

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Masterkool International Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Masterkool International Public Company Limited and its subsidiaries (the Group) and of Masterkool International Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Masterkool International Public Company Limited and its subsidiaries and of Masterkool International Public Company Limited as at December 31, 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

SP Audit Co., Ltd.

Key Audit Matters

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

Valuation of inventories

As at December 31, 2019, the Group had inventories of Baht 198.32 million which the Group's inventories are valued in the statement of financial position at cost or net realizable value whichever were lower (Note no. 4.4 and 12) I focus on this area because that estimated net realizable value involve management's judgments and the amount of inventories are significant to the financial statements.

Key Audit Procedures

I reviewed the Group's policy to measure the net realizable value of inventories was appropriate and accordance with the requirement of Thai Financial Reporting Standards and reviewed the appropriateness consistency of the methods for making the estimated net realizable value.

I understood the method for making, reviewing and authorization of estimated net realizable value. And

I audited evidences sufficiently and appropriately about to reliability of selling price of inventories that occurred after the reporting period and estimated costs necessary to make sale that they were used to make the estimated net realizable value. Apart from this, I recalculated the mathematical accuracy estimated net realizable value.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance to correct the materially misstatement.

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

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

In preparing the 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 have required to draw attention in my auditor's report to the related disclosures in the consolidated and Separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

SP Audit Co., Ltd.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SP Audit Company Limited

(Miss Chuenta Chommern)

Certified Public Accountant (Thailand) No. 7570

Bangkok

February 27, 2020

Masterkool International Public Company Limited and Subsidiary

Statements of Financial Position

As at December 31, 2019

(Unit : Baht)

		Consolidated		Separate financial statement	
	Note	2019	2018	2019	2018
		Reclassification		Reclassification	
<u>Assets</u>					
Current assets					
Cash and cash equivalents		38,013,570.19	27,016,861.67	25,380,122.04	11,791,449.19
Trade and other current receivables - related parties	7.1, 8	4,647,488.13	4,563,831.34	12,643,473.27	19,796,035.93
Trade and other current receivables - third parties	9	95,794,366.04	99,371,905.82	73,351,996.60	88,685,137.48
Current portion of receivables of					
finance lease	10	156,850.60	4,526,286.41	22,687.93	89,192.00
Contract assets	11	2,511,021.68	267,357.70	13,333.33	107,060.49
Inventories	12	198,322,477.69	179,311,687.58	196,153,849.77	175,949,663.09
Construction in progress		-	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					
Deposits at financial institutions pledged as collateral	13	70,750,000.00	70,750,000.00	69,750,000.00	69,750,000.00
Receivables of finance lease	10	14,518.26	142,135.36	-	22,687.90
Investment in subsidiary	14	-	-	30,255,410.25	30,255,410.25
Property, plant and equipment	15	55,997,767.77	53,086,260.97	46,153,794.02	44,244,945.94
Intangible assets	16	3,706,612.04	4,765,475.36	3,492,837.86	4,477,214.67
Deferred tax assets	17	-	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

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

Masterkool International Public Company Limited and Subsidiary

Statements of Financial Position

As at December 31, 2019

(Unit : Baht)

		Consolidated		Separate financial statement	
	Note	2019	2018	2019	2018
		Reclassification		Reclassification	
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Bank overdrafts and short-term loan from financial institutions	18	150,352,572.54	191,447,502.13	150,352,572.54	191,447,502.13
Trade and other current payables - related parties	7.1	-	587,670.99	891,330.16	1,091,165.78
Trade and other current payables - third parties	19	71,202,039.38	52,566,047.88	64,006,658.00	44,309,749.95
Contract liabilities	20	36,635,956.24	9,879,182.59	36,036,968.54	9,874,532.58
Accrued income tax payable		279,529.78	1,165,296.23	1,346.96	896,073.82
Provision for warranty	21	5,658,825.42	5,803,175.96	4,893,267.79	3,901,175.96
Finance lease liabilities	22	2,347,676.31	2,138,337.72	2,347,676.31	2,138,337.72
Loan from related parties	7.1	-	10,000,000.00	-	18,000,000.00
Accrued income tax payable		91,766.66	-	-	-
Total current liabilities		266,568,366.33	273,587,213.50	258,529,820.30	271,658,537.94
Non - current liabilities					
Long-term provision for warranty	21	31,147.76	225,100.00	-	-
Finance lease liabilities	22	2,352,314.46	577,572.26	2,352,314.46	577,572.26
Employee benefit obligations	23	15,026,485.89	11,264,685.01	13,702,404.81	10,225,533.22
Deferred tax liabilities	17	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

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

Masterkool International Public Company Limited and Subsidiary

Statements of Financial Position

As at December 31, 2019

(Unit : Baht)

	Note	Consolidated		Separate financial statement	
		2019	2018	2019	2018
		Reclassification		Reclassification	
Shareholders' equity					
Share capital					
Authorised share capital					
576,000,000 ordinary shares of Baht 0.25 each	24	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	25	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

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

Masterkool International Public Company Limited and Subsidiary
Statements of Comprehensive Income
For the year ended December 31, 2019

(Unit : Baht)

	Note	Consolidated		Separate financial statement	
		2019	2018	2019	2018
		Reclassification		Reclassification	
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	26	(1,121,995.55)	(8,706,922.19)	(22,413.08)	(6,159,260.10)
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 must not be classified into profit or loss in the future					
Actuarial losses		(2,098,200.79)	(1,909,570.29)	(1,970,675.35)	(1,820,817.08)
Total comprehensive loss for the year		(2,098,200.79)	(1,909,570.29)	(1,970,675.35)	(1,820,817.08)
Total 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	27	0.06	(0.23)	0.04	(0.22)
Number of share (Unit : share)		480,000,000	480,000,000	480,000,000	480,000,000

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

Masterkool International Public Company Limited and Subsidiary
Consolidated Statements of Changes in Shareholders's Equity
For the year ended December 31, 2019

(Unit : Baht)

	Note	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings (deficits)		Total
					Legal reseve	Unappropriated	
Balance as at January 1, 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
Change in equity for the year							
Actuarial losses		-	-	-	-	-1,909,570.29	(1,909,570.29)
Loss for the year		-	-	-	-	-108,887,866.01	(108,887,866.01)
Balance as at December 31, 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
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		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(117,254,386.46)	197,096,662.05

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

Masterkool International Public Company Limited and Subsidiary

Separate Statements of Changes in Shareholders's Equity

For the year ended December 31, 2019

(Unit : Baht)

	Note	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings (deficits)		Total
					Legal reserve	Unappropriated	
Balance as at January 1, 2018		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	-34,869,464.14	279,481,584.37
Change in equity for the year							
Actuarial losses		-	-	-	-	-1,820,817.08	(1,820,817.08)
Loss for the year		-	-	-	-	-105,624,551.38	(105,624,551.38)
Balance as at December 31, 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
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		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(121,113,257.96)	193,237,790.55

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

Masterkool International Public Company Limited and Subsidiary

Statements of Cash Flows

For the year ended December 31, 2019

(Unit : Baht)

		Consolidated		Separate financial statement	
	Note	2019	2018	2019	2018
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)
Adjustments to reconcile profit (loss) before income tax expense for 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
Reversal doubtful debt		(757,934.38)	(516,577.44)	(757,934.38)	(520,954.23)
Reversal impairment loss on assets		(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	-	-
Unrealised gain from exchange rates		(1,117,236.90)	(1,115,476.81)	(977,227.06)	(1,132,062.17)
Loss from write-off of withholding tax		161,594.92	-	-	-
Loss from write-off of property, plant and equipment		747,828.17	297,350.19	745,152.77	291,868.33
Gain from disposal of property, plant and equipment		(370,076.04)	(157,876.39)	(370,076.04)	(157,876.39)
Loss from obsolete inventories (Reversal)		(16,668,107.65)	6,653,915.04	(17,150,934.37)	6,641,098.40
Employee benefit obligations		1,733,688.73	2,773,136.58	1,608,166.24	2,670,590.15
Provision for warranty (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 expenses		10,094,446.90	11,408,516.10	10,273,077.05	11,473,310.63
Profit (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 and other current receivables - related parties		(83,656.79)	(1,715,741.63)	7,152,562.66	2,037,706.29
(Increase) decrease in trade and other current receivables - third parties		4,737,969.02	19,868,043.75	15,932,870.69	(7,920,237.62)
Decrease in finance lease receivables		4,497,052.91	15,144,094.34	89,191.97	498,809.23
(Increase) decrease in contract 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 construction in progress		471,469.10	-	-	-
Decrease in other non-current assets		245,517.01	2,598,541.00	326,000.00	1,955,041.51
Increase in trade and other current payables - related parties		-	-	452,630.16	200,291.72
Increase (decrease) in trade and other current payables - third parties		18,194,109.82	(18,411,064.90)	19,135,016.54	(10,312,072.47)
Increase in contract liabilities		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 from operation		89,969,722.00	6,447,295.92	98,422,447.60	(22,346,843.09)
Cash paid for employee benefit obligation		(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)

Masterkool International Public Company Limited and Subsidiary

Statements of Cash Flows

For the year ended December 31, 2019

(Unit : Baht)

	Note	Consolidated		Separate financial statement	
		2019	2018	2019	2018
Cash flow from investing activities					
Cash received from sales of short-term investment		-	122,760.35	-	122,760.35
Cash paid for purchase of property, plant and equipment		(13,980,071.61)	(6,733,914.89)	(11,661,940.20)	(6,542,866.04)
Cash received from sales of property, plant and equipment		586,228.28	373,312.62	586,228.28	373,312.62
Cash paid for purchase of intangible assets		(385,500.00)	(771,502.00)	(385,500.00)	(728,057.00)
Decrease in short-term loan due to related party		-	-	-	7,000,000.00
Decrease in fixed deposits pledged as collateral		-	952,955.77	-	952,955.77
Net cash provided by (used in) investing activities		(13,779,343.33)	(6,056,388.15)	(11,461,211.92)	1,178,105.70
Cash flows from financing activities					
Increase (decrease) in short - term loans from financial institutions		(40,427,852.91)	21,108,371.09	(40,427,852.91)	21,108,371.09
Increases (decrease) in short-term loans from related parties		(10,000,000.00)	10,000,000.00	(18,000,000.00)	18,000,000.00
Cash paid for obligation under finance leases		(3,098,800.91)	(2,673,611.40)	(3,098,800.91)	(2,673,611.40)
Cash paid for long-term loan due from financial institution		-	(24,692.40)	-	(24,692.40)
Cash paid for interest		(10,652,891.36)	(10,763,142.20)	(10,896,316.30)	(10,763,142.20)
Net cash provided by (used in) financing activities		(64,179,545.18)	17,646,925.09	(72,422,970.12)	25,646,925.09
Net increase in cash and cash equivalent		10,996,708.52	16,149,998.05	13,588,672.85	3,917,673.45
Cash and cash equivalents, beginning balance		27,016,861.67	10,866,863.62	11,791,449.19	7,873,775.74
Cash and cash equivalents, ending balance	28.1	38,013,570.19	27,016,861.67	25,380,122.04	11,791,449.19

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

MASTERKOOL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. General information

Masterkool International Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on The Market for Alternative Investment (MAI). The address of the Company’s registered office is 22 Soi 2 Thetsaban Rangsan Nuea Road, Latyao, Chatuchak Bangkok. The Company has administrative office branch as follows :

- The 1st office branch is 184 Moo 10, Nawanghin, Panusnikhom, Chonburi
- The 2nd office branch is 12/16-17 & 20 Thesabansongkro Rd., Ladyao, Chatuchak, Bangkok
- The 3rd office branch is 259/14 Soi Vibhavadi 40 (Patcharapa) Talat Bang Khen, Lak Si, Bangkok
- The 4th office branch is 39 Moo 6, Klongneung, Klongluang, Pathumthani
- The 5th office branch is 795 Pracharat 1 Rd., Bang Sue, Bang Sue, Bangkok

The principal activities of the Company and subsidiary (“the Group”) involve supply, sale and service of cooling products such as evaporative air cooler, misting fans industrial fans and ozone generator and sale and service for ozone system and provide general-renovation and repairment service.

1. Basis of preparation of financial statements

The financial statements are presented in Thai language and Thai Baht, and in conformity with Thai generally accepted accounting principles under the Accounting Act B.E. 2543 (or 2000), being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (or 2004), and the financial reporting requirements of the Capital Market Supervisory Board under the Securities and Exchange Act B.E. 2535 (or 1992).

