EPS (Baht/Share)	(0.01)	0.06	(0.07)	(116.67)

Business Overview

Performance in the 12-month period of the year 2020 when compared to the same period of the previous year, the company's total revenue increased by 21.31 million baht, with a 2.99% increase due to adaptation under the coronavirus epidemic situation in the first month of 2020. There is a major obstacle due to the department store (Moderntrade) are closed under the Public Administration Decree in an emergency situation related to the coronavirus epidemic situation (COVID-19), thus reducing this portion of income. The company has adjusted its strategy by focusing on sales through distributors nationwide; and selling through online channels making it possible to bring back some of the income. However, overall revenues of the retail business channels decreased 14.51% compared to the same period of the year. In addition, the export of products to foreign countries in countries where there is not much of the coronavirus outbreak will increase overall revenue of the company. On the other hand, exporting a higher proportion of sales than other channels resulted in a lower gross profit.

Performance for the 12-month period of the year 2020 ended December 31, 2020, the company has a net loss of 3.52 million baht.

Economic and industrial conditions affecting operations

The global coronavirus (COVID-19) epidemic situation; resulting most businesses need to temporarily stop or shut down their operations. As for the company, it was hit in 1Q2020, when the viral disease outbreak intensified in China. The Chinese government announced the closure of the country and ordered the manufacturing sector close; besides some service operators stopped operating. This resulted in the disruption of the production of the company's products. However, the company has already prepared some products for sale in advance. Therefore, more products can be sold through online channels, including TV Shopping, Web Shopping, and other online channels during the period. However, the overall economic condition is clearly an obstacle to the business operation.

Linkage of policies, strategies and goals

The COVID-19 epidemic is an uncontrollable regime, forcing the company to be cautious about its actions, which must be prudent, filled with more specific, situation-based management. The retail business that sells products through the moderntrades has stopped, the online channel created opportunities in new markets as well as expanding international market to countries that ineffective from the spread of COVID-19.

Analysis on the performance of the company by key business units

The company has various distribution channels. In which the main channels are retail channel, export channel, sales channel for corporate customers, and services. The operating results are as follows:

Table 2 : Sales summary by segments for the 12-month period of 2020 ended December 31, 2020

Million Baht

Sales Channel	Jan-Dec 2020	Jan-Dec 2019	% YOY
Retail Channel	272.62	319.69	(14.51)
Corporate Channel	64.16	79.22	(19.86)
Export	309.82	199.44	55.34
Service	85.62	102.18	(16.21)
Other Revenue*	1.61	12.00	(82.58)
Total Revenue	733.83	712.53	2.99

Retail Market

The retail channel consists of selling through the modern trade malls, selling through online, selling through dealers and sales booths compared to the 12-month period of 2019, the retail channel sales decreased by 47.07 million baht or 14.51% due to department stores closed during the company's sales season. When considering on each sub-channels of the retail channel, it was found that consumers still rely on Masterkool's brand for evaporative fan products. The products and services are accepted, therefore orders are made through online channels, and through the dealers nationwide.

The company then adjusted the marketing strategy of online channels. By conducting a continuous promotion campaign in conjunction with the main shopping web channels such as Lazada, Shopee, JD Central, etc., giving a 12-month overview when compared to the same period of 2019, the company can pull revenue back into Came in the retail business 272.62 million baht

Corporate Market

This channel focuses on corporate customers, thus the company continues to expand its target customer base. Anyhow, due to the epidemic situation of viral infections, this resulted in a decrease in sales of approximately 15.06 million baht or a decrease of 19.86% compared to the same period of 2019 due to the private sector's investment slowdown in the COVID-19 crisis. The company has a strong expectation that the customer-based solutions can efficiently meet their needs; resulting the sales channel for corporate customers be a channel that generate future sales and profits.

The company also needs expansion of its customer base to adequate for covering its planned sales targets to strengthen the business when the situation returns to normal; and reduce the Company's overall income volatility because it is a channel that can generate recurring revenue from service with expertise in hot weather solutions, application of ozone system for energy saving; including environmental protection.

