**PREMIER PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. COMPANY OPERATIONS AND OTHER GENERAL INFORMATION**

Premier Products Public Company Limited (the “Company”) is a public company incorporated on August 22, 2012 and domiciled in Thailand. The registered office of the Company is at   
2 Premier Place, Soi Premier 2, Srinakarin Road, Nongbon, Prawet, Bangkok. The Company was listed on The Stock Exchange of Thailand on February 14, 2013.

As at December 31, 2021 and 2020, the Company’s major shareholder is Premier Resorts and Hotels Co., Ltd., which was registered in Thailand, holding 46.58% of the Company’s shares.

The Company is principally engaged in the manufacture and distribution of environmental products related to waste water treatment and water storage systems, construction materials and industrial products.

Details of the Company’s subsidiary as at December 31, were as follow:

| **Name of the Company** | **Type of business** | **Country of** | **The Company’s** | |
| --- | --- | --- | --- | --- |
|  |  | **incorporation** | **ownership interest (%)** | |
|  |  |  | **2021** | **2020** |
| **Direct subsidiary** |  |  |  |  |
| Infinite Green Company | Producer of electricity | Thailand | 75.60 | 75.60 |
| Limited | from solar power |  |  |  |

**Coronavirus Disease 2019 Pandemic**

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries.   
This situation may bring uncertainties and have an impact on the environment in which the Company and its subsidiary operates. Nevertheless, the Company’s and its subsidiary’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

2.1 The Company and its subsidiary maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

2.2 The Company and its subsidiary’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2021 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3)   
B.E. 2562” dated December 26, 2019.

2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Company and its subsidiary have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary’s financial statements.

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

The amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the   
Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such   
Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

The Company and its subsidiary’s management will adopt such TFRSs in the preparation of the Company and its subsidiary’s financial statements when it becomes effective. The Company and its subsidiary’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company and its subsidiary in the period of initial application.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The English version of the consolidated and separate financial statements have been prepared from the Thai version of the consolidated and separate financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version consolidated and separate financial statements in accordance with the Thai law is superseded.

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the accounting policies as follows:

1. Basis of preparation of consolidation financial statements

The consolidated financial statements comprise the Company and its subsidiary’s financial statements

Transactions eliminated on consolidation

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2021 and 2020 were prepared by using the financial statements of its subsidiary for the year then ended.

1. Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company’s functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining income.

1. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all deposits at financial institutions with the original maturities of three months or less, excluding cash at banks used as collateral.

1. Financial instruments

*Classification and measurement of financial assets*

Financial assets which is debt instruments are measured at amortized cost and recognized to short-term loan to a related party of financial position.

Financial assets which is equity instruments except investment in a subsidiary, are measured at fair value through profit or loss and recognized to other current financial asset in statement of financial position.

*Impairment of financial assets*

The Company and its subsidiary recognize a loss allowance for expected credit losses on trade receivables. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company and its subsidiary always recognize lifetime expected credit loss (“ECL”) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company and its subsidiary’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company and its subsidiary recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company and its subsidiary measure the loss allowance for that financial instrument at an amount equal to next 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

*Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset’s gross carrying amount at the reporting date.

The Company and its subsidiary recognize an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account which the loss allowance is recognized in profit or loss and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

*Derecognition of financial assets*

The Company and its subsidiary derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

*Classification and measurement of financial liabilities*

Financial liabilities are classified and measured at amortized cost. The Company and its subsidiary have elected to measure liabilities at fair value through profit or loss when stipulated conditions are met.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

*Derecognition of financial liabilities*

The Company and its subsidiary derecognize financial liabilities when, the Company and its subsidiary’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

1. Trade and other current receivables

Trade receivables are stated at the net realizable value. The Company and its subsidiary provided allowance for expected credit losses for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

The allowance for expected credit losses has disclosed in Note 3.4 to the financial statements.

1. Inventories

Finished goods and work in process are valued at the lower of cost (first in-first out method) and net realizable value. Cost includes all production costs, wages and attributable factory overheads.

Raw materials are valued at the lower of cost (first in-first out method) or net realizable value and are charged to production costs whenever consumed.

1. Investments in a subsidiary

Investments in a subsidiary are accounted for in the separate financial statements using the cost method.

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

1. Property, plant and equipment and depreciation

Land and land improvements are stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets.

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When land’s carrying amount is increased as a result of a revaluation of the Company’s land, the increase is credited directly to the other comprehensive income and the cumulative increase is recognized in shareholders’ equity under the heading of “Revaluation surplus on land”. However, a revaluation increase is recognized as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognized as an expense.

- When land’s carrying amount is decreased as a result of a revaluation of the Company’s land, the decrease is recognized in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in “Revaluation surplus on land” in respect of the same asset.

Depreciation of plant and equipment except moulds is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Power plant 10, 20 and 25 years

Buildings and building improvements 5 - 27 years

Machinery 5 - 18 years

Factory equipment 5 years

Furniture, fixtures and office equipment 3 - 5 years

Motor vehicles 5 years

Depreciation of moulds is calculated by the unit of production method.

Depreciation is included in determining operating profit.

No depreciation is provided on land, land improvements and construction in progress.

The Company and its subsidiary are derecognized property, plant and equipment upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

1. Non-operating assets

Non-operating assets are properties which transferred from property, plant and equipment due to the Company and its subsidiary are no longer used in their operations or assets seized from debtors and still has no purpose for use in the future.

Non-operating assets are stated at cost less accumulated depreciation and allowance for loss on impairment of assets.

Depreciation of non-operating assets are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements 20 years

No depreciation is provided on land, land improvements.

The Company and its subsidiary are derecognized item of non-operating assets upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

1. Intangible assets

Intangible assets are stated at cost less any accumulated amortization and any accumulated impairment losses, if any.

The Company and its subsidiary amortized intangible assets on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to profit or loss.

The estimate useful lives of patent and computer software are 10 years.

1. Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiary recognized impairment loss when the recoverable amount of an asset, which is the higher of the asset’s fair value less costs to sell and its value in use, is less than the carrying amount.

The Company and its subsidiary recognized impairment loss in profit or loss. However, in cases where land was previously revalued and the revaluation was taken to shareholders’ equity, a part of such impairment is recognized in shareholders’ equity up to the amount of the previous surplus revaluation.

1. Provisions

Provisions are recognized when the Company and its subsidiary has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1. Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Defined contribution plans

The Company and its subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund’s assets are held in a separate trust fund and the Company and its subsidiary’s contributions are recognized as expenses when incurred.