The financial statements have been prepared under the historical cost convention except some type of transaction using the basis as per explained in the related accounting policy.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

For the convenience of readers, an English language translation of the financial statements has been prepared from the Thai language interim financial statements which are issued for domestic reporting purposes.

The Federation of Accounting Profession (TFAC) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2019.

TFRS No. 1 First-time Adoption of International Financial Reporting Standards
TFRS No. 2 Share-based Payment (revised 2018)
TFRS No. 3 Business Combinations (revised 2018)
TFRS No. 4 Insurance Contracts (revised 2018)
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2018)
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2018)
TFRS No. 8 Operating Segments (revised 2018)
TFRS No. 10 Consolidated Financial Statements (revised 2018)
TFRS No. 11 Joint Arrangements (revised 2018)
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2018)
TFRS No. 13 Fair Value Measurement (revised 2018)
TFRS No. 15 Revenue from Contracts with Customers
TAS No. 1 Presentation of Financial Statements (revised 2018)
TAS No. 2 Inventories (revised 2018)
TAS No. 7 Statement of Cash Flows (revised 2018)
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2018)
TAS No. 10 Events after the Reporting Period (revised 2018)
TAS No. 12 Income Taxes (revised 2018)
TAS No. 16 Property, Plant and Equipment (revised 2018)
TAS No. 17 Leases (revised 2018)
TAS No. 19 Employee Benefits (revised 2018)
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2018)
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2018)
TAS No. 23 Borrowing Costs (revised 2018)
TAS No. 24 Related Party Disclosures (revised 2018)
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2018)
TAS No. 27 Separate Financial Statements (revised 2018)
TAS No. 28 Investments in Associates and Joint Ventures (revised 2018)
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2018)
TAS No. 33 Earnings per Share (revised 2018)
TAS No. 34 Interim Financial Reporting (revised 2018)
TAS No. 36 Impairment of Assets (revised 2018)
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2018)
TAS No. 38 Intangible Assets (revised 2018)
TAS No. 40 Investment Property (revised 2018)
TAS No. 41 Agriculture (revised 2018)
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2018)
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2018)
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2018)
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies (revised 2018)
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2018)
TFRIC No. 12 Service Concession Arrangements (revised 2018)
TFRIC No. 14 TAS 19 (revised 2018) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2018)

TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2018)
 TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2018)
 TFRIC No. 21 Levies (revised 2018)
 TFRIC No. 22 Foreign Currency Transactions and Advance Consideration
 TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2018)
 TSIC No. 15 Operating Leases - Incentives (revised 2018)
 TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2018)
 TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2018)
 TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2018)
 TSIC No. 32 Intangible Assets - Web Site Costs (revised 2018)

The Company has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period except the implementation of TFRS No.15 Revenue from Contracts with Customers as described in notes to financial statement no.4.

Moreover, the Federation of Accounting Profession has notified to apply the following financial reporting standards to the financial statements in the future periods.

	<u>Effective date</u>
TFRS No. 1 First-time Adoption of International Financial Reporting Standards	January 1, 2020
TFRS No. 3 Business Combinations	January 1, 2020
TFRS No. 7 Financial Instruments : Disclosures	January 1, 2020
TFRS No. 9 Financial Instruments	January 1, 2020
TFRS No. 11 Joint Arrangements	January 1, 2020
TFRS No. 16 Leases	January 1, 2020
TAS No. 12 Income Taxes	January 1, 2020
TAS No. 19 Employee Benefits	January 1, 2020
TAS No. 23 Borrowing Costs	January 1, 2020
TAS No. 28 Investments in Associates and Joint Ventures	January 1, 2020
TAS No. 32 Financial Instruments : Presentation	January 1, 2020
TFRIC No. 16 Hedges of a Net Investment in a Foreign Operation	January 1, 2020
TFRIC No. 19 Extinguishing Financial Liabilities with Equity Instruments	January 1, 2020
TFRIC No. 23 Uncertainty over Income Tax Treatments	January 1, 2020
Guide on Accounting : Financial Instruments and Disclosures for Insurance Business	January 1, 2020
Guide on Accounting : Exemption for Business Combination under Common Control in case of First-time Adoption of International Financial Reporting Standards	January 1, 2020

The Company has not early adopted such financial reporting standards having the effective date to the financial statements on the future periods before the effective dates. The management is currently assessing the first-year impact on the Company's financial statements.

3. Principles of consolidation financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are those entities under the control by the Company. The Company controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with subsidiaries and has the ability to affect those returns through its power over the subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Related party transactions, balances and unrealized gains on transactions between The Company and its subsidiaries are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The consolidated financial statements for the year ended December 31, 2019 and 2018 have been prepared by including the financial statements of Masterkool International Public Company Limited and subsidiaries after eliminate the significant related party balances and transactions. The percentage directly and indirectly owned by the Company as follows:-

<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Incorporated in</u>	<u>Percentage of shareholding</u>	
			<u>2019</u>	<u>2018</u>
Innov Green Solutions Co., Ltd.	Sale and service for ozone system	Thailand	100.00	100.00

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company and using consistent significant accounting policies.

4. Accounting policies

4.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

4.2 Short-term investments

Short-term investment in the marketable security which the Company holds as trading security is classified as current asset and reflected by fair value. The Company recognized the change of the value in profit or loss.

The fair value of trading security is computed at the end of the reporting period from the latest price offered.

Disposal of investment

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited in profit or loss.

When disposing of part of the Company's holding of an investment, the carrying amount of the disposed part is determined from the weighted average carrying amount of the total holding of the investment.

4.3 Trade receivable

Trade account receivable are carried in the statement of financial position at the amount expected to be collectible. Allowance for doubtful receivables are estimated by percentage of accounts receivable which is assessed primarily on analysis of payment histories and review of all outstanding amounts at the end of the reporting period. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

4.4 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprise raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities.

Costs of inventories are calculated as the follow method:-

Finished goods	- FIFO method
Raw material and supplies	- FIFO method

The Group estimates the net realisable value by using the selling price in the ordinary course of business less selling expenses.

The Group makes the allowance for diminutions in the value of obsolete, defective or slow-moving inventories.

4.5 Investments in subsidiaries

Investments in subsidiaries are reported by using the cost method of accounting in the separate financial statements less allowance for impairment investment.

4.6 Property, plant and equipment

Land and assets under construction held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated impairment losses (if any).

Buildings and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses (if any).

The cost of an item of asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The Group's depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, (Except Mold is calculated on unit of production) to their residual values over their estimated useful life as follows:

Buildings	10 – 20 years
Leasehold improvements	Upon contract
Mold	Unit of production
Equipment	5 years
Assets for rent	3 – 10 years
Office furniture and fixture	3 – 5 years
Vehicles	10 years

The residual value, the useful life and the depreciation method of an asset will be reviewed at least at each financial year-end.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.7 Intangible assets

Intangible assets in type of computer software, which have finite useful lives, are stated at cost less accumulated amortization and impairment losses (if any). Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives 5 years.

4.8 Research and development

The Group recognizes the expenditure on research activities as an expense in the period in which it is incurred.

The Group recognizes the expenditure arising from development if the Group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

4.9 Impairment of assets

The carrying amounts of the Group's assets and also intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The Group will recognize impairment losses in profit or loss, or reduce the revaluation increment in assets in case that those assets are previously revalued. The reversal of impairment losses will be recognized in profit or loss or as a revaluation increment in assets when there is an indication that the impairment losses are no longer exist or decreased.

4.10 Accounting for leases

Where the Group is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property, plant and equipment or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged in profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases while depreciation is carried throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Where the Group is the lessor

The assets for rent under the financial lease agreement are shown in the statement of financial position as receivables of financial lease at the amount equal to the net investment of the lease agreement and recognize financial revenue in the format that reflect the fixed rate yield for each period based on the net investment of the lessor, which is the outstanding amount of the financial lease agreement.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group.

4.11 Provisions

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

4.12 Revenue recognition

The Group recognizes the revenue from sale of goods to the customers, dealers and modern trade malls identified as a performance obligation satisfied at a point in time when the Group transfers to the customers, dealers and modern trade malls the control of goods and recognizes the revenue from sale of goods through some modern trade malls under the consignment sale when the modern trade malls sells to their customers the goods according to the transaction price, which is the fixed amount net from the consideration payable to a customer (if any), and also recognizes a warranty provision based on the best estimate of the expenditure required to settle the obligation because the Group has a policy to provide a warranty in connection with the goods sold within the specified time in type of an assurance-type warranty that provides a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications.

The Group sells the goods with the installation service in some contracts. The installation service is sold bundled together with the sale of goods. The installation service does not make a significant modifies or customizes to the goods and is not complex which can be provided by any other service provider. The Group separates the sale of goods as a performance obligation and the provision of installation service as another performance obligation. The Group allocates the transaction price to performance obligations on a relative stand-alone selling price basis. The Group recognizes the revenue from sale of goods when the Group transfers to the customer the control of promised goods identified as a performance obligation satisfied at a point in time according to the allocated transaction price and also recognizes the revenue from provision of installation service identified as a performance obligation satisfied over time according to the allocated transaction price based on the progress towards complete satisfaction of that performance obligation measured with the input method on the basis of the costs incurred relative to the total expected costs for the satisfaction of that performance obligation.

The Group recognizes the revenue from a provision of a warranty sold in addition to the customer after the period of the assurance-type warranty expired. Such warranty is treated as providing the customer with a service in addition to the assurance that the goods complies with agreed-upon specifications and is identified as a performance obligation satisfied over time according to the transaction price, which is the fixed amount, based on the progress towards complete satisfaction of that performance obligation measured with the input method on the basis of the warranty period provided relative to the total warranty period for the satisfaction of that performance obligation.

The Group recognizes the revenue from provision of a short-term repair service identified as a performance obligation satisfied over time according to the transaction price, which is the fixed amount, when the Group completes satisfaction of that performance obligation.

The Group recognizes the revenue from provision of an event management service for any event performed outside a building or outdoor with the Group's goods and equipments identified as a performance obligation satisfied over time according to the transaction price, which is the fixed amount, based on the progress towards complete satisfaction of that performance obligation measured with the input method on the basis of the period of service provided relative to the total period of service provided for the satisfaction of that performance obligation.

The Group recognizes the revenue from sale of equipment with design and installation service of the large ozone system identified as a single performance obligation satisfied over time according to the amount of the transaction price which includes the fixed amounts and the estimate variable amounts by using the expected value method only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved based on the progress towards complete satisfaction of the performance obligation with the input method on the basis of the costs incurred relative to the total expected costs for the satisfaction of that performance obligation.

The Group recognizes the revenue from provision of a various type of building renovation service identified as a single performance obligation satisfied over time according to the amount of the transaction price which includes the fixed amounts and the estimate variable amounts by using the expected value method only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved based on the progress towards complete satisfaction of the performance obligation with the output method by way of surveys of performance completed to date.

4.13 Foreign currency transactions

The Group translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities at The end of the reporting period denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss as incurred.

4.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.15 Employee benefits

Defined contribution plan

The Group operates a provident fund which is funded by payments from employees and by the Group. The assets for which are held in a separate trust fund. Contributions to the provident fund are recognized in profit or loss in the period in which they are incurred.

Defined benefit plan

The Group has the employee benefit obligation in case of retirement or termination under the labor law. The Group hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, current service cost and related interest expense. The current service cost and interest expense are recognized in profit or loss. Actuarial gains and losses arising from re-measurement of the employee benefit obligation are recognized in other comprehensive income and transferred in retained earnings, respectively without reclassification of those amounts to profit or loss in a subsequent period.

4.16 Corporate income tax

The Group recognizes the unpaid current tax for current period as a liability in the statement of financial position. In a case where the amount already paid in respect of current period exceeds the amount due for such period, the excess will be recognized as an asset in the statement of financial position.

The Group recognizes a deferred tax liability for all taxable temporary difference, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which affects neither accounting profit nor taxable profit at the time of the transaction. The Group recognizes a deferred tax asset for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. And the Group recognizes a deferred tax asset for all deductible temporary differences arising from investment in subsidiaries and associates, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group measures the current tax liabilities and assets for the current period using the tax rate that have been enacted by the end of the reporting period. And the deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that have been enacted or substantively enacted by the end of the reporting period.