Export

During the 12-month period of 2020, the export channel showed significant sales growth compared to the same period last year. The company had sales for the period equal to 309.82 million baht, or an increase of 55.34% of the sales in the same period of the previous year with sales of 199.44 million baht, which was the sales that continued from the operation of expanding the market base. Previously, in countries that were not much affected by the spread of the virus.

Comparative analysis to the budgeting plan

Projected plan for the 12-month period of 2020, the company has divided the sales portion of the main channels that are 40% of the retail channel, 40% of the export channel, and 20% from corporate customer sales and services. The overview for the period appeared that the export channel was able to exceed the projections.

For future action plans, expanding the marketing base for the corporate customer sales channel is still necessary to reduce the risk of overall income fluctuation. For the retail business, it is necessary to expand the line of products that do not have seasonal restrictions in order to have a wider coverage and meet the needs of consumers; along with supporting online sales such as sterilization products, air purifier products.

Financial Status

Table 3: Summary statement of financial position as of December 31, 2020

Unit: Million

Baht

Statement of Financial Position (Consolidated)	Consolidated Statement			
	31 Dec 2020	31 Dec 2019	+/(-)	%
Cash and cash equivalents	29.50	35.01	(5.51)	(15.74)
Short-term investment	0.09	0.00	0.09	100.00
Trade and other receivables – related parties	4.96	4.82	0.14	2.90
Trade and other receivables – other parties	81.77	95.62	(13.85)	(14.48)
A/R under finance lease agreements due within one year	0.04	0.16	(0.12)	(75.00)
Asset under contract	1.33	2.51	(1.18)	(47.01)
Inventories	237.79	198.32	39.47	19.90
Total Current Assets	355.48	336.44	19.04	5.66
Deposits with financial institutions that are pledged	81.75	73.75	8.00	10.85
Financial lease receivables	0.00	0.01	(0.01)	(100.00)
Property, plant and equipment	48.43	56.00	(7.57)	(13.52)
Rights-of-use assets	22.37	0.00	22.37	100.00
Intangible assets	3.23	3.71	(0.48)	(12.94)
Revenue Department receivable	3.90	3.90	0.00	0.00
Other non-current assets	8.06	8.07	(0.01)	(0.12)
Total non-current assets	167.74	145.44	22.30	15.33
Total assets	523.22	481.89	41.33	8.58
Bank over drafts and short - term loans from financial institution	174.50	150.35	24.15	16.06
Trade and other payables – related parties	0.00	0.00	0.00	0.00
Trade and other payables – other parties	87.13	71.20	15.93	22.37
Contractual liabilities	22.84	36.64	(13.80)	(37.66)
Revenue Department Payable	0.49	0.28	0.21	75.00
Product Warranty Estimated Liabilities	6.42	5.66	0.76	13.43
Financial leased liabilities due within one year	9.42	2.35	7.07	300.85
Accrued corporate income tax	0.00	0.09	(0.09)	(100.00)
Total current liabilities	300.80	266.57	34.23	12.84
Estimated long-term quality guarantee	0.57	0.03	0.54	1800.00
Finance lease liabilities - Net amounts due within one year	9.84	2.35	7.49	318.72
Employee benefit obligations	17.24	15.03	2.21	14.70
Deferred tax liabilities	0.91	0.81	0.10	12.35
non-current liabilities	3.33	0.00	3.33	100.00
Total non-current liabilities	31.89	18.22	13.67	74.97
Total liabilities	332.69	284.79	47.90	17.31
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

Statement of Financial Position (Consolidated)	Consolidated Statement			
	31 Dec 2020	31 Dec 2019	+/(-)	%
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	(123.82)	(117.25)	6.57	5.59
Total shareholders' equity	190.53	197.10	(6.57)	(3.33)
Total liabilities and shareholders' equity	523.22	481.89	41.33	8.58