Post employment benefits

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a post employment benefit plan.

The Company and its subsidiary determined obligation under the post employment benefit plan by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post employment benefit plans are recognized immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company and its subsidiary recognize restructuring-related costs.

1. Revenue and expense recognition

Revenue from sale of goods

Revenue from sale of goods included the revenue from sales of made-to-order products are recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Revenue from sale - electricity

Revenue from sale - electricity are recognized when controls of the goods have passed to the buyer. Sales include electricity tariff adders and fuel adjustment charges (Ft). Sales are the invoiced value, excluding value added tax, of goods supplied.

Revenue for services is recognized when rendered service completely.

Finance income is recognized on an accrual basis based on the effective interest rate.

Dividends income are recognized when the right to receive the dividends is established.

Other income and expense are recognized on an accrual basis.

1. Lease

The Company and its subsidiary as lessee

The Company and its subsidiary assess whether a contract is or contains a lease, at inception of the contract. The Company and its subsidiary recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company and its subsidiary recognize the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company and its subsidiary use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

• The amount expected to be payable by the lease under residual value guarantees;

• The exercise price of purchase options, if the lease is reasonably certain to exercise the options;

• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company and its subsidiary expect to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Depreciation of right-of-use asset is calculated by reference to their costs on the straight-line basis over the following leased time:

Land 6 years

Buildings 2 and 6 years

Motor vehicles 3 and 5 years

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position.

1. Income tax

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

Current income tax

The Company and its subsidiary provided current income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred income tax

The Company and its subsidiary provided deferred income tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiary record deferred tax directly to shareholders’ equity if the tax relates to items that are recorded directly to shareholders’ equity.

1. Fair value measurement

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

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

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

3.18 Earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing net profit (loss) for the year by the weighted average number of ordinary shares held by third parties during the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscriptions received. In case of a capital decrease, the number of ordinary shares is weighted according to time of registration of capital reduction. Diluted earnings (losses) per share are calculated from weighted average number of ordinary shares assumed that dilutive ordinary shares equivalents are totally converted to ordinary shares.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for expected credit losses

In determining an allowance expected credit losses, the management needs to make judgment and estimates an allowance expected credit losses based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgments and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on aging of each type of inventory.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company and its subsidiary measure land at revalued amount. Such amount is determined by the external independent valuer using the market approach. The valuation involves certain estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

The Company and its subsidiary recognized deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

Classification of leases

In determining whether a lease should be classified as an operating lease or finance lease, the Company’s and its subsidiary’s management has to use judgment to determine whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Provision of post-employment benefits under defined benefit plans

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.

**5. RELATED PARTY TRANSACTIONS**

The Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and agreed upon between the Company and those related parties.

Relationships with related parties as at December 31, 2021 and 2020 are as follows:

| **Name of entities** | **Country of** | **Nature of relationships** |
| --- | --- | --- |
|  | **incorporation** |  |
| Premier Resorts and Hotels Company Limited | Thailand | The Company’s major shareholder |
| Premier Fission Capital Company Limited | Thailand | Joint directors |
| Premier Marketing Public Company Limited Group | Thailand | Joint directors |
| Premier Technology Public Company Limited Group | Thailand | Joint directors |
| Premier Enterprise Public Company Limited Group | Thailand | Joint directors |
| Other related parties | Thailand | Joint directors |
| Key management personnel |  | Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company. |

The Company and its subsidiary have extensive transactions and relationships with the related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company and its subsidiary had operated without such affiliation.

Significant transactions with the Company and its subsidiary and related parties for the years ended December 31, 2021 and 2020 were as follows:

|  | **Unit : Thousand Baht** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Separate**  **financial statements** | | **Transfer Pricing Policy** |
|  | **2021** | **2020** | **2021** | **2020** |  |
| Transactions with a subsidiary | |  |  |  |  |
| (eliminated from the consolidated financial statements) |  |  |  |  |  |
| Sales and service income | - | - | 4,315 | 19,573 | With reference to market price |
| Other income | - | - | 4,106 | 5,406 | Contract price |
| Finance cost | - | - | 261 | - | Contract price |
|  |  |  |  |  |  |
| Transactions with related companies |  |  |  |  |  |
| Sales and service income | 24,021 | 2,472 | 24,021 | 2,472 | With reference to market price |
| Cost of service | 2,005 | 1,711 | 2,005 | 1,711 | Contract price |
| Distribution cost | 13,326 | 14,084 | 13,326 | 14,084 | Contract price |
| Administrative expenses | 42,001 | 43,452 | 30,359 | 31,786 | Contract price |
| Finance Cost | 1,187 | 1,648 | 1,135 | 1,580 | Contract price |

Directors and management’s benefits

For the years ended December 31, 2021 and 2020, the Company and its subsidiary had employee benefit expenses paid to their directors and management were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Short-term employee benefits | 34,259 | 36,771 | 30,925 | 33,559 |
| Post-employment benefits | 2,002 | 1,473 | 2,002 | 1,473 |
| Total | 36,261 | 38,244 | 32,927 | 35,032 |

The balances of the accounts between the Company and its subsidiary and related parties as at December 31, 2021 and 2020 are as follows:

| **Unit : Thousand Baht** | | | | |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
| **Trade and other current receivables - related parties (see Note 8)** |  |  |  |  |
| Trade receivables - related parties |  |  |  |  |
| Subsidiary | - | - | - | 2,167 |
| Related companies (joint directors) | 3,845 | 34 | 3,845 | 34 |
| Total trade receivables - related parties | 3,845 | 34 | 3,845 | 2,201 |
| Total trade and other current receivables - related parties | 3,845 | 34 | 3,845 | 2,201 |
|  |  |  |  |  |
| **Right-of-use asset (see Note 14)** |  |  |  |  |
| Related companies (joint directors) | 21,733 | 29,138 | 20,523 | 28,086 |
| Total right-of-use asset - related parties | 21,733 | 29,138 | 20,523 | 28,086 |
|  |  |  |  |  |
| **Short-term loan from a related party (see Note 16)** |  |  |  |  |
| Subsidiary | - | - | 47,100 | - |
| Total short-term loan | - | - | 47,100 | - |
| **Other current payables - related parties** **(see Note 17)** |  |  |  |  |
| Subsidiary | - | - | 71 | - |
| Related companies (joint directors) | 118 | 2,421 | 117 | 2,360 |
| Total other current payables - related parties | 118 | 2,421 | 188 | 2,360 |
|  |  |  |  |  |
| **Lease liabilities (see Note 19)** |  |  |  |  |
| Related companies (joint directors) | 22,145 | 29,802 | 20,919 | 28,723 |
| Total lease liabilities - related parties | 22,145 | 29,802 | 20,919 | 28,723 |

**6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at December 31, were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Cash | 358 | 323 | 290 | 255 |
| Current account and savings account | 4,152 | 29,207 | 3,820 | 28,431 |
| Total | 4,510 | 29,530 | 4,110 | 28,686 |

As at December 31, 2021 and 2020, bank deposits in saving accounts and fixed deposits carried interests at the rates between 0.05 and 0.13 percent per annum. Cash and cash equivalents of the Company as at December 31, 2021 and 2020 were denominated in Thai Baht.