The Group recognizes the current and deferred tax as an income or an expense and includes it in profit or loss for the period, except the current and deferred tax for items that are recognized in the other comprehensive income or directly in the equity will be recognized in the other comprehensive income or directly in the equity.

4.17 Financial instruments

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, investment in equity securities, trade and other receivables, trade and other payables, and loan receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

Forward contracts are carried at fair value and presented in other current assets or other current liabilities. Unrealized gains or losses on changes in fair value are recognized in profit or loss.

4.18 The important accounting estimation, supposition and judgment application

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Plant, equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's plant, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or its will write off or write down technically obsolete or assets that have been abandoned or sold.

Financial lease/ Operation lease

The Group has entered into lease agreements for rental vehicle, machine and equipment. The Group has determined, based on an evaluation on terms and conditions of the arrangements, that the lease transfers ownership of these assets to the lessee, and so accounts for the contracts as financial leases.

Employment benefits

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

Estimated Service costs

The Group estimate costs of service projects based on details of the service work, taking into account the volume and value of materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for warranty

The Group estimate provision for warranty based on actual historical warranty expenses and/or currently available information related to the cost of various types of repair work.

5. Change in accounting policy

From January 1, 2019 onward, the Group applied TFRS No.15 Revenue from Contracts with Customers. The financial reporting standard requires that the Group shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services whereby setting the core principle concerning the revenue recognition by applying the five steps consisting of : Identify the contract with a customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contract and Recognize revenue when (or as) the entity satisfies a performance obligation, instead of the previous revenue recognition principle. The Group applied the retrospective adjustment to the comparative financial information.

However, the change in accounting policy which not effects to the financial statements.

6. Change in accounting provision

For the year ended 31 December 2019, the Company reviews the estimation of the residual value of Mold by increasing the residual value of such assets in accordance with the expansion of useful life so as to reflect the use of such assets to match the actual use. The Company adopts the prospective treatment for such change. The change in accounting estimate effects that the depreciation for the year ended 31 December 2019 and 2020, decreases in the amount of Baht 0.33 million and Baht 0.28 million, respectively in the statement of comprehensive income.

7. Related party transactions

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

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

Veeraman family is a major shareholder, holding 25.64% (2018: 25.62%) of the share capital of the Company. Transactions related to companies in which major shareholder and directors, the principal shareholders or directors are recognized as related parties to the Company.

The Company has transactions with related persons and companies for the year ended December 31, 2019 and 2018 as follows:

7.1 Inter-assets and liabilities

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables				
- Innov Green Solutions Co., Ltd.	-	-	6,872,485.21	13,359,704.59
- Site Preparation Management Co., Ltd.	112,760.00	-	112,760.00	-
- Actdee Co., Ltd.	4,522,539.10	4,563,831.34	4,522,539.03	4,563,831.34
- Let Co.,Ltd.	12,189.03	-	12,189.03	-
Total	4,647,488.13	4,563,831.34	11,519,973.27	17,923,535.93
Other current receivables				
- Innov Green Solutions Co., Ltd.	-	-	1,123,500.00	1,872,500.00
Total trade and other current receivables	4,647,488.13	4,563,831.34	12,643,473.27	19,796,035.93

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term loans to related party				
- Innov Green Solutions Co., Ltd.				
Beginning balance	-	-	-	7,000,000.00
Addition during the year	-	-	-	-
Repayment during the year	-	-	-	(7,000,000.00)
Ending balance	-	-	-	-
Account payables				
- Innov Green Solutions Co., Ltd.	-	-	860,280.00	438,700.00
Contract liabilities				
- Innov Green Solutions Co., Ltd.	-	-	31,050.16	-
Accrued interest expense				
- Innov Green Solutions Co., Ltd.	-	-	-	64,794.79
- Director	-	587,670.99	-	587,670.99
Total	-	587,670.99	-	652,465.78
Total account payables and other current payables	-	587,670.99	891,330.16	1,091,165.78
Short-term loans from related parties				
- Innov Green Solutions Co., Ltd.				
Beginning balance	-	-	8,000,000.00	-
Addition during the year	-	-	-	8,000,000.00
Repayment during the year	-	-	(8,000,000.00)	-
Ending balance	-	-	-	8,000,000.00
Short-term loans from related parties (continued)				
- Director				
Beginning balance	10,000,000.00	-	10,000,000.00	-
Addition during the year	-	10,000,000.00	-	10,000,000.00
Repayment during the year	(10,000,000.00)	-	(10,000,000.00)	-
Ending balance	-	10,000,000.00	-	10,000,000.00
Total	-	10,000,000.00	-	18,000,000.00

As at December 31, 2019 and 2018 , short - term loans from related parties are the loan from director and subsidiary in form of promissory note endure for a period 6 months, bear interest 6.50% and 5.00% per annum respectively. As at December 31, 2019, the Company has already paid the whole amount of the loan.

7.2 Inter-revenue and expenses

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sales of goods				
- Innov Green Solutions Co., Ltd.	-	-	21,223,427.12	22,369,538.25
- Site Preparation Management Co., Ltd.	-	134,570.17	-	134,570.17
- Actdee Co., Ltd.	10,185,918.26	9,970,144.16	10,185,918.26	9,970,144.16
- Let Co.,Ltd.	11,391.62	-	11,391.62	-
Total	10,197,309.88	10,104,714.33	31,420,737.00	32,474,252.58
Service income				
- Innov Green Solutions Co., Ltd.	-	-	208,287.24	4,289,520.01
- Site Preparation Management Co., Ltd.	189,383.18	20,000.00	189,383.18	20,000.00
- Actdee Co., Ltd.	-	2,336.45	-	2,336.45
Total	189,383.18	22,336.45	397,670.42	4,311,856.46
Other income				
- Innov Green Solutions Co., Ltd.	-	-	4,582,446.23	-
Interest income				
- Innov Green Solutions Co., Ltd.	-	-	178,630.15	43,835.62
Costs of sales				
- Actdee Co., Ltd.	-	-	2,342,375.00	1,121,140.56
Rental cost and service cost				
- Innov Green Solutions Co., Ltd.	-	-	-	33,283.20
Disposal of assets				
- Innov Green Solutions Co., Ltd.	-	-	1,671.90	89,812.18
- Interest expense				
- Innov Green Solutions Co., Ltd.	-	-	178,630.15	64,794.79
- Director	279,589.04	587,670.99	279,589.04	587,670.99
Total	279,589.04	587,670.99	458,219.19	652,465.78

7.3 Management benefit expenses

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	14,017,300.00	10,487,900.00	12,210,300.00	9,110,900.00
Post-employment benefits	382,113.72	213,025.16	321,971.52	213,025.16
	<u>14,277,963.88</u>	<u>10,700,925.16</u>	<u>12,428,065.36</u>	<u>9,323,925.16</u>

7.4 Pricing policies

<u>Trading transactions</u>	<u>Policy of pricing</u>
Revenues from sales and services	Price approximate price charge to third party
Interest income	Rate approximate rate charge to Financial institutions
Other income	Contract price
Purchase of goods	Price approximate price charge to third party
Purchase of fixed assets	Price approximate price charge to third party
Rental service cost	Price approximate price charge to third party
Management fees	Cost plus margin
Advertising and sale promotion expenses	Price approximate price charge to third party
Consumables cost	Price approximate price charge to third party
Finance costs	Contract price (5.00% and 6.50% p.a.)

7.5 Commitments with related parties

As at December 31, 2019 and 2018, the Company has performed contract of management services to a subsidiary for 1 year. (2018 : for 1 year) The subsidiary constitutes obligation commitment that has to repay service fee by Baht 350,000.00 per month. (2018 : Baht 350,000.00 per month)

7.6 Relationships

<u>Company</u>	<u>Relationship</u>
Innov Green Solutions Co., Ltd.	Subsidiary
Let Co., Ltd.	Relative of shareholder & director
Site Preparation Management Co., Ltd.	Co-shareholder & co-director
Actdee Co., Ltd.	Relative of shareholder & director
Mr. Noppachai Weeraman	Shareholder & director
Mr. Fung Meng Hoi	Shareholder & director

8. Trade and other current receivables - related parties

Outstanding trade and other receivables - related parties can be aged as follows:

			(Unit : Baht)	
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables				
Within credit term	1,076,558.29	1,734,842.63	7,949,043.43	12,674,461.85
Overdue 1 month to 3 months	1,090,324.34	2,417,030.34	1,090,324.34	4,836,831.25
Overdue 3 months to 6 months	2,480,605.50	411,958.37	2,480,605.50	411,958.37
Overdue 6 months to 12 months	-	-	-	284.46
Overdue over 12 months	-	-	-	-
Total	4,647,488.13	4,563,831.34	11,519,973.27	17,923,535.93
Accrued interest income	-	-	1,123,500.00	1,872,500.00
Total trade and other current receivables	4,647,488.13	4,563,831.34	12,643,473.27	19,796,035.93

9. Trade and other current receivable - third parties

Consisted of:-

			(Unit : Baht)	
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Post dated cheques	305,315.79	33,473.13	116,732.08	-
Trade receivables	88,952,280.22	84,347,732.06	76,454,595.23	75,845,582.94
Total	89,257,596.01	84,381,205.19	76,571,327.31	75,845,582.94
<u>Less</u> Allowance for doubtful debts	(12,811,566.90)	(13,627,046.55)	(12,709,407.61)	(13,524,887.26)
Net	76,446,029.11	70,754,158.64	63,861,919.70	62,320,695.68
Other receivables	8,056,504.11	510,452.35	472,684.24	501,540.64
Prepaid expense	1,428,085.97	1,205,481.33	1,022,233.22	1,189,591.83
Undue input vat	1,818,306.02	535,780.62	1,545,916.63	79,642.68
Deposit payment	5,317,313.06	23,999,914.85	5,317,313.06	23,999,914.85
Retention	1,423,411.10	745,414.31	-	-
Advance payment	1,446,778.85	1,727,479.63	1,273,991.93	700,527.71
Total	19,490,399.11	28,724,523.09	9,632,139.08	26,471,217.71
<u>Less</u> Allowance for doubtful debts	(142,062.18)	(106,775.91)	(142,062.18)	(106,775.91)
Net	19,348,336.93	28,617,747.18	9,490,076.90	26,364,441.80
Total trade and other current receivables	95,794,366.04	99,371,905.82	73,351,996.60	88,685,137.48

Outstanding trade receivable - third parties can be aged as follows:

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Within credit term	34,479,607.37	38,308,110.05	25,506,090.01	32,843,589.12
Overdue 1 month to 3 months	22,395,462.14	25,171,955.71	20,366,539.06	22,470,940.81
Overdue 3 months to 6 months	19,398,513.63	5,830,148.81	17,816,844.66	5,562,221.68
Overdue 6 months to 12 months	544,744.32	2,693,549.06	544,744.32	2,693,549.06
Overdue over 12 months	12,439,268.55	12,377,441.56	12,337,109.26	12,275,282.27
Total	89,257,596.01	84,381,205.19	76,571,327.31	75,845,582.94
<u>Less</u> Allowance for doubtful debts	(12,811,566.90)	(13,627,046.55)	(12,709,407.61)	(13,524,887.26)
Net	76,446,029.11	70,754,158.64	63,861,919.70	62,320,695.68

The movement of allowance for doubtful debts - trade receivable - third parties for the year ended December 31, 2019 and 2018 are as follows:

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Opening balance	(13,627,046.55)	(15,348,636.56)	(13,524,887.26)	(15,250,854.06)
Allowance increased during the year	(761,232.29)	(289,570.39)	(761,232.29)	(285,193.60)
Receivable during the year	1,554,452.94	740,950.98	1,554,452.94	740,950.98
Write-off during the year	22,259.00	1,270,209.42	22,259.00	1,270,209.42
Ending balance	(12,811,566.90)	(13,627,046.55)	(12,709,407.61)	(13,524,887.26)

The movement of allowance for doubtful debts – Others receivable - third parties for the year ended December 31, 2019 and 2018 are as follows:

(Unit : Baht)

	Consolidated/ Separate financial statement	
	<u>2019</u>	<u>2018</u>
Opening balance	(106,775.91)	(171,972.76)
Allowance increased during the year	(35,286.27)	-
Reversal during the year	-	65,196.85
Ending balance	(142,062.18)	(106,775.91)

10. Finance lease receivables

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	2019	2018	2019	2018
Receivables of financial lease contracts	171,368.86	4,668,421.77	22,687.93	111,879.90
<u>Less</u> Current portion	(156,850.60)	(4,526,286.41)	(22,687.93)	(89,192.00)
Net	14,518.26	142,135.36	-	22,687.90

Finance lease receivables - minimum lease payments receivable as follows:

(Unit : Baht)

	Consolidated			Separate financial statement		
	2019					
	Finance lease receivables	Unearned finance income	Net	Finance lease receivables	Unearned finance income	Net
Not later than 1 year	185,479.94	(28,629.34)	156,850.60	41,823.44	(19,135.54)	22,687.90
Later than 1 year but not later than 5 years	14,697.64	(179.38)	14,518.26	-	-	-
Total	200,177.58	(28,808.72)	171,368.86	41,823.44	(19,135.54)	22,687.90

(Unit : Baht)

	Consolidated			Separate financial statement		
	2018					
	Finance lease receivables	Unearned finance income	Net	Finance lease receivables	Unearned finance income	Net
Not later than 1 year	4,806,696.45	(280,410.04)	4,526,286.41	167,293.44	(78,101.44)	89,192.00
Later than 1 year but not later than 5 years	167,705.84	(25,570.48)	142,135.36	41,823.36	(19,135.46)	22,687.90
Total	4,974,402.29	(305,980.52)	4,668,421.77	209,116.80	(97,236.90)	111,879.90

As at December 31, 2019, the Group performs the contract of long term financial leased with several customers so as to lease goods by number of 9 contracts (2018 : number of 10 contracts). The leased contracts determine leased fee repayment as monthly installment from Baht 7,348.82 - 96,117.31 per month (2018 : from Baht 7,348.82 - 270,000.00 per month). The leased period is carried from 2-7 year (2018 : from 1-7 year). In addition, ownership of such goods will be transferred to ownership of the customers when the Group receives the payments of final installment in accordance with the leased contract.