Assets

As of December 31, 2020, the company has total assets of 523.22 million baht, compared with the asset value as of December 31, 2019, which is 481.89 million baht, the company has total assets of 41.33 million baht, or an increase of 8.87%. The main details include: -

- Cash and cash equivalents: The value as of the end of the period on December 31, 2020 is 29.50 million baht, a decrease of 8.51 million baht or 22.57% decrease due to sales of goods and services
- Trade and other receivables - other parties: Value as of the end of the period on December 31, 2020 is 81.77, a decrease of 13.85 million baht or 14.48%, which comes from sales of goods and services
- Inventories: The value as of the end of the period on December 31, 2020 is 237.79 million baht, an increase of 39.47 million baht or 19.90%, which is in line with the normal stock cycle at the end of the year to support the selling season in Early 2021.

Liabilities

As of December 31, 2020, the company had total liabilities of 332.69 million baht, compared to the total liabilities as of 31 December 2019, which was 284.79 million baht, the company had total liabilities increased by 49.31 million baht, or an increase of 17.31%. The key details include: -

- Bank overdrafts and short-term loans from financial institutions: the value as at December 31, 2020 is equal to 174.50 million baht, an increase of 24.15 million baht or an increase of 16.06% for working capital
- Trade and other current payables - Other parties: as of December 31, 2020, equal to 88.54 million baht, an increase of 17.34 million baht or 24.35%, which is in line with normal business operations, and payment to pay for goods and services upon maturity as agreed.
- Contract liabilities: The value as of December 31, 2020 is 22.84 million baht, a decrease of 13.80 million baht or 37.66% decrease from the reduction of rental-use services according to the situation.

Shareholders' Equity

As of December 31, 2020, the Company had total shareholders' equity of 190.53 million baht, a decrease of 6.57 million baht or 3.33% decrease compared to shareholders' equity as of 31 December 2019, which had shareholders' equity equal to 197.10 million baht, which is in line with the Company's operating results compared with the same period of the previous year.

Table 4: Financial Ratio

	Financial Ratio (Consolidated)		+/(-)
	Jan-Dec 2020	Jan-Dec 2019	
Liquidity Ratio			
Current ratio	1.18	1.27	0.09
Quick ratio	0.40	0.53	0.13
Profitability Ratio			
Gross profit margin %	21.93%	29.58%	(8.11)

EBIT margin %	(0.47%)	4.58%	(5.05)
Net profit margin %	(0.50%)	4.12%	(4.62)
Efficiency Ratio			
Return on equity (ROE) %	(1.89%)	14.89%	(16.78)
Return on asset (ROA) %	(0.73%)	5.74%	(6.47)
Total assets turnover	1.45	1.39	0.06
Financial Policy Ratio			
Debt to equity ratio	1.75	1.44	0.31

Liquidity Ratio

From the factors affecting the operating results of the 12-month period of 2020, the liquidity ratio increased 0.09 times compared to the ratio at the end of the period 30 December 2019 from the sale and payment of debt according to the time limit.

The ratio of the quick turnover ratio increased by 0.13 times compared to the ratio at the end of 30 December 30, 2019 due to increased sales. The company still has a total inventory worth 237.79 million baht, according to the product preparation process for the first six months of 2021, which the company can sell in the future because its products are durable products that do not easily deteriorate.

Profitability Ratio and Efficiency Ratio

In terms of operating results for the 12 months of 2020, the gross profit margin declined 8.11% due to the large-volume selling price structure of export channels which results in operating profit margins, and the net profit margin for the 12-month period of 2020 declined 5.05% and 4.62%, respectively, compared to the same period last year.

Financial Policy Ratio

The company had a decreased debt to equity ratio from the previous year. The debt to equity ratio for the 12-month period of 2020 was 1.75 times, a decrease of 0.31 times compared to the same period in 2019 as a result of business operations.

(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 2020

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

(Mr. Noppachai Veeraman)
CEO / Managing Director