**7. OTHER CURRENT FINANCIAL ASSETS**

Other current financial assets are investments in unit trust in debt securities open-ended fund are stated at fair value using inputs of Level 2 which is inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Such fair value of investments in unit trust has been determined by using the net asset value of unit trust as published by the asset management company.

Other current financial assets as at December 31, were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial statements** | | |  | **Financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| Investments in unit trust in debt securities |  |  |  |  |  |  |  |
| open-ended fund at FVPL | 1,013 |  | 67,644 |  | - |  | - |
|  | 1,013 |  | 67,644 |  | - |  | - |

Other details of investments in unit trust in debt securities open-ended fund designated at FVPL as at December 31, 2021 (Separate financial statements : Nil) were as follows:

**As at December 31, 2021**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated financial statements** | | | | | | |
|  | **Cost** |  | **Unrealized** |  | **Unrealized** |  | **Fair value** |
|  | **As at** |  | **gross profit** |  | **loss profit** |  | **As at** |
|  | **December 31,** |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  | **2021** |
| Investments in unit trust in debt securities |  |  |  |  |  |  |  |
| open-ended fund at FVPL | 1,013 |  | - |  | - |  | 1,013 |
|  | 1,013 |  | - |  | - |  | 1,013 |

Other details of investments in unit trust in debt securities open-ended fund which presented as temporary investments as at December 31, 2020 (Separate financial statements : Nil) were as follows:

**As at December 31, 2020**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated financial statements** | | | | | | |
|  | **Cost** |  | **Unrealized** |  | **Unrealized** |  | **Fair value** |
|  | **As at** |  | **gross profit** |  | **loss profit** |  | **As at** |
|  | **December 31,** |  |  |  |  |  | **December 31,** |
|  | **2020** |  |  |  |  |  | **2020** |
| Investments in unit trust in debt securities |  |  |  |  |  |  |  |
| open-ended fund at FVPL | 67,602 |  | 42 |  | - |  | 67,644 |
|  | 67,602 |  | 42 |  | - |  | 67,644 |

For the year ended December 31, 2021, the Company and its subsidiary purchased other current financial assets of Baht 116.68 million and sold other current financial assets of Baht 183.41 million (Separate financial statement : Nil).

For the year ended December 31, 2020, The Company and its subsidiary purchased other current financial assets of Baht 236.9 million and sold other current financial assets of Baht 291.54 million. the Company purchased other current financial assets of Baht 53.00 million and sold other current financial assets of Baht 137.15 million.

**8. TRADE AND OTHER CURRENT RECEIVABLES**

Trade and other current receivables as at December 31, were as follows:

| **Unit : Thousand Baht** | | | | |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
| **Trade receivables - related parties** |  |  |  |  |
| Aged on the basis of due dates |  |  |  |  |
| Not yet due | 3,845 | 26 | 3,845 | 2,193 |
| Past due |  |  |  |  |
| Not over than 3 months | - | 8 | - | 8 |
| Total trade receivables - related parties (see Note 5) | 3,845 | 34 | 3,845 | 2,201 |
| **Trade receivables - non-related parties** |  |  |  |  |
| Aged on the basis of due dates |  |  |  |  |
| Not yet due | 108,116 | 135,406 | 75,035 | 91,717 |
| Past due |  |  |  |  |
| Not over than 3 months | 37,802 | 33,054 | 37,802 | 33,054 |
| Over 3 - not over than 6 months | 8,077 | 2,780 | 8,077 | 2,780 |
| Over 6 - not over than 12 months | 3,870 | 6,883 | 3,870 | 6,883 |
| Over 12 months | 4,759 | 9,511 | 4,759 | 9,511 |
| Total | 162,624 | 187,634 | 129,543 | 143,945 |
| Less: allowance for expected credit losses | (6,694) | (12,953) | (6,694) | (12,953) |
| Total trade receivables - non-related parties | 155,930 | 174,681 | 122,849 | 130,992 |
|  |  |  |  |  |
| **Trade receivables - legal receivables** |  |  |  |  |
| Trade receivables - legal receivables | 32,517 | 30,844 | 32,517 | 30,844 |
| Less: allowance for expected credit losses | (32,517) | (30,033) | (32,517) | (30,033) |
| Total trade receivables - legal receivables | - | 811 | - | 811 |
| **Other current receivables** |  |  |  |  |
| Other current receivables - non-related parties | 7,118 | 9,055 | 5,990 | 7,760 |
| Total other current receivables | 7,118 | 9,055 | 5,990 | 7,760 |
| Total trade and other current receivables | 166,893 | 184,581 | 132,684 | 141,764 |

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2021** | **2020** |
| (Reversal) of impairment loss determined in accordance with TFRS 9  of trade and other current receivables |  |  |
| For the year ended December 31, | (833) | 965 |

The normal credit term granted by the Company and its subsidiary is 30 days.