11. Contract assets

Consisted of:-

	Consolidated		Separate financial statement	
	2019	2018	2019	2018
	(Unit : Baht)			
Revenue from accrued service	2,511,021.68	267,357.70	13,333.33	107,060.49

12. Inventories

Consisted of:-

(Unit : Baht)						
Consolidated						
	2019			2018		
	Allowance for diminution in			Allowance for diminution in		
	Cost	value of inventories	Net	Cost	value of inventories	Net
Finished goods	169,245,702.25	(16,487,212.03)	152,758,490.22	170,507,823.62	(33,182,761.44)	137,325,062.18
Raw materials	27,245,829.87	(8,853,665.63)	18,392,164.24	28,987,528.24	(8,826,223.87)	20,161,304.37
Goods in transit	27,171,823.23	-	27,171,823.23	21,825,321.03	-	21,825,321.03
Total	223,663,355.35	(25,340,877.66)	198,322,477.69	221,320,672.89	(42,008,985.31)	179,311,687.58

(Unit : Baht)						
Separate financial statement						
	2019			2018		
	Allowance for diminution in			Allowance for diminution in		
	Cost	value of inventories	Net	Cost	value of inventories	Net
Finished goods	166,574,617.66	(15,984,755.36)	150,589,862.30	167,126,169.18	(33,163,131.49)	133,963,037.69
Raw materials	27,245,829.87	(8,853,665.63)	18,392,164.24	28,987,528.24	(8,826,223.87)	20,161,304.37
Goods in transit	27,171,823.23	-	27,171,823.23	21,825,321.03	-	21,825,321.03
Total	220,992,270.76	(24,838,420.99)	196,153,849.77	217,939,018.45	(41,989,355.36)	175,949,663.09

The movement of allowance for diminutions in value of inventories for the year ended December 31, 2019 and 2018 are as follows:

			(Unit : Baht)	
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Beginning balance	(42,008,985.31)	(35,355,070.27)	(41,989,355.36)	(35,348,256.96)
Additional during the year	(8,461,756.52)	(22,017,349.79)	(7,978,929.80)	(22,004,533.15)
Reversal during the year	25,129,864.17	15,363,434.75	25,129,864.17	15,363,434.75
Ending balance	(25,340,877.66)	(42,008,985.31)	(24,838,420.99)	(41,989,355.36)

For the years ended December 31, 2019, the costs of inventories recognized as expenses are Baht 455.29 million and Baht 454.84 million in the consolidated and separate financial statement, respectively (2018 : Baht 380.37 million and Baht 379.46 million in the consolidated and separate financial statement, respectively).

For the years ended December 31, 2019, the Group has reversed allowance for diminutions in the value of inventories in amount of Baht 25.13 million in the consolidated and separate financial statement (2018 : Baht 15.36 million in the consolidated and separate financial statement).

As at December 31, 2019, the some inventories with the carrying amount of Baht 24.25 million and Baht 26.59 million in the consolidated and separate financial statement, respectively, are expected to be sold more than twelve months after the reporting period (2018 : Baht 78.10 million in the consolidated and Baht 78.04 million and separate financial statement respectively).

13. Deposits at financial institutions pledged as collateral

As at December 31, 2019 and 2018, the restricted bank deposits are fixed deposit used to guarantee credit and obligation with commercial bank as mentioned in the note to financial statement 18 and 31.

14. Investments in subsidiary

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiaries in the separate financial statement can be summarized as follows:-

<u>Name of subsidiary</u>	<u>Paid-up capital ('000 Baht)</u>		<u>Investment portion (%)</u>		<u>Cost method ('000 Baht)</u>		<u>Dividends ('000 Baht)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Subsidiary don't having non-controlling interests</u>								
Innov Green Solutions Co., Ltd.	30,000	30,000	100	100	30,255	30,255	-	-
Total					30,255	30,255	-	-

15. Property, plant and equipment

Consisted of:-

	Consolidated							(Unit : Baht)
	Land	Building improvement and utility system	Mold and factory equipment	Assets for rent	Figure and office equipment	Motor vehicle	Assets under construction	Total
Cost:-								
As at January 1, 2019	900,000.00	25,472,987.96	84,321,366.42	10,608,540.83	10,370,669.16	13,515,106.50	134,191.43	145,322,862.30
Addition	-	3,913,446.00	2,051,585.94	6,455,284.02	453,404.18	4,247,836.43	4,273,518.04	21,395,074.61
Transfer in	-	2,160,000.00	-	1,627,818.93	-	-	-	3,787,818.93
Disposal	-	-	-	(526,574.72)	(1,672.90)	(2,019,789.96)	-	(2,548,037.58)
Transfer out	-	-	-	-	-	-	(3,787,818.93)	(3,787,818.93)
Write - off	-	-	(4,691,548.33)	(79,548.16)	(556,648.74)	-	-	(5,327,745.23)
As at December 31, 2019	900,000.00	31,546,433.96	81,681,404.03	18,085,520.90	10,265,751.70	15,743,152.97	619,890.54	158,842,154.10
Accumulated depreciation:-								
As at January 1, 2019	-	(20,213,596.31)	(37,336,618.05)	(6,449,158.14)	(7,945,794.91)	(7,111,866.41)	-	(79,057,033.82)
Depreciation charge	-	(1,718,092.66)	(12,667,217.91)	(3,234,060.23)	(1,138,281.23)	(842,451.47)	-	(19,600,103.50)
Disposal	-	-	-	431,013.90	1,671.90	1,899,199.54	-	2,331,885.34
Transfer in	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-
Write - off	-	-	3,965,292.57	77,388.91	539,337.16	-	-	4,582,018.64
As at December 31, 2019	-	(21,931,688.97)	(46,038,543.39)	(9,174,815.56)	(8,543,067.08)	(6,055,118.34)	-	(91,743,233.34)
Allowance for impairment:-								
As at January 1, 2019	-	-	(13,179,567.51)	-	-	-	-	(13,179,567.51)
Reversal	-	-	2,078,414.52	-	-	-	-	2,078,414.52
As at December 31, 2019	-	-	(11,101,152.99)	-	-	-	-	(11,101,152.99)
Net book value:-								
As at December 31,2019	900,000.00	9,614,744.99	24,541,707.65	8,910,705.34	1,722,684.62	9,688,034.63	619,890.54	55,997,767.77
Depreciation in the statement of comprehensive income for the year ended December 31, 2019								19,600,103.50

(Unit : Baht)

	Consolidated							
	Land	Building improvement and utility system	Mold and factory equipment	Assets for rent	Figure and office equipment	Motor vehicle	Assets under construction	Total
Cost:-								
As at January 1, 2018	900,000.00	25,056,662.06	68,724,409.69	10,274,872.86	10,562,083.51	13,422,611.17	7,157,758.74	136,098,398.03
Addition	-	104,531.17	9,001,272.23	2,365,655.02	359,507.45	121,495.33	134,191.83	12,086,653.03
Transfer in	-	311,794.73	6,845,964.41	-	135,460.00	-	-	7,293,219.14
Disposal	-	-	(21,679.50)	(353,361.80)	(43,767.19)	-	-	(418,808.49)
Transfer out	-	-	-	(135,460.00)	-	-	(7,157,759.14)	(7,293,219.14)
Write - off	-	-	(228,600.41)	(1,543,165.25)	(642,614.61)	(29,000.00)	-	(2,443,380.27)
As at December 31, 2018	900,000.00	25,472,987.96	84,321,366.42	10,608,540.83	10,370,669.16	13,515,106.50	134,191.43	145,322,862.30
Accumulated depreciation:-								
As at January 1, 2018	-	(18,509,201.29)	(25,277,533.11)	(5,799,253.48)	(7,108,856.09)	(6,494,050.05)	-	(63,188,894.02)
Depreciation charge	-	(1,704,395.02)	(12,242,214.17)	(2,299,164.00)	(1,324,954.59)	(646,815.36)	-	(18,217,543.14)
Disposal	-	-	17,845.83	145,201.13	40,325.30	-	-	203,372.26
Transfer in	-	-	-	-	(135,405.00)	-	-	(135,405.00)
Transfer out	-	-	-	135,405.00	-	-	-	135,405.00
Write - off	-	-	165,283.40	1,368,653.21	583,095.47	28,999.00	-	2,146,031.08
As at December 31, 2018	-	(20,213,596.31)	(37,336,618.05)	(6,449,158.14)	(7,945,794.91)	(7,111,866.41)	-	(79,057,033.82)
Allowance for impairment:-								
As at January 1, 2018	-	-	(14,590,716.64)	-	-	-	-	(14,590,716.64)
Reversal	-	-	1,411,149.13	-	-	-	-	1,411,149.13
As at December 31, 2018	-	-	(13,179,567.51)	-	-	-	-	(13,179,567.51)
Net book value:-								
As at December 31, 2018	900,000.00	5,259,391.65	33,805,180.86	4,159,382.69	2,424,874.25	6,403,240.09	134,191.43	53,086,260.97
Depreciation in the statement of comprehensive income for the year ended December 31, 2018								18,217,543.14

(Unit : Baht)

Separate financial statement

	Land	Building improvement and utility system	Mold and factory equipment	Assets for rent	Figure and office equipment	Motor vehicle	Assets under construction	Total
Cost:-								
As at January 1, 2019	900,000.00	24,307,004.13	69,977,054.49	10,608,540.83	9,787,238.10	13,515,106.50	-	129,094,944.05
Addition	-	3,913,446.00	1,902,306.30	6,435,284.02	394,021.21	4,247,836.43	2,160,000.00	19,052,893.96
Transfer in	-	2,160,000.00	-	-	-	-	-	2,160,000.00
Disposal	-	-	-	(526,574.72)	(1,672.90)	(2,019,789.96)	-	(2,548,037.58)
Transfer out	-	-	-	-	-	-	(2,160,000.00)	(2,160,000.00)
Written – off	-	-	(4,691,548.33)	(79,548.16)	(547,048.74)	-	-	(5,318,145.23)
As at December 31, 2019	900,000.00	30,380,450.13	67,187,812.46	16,437,701.97	9,632,537.67	15,743,152.97	-	140,281,655.20
Accumulated depreciation:-								
As at January 1, 2019	-	(19,381,138.06)	(35,895,166.57)	(6,449,158.14)	(7,680,814.56)	(7,111,866.41)	-	(76,518,143.74)
Depreciation charge	-	(1,384,568.08)	(11,869,387.77)	(3,162,465.78)	(1,004,383.87)	(842,451.47)	-	(18,263,256.97)
Disposal	-	-	-	431,013.90	1,671.90	1,899,199.54	-	2,331,885.34
Transfer in	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-
Written – off	-	-	3,965,292.57	77,388.91	532,412.56	-	-	4,575,094.04
As at December 31, 2019	-	(20,765,706.14)	(43,799,261.77)	(9,103,221.11)	(8,151,113.97)	(6,055,118.34)	-	(87,874,421.33)
Allowance for impairment:-								
As at January 1, 2019	-	-	(8,331,854.37)	-	-	-	-	(8,331,854.37)
Reversal	-	-	2,078,414.52	-	-	-	-	2,078,414.52
As at December 31, 2019	-	-	(6,253,439.85)	-	-	-	-	(6,253,439.85)
Net book value:-								
As at December 31, 2019	900,000.00	9,614,743.99	17,135,110.84	7,334,480.86	1,481,423.70	9,688,034.63	-	46,153,794.02