The currencies denomination of trade receivables as at December 31, are as follows:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Thai Baht | 198,986 |  | 213,639 |  | 165,905 |  | 172,117 |
| United States Dollars | - |  | 315 |  | - |  | 315 |
| Japanese Yen | - |  | 4,558 |  | - |  | 4,558 |
| Total | 198,986 |  | 218,512 |  | 165,905 |  | 176,990 |

The following table shows the movement in lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in TFRS 9 as at December 31:

|  |  |  |
| --- | --- | --- |
| **Unit : Thousand Baht** | | |
|  | **Consolidated and Separate financial statements** | |
|  | **2021** | **2020** |
| **Beginning balance as at January 1,** | 42,986 | 43,348 |
| Net remeasurement of allowance for expected credit losses | 6,162 | 6,838 |
| Written-off as bad debt during the years | (2,942) | (1,327) |
| Bad debt recovered during the years | (6,995) | (5,873) |
| **Ending balance as at December 31,** | 39,211 | 42,986 |

**9. INVENTORIES**

Inventories as at December 31, were as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | | |
|  | **Consolidated financial statements and Separate financial statements** | | | | | |
|  | **Cost** | | **Reduce cost to net realizable Value** | | **Inventories - net** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |  |  |
| Finished goods | 86,227 | 82,195 | (19,599) | (15,995) | 66,628 | 66,200 |
| Work in process | 49,024 | 34,343 | (7,985) | (1,981) | 41,039 | 32,362 |
| Raw materials | 29,644 | 20,053 | (3,631) | (3,129) | 26,013 | 16,924 |
| Goods in transit | 6,961 | 2,898 | - | - | 6,961 | 2,898 |
| Total | 171,856 | 139,489 | (31,215) | (21,105) | 140,641 | 118,384 |

For the years ended December 31, 2021 and 2020, the Company reduced cost of inventories to reflect the net realizable value by Baht 10.11 million and Baht 2.56 million, respectively which was included in cost of sales.

**10. RESTRICTED BANK DEPOSITS**

Deposit of the Company and its subsidiary has been pledged as security against bank overdrafts and bank guarantees issued by the bank on behalf of the Company which is required in the normal course of business of the Company and its subsidiary.

As at December 31, 2021, bank deposit of the Company has been reserved for borrowings repayment in compliance with condition of borrowings agreement with financial institutions (see Notes 16 and 18).

As at December 31, 2020, bank deposit of the Company and its subsidiary has been reserved for borrowings repayment in compliance with condition of borrowings agreement with financial institutions (see Notes 16 and 18).

**11. INVESTMENTS IN A SUBSIDIARY**

Investments in a subsidiary as presented in separate financial statements as at December 31, are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | | | | |
| **Company’s name** | **Paid-up capital** | | **Shareholding percentage** | | **Cost** | | **Dividend received during the years** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  |  |  | **(%)** | **(%)** |  |  |  |  |
| Infinite Green Company |  |  |  |  |  |  |  |  |
| Limited | 600,000 | 600,000 | 75.60 | 75.60 | 549,473 | 549,473 | 92,079 | - |
| **Total investments in a subsidiary - net** | | | | | 549,473 | 549,473 |  |  |

As at December 31, 2021 and 2020, the Company brought 39 million shares of the subsidiary’s share to guarantee bank borrowings and credit facilities of such subsidiary (see Note 18).

For the year end December 31, 2021, a subsidiary paid dividend to the Company and non-controlling interests by Baht 92.08 million and Baht 29.72 million, respectively (For the year ended December 31, 2020: Nil).

11.1 Non-controlling interests as at December 31, are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | | | | |
| **Company’s name** | **Proportion of equity interest held by**  **non-controlling interests** | | **Accumulated balance of non-controlling interests** | | **Profit allocated to non-controlling interests during the years** | | **Dividend paid to non-controlling interests during the years** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **(%)** | **(%)** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Infinite Green Company Limited | 24.40 | 24.40 | 235,522 | 250,396 | 14,847 | 23,182 | 29,721 | - |

11.2 Summarized financial information of Infinite Green Company Limited that based on amounts before inter-company elimination about a subsidiary that have material   
non-controlling

Summarized information about financial position

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **As at December 31,** | |
|  | **2021** | **2020** |
|  |  |  |
| Current assets | 83,777 | 115,487 |
| Non-current assets | 891,827 | 967,774 |
| Current liabilities | 7,403 | 54,489 |
| Non-current liabilities | 2,913 | 2,533 |

Summarized information about profit or loss and other comprehensive income

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **For the years ended December 31,** | |
|  | **2021** | **2020** |
|  |  |  |
| Revenue | 184,996 | 237,997 |
| Profit | 60,844 | 95,099 |
| Total comprehensive income | 60,848 | 95,010 |

Summarized information about cash flow

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **For the years ended December 31,** | |
|  | **2021** | **2020** |
|  |  |  |
| Cash flow from operating activities | 143,417 | 176,001 |
| Cash flow from (used in) investing activities | 22,684 | (47,040) |
| Cash flow used in financing activities | (166,546) | (128,560) |
| Net increase (decrease) in cash and cash equivalents | (445) | 401 |

**12. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment as at December 31, were as follows:

| **As at December 31, 2021** |  | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | | | | | | |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Balance** |  | **Additions** |  | **(Disposals)** |  | **Transfer in/** |  | **Balance** |
|  | **as at** |  |  |  |  |  | **(Transfer out)** |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  |  |  | **2021** |
| **Cost** |  |  |  |  |  |  |  |  |  |
| Land and land improvements | 233,928 |  | 12,953 |  | - |  | - |  | 246,881 |
| Power plant | 1,464,399 |  | 999 |  | (1,377) |  | 19,337 |  | 1,483,358 |
| Buildings and buildings improvements | 177,892 |  | - |  | (787) |  | 7,578 |  | 184,683 |
| Machinery | 110,203 |  | - |  | (8,815) |  | 541 |  | 101,929 |
| Factory equipment | 33,127 |  | 1,153 |  | (2,997) |  | 1,280 |  | 32,563 |
| Furniture fixtures and office equipment | 23,892 |  | 665 |  | (731) |  | 75 |  | 23,901 |
| Motor vehicles | 3,219 |  | - |  | (42) |  | - |  | 3,177 |
| Moulds | 30,365 |  | 691 |  | - |  | - |  | 31,056 |
| Total cost | 2,077,025 |  | 16,461 |  | (14,749) |  | 28,811 |  | 2,107,548 |
|  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |  |  |
| Power plant | (672,862) |  | (70,055) |  | 517 |  | - |  | (742,400) |
| Buildings and buildings improvements | (141,123) |  | (8,027) |  | 298 |  | - |  | (148,852) |
| Machinery | (78,862) |  | (8,408) |  | 8,753 |  | - |  | (78,517) |
| Factory equipment | (24,529) |  | (3,064) |  | 2,824 |  | - |  | (24,769) |
| Furniture fixtures and office equipment | (18,047) |  | (1,922) |  | 696 |  | - |  | (19,273) |
| Motor vehicles | (2,788) |  | (380) |  | 38 |  | - |  | (3,130) |
| Moulds | (25,547) |  | (562) |  | - |  | - |  | (26,109) |
| Total accumulated depreciation | (963,758) |  | (92,418) |  | 13,126 |  | - |  | (1,043,050) |
| Construction in progress | 24,934 |  | 6,775 |  | (159) |  | (28,811) |  | 2,739 |
| Less: Accumulated provision for   impairment of assets | (10,773) |  | (547) |  | 860 |  | - |  | (10,460) |
| **Total property, plant and equipment** | 1,127,428 |  | (69,729) |  | (922) |  | - |  | 1,056,777 |

| **As at December 31, 2020** |  | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | | | | | | |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Balance** |  | **Additions** |  | **(Disposals)** |  | **Transfer in/** |  | **Balance** |
|  | **as at** |  |  |  |  |  | **(Transfer out)** |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  | **December 31,** |
|  | **2020** |  |  |  |  |  |  |  | **2020** |
| **Cost** |  |  |  |  |  |  |  |  |  |
| Land and land improvements | 233,435 |  | 493 |  | - |  | - |  | 233,928 |
| Power plant | 1,479,066 |  | 32 |  | (15,797) |  | 1,098 |  | 1,464,399 |
| Buildings and buildings improvements | 172,750 |  | 193 |  | - |  | 4,949 |  | 177,892 |
| Machinery | 101,557 |  | 2,486 |  | (742) |  | 6,902 |  | 110,203 |
| Factory equipment | 29,550 |  | 2,171 |  | (1,002) |  | 2,408 |  | 33,127 |
| Furniture fixtures and office equipment | 22,471 |  | 2,859 |  | (1,443) |  | 5 |  | 23,892 |
| Motor vehicles | 3,231 |  | - |  | (12) |  | - |  | 3,219 |
| Moulds | 28,720 |  | 1,645 |  | - |  | - |  | 30,365 |
| Total cost | 2,070,780 |  | 9,879 |  | (18,996) |  | 15,362 |  | 2,077,025 |
|  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |  |  |
| Power plant | (601,086) |  | (77,632) |  | 5,856 |  | - |  | (672,862) |
| Buildings and buildings improvements | (133,022) |  | (8,101) |  | - |  | - |  | (141,123) |
| Machinery | (71,548) |  | (8,056) |  | 742 |  | - |  | (78,862) |
| Factory equipment | (22,447) |  | (3,012) |  | 930 |  | - |  | (24,529) |
| Furniture fixtures and office equipment | (17,414) |  | (2,060) |  | 1,427 |  | - |  | (18,047) |
| Motor vehicles | (2,416) |  | (384) |  | 12 |  | - |  | (2,788) |
| Moulds | (24,905) |  | (642) |  | - |  | - |  | (25,547) |
| Total accumulated depreciation | (872,838) |  | (99,887) |  | 8,967 |  | - |  | (963,758) |
| Construction in progress | 13,988 |  | 26,350 |  | (42) |  | (15,362) |  | 24,934 |
| Less: Accumulated provision for   impairment of assets | (18,921) |  | (950) |  | 9,098 |  | - |  | (10,773) |
| **Total property, plant and equipment** | 1,193,009 |  | (64,608) |  | (973) |  | - |  | 1,127,428 |
|  |  |  |  |  |  |  |  |  |  |
| **Depreciation for the years ended December 31,** | |  |  |  |  |  |  |  |  |
| 2021 |  |  |  |  |  |  | **Thousand Baht** |  | 92,418 |
| 2020 |  |  |  |  |  |  | **Thousand Baht** |  | 99,887 |

| **As at December 31, 2021** |  |  |  |  |  |  |  | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **Unit : Thousand Baht** | | |
|  | **Separate financial statements** | | | | | | | | |
|  | **Balance** |  | **Additions** |  | **(Disposals)** |  | **Transfer in/** |  | **Balance** |
|  | **as at** |  |  |  |  |  | **(Transfer out)** |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  |  |  | **2021** |
| **Cost** |  |  |  |  |  |  |  |  |  |
| Land and Land improvements | 92,602 |  | 12,953 |  | - |  | - |  | 105,555 |
| Buildings and buildings improvements | 169,136 |  | - |  | (787) |  | 7,952 |  | 176,301 |
| Machinery | 110,203 |  | - |  | (8,815) |  | 541 |  | 101,929 |
| Factory equipment | 26,479 |  | 620 |  | (2,997) |  | 202 |  | 24,304 |
| Furniture fixtures and office equipment | 21,061 |  | 147 |  | (731) |  | - |  | 20,477 |
| Motor vehicles | 2,779 |  | - |  | (42) |  |  |  | 2,737 |
| Moulds | 30,365 |  | 691 |  | - |  | - |  | 31,056 |
| Total cost | 452,625 |  | 14,411 |  | (13,372) |  | 8,695 |  | 462,359 |
|  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |  |  |
| Buildings and buildings improvements | (136,444) |  | (7,452) |  | 298 |  | - |  | (143,598) |
| Machinery | (78,862) |  | (8,408) |  | 8,753 |  | - |  | (78,517) |
| Factory equipment | (20,988) |  | (1,986) |  | 2,824 |  | - |  | (20,150) |
| Furniture fixtures and office equipment | (15,825) |  | (1,620) |  | 696 |  | - |  | (16,749) |
| Motor vehicles | (2,358) |  | (370) |  | 38 |  | - |  | (2,690) |
| Moulds | (25,547) |  | (562) |  | - |  | - |  | (26,109) |
| Total accumulated depreciation | (280,024) |  | (20,398) |  | 12,609 |  | - |  | (287,813) |
| Construction in progress | 7,834 |  | 3,660 |  | (60) |  | (8,695) |  | 2,739 |
| **Total property, plant and equipment** | 180,435 |  | (2,327) |  | (823) |  | - |  | 177,285 |