Depreciation in the statement of comprehensive income for the year ended December 31, 2019

18,263,256.97

Separate financial statement

	Land	Building improvement and utility system	Mold and factory equipment	Assets for rent	Figure and office equipment	Motor vehicle	Assets under construction	Total
Cost:-								
As at January 1, 2018	900,000.00	23,890,678.23	54,398,737.39	10,274,872.86	10,000,819.84	13,422,611.17	7,157,759.14	120,045,478.63
Addition	-	104,531.17	8,982,632.60	2,365,655.02	321,290.06	121,495.33	-	11,895,604.18
Transfer in	-	311,794.73	6,845,964.41	-	135,460.00	-	-	7,293,219.14
Disposal	-	-	(21,679.50)	(353,361.80)	(43,767.19)	-	-	(418,808.49)
Transfer out	-	-	-	(135,460.00)	-	-	(7,157,759.14)	(7,293,219.14)
Written – off	-	-	(228,600.41)	(1,543,165.25)	(626,564.61)	(29,000.00)	-	(2,427,330.27)
As at December 31, 2018	900,000.00	24,307,004.13	69,977,054.49	10,608,540.83	9,787,238.10	13,515,106.50	-	129,094,944.05
Accumulated depreciation:-								
As at January 1, 2018	-	(18,065,365.12)	(24,275,151.03)	(5,799,253.48)	(6,968,373.10)	(6,494,050.05)	-	(61,602,192.78)
Depreciation charge	-	(1,315,772.94)	(11,803,144.77)	(2,299,164.00)	(1,189,889.09)	(646,815.36)	-	(17,254,786.16)
Disposal	-	-	17,845.83	145,201.13	40,325.30	-	-	203,372.26
Transfer in	-	-	-	-	(135,405.00)	-	-	(135,405.00)
Transfer out	-	-	-	135,405.00	-	-	-	135,405.00
Written – off	-	-	165,283.40	1,368,653.21	572,527.33	28,999.00	-	2,135,462.94
As at December 31, 2018	-	(19,381,138.06)	(35,895,166.57)	(6,449,158.14)	(7,680,814.56)	(7,111,866.41)	-	(76,518,143.74)
Allowance for impairment:-								
As at January 1, 2018	-	-	(9,743,003.50)	-	-	-	-	(9,743,003.50)
Reversal	-	-	1,411,149.13	-	-	-	-	1,411,149.13
As at December 31, 2018	-	-	(8,331,854.37)	-	-	-	-	(8,331,854.37)
Net book value:-								
As at December 31, 2018	900,000.00	4,925,866.07	25,750,033.55	4,159,382.69	2,106,423.54	6,403,240.09	-	44,244,945.94

Depreciation in the statement of comprehensive income for the year ended December 31, 2018

17,254,786.16

As at December 31, 2019, certain plant and equipment items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 16.66 millions (2018: Baht 15.41 million).

As at December 31, 2019 The Company has pledged the land plus property and equipment in original cost of Baht 3.19 million (2018: Baht 3.64 million) to guarantee against credit facility of the Company that receives from a commercial bank in amount of Baht 282.50 million.

Assets under finance leases, where the Company are lessee, which are included in the above list includes vehicles and machinery with net book value as at December 31, 2019 of Baht 7.55 million and Baht 1.74 million, respectively,(2018 : Baht 4.68 million and Baht 1.57 million, respectively).

16. Intangible assets

Consisted of:-

	(Unit : Baht)		
	Consolidated		
	Computer software	Computer software Under installation	Total
Cost :-			
As at January 1, 2019	11,238,348.43	2,716,000.00	13,954,348.43
Purchase	385,500.00	-	385,500.00
Write - off	(14,746.23)	-	(14,746.23)
Transfer in	1,176,000.00	-	1,176,000.00
Transfer out	-	(1,176,000.00)	(1,176,000.00)
As at December 31, 2019	12,785,102.20	1,540,000.00	14,325,102.20
Accumulated amortization :-			
As at January 1, 2019	(7,648,873.07)	-	(7,648,873.07)
Amortization for the year	(1,442,261.74)	-	(1,442,261.74)
Write-off	12,644.65	-	12,644.65
As at December 31, 2019	(9,078,490.16)	-	(9,078,490.16)
Allowance for impairment :-			
As at January 1, 2019	-	(1,540,000.00)	(1,540,000.00)
(Increases)/decreases	-	-	-
As at December 31, 2019	-	(1,540,000.00)	(1,540,000.00)
Net book value :-			
As at December 31, 2019	3,706,612.04	-	3,706,612.04
Amortization charges for the year ended December 31, 2019			1,442,261.74

(Unit : Baht)

	Consolidated		
	Computer software	Computer software Under installation	Total
Cost :-			
As at January 1, 2018	12,623,346.43	3,467,000.00	16,090,346.43
Purchase	771,502.00	-	771,502.00
Write - off	(3,000,000.00)	-	(3,000,000.00)
Transfer in	843,500.00	-	843,500.00
Transfer out	-	(751,000.00)	(751,000.00)
As at December 31, 2018	11,238,348.43	2,716,000.00	13,954,348.43
Accumulated amortization :-			
As at January 1, 2018	(9,266,946.97)	-	(9,266,946.97)
Amortization for the year	(1,381,925.10)	-	(1,381,925.10)
Write-off	2,999,999.00	-	2,999,999.00
As at December 31, 2018	(7,648,873.07)	-	(7,648,873.07)
Allowance for impairment :-			
As at January 1, 2018	-	-	-
(Increases)/decreases	-	(1,540,000.00)	(1,540,000.00)
As at December 31, 2018	-	(1,540,000.00)	(1,540,000.00)
Net book value :-			
As at December 31, 2018	3,589,475.36	1,176,000.00	4,765,475.36
Amortization charges for the year ended December 31, 2018			1,381,925.10

(Unit : Baht)

	Separate financial statements		
	Computer software		Total
	Computer software	Under installation	
Cost :-			
As at January 1, 2019	10,849,081.00	1,176,000.00	12,025,081.00
Purchase	385,500.00	-	385,500.00
Write - off	(14,746.23)	-	(14,746.23)
Transfer in	1,176,000.00	-	1,176,000.00
Transfer out	-	(1,176,000.00)	(1,176,000.00)
As at December 31, 2019	12,395,834.77	-	12,395,834.77
Accumulated amortization :-			
As at January 1, 2019	(7,547,866.33)	-	(7,547,866.33)
Amortization for the year	(1,367,775.23)	-	(1,367,775.23)
Write - off	12,644.65	-	12,644.65
As at December 31, 2019	(8,902,996.91)	-	(8,902,996.91)
Net book value :-			
As at December 31, 2019	3,492,837.86	-	3,492,837.86
Amortization charges for the year ended December 31, 2019			1,367,775.23

(Unit : Baht)

	Separate financial statements		
	Computer software		Total
	Computer software	Under installation	
Cost :-			
As at January 1, 2018	12,370,024.00	1,927,000.00	14,297,024.00
Purchase	728,057.00	-	728,057.00
Write - off	(3,000,000.00)	-	(3,000,000.00)
Transfer in	751,000.00	-	751,000.00
Transfer out	-	(751,000.00)	(751,000.00)
As at December 31, 2018	10,849,081.00	1,176,000.00	12,025,081.00
Accumulated amortization :-			
As at January 1, 2018	(9,232,981.10)	-	(9,232,981.10)
Amortization for the year	(1,314,884.23)	-	(1,314,884.23)
Write - off	2,999,999.00	-	2,999,999.00
As at December 31, 2018	(7,547,866.33)	-	(7,547,866.33)
Net book value :-			
As at December 31, 2018	3,301,214.67	1,176,000.00	4,477,214.67
Amortization charges for the year ended December 31, 2018			1,314,884.23

As at December 31, 2019, certain intangible assets items of the Company have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those assets amounted to Baht 3.73 million (2018: Baht 3.73 million).

17. Deferred tax assets/liabilities

The movements of deferred tax assets and liabilities for the year ended December 31, 2019 and 2018, are as follows:-

(Unit : Baht)

	Consolidated						
	January 1, 2018	Recognized in profit or loss	Recognized in comprehensive income	December 31, 2018	Recognized in profit or loss	Recognized in comprehensive income	December 31, 2019
Property, plant and equipment	604,853.21	(1,725,942.30)	-	(1,121,089.09)	(237,778.22)	-	(1,358,867.31)
Finance lease receivables	(165,379.42)	137,847.70	-	(27,531.72)	27,531.72	-	-
Trade receivable	2,649,498.52	(2,649,498.52)	-	-	20,431.86	-	20,431.86
Inventories	3,050,302.43	(3,050,302.43)	-	-	100,491.33	-	100,491.33
Provision for warranty	874,998.71	(874,998.71)	-	-	159,341.08	-	159,341.08
Employee benefit obligation	544,027.93	(544,027.93)	-	-	232,934.86	31,881.36	264,816.22
Total	7,558,301.38	(8,706,922.19)	-	(1,148,620.81)	302,952.63	31,881.36	(813,786.82)

(Unit : Baht)

	Separate financial statement						
	January 1, 2018	Recognized in profit or loss	Recognized in comprehensive income	December 31, 2018	Recognized in profit or loss	Recognized in comprehensive income	December 31, 2019
Finance lease receivables	(364,689.42)	364,689.42	-	-	-	-	-
Finance lease receivables	(1,770.04)	24,183.12	-	22,413.08	(22,413.08)	-	-
Trade receivable	2,629,942.02	(2,629,942.02)	-	-	-	-	-
Inventories	3,048,939.77	(3,048,939.77)	-	-	-	-	-
Provision for warranty	494,598.71	(494,598.71)	-	-	-	-	-
Employee benefit obligation	374,652.14	(374,652.14)	-	-	-	-	-
Total	6,181,673.18	(6,159,260.10)	-	22,413.08	(22,413.08)	-	-

The Group offsets the deferred tax assets and liabilities for the presentation in the statement of financial position only in a case where such assets and liabilities relates to the same taxable company and the income tax is levied by the same taxation authority, as follows :-

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Amount recognized as assets/liabilities in the statement of financial position				
- Deferred tax assets	-	22,217.81	-	22,413.08
- Deferred tax liabilities	(813,786.81)	(1,170,838.62)	-	-
Total	(813,786.81)	(1,148,620.81)	-	22,413.08

The deferred tax asset is not recognized in the statement of financial position; consisted of :-

(Unit : Baht)

	Consolidated financial statement		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Unused tax losses				
- Expire in next 1 year	-	-	-	-
- Expire in next 2 – 12 years	15,296,142.75	30,466,229.84	15,296,142.75	30,466,229.84
Temporary differences	16,623,135.80	20,643,546.15	16,619,334.01	18,708,395.32
Total	31,919,278.55	51,109,775.99	31,915,476.76	49,174,625.16

The deferred tax assets and liabilities, which is not recognized in the statement of financial position, arises from undistributed profits associated with investments in subsidiaries, joint ventures and associates; consisted of :-

(Unit : Baht)

	Consolidated	
	<u>2019</u>	<u>2018</u>
Deferred tax assets (liabilities) are not recognized :		
- Subsidiary	(830,320.12)	707,038.74
Total	(830,320.12)	707,038.74

18. Bank overdrafts and short-term loans from financial institutions

Consisted of:-

(Unit : Baht)

	Consolidated financial statement		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bank overdrafts	33,105,757.64	37,351,908.44	33,105,757.64	37,351,908.44
Short-term loans	40,095,145.68	63,125,616.32	40,095,145.68	63,125,616.32
Trust receipt payables	77,151,669.22	90,969,977.37	77,151,669.22	90,969,977.37
Total	150,352,572.54	191,447,502.13	150,352,572.54	191,447,502.13

As at December 31, 2019, the Group held bank overdraft and short – term loans from financial institutions amounting of Baht 250.10 million (2018: Baht 331.10 million). Interest rate is MLR, MLR – 1.00%, MOR, MOR – 1.50% per annum (2018: interest rate is MLR, MLR – 1.00%, MOR, MOR – 1.50% per annum).

Such the line of bank overdrafts and short-term borrowings from financial institutions are secured by bank deposits described in Note 13 to the financial statements, land and buildings described in Note 15.

19. Trade and other current payable - third parties

Consisted of:-

			(Unit : Baht)	
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables	45,508,957.57	26,342,042.73	41,919,491.06	22,078,993.81
Asset payable	4,517,957.01	6,784,265.21	2,658,232.78	4,784,531.15
Accrued expenses	19,752,998.82	17,172,626.68	18,427,819.73	15,454,605.28
Undue output vat	651,631.31	768,354.18	528,265.29	710,608.31
Other payables	770,494.67	1,498,759.08	472,849.14	1,281,011.40
Total	71,202,039.38	52,566,047.88	64,006,658.00	44,309,749.95

20. Contract liabilities

Consisted of:-

			(Unit : Baht)	
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Advance revenue from sell goods	34,532,102.18	8,108,877.72	34,308,153.56	8,104,227.71
Advance revenue from service	1,938,854.06	1,770,304.87	1,728,814.98	1,770,304.87
Advance revenue from construction contract	165,000.00	-	-	-
Total	36,635,956.24	9,879,182.59	36,036,968.54	9,874,532.58

21. Provision for warranty

As at December 31, 2019 and 2018, the provision of Baht 5.69 million and Baht 4.89 million, in the consolidated and separate financial statements, respectively, has been recognized for expected warranty claims on goods sold. The Group is expected that the majority of this expenditure will be incurred in the next financial year, and all will be incurred within 1 - 2 years of statements of financial position date.

The movement of provision for warranty for the year ended December 31, 2019 and 2018 are as follows:-

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
As at January 1,	6,028,275.96	5,467,711.61	3,901,175.96	3,565,711.61
Increase during the year	5,456,373.18	4,900,966.24	4,893,267.79	4,675,866.24
Utilized during the year	-	-	-	-
Unused amount reversed during the year.	(5,794,675.96)	(4,340,401.89)	(3,901,175.96)	(4,340,401.89)
As at December 31,	5,689,973.18	6,028,275.96	4,893,267.79	3,901,175.96

Long-term provision for warranty – minimum payments:-

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Within 1 years	5,658,825.42	5,803,175.96	4,893,267.79	3,901,175.96
Within 2 year – 5 years	31,147.76	225,100.00	-	-
Total	5,689,973.18	6,028,275.96	4,893,267.79	3,901,175.96

22. Obligation under finance lease

Obligation under finance lease - minimum lease payments as follows:

(Unit : Baht)

	Consolidated /Separate financial statement					
	2019			2018		
	Obligation under <u>finance lease</u>	Deferred finance <u>lease charges</u>	<u>Net</u>	Obligation under <u>finance lease</u>	Deferred finance <u>lease charges</u>	<u>Net</u>
Not later than 1 year	2,546,229.96	(198,553.65)	2,347,676.31	2,235,758.16	(97,420.44)	2,138,337.72
Later than 1 year but not later than 5 years	2,470,908.33	(118,593.87)	2,352,314.46	593,113.16	(15,540.90)	577,572.26
Total	5,017,138.29	(317,147.52)	4,699,990.77	2,828,871.32	(112,961.34)	2,715,909.98

As at December 31, 2019, the Group has entered into the contract of long term financial leased with several leasing companies so as to lease vehicles by number of 15 contracts and Air-conditioner by number of 1 contract (2018 : vehicles by number of 11 contracts and machine by number of 1 contract). The leased contracts determine leased fee repayment as monthly installment from Baht 8,481.00 to Baht 90,282.00 per month (2018: Baht 6,943.93 to Baht 84,375.70 per month). The leased period is carried from 2 years to 4 years (2018: 2 years to 4 years). Such leased contract comprises the Group's shareholders and directors as guarantors. In addition, ownership of such vehicles will transfer to ownership of the Group when the Group pays the final installment in accordance with the leased contract.

23. Employee benefit obligation

Changes in the present value of the employee benefit obligation in case of retirement or termination under the labor law for the year ended December 31, 2019 and 2018 are as follows:

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Opening defined benefit balance	11,264,685.01	6,581,978.14	10,225,533.22	5,734,125.99
Past service cost	-	1,347,000.99	-	1,346,604.79
Current service cost	1,394,066.28	1,187,408.54	1,301,692.70	1,110,960.21
Interest cost	339,622.45	238,727.05	306,473.54	213,025.15
Actuarial losses arising from change in demographic assumption	377,388.31	593,375.17	376,644.71	592,822.89
Actuarial losses arising from change in financial assumption	1,887,207.58	4,578.32	1,651,646.52	28,942.88
Actuarial gains arising from change in experience adjustment	(134,513.74)	1,311,616.80	(57,615.88)	1,199,051.31
Benefit paid	(101,970.00)	-	(101,970.00)	-
Closing defined benefit balance	15,026,485.89	11,264,685.01	13,702,404.81	10,225,533.22

Principal actuarial assumptions as at December 31, 2019 and 2018 are as follows :

	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate at end of year	1.80%, 1.91%	3.19%, 3.08%	1.80%	3.08%
Future salary growth	6.00%, 5.00%	6.00%, 5.00%	6.00%	6.00%
Proportion of employees opting for early retirement	2.87%-34.38%	2.87%-34.38%	2.87%-34.38%	2.87%-34.38%

As at December 31, 2019 and 2018, changes in the actuarial assumption will affect to the employee benefit obligation as follows:

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	Employee benefit obligation Increase (decrease)			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
If the discount rate increase 0.50%	(846,317.83)	(595,107.33)	(745,500.08)	(515,245.06)
If the discount rate decrease 0.50%	924,295.28	646,611.98	814,068.40	559,255.92
If the future salary growth increase 1%	1,815,789.16	1,278,417.12	1,594,636.37	1,100,710.45
If the future salary growth decrease 1%	(1,560,085.02)	(802,770.38)	(1,370,525.00)	(954,621.53)
If the proportion of employees opting for early retirement increase 20.00%	(1,600,368.77)	(1,002,579.35)	(1,415,485.07)	(989,231.33)
If the proportion of employees opting for early retirement decrease 20.00%	2,013,632.71	1,273,330.06	1,788,381.63	1,259,792.99

The Group expect to pay Baht 0.18 million of long-term employee benefits during the next year in consolidated and separate financial statement

As at December 31, 2019, the weighted average duration of the liabilities for long-term employee benefit of the company and its subsidiaries are 16 – 18 years in consolidated and 16 years in separate financial statement (2018 : 15 – 18 years in consolidated and 15 years in separate financial statement).

24. Share capital

The movement of share capital for the year ended December 31, 2019 and 2018 are as follows:

	Number of share (Unit : share)	Amount (Unit : Baht)
Registered share capital (Baht 0.25 per share)		
As at January 1, 2018	480,000,000	120,000,000.00
Increment of registered share capital during the period	96,000,000	24,000,000.00
As at December 31, 2018	576,000,000	144,000,000.00
Reduction of registered share capital during the period	(96,000,000)	(24,000,000.00)
Increment of registered share capital during the period	96,000,000	24,000,000.00
As at December 31, 2019	576,000,000	144,000,000.00
Paid-up share capital (Baht 0.25 per share)		
As at January 1, 2018	480,000,000	120,000,000.00
Increment of paid-up share capital during the period	-	-
As at December 31, 2018	480,000,000	120,000,000.00
Increment of paid-up share capital during the period	-	-
As at December 31, 2019	480,000,000	120,000,000.00

The annual ordinary general meeting of shareholders of 2018 with held on April 26, 2018, has the following resolutions.

- Approval on the increase of the Company's registered capital of Baht 24,000,000.00 by issuing 96,000,000 new ordinary shares with a par value of Baht 0.25 per share

- Approval on the allotment of not more than 48,000,000 new ordinary shares with a par value of Baht 0.25 per share by means of General Mandate to specific investor (Private Placement)

- Approval on the allotment of not more than 48,000,000 new ordinary shares with a par value of Baht 0.25 per share by means of General Mandate to existing shareholders (Right Offering)

- Authorization on the Board of Directors to consider other details regarding to the allotment of new ordinary shares by means of General Mandate as follows the offering period will be considered for sale on one or several times. It will be offered to any specific group of investors or any groups at the same time, date and time of offering, offered price, terms and conditions, etc. regarding the allotment of ordinary shares of the Capital Increase.

On May 10, 2018, the Company has already registered the share capital increment with the Department of Business Development, Ministry of Commerce.

The annual ordinary general meeting of shareholders of 2019 with held on April 24, 2019, has the following resolutions.

- Approval on the reduction of the registered capital of the Company in the amount of 24,000,000.00 Baht from the original registered capital of 144,000,000 baht to be the registered capital 120,000,000.00 Baht by cutting out the ordinary shares that have not been issued number of 96,000,000 shares at par value of 0.25 baht per share due to legal expiration. And amendment to Clause 4 of the Company's Memorandum of Association in order to be consistent with the said capital reduction.

- Approval on the increase of the Company's registered capital of Baht 24,000,000.00 by issuing 96,000,000 new ordinary shares with a par value of Baht 0.25 per share.

- Approval on the allotment of not more than 48,000,000 new ordinary shares with a par value of Baht 0.25 per share by means of General Mandate to specific investor (Private Placement).

- Approval on the allotment of not more than 48,000,000 new ordinary shares with a par value of Baht 0.25 per share by means of General Mandate to existing shareholders (Right Offering).

- Authorization on the Board of Directors to consider other details regarding to the allotment of new ordinary shares by means of General Mandate as follows the offering period will be considered for sale on one or several times. It will be offered to any specific group of investors or any groups at the same time, date and time of offering, offered price, terms and conditions, etc. regarding the allotment of ordinary shares of the Capital Increase.

The capital management

The Group constitutes purpose with respect to capital management in order to remain for ability in the continued operation and ability to appropriately provide remuneration to various group of participating interest while the Group will maintain capital in the level with the least risk.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

25. Legal reserve

Under the provisions of the Public Company Limited Act C.E. 1992, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. This reserve is not available for dividend distribution.

26. Income tax expense

The income tax expenses recognized in profit or loss for the year ended December 31, 2019 and 2018, are as follow:

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current tax expense	1,424,948.18	-	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	(302,952.63)	8,706,922.19	22,413.08	6,159,260.10
Total income tax expense recognized in profit or loss	1,121,995.55	8,706,922.19	22,413.08	6,159,260.10

The relationship between income tax expense and accounting profit(loss) for the year ended December 31, 2019 and 2018, are as follow:

(Unit : Baht)				
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit(loss)	32,089,751.58	(100,180,943.82)	23,194,663.07	(99,465,291.28)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	6,417,950.32	(20,036,188.76)	4,638,932.61	(19,893,058.26)
Temporary difference not recognized as a deferred tax asset	2,203,954.93	10,534,735.94	2,203,954.93	8,592,904.19
Previous temporary difference not recognized as a deferred tax asset	(5,384,207.27)	(640,462.56)	(4,687,151.32)	(640,462.56)
Expenses that are not deductible in determining taxation profit	66,780.65	331,686.12	46,229.10	315,633.16
Expenses that are deductible in determining taxation profit	(25,898.46)	(10,368.21)	(22,967.62)	-
Loss from operation for the period	(2,156,584.62)	-	(2,156,584.62)	-
Income tax expense	1,121,995.55	8,706,922.19	22,413.08	6,159,260.10
Tax rate			<u>2019</u>	<u>2018</u>
- The Company and subsidiary				
- Profit of non-BOI business			20%	20%
- Profit of BOI business				
- Exemption from taxation			-	-
- Reduction of tax 50%			10%	10%

The income tax expenses recognized in other comprehensive income for the year ended December 31, 2019 and 2018 are as follow:

(Unit : Baht)				
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax				
Actuarial losses	31,881.36	-	-	-
Total income tax expense recognized in other comprehensive income	31,881.36	-	-	-

27. Basic earnings gain(loss) per share

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the year attributable to shareholders by the (excluding other comprehensive income) weighted average number of ordinary shares in issue during the year.