| **As at December 31, 2020** |  |  |  |  |  |  |  | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **Unit : Thousand Baht** | | |
|  | **Separate financial statements** | | | | | | | | |
|  | **Balance** |  | **Additions** |  | **(Disposals)** |  | **Transfer in/** |  | **Balance** |
|  | **as at** |  |  |  |  |  | **(Transfer out)** |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  | **December 31,** |
|  | **2020** |  |  |  |  |  |  |  | **2020** |
| **Cost** |  |  |  |  |  |  |  |  |  |
| Land and Land improvements | 92,602 |  | - |  | - |  | - |  | 92,602 |
| Buildings and buildings improvements | 164,121 |  | 66 |  | - |  | 4,949 |  | 169,136 |
| Machinery | 101,557 |  | 2,486 |  | (742) |  | 6,902 |  | 110,203 |
| Factory equipment | 24,605 |  | 2,048 |  | (638) |  | 464 |  | 26,479 |
| Furniture fixtures and office equipment | 19,030 |  | 2,614 |  | (583) |  | - |  | 21,061 |
| Motor vehicles | 2,779 |  | - |  | - |  | - |  | 2,779 |
| Moulds | 28,720 |  | 1,645 |  | - |  | - |  | 30,365 |
| Total cost | 433,414 |  | 8,859 |  | (1,963) |  | 12,315 |  | 452,625 |
|  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |  |  |
| Buildings and buildings improvements | (128,854) |  | (7,590) |  | - |  | - |  | (136,444) |
| Machinery | (71,548) |  | (8,056) |  | 742 |  | - |  | (78,862) |
| Factory equipment | (19,333) |  | (2,226) |  | 571 |  | - |  | (20,988) |
| Furniture fixtures and office equipment | (14,634) |  | (1,767) |  | 576 |  | - |  | (15,825) |
| Motor vehicles | (1,983) |  | (375) |  | - |  | - |  | (2,358) |
| Moulds | (24,905) |  | (642) |  | - |  | - |  | (25,547) |
| Total accumulated depreciation | (261,257) |  | (20,656) |  | 1,889 |  | - |  | (280,024) |
| Construction in progress | 13,930 |  | 6,251 |  | (32) |  | (12,315) |  | 7,834 |
| **Total property, plant and equipment** | 186,087 |  | (5,546) |  | (106) |  | - |  | 180,435 |
|  |  |  |  |  |  |  |  |  |  |
| **Depreciation for the years ended December 31,** | |  |  |  |  |  |  |  |  |
| 2021 |  |  |  |  |  |  | **Thousand Baht** |  | 20,398 |
| 2020 |  |  |  |  |  |  | **Thousand Baht** |  | 20,656 |

As at December 31, 2021 and 2020, the management of the subsidiary assessed the impairment of power plant using the recoverable amount of its cash generating units based on the value in use of assets. The value in use is derived from the estimated future cash flow which is estimated based on the financial projection, assumptions and discount rate identified by the management of the subsidiary.

In 2021, the Company and its subsidiary arranged for an independent professional valuer to appraise the fair value of land by using the market comparison approach. The fair value of land is based on the use of Level 2 which is Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Had the land and land improvements been carried in the financial statements based on historical cost, its net book value as at December 31, 2021 and 2020 would have been as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Land and land improvements | 175,418 | 175,418 | 34,094 | 34,094 |

The revaluation surplus on land can neither be offset against deficit nor used for dividend payment.

The Company and its subsidiary have mortgaged their land (revalued amount in 2021), power plant, buildings and structures with a total net book value as at December 31, 2021 of Baht 966.60 million (As at December 31, 2020 : Baht 1,019.32 million) (Separate financial statements : as at December 31, 2021 : Baht 134.69 million and December 31, 2020 : Baht 120.12 million) as collateral to secure the Company and subsidiary’s credit facilities obtained from a financial institution (see Notes 16 and 18).

As at December 31, 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 205.87 million (As at December 31, 2020 : Baht 103.58 million) (Separate financial statements : as at December 31, 2021 : Baht 96.11 million and December 31, 2020 : Baht 98.88 million).

For the year ended December 31, 2021, the subsidiary recognized loss on unused asset in amount of Baht 0.56 million and the subsidiary reversed loss on unused asset due to write-off asset in amount of Baht 0.86 million (Separate financial statements : Nil).

For the year ended December 31, 2020, the subsidiary recognized loss on unused asset in amount of Baht 0.95 million and the subsidiary reversed loss on unused asset due to write-off asset in amount of Baht 9.10 million (Separate financial statements : Nil).

**13. NON-OPERATING ASSETS**

Non-operating assets as at December 31, were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Land | 14,331 | 14,331 | 14,331 | 14,331 |
| Land improvements | 7,897 | 7,897 | 7,897 | 7,897 |
| Buildings and building improvements | 75,380 | 75,380 | 75,380 | 75,380 |
| Total | 97,608 | 97,608 | 97,608 | 97,608 |
| Less: Accumulated depreciation | (74,756) | (74,522) | (74,756) | (74,522) |
| Less: Provision for impairment of assets | (8,681) | (8,681) | (8,681) | (8,681) |
| Non-operating assets - net | 14,171 | 14,405 | 14,171 | 14,405 |
| Depreciation included in profit or loss for the years | 234 | 235 | 234 | 235 |

The Company has mortgaged parts of its non-operating assets which comprise the land and buildings with a total net book value as at December 31, 2021 of Baht 12.04 million (As at December 31, 2020 : Baht 12.27 million) as collateral for the Company’s credit facilities from a financial institution (see Notes 16 and 18).

Fair value of non-operating assets which referred from external independent valuer by using in total amount Baht 229 million which the external valuer used market comparison approach of Baht 222 million with fair value hierarchies Level 2. The external valuer used Cost Approach of Baht 7 million with fair value hierarchies Level 3.

**14. RIGHT-OF-USE ASSET**

Movements of the right-of-use assets for the years ended December 31, are as follows:

| **As at December 31, 2021** |  |  |  |  |  | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Unit : Thousand Baht** | | |
|  | **Consolidated financial statements** | | | | | | |
|  | **Balance as at** |  | **Addition** |  | **(Disposal)** |  | **Balance as at** |
|  | **January 1,** |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  | **2021** |
| **Cost** |  |  |  |  |  |  |  |
| Land | 7,144 |  | - |  | (1,713) |  | 5,431 |
| Building | 20,659 |  | 4,533 |  | - |  | 25,192 |
| Vehicles | 24,880 |  | 1,773 |  | (2,470) |  | 24,183 |
| Total cost | 52,683 |  | 6,306 |  | (4,183) |  | 54,806 |
|  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |
| Land | (1,450) |  | (1,160) |  | 343 |  | (2,267) |
| Building | (4,814) |  | (4,845) |  | - |  | (9,659) |
| Vehicles | (8,592) |  | (6,585) |  | 1,106 |  | (14,071) |
| Total accumulated depreciation | (14,856) |  | (12,590) |  | 1,449 |  | (25,997) |
| **Total right-of-use asset** | 37,827 |  |  |  |  |  | 28,809 |