28. Supplemental disclosures of cash flow information

28.1 Cash and cash equivalents consist of :-

			(Unit : Baht)	
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash on hand and tax coupon	1,389,250.45	757,177.63	1,371,512.65	745,966.63
Cash deposits-Saving accounts	14,034,491.89	20,822,838.88	13,783,516.83	5,921,461.77
Cash deposits-Current accounts	16,194,149.57	2,935,922.43	4,079,978.91	2,656,151.66
Fixed deposits	6,196,658.28	2,500,922.73	6,145,113.65	2,467,869.13
Cheque on hand	199,020.00	-	-	-
Total	38,013,570.19	27,016,861.67	25,380,122.04	11,791,449.19

28.2 Non-cash items are as follows:-

			(Unit : Baht)	
	Consolidated		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Purchase plant and equipment but not yet paid	895,273.82	4,784,531.15	895,273.82	4,784,531.15
Purchase assets by leased	5,082,881.70	-	5,082,881.70	-
Transfer from inventory to equipment	1,416,847.48	568,206.99	1,412,798.24	568,206.99
Provision for decommission	20,000.00	-	-	-
Transfer from other current receivable to intangible assets	-	92,500.00	-	-

28.3 Liabilities arising from financing activities :-

The movements of liabilities arising from financing activities the year ended December 31, 2019 and 2018 was as follow:-

(Unit : Baht)

	January 1, 2019	Cash flows	Consolidated		December 31, 2019
			Additions during the year	Changes in foreign exchange rates	
Short-term loans from finance institution	191,447,502.13	(40,427,852.91)	-	(667,076.68)	150,352,572.54
Short-term loan from related party	10,000,000.00	(10,000,000.00)	-	-	-
Finance lease liabilities	2,715,909.98	(3,098,800.91)	5,082,881.70	-	4,699,990.77
Total	204,163,412.11	(53,526,653.82)	5,082,881.70	(667,076.68)	155,052,563.31

(Unit : Baht)

	January 1, 2018	Cash flows	Consolidated		December 31, 2018
			Changes in foreign exchange rates		
Short-term loans from finance institution	171,028,833.25	21,108,371.09	(689,702.21)		191,447,502.13
Short-term loan from related party	-	10,000,000.00	-		10,000,000.00
Long-term loan from financial institutions	24,692.40	(24,692.40)	-		-
Finance lease liabilities	5,389,521.38	(2,673,611.40)	-		2,715,909.98
Total	176,443,047.03	28,410,067.29	(689,702.21)		204,163,412.11

(Unit : Baht)

	January 1, 2019	Cash flows	Separate financial statement		December 31, 2019
			Additions during the year	Changes in foreign exchange rates	
Short-term loans from finance institution	191,447,502.13	(40,427,852.91)	-	(667,076.68)	150,352,572.54
Short-term loan from related party	18,000,000.00	(18,000,000.00)	-	-	-
Finance lease liabilities	2,715,909.98	(3,098,800.91)	5,082,881.70	-	4,699,990.77
Total	212,163,412.11	(61,526,653.82)	5,082,881.70	(667,076.68)	155,052,563.31

(Unit : Baht)

	Separate financial statement			
	Changes in foreign			December 31, 2018
	January 1, 2018	Cash flows	exchange rates	
Short-term loans from finance institution	171,028,833.25	21,108,371.09	(689,702.21)	191,447,502.13
Short-term loan from related party	-	18,000,000.00	-	18,000,000.00
Long-term loan from financial institutions	24,692.40	(24,692.40)	-	-
Finance lease liabilities	5,389,521.38	(2,673,611.40)	-	2,715,909.98
Total	176,443,047.03	36,410,067.29	(689,702.21)	212,163,412.11

29. Employee benefit

29.1 Provident fund

For the year ended December 31, 2019, the Group recognizes as the employee benefit expense for the payment of contribution into the provident fund at the amount of Baht 0.98 million and Baht 0.88 million in consolidated and separate financial statement, respectively (2018 : Baht 1.13 million and Baht 1.02 million in consolidated and separate financial statement, respectively).

29.2 Retirement employee benefit

For the year ended December 31, 2019 and 2018, the Group recognizes the employee benefit expense in case of retirement or termination under the labor law, as follows:

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	2019	2018	2019	2018
Amounts recognized in profit or loss				
Past service cost	-	1,347,000.99	-	1,346,604.79
Current service cost	1,394,066.28	1,187,408.54	1,301,692.70	1,110,960.21
Interest cost	339,622.45	238,727.05	306,473.54	213,025.15
Total amounts recognized in profit or loss	1,733,688.73	2,773,136.58	1,608,166.24	2,670,590.15
Amounts recognized in other comprehensive income				
Actuarial losses arising from change in demographic assumption	377,388.31	593,375.17	376,644.71	592,822.89
Actuarial losses arising from change in financial assumption	1,887,207.58	4,578.32	1,651,646.52	28,942.88
Actuarial (gain)losses arising from change in experience adjustment	(134,513.74)	1,311,616.80	(57,615.88)	1,199,051.31
Total amounts recognized in other comprehensive income	2,130,082.15	1,909,570.29	1,970,675.35	1,820,817.08
Total	3,863,770.88	4,682,706.87	3,578,841.59	4,491,407.23

An item of the employee benefit expense in case of retirement or termination under the labor law for the year ended December 31, 2019 and 2018 are inclusively presented in the line items, as follows :

			(Unit : Baht)	
	Consolidated		Separate financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of sales	125,170.76	115,763.20	125,170.76	115,763.20
Selling expenses	370,686.11	482,886.00	321,211.04	437,015.96
Administrative expenses	855,718.14	1,961,462.22	839,812.92	1,904,785.83
Management benefit expenses	382,113.72	213,025.16	321,971.52	213,025.16
Total	1,733,688.73	2,773,136.58	1,608,166.24	2,670,590.15

30. Expenses by nature

The following expenditure items of expense have been classified by nature:

			(Unit : Baht)	
	Consolidated		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Change in finished goods and work in process	1,674,747.83	49,322,160.37	2,366,308.73	52,430,179.09
Purchased finished goods	441,243,774.45	339,570,747.25	417,663,453.95	314,116,123.75
Installation cost	35,317,322.92	31,836,841.40	2,432,375.00	1,188,776.08
Staff cost	113,270,322.39	105,536,131.60	107,565,227.91	99,910,195.96
Transportation expense	11,570,813.42	24,190,986.77	11,546,610.63	24,170,386.77
Management benefit expenses	14,277,963.88	10,979,434.48	12,428,065.36	9,546,897.32
Depreciation and amortization expenses	21,042,365.24	19,599,468.24	19,631,032.20	18,569,670.39
Loss for diminution of inventories (Reversal)	(16,668,107.65)	6,653,915.04	(17,150,934.37)	6,641,098.40
Reversal doubtful accounts	(757,934.38)	(516,577.44)	(757,934.38)	(520,954.23)
Reversal impairment loss on assets	(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	-	-
Wage and other service	4,401,284.84	4,843,523.37	106,160.00	62,941.52
Rental	11,534,065.37	13,817,946.58	11,077,961.69	13,384,301.58
Advertising and commission	10,687,127.04	41,520,284.42	10,569,275.66	41,228,689.62
Utility	2,114,852.95	2,126,133.73	2,003,054.12	2,024,512.50
Raw materials and consumables used	15,541,660.38	16,755,373.76	13,877,732.47	13,581,542.27
Consultants	2,133,118.22	2,547,205.39	2,033,118.22	2,547,205.39
Research and development costs	1,323,048.43	1,301,084.83	1,286,664.56	1,301,084.83

31. Credit line of financial institutions

(Unit: Million Baht)

	Consolidated					
	2019			2018		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	8.10	(0.52)	7.58	8.10	(2.04)	6.06
Credit line of bank overdraft	46.10	(33.11)	12.99	61.10	(37.35)	23.75
Credit line of short-term loans	204.00	(117.25)	86.75	424.00	(154.10)	259.37
Credit line of long-term loans	0.30	-	0.30	0.30	-	0.30
Credit line of forward contracts	100.00	-	100.00	250.00	(40.64)	209.36
	358.50	(150.88)	207.62	743.50	(234.13)	498.84

(Unit: Million Baht)

	Separate financial statement					
	2019			2018		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	7.10	(0.11)	6.99	7.10	(2.04)	5.43
Credit line of bank overdraft	46.10	(33.11)	12.99	61.10	(37.35)	23.75
Credit line of short-term loans	200.00	(117.25)	82.75	420.00	(154.10)	255.37
Credit line of long-term loans	0.30	-	0.30	0.30	-	0.30
Credit line of forward contracts	100.00	-	100.00	250.00	(40.64)	209.36
	353.50	(150.47)	203.03	738.50	(234.13)	494.21

The Group pledged the land plus property, as mentioned in the notes to financial statements No. 15, and bank deposit to financial statements No.13, as collaterals against the said credit facilities.

32. Operating segments

The Group identified the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment in the form of type of business operated. The Group has two operating segments which are consists of the sale of products segment and the service of products segment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses and finance cost.

The segment operation for the year ended December 31, 2019 and 2018 are as follows :-

	Sale of Products		Providing of Service		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net outsider sales	598.35	475.64	102.18	89.90	700.53	565.54
Gross profit	158.74	88.28	48.51	35.63	207.25	123.92
Gain on exchange rate					9.35	0.93
Other income					2.64	6.24
Cost of distribution					(122.79)	(158.47)
Administrative expenses					(54.27)	(61.40)
Finance cost					(10.09)	(11.41)
Gain (loss) before income tax expenses					32.09	(100.19)

The reconciliations of each segment total assets to the Group's assets and other material items.

	Sale of Products		Providing of Service		Central		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Depreciation	11.28	10.62	3.36	2.42	4.96	5.18	19.60	18.22
Amortization	-	-	-	-	1.44	1.38	1.44	1.38

For the year ended December 31, 2019, the Group has the revenue from sale of goods to 1 major customers in the amount of Baht 125.20 million earned from sale of products segment. (2018 : 2 major customers in the amount of Baht 124.01 million earned from sale of products segment).

Geographical segment information for the year ended December 31, 2019 and 2018 are as follows:-

	Thailand		China		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues from external customers	501.34	404.17	199.19	161.37	700.53	565.54
Non-current assets (excluding financial instruments and deferred tax)	113.36	105.55	29.08	33.97	142.44	139.52

33. Revenue

The relationship between the revenue information disclosed for each reportable segment and the revenue derived from transfer of goods and services over time and a point in time for the year ended on December 31, 2019 and 2018 are as follows:

(Unit: Million Baht)

	Segment operation				Total	
	Sale of Products		Providing of Service		2019	2018
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>		
Revenue from external customers	598.35	475.64	102.18	89.90	700.53	565.54
Revenue about geographic area						
- Thailand	399.16	314.27	102.18	89.90	501.34	404.17
- China	199.19	161.37	-	-	199.19	161.37
Total	598.35	475.64	102.18	89.90	700.53	565.54
Revenue recognized when a performance obligation						
- satisfied at a point in time	598.35	475.64	-	-	598.35	475.64
- satisfied over time	-	-	102.18	89.90	102.18	89.90
Total	598.35	475.64	102.18	89.90	700.53	565.54

The amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2019 and 2018 are as follows:

(Unit : Baht)

	<u>2019</u>	<u>2018</u>
Construction service	255,162.10	866,729.03
Operation and maintenance service	2,599,432.31	3,076,770.62
Total	2,854,594.41	3,943,499.65

The Company expects to recognize the amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2019, as revenue in the future periods, as follow:

	(Unit : Baht)			
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
- Construction service	255,162.10	-	-	255,162.10
- Operation and maintenance service	2,599,432.31	-	-	2,599,432.31
Total	2,854,594.41	-	-	2,854,594.41

The Company expects to recognize the amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2018, as revenue in the future periods, as follow:

	(Unit : Baht)			
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
- Construction service	866,729.03	-	-	866,729.03
- Operation and maintenance service	3,076,770.62	-	-	3,076,770.62
Total	3,943,499.65	-	-	3,943,499.65

The amount of revenue recognized in the financial statement for the year ended on December 31, 2019 and 2018 that was included in the contract liability balance as at December 31, 2018 and 2017 are as follow:

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Advance service received	1,786,944.07	48,506.54

34. Financial instruments

The principal financial risks faced by the Group are interest rate risk, credit risk and foreign currency. The Group did not speculate in or engage in trading of any derivative financial instruments.