| **As at December 31, 2020** |  | |  | |  | |  | |  | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | |  | |  | | **Unit : Thousand Baht** | | | | | |
|  | **Consolidated financial statements** | | | | | | | | | | | | | |
|  | **Balance as at** | |  | | **Addition** | |  | | **(Disposal)** | |  | | **Balance as at** | |
|  | **January 1,** | |  | |  | |  | |  | |  | | **December 31,** | |
|  | **2020** | |  | |  | |  | |  | |  | | **2020** | |
| **Cost** |  | |  | |  | |  | |  | |  | |  | |
| Land | 7,144 | |  | | - | |  | | - | |  | | 7,144 | |
| Building | 20,659 | |  | | - | |  | | - | |  | | 20,659 | |
| Vehicles | 19,945 | |  | | 4,935 | |  | | - | |  | | 24,880 | |
| Total cost | 47,748 | |  | | 4,935 | |  | | - | |  | | 52,683 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **Accumulated depreciation** |  | |  | |  | |  | |  | |  | |  | |
| Land | - | |  | | (1,450) | |  | | - | |  | | (1,450) | |
| Building | - | |  | | (4,814) | |  | | - | |  | | (4,814) | |
| Vehicles | - | |  | | (8,592) | |  | | - | |  | | (8,592) | |
| Total accumulated depreciation | - | |  | | (14,856) | |  | | - | |  | | (14,856) | |
| **Total right-of-use asset** | 47,748 | |  | |  | |  | |  | |  | | 37,827 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **Depreciation for the years ended December 31,** | |  | |  | |  | |  | |  | |  | |
| 2021 |  | |  | |  | |  | | **Thousand Baht** | |  | | 12,590 | |
| 2020 |  | |  | |  | |  | | **Thousand Baht** | |  | | 14,856 | |

| **As at December 31, 2021** |  |  |  |  |  | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Unit : Thousand Baht** | | |
|  | **Separate financial statements** | | | | | | |
|  | **Balance as at** |  | **Addition** |  | **(Disposal)** |  | **Balance as at** |
|  | **January 1,** |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  | **2021** |
| **Cost** |  |  |  |  |  |  |  |
| Land | 7,144 |  | - |  | (1,713) |  | 5,431 |
| Building | 19,868 |  | 4,010 |  | - |  | 23,878 |
| Vehicles | 24,256 |  | 1,773 |  | (2,470) |  | 23,559 |
| Total cost | 51,268 |  | 5,783 |  | (4,183) |  | 52,868 |
|  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |
| Land | (1,450) |  | (1,160) |  | 343 |  | (2,267) |
| Building | (4,648) |  | (4,678) |  | - |  | (9,326) |
| Vehicles | (8,394) |  | (6,388) |  | 1,106 |  | (13,676) |
| Total accumulated depreciation | (14,492) |  | (12,226) |  | 1,449 |  | (25,269) |
| **Total right-of-use asset** | 36,776 |  |  |  |  |  | 27,599 |

| **As at December 31, 2020** |  |  |  |  |  | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Unit : Thousand Baht** | | |
|  | **Separate financial statements** | | | | | | |
|  | **Balance as at** |  | **Addition** |  | **(Disposal)** |  | **Balance as at** |
|  | **January 1,** |  |  |  |  |  | **December 31,** |
|  | **2020** |  |  |  |  |  | **2020** |
| **Cost** |  |  |  |  |  |  |  |
| Land | 7,144 |  | - |  | - |  | 7,144 |
| Building | 19,868 |  | - |  | - |  | 19,868 |
| Vehicles | 19,321 |  | 4,935 |  | - |  | 24,256 |
| Total cost | 46,333 |  | 4,935 |  | - |  | 51,268 |
|  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |
| Land | - |  | (1,450) |  | - |  | (1,450) |
| Building | - |  | (4,648) |  | - |  | (4,648) |
| Vehicles | - |  | (8,394) |  | - |  | (8,394) |
| Total accumulated depreciation | - |  | (14,492) |  | - |  | (14,492) |
| **Total right-of-use asset** | 46,333 |  |  |  |  |  | 36,776 |
|  |  |  |  |  |  |  |  |
| **Depreciation for the years ended December 31,** | |  |  |  |  |  |  |
| 2021 |  |  |  |  | **Thousand Baht** |  | 12,226 |
| 2020 |  |  |  |  | **Thousand Baht** |  | 14,492 |

The Company and its subsidiary lease several assets including lands buildings and vehicles. The average lease term is 5 years.

During the period, the Company and its subsidiary has modified building and vehicles leases by 6 contracts. The Company recognized gain from the difference between right-of-use assets balance and lease liabilities balance in statements of profit or loss and other comprehensive income for the year ended December 31, 2021 by Baht 0.59 million (separate financial statements : Baht 0.57 million) (For the year ended December 31, 2020 : Nil).

The maturity analysis of lease liabilities is presented in Note 19 to financial statements.

For the years ended December 31, the Company and its subsidiary recognized expense relating to leased in the statement of profit or loss and other comprehensive income as below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
| **Amounts were recorded in profit of loss** |  |  |  |  |
| Depreciation on right-of-use assets | 12,589 | 14,856 | 12,225 | 14,492 |
| Interest expense on lease liabilities | 1,556 | 2,170 | 1,504 | 2,101 |
| Expense relating to short-term leases | 805 | 113 | 805 | 113 |
| Expense relating to leases of low value assets | 2,130 | 3,287 | 1,926 | 3,056 |

**15. OTHER NON-CURRENT ASSETS**

Other non-current assets as at December 31, were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Refundable tax | 375 | 13,047 | - | 13,047 |
| Deferred assets | 379 | 827 | - | - |
| Others | 3,671 | 4,153 | 3,671 | 4,016 |
| Total other non-current assets | 4,425 | 18,027 | 3,671 | 17,063 |

**16. BANK OVERDRAFT AND SHORT-TERM BORROWINGS**

* 1. Bank overdraft and short-term borrowings from financial institution as at December 31, were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | |
|  | **Effective interest rate**  **(percent per annum)** | **Consolidated financial statements and Separate financial statements** | |
|  |  | **2021** | **2020** |
|  |  |  |  |
| Bank overdraft | 5.32 | 3,360 | - |
| Short-term borrowings from |  |  |  |
| financial institutions | MMR | 40,000 | 100,000 |
| Total | | 43,360 | 100,000 |

As at December 31, 2021 and 2020, the Company and its subsidiary have a bank overdraft limit in amount of Baht 30 million and Baht 10 million, respectively, which interest rate charged by major large commercial banks (“MOR”) such bank overdraft is guaranteed by the mortgage of the Company’s and subsidiary’s land, building and structures and part of subsidiary’s power plant (see Notes 12 and 13) and the Company and its subsidiary’s bank deposit (see Note 10).