34.1 Risks from Interest Rates

Risk from interest rates is derived from fluctuation of market interest rate in the future which affect upon operating result and cash flow. Risk from interest rates remains due to bank deposit, loans to related parties, credit facilities owing to the commercial bank and related parties. Due to the fact that such financial assets and liabilities constitute interest rates which are always closed to market interest rate; as a result, the Group anticipates of non material risk from interest rates.

	Consolidated			
	Amount (Unit : million Baht)		Interest rate (% : per annum)	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Saving accounts	14.03	20.83	0.0400%-0.3750%	0.0400%-0.3750%
Fixed deposits	6.20	2.50	0.6500%-1.2500%	0.6500%-1.2500%
Finance lease receivables	0.17	4.67	2.7827% - 12.5896%	2.7827%-33.8484%
Deposits pledged as collateral	70.75	70.75	0.1000%-1.1000%	0.3700%-1.2500%
Bank overdrafts	33.11	37.35	6.1750%-7.1250%	6.1750%-7.1250%
Short-term loan from finance institutions	40.10	63.13	5.6500% - 6.2500%	6.5000%
Trust receipt payable	77.15	90.97	4.8969% -5.2006%	5.2500%-5.7750%
Short-term loan from related parties	-	10.00	-	4.4900%-6.0250%
Obligation under finance lease	4.70	2.72	4.2744%-7.3176%	4.2693%-6.5984%

	Separate financial statement			
	Amount (Unit : million Baht)		Interest rate (% : per annum)	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Saving accounts	13.78	5.92	0.0400%-0.3750%	0.0500%-2.2500%
Fixed deposits	6.15	2.47	0.0650%-1.2500%	0.2500%-1.5000%
Finance lease receivables	0.02	0.11	2.7827%	2.7827%
Deposits pledged as collateral	69.75	69.75	0.1000%-1.1000%	0.1000%-1.1000%
Bank overdrafts	33.11	37.35	6.1750%-7.1250%	6.1750%-7.1250%
Short-term loan from finance institutions	40.10	63.13	5.6500% - 6.2500%	5.2500%-6.0000%
Trust receipt payable	77.15	90.97	4.8969% -5.2006%	4.0700%-6.0250%
Short-term loan from related parties	-	18.00	-	5.0000%-6.5000%
Obligation under finance lease	4.70	2.72	4.2744%-7.3176%	0.0000%-0.6598%

34.2 Credit risk

The Group does not expose the risk from credit provision in connection to trade receivable most from the sale of goods whose capability is good at debt repayment. The Group has dealt with these clients for a long time therefore, it is anticipated of non risk derived from non-payment of those trade receivable. Moreover, the Group has no significant concentrations of credit risks.

34.3 Foreign currency risk

The Group constitutes material risk from exchange rates in overseas currencies which has been cash at bank, trade receivable, trade payable and trust receipt that are foreign currency. The management has managed risk from exchange rates by performing the forward foreign currencies contract dependent on each case.

As at December 31, 2019 and 2018, the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follow:

2019				
<u>Foreign currency</u>	<u>Consolidated</u>		<u>Separated financial statement</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	2,406,219.07	8,405,494.94	2,267,415.46	4,484,768.12
EURO	-	708.18	-	107.82
YUAN	35,897.30	903.00	14,942.00	903.00

2018				
<u>Foreign currency</u>	<u>Consolidated</u>		<u>Separated financial statement</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	526,873.67	3,459,398.76	526,873.67	3,398,085.06
EURO	-	7.82	-	7.82
YUAN	22,312.00	-	22,312.00	-

34.4 Fair value

The carrying amounts of the following financial assets and liabilities approximate to their fair values : cash and cash equivalent, short-term investments, trade receivable and payable, other receivable and payable, loans to and loan from related parties due to the short maturity period. The carrying amount of finance lease liabilities and long-term loan from institution approximate fair value due to the interest rate are close to the market rate.

35. Fair value Measurement

TFRS No.13 “Fair Value Measurement (revised 2018)” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

The TFRS requires the Group shall disclose about fair value measurement for financial asset and liability in which the other related TFRSs requires or permits fair value measurement or disclosure about fair value.

The TFRS establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value, as follows

Level 1 : The inputs are quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : The inputs are observable inputs for the asset or liability, either directly or indirectly.

Level 3 : The inputs are unobservable inputs for the asset or liability.

Information on assets and liabilities of the Group not measured the fair value in the statement of

financial position as at December 31, 2019 and 2018, as described in notes to financial statement no.34.4 and additional as follows:

(Unit: Million Baht)						
<u>Assets and liabilities</u>	<u>Book value</u>		<u>Fair value</u>		<u>Fair value hierarchy</u>	<u>Valuations techniques</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>		
Foreign currency forward contract (Note 37.4)	-	0.25	-	-	Level 2	Calculated by the value declared by the financial institution.

For the year ended December 31, 2019, there is no the transfer of any amount between level 1 and level 2 of the fair value hierarchy.

36. Promotional privileges

The Company was granted certain promotion privilege under the Investment Promotion Act, C.E 1977 in accordance with certificate No.1811 (5) /2011 on its business segment of evaporative cooling system. The privilege granted can be summarized as follows:

- a) Corporate income tax exemption on profit for a period of eight years from the date of the income occurred from the certified products (March 15 ,2012). The company can carry forward any net loss incurred during the tax-exempt period to be deducted as expenditure from net profit incurred during the five year period commencing from expiry of the tax-exempt period.
- b) Any dividends distributed by the Company are exempt from income tax if the dividend is distributed by the Company and received by the recipient during the exempt period.
- c) Exemption of import duty on raw or essential materials used in export products for a period of one year commencing from the first import.
- d) Exemption of import duty on re-exports items for one year commencing from the first import
- e) The Company exempt from any duty on import of machinery approved by the BOI.

Revenue from sale of goods for the years ended 31 December 2019 and 2018 classified by promoted and non-promoted business as follows:

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Promoted business	-	9,351,005.81	-	9,351,005.81
Non - Promoted business	598,354,803.88	481,629,156.63	587,269,296.13	462,581,075.69
Total	598,354,803.88	490,980,162.44	587,269,296.13	471,932,081.50

37. Commitments and contingent liabilities

37.1 As at December 31, 2019, the Company has commitments relating to letters of credit which has been withdrawn in amount of USD 0.17 million (2018 : USD 0.38 million).

37.2 As at December 31, 2019 and 2018, the Group constitutes contingent liability from issuance of guarantee letter of the bank by amount of Baht 0.52 million in consolidated and amount of Baht 0.11 million in Separated financial statement. (2018 : amount of Baht 2.04 million in consolidated and amount of Baht 1.67 million in Separated financial statement.)

37.3 The Group constitutes lease contract of building, equipment and warehouse from third parties. As at December 31, 2019 and 2018, the Group had obligation to repay the lease as follows:-

	(Unit : Baht)			
	Consolidated		Separated financial statement	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Maturities of payment				
- Not later than 1 year	7,581,700.00	8,343,288.48	7,101,700.00	8,079,288.48
- Later than 1 year and not later than 5 years	11,344,900.00	2,292,478.96	10,384,900.00	2,292,478.96
Total	18,926,600.00	10,635,767.44	17,486,600.00	10,371,767.44

37.4 As at December 31, 2018, The Group has performed the forward foreign currencies contract in amount of USD 1.25 million which holds the contract life not exceeding one year.

37.5 The Company entered into a distributor agreement with a foreign company for a period of 11 years expiring in December 2022. The Company is authorized to sell the products of cooling machines business EVAP 70 and EVAP 35 in the country around the world save except some country as specified in the agreement. Under the agreement, the Company is committed to achieve certain distributor's sales goals as specified in the agreements.

37.6 The Company entered into a distributor agreement with a foreign company as the same a No.36.5 for 2 contracts for period of 11 years expiring in December 2023. The Company is authorized to sell the products of cooling machines business EVAP 03 and EVAP 20 in the country around the world save except some country as specified in the agreement. Under the agreement, the Company is committed to achieve certain distributor's sales goals as specified in the agreements.

- 37.7 The Company entered into an OEM agreement with a foreign company to manufacture the evaporative fan model MIK-25EXN for the contractual period of 11 years. The agreement term will be expired in 2025.
- 37.8 As of December 31, 2019 and 2018, the Group Companies have obligation from engaging services that provided by several outside parties for the period of 1 - 3 years. The Group Companies have obligation to pay the service fees at Baht 10,000.00 - 95,000.00 per month.
- 37.9 The Group has obligation from hiring outside parties as procurement agent for merchandises from People's Republic Of China. The contractual term commenced in November 2018 and the term will be expired when both parties mutually agreed to end the agreement. The Group Companies have the obligation to pay RMB 5,883.00 per month.
- 37.10 The Company enter into OEM agreement and distributor agreement with a foreign company into two contracts for the product and sell the cooling fan model MIK-02EX and evaporative fan and built-in heating system model MIK-08EX which the contract period commenced in August 2018. The Company was authorized to be a distribution for such products around the world, except some
- 37.11 The Company enter into OEM agreement and distributor agreement with a foreign company into one contracts for the product and sell the cooling fan model MIX-06EX, The contract term commenced in 2019. The Company was authorized to be a distribution for such products around the world, except some.

38. Reclassification of accounting transactions

Some transactions in statement of financial position as at December 31, 2018 and statement of comprehensive income for the year ended December 31, 2018, are newly reclassified so as to comply with reflection in statement of financial position as at December 31, 2019 and statement comprehensive income for the year ended December 31, 2019, which can be summarized as follows:

(Unit : Baht)			
As at December 31, 2018			
Transactions which formerly presented	Reclassified	Consolidated	Separated financial statement
Trade and other current receivables - third parties	Contract assets	267,357.70	107,060.49
Trade and other current receivables - third parties	Trade and other current payables - third parties	3,772,914.90	3,772,914.90
Inventories	Construction in progress	471,469.10	-
Trade and other current payables - third parties	Contract liabilities	9,879,182.59	9,874,532.58

(Unit : Baht)			
For the year ended December 31, 2018			
Transactions which formerly presented	Reclassified	Consolidated	Separate Comprehensive
		Comprehensive Income	Income
Revenues from sales	Revenues from services	21,918,240.28	8,184,845.88
Costs of sales	Cost of services	14,193,777.74	2,877,988.80
Administrative expenses	Cost of distribution	1,856,639.18	-
Financial cost	Cost of distribution	845,042.82	-

39. Employee joint investment program

Details of the first program employee joint investment program are as follows:

Approved by	: In accordance with Meeting of The Board of Directors No. 7/2016
Duration of the scheme	: 4 years, from February 1, 2017 to January 31, 2021
Detail of contributions	: Employees contribute 3 percent of their monthly base salary and the Group additionally contribute 3 percent of employees' monthly base salary
Program management	: TISCO Asset Management Company Limited

Details of the second employee joint investment program for executive directors are as follows:

Approved by	: In accordance with The annual ordinary general meeting of shareholders of 2017
Duration of the scheme	: 4 years, from February 1, 2017 to January 31, 2021
Detail of contributions	: Directors contribute 3 percent and the Group additionally contribute 3 percent of their monthly base salary.
Program management	: TISCO Asset Management Company Limited

For the year ended December 31, 2019, the Group contributed the joint investment program for employee and executive directors in the amount of Baht 0.88 million.(2018 : Baht 1.01 million)

40. Events after the reporting period

The Board of Directors' Meeting no.1/2020 with held on February 27, 2020 has the resolution to propose to the Annual General Meeting of Shareholders for the year 2020 held on April 28, 2020 to consider matters, as the following details.

- To consider and approve the reduction of the registered capital of the Company in the amount of 24,000,000.00 Baht from the original registered capital of 144,000,000 baht to be the registered capital 120,000,000.00 Baht by cutting out the ordinary shares that have not been issued number of 96,000,000 shares at par value of 0.25 baht per share due to legal expiration. And amendment to Clause 4 of the Company's Memorandum of Association in order to be consistent with the said capital reduction

- To consider the registered share capital increase, amend for Section 4 of the Company's memorandum of association to correspond with the registered share capital increase and allotment under the general mandate. The allocation will be via Private Placement and Right Offering.

- To consider and approve for The Employee Joint Investment Program (EJIP : Employee Joint Investment Program) A period of 4 years and the company has appointed TISCO Securities Company Limited is the implementation of a project.

41. Approval of financial state

These consolidate and separated financial statements were authorized for issue by the Company's board of directors on February 27, 2020.