As at December 31, 2021 and 2020, the Company has a promissory note limit from a financial institution in amount of Baht 120 million with interest rate at money market rate (“MMR”) and mortgaged by the Company’s land and building and structures (see Note 12 and 13) and the Company’s bank deposit (see Note 10).

Movements of bank overdraft from financial institutions for the years ended December 31, are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **Consolidated and Separate** | |
|  | **financial statements** | |
|  | **2021** | **2020** |
|  |  |  |
| **Balanced as at January 1,** | - | - |
| Addition during the years | 11,093 | - |
| Less: Repayment during the years | (7,733) | - |
| **Balanced as at December 31,** | 3,360 | - |

Movements of short-term borrowings from financial institutions for the years ended December 31, are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **Consolidated and Separate** | |
|  | **financial statements** | |
|  | **2021** | **2020** |
|  |  |  |
| **Balanced as at January 1,** | 100,000 | 110,000 |
| Addition during the years | 245,000 | 290,000 |
| Less: Repayment during the years | (305,000) | (300,000) |
| **Balanced as at December 31,** | 40,000 | 100,000 |

* 1. Short-term borrowings from a related party as at December 31, were as follows (Consolidated financial statements : Nil):

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | |
|  |  | **Separate financial statements** | |
|  | **Effective interest rate** | **2021** | **2020** |
|  | **(percent per annum)** |  |  |
| Short-term borrowings from |  |  |  |
| a related party | 2 | 47,100 | - |

Movements of short-term borrowings from a related party for the years ended December 31, were as follows (Consolidated financial statements : Nil):

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **Separate**  **financial statements** | |
|  | **2021** | **2020** |
|  |  |  |
| **Balanced as at January 1,** | - | - |
| Addition during the years | 79,100 | - |
| Less: Repayment during the years | (32,000) | - |
| **Balanced as at December 31,** | 47,100 | - |

As at December 31, 2021, the Company has short-term borrowings from a related party represent promissory note at call without collateral (As at December 31, 2020 : Nil).

**17. TRADE AND OTHER CURRENT PAYABLES**

Trade and other current payables as at December 31, were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Trade payables - non-related parties | 78,070 | 96,913 | 78,070 | 96,913 |
| Other current payables - non-related parties | 9,799 | 10,806 | 8,909 | 8,415 |
| Other current payables - related parties  (see Note 5) | 118 | 2,421 | 188 | 2,360 |
| Accrued expenses | 26,800 | 32,501 | 24,367 | 29,903 |
| Unearned revenue and deposit payables | 29,925 | 21,680 | 29,925 | 21,680 |
| Total trade and other current payables | 144,712 | 164,321 | 141,459 | 159,271 |

The currencies denomination of trade payables as at December 31, are as follows:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Thai Baht (THB) | 67,674 |  | 72,648 |  | 67,674 |  | 72,648 |
| United States Dollars (USD) | 10,396 |  | 20,971 |  | 10,396 |  | 20,971 |
| Euro (EUR) | - |  | 997 |  | - |  | 997 |
| Japanese Yen (Yen) | - |  | 2,297 |  | - |  | 2,297 |
| Total | 78,070 |  | 96,913 |  | 78,070 |  | 96,913 |

**18. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

Long-term borrowings from financial institutions as at December 31, were as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Effective** |  | | |  | **Unit : Thousand Baht** | | |
|  | **interest rate** | **Consolidated** | | |  | **Separate** | | |
|  | **(%p.a.)** | **financial statements** | | |  | **financial statements** | | |
|  |  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| Long-term borrowings from financial |  |  |  |  |  |  |  |  |
| Institutions | MLR - 1.25 | - |  | 43,065 |  | - |  | - |
| Less: Current portion |  | - |  | (43,065) |  | - |  | - |
| Long-term borrowings from financial |  |  |  |  |  |  |  |  |
| institutions - net of current portion |  | - |  | - |  | - |  | - |

Movements in the long-term borrowings from financial institutions during the years ended December 31, are summarized below:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | |  | **Unit : Thousand Baht** | | |
|  |  | **Consolidated** | | |  | **Separate** | | |
|  |  | **financial statements** | | |  | **financial statements** | | |
|  |  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| **Balanced as at January 1,** |  | 43,065 |  | 178,602 |  | - |  | 14,000 |
| Less: Repayment during the years |  | (43,065) |  | (135,537) |  | - |  | (14,000) |
| **Balanced as at December 31,** |  | - |  | 43,065 |  | - |  | - |

As at December 31, 2021 and 2020, the Company and its subsidiary have long-term borrowing facility from a financial institution amounting to Baht 85 million and Baht 974 million, respectively, bearing interest rate of MLR - 1.25% per annum. Such credit facility is secured by the mortgage of the Company’s and its subsidiary’s land, buildings and structures and part of subsidiary’s power plant (see Notes 12 and 13), and the Company’s and its subsidiary’s bank deposits (see Note 10) and the transfer of subsidiary’s collection rights under the Power Purchase Agreements, and the pledge of the subsidiary’s shares held by the Company (see Note 11).

Under the long-term borrowing agreements, the Company and its subsidiary have to comply with certain covenants regarding to maintain certain financial ratios and others.

As at December 31, 2020, the Company and its subsidiary are able to comply with certain covenants regarding to maintain certain financial ratios and others which specified in agreements.

**19. LEASE LIABILITIES**

Movements of the lease liabilities for the years ended December 31, are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | | | | |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| **Lease liabilities as at January 1,** | 41,975 |  | 52,761 |  | 40,799 |  | 51,181 |
| Additions during the year | 6,866 |  | 5,403 |  | 6,283 |  | 5,403 |
| Decreased during the year | (2,984) |  | - |  | (2,984) |  | - |
| Paid during the year | (13,787) |  | (16,189) |  | (13,383) |  | (15,785) |
| **Lease liabilities as at December 31,** | 32,070 |  | 41,975 |  | 30,715 |  | 40,799 |
|  |  |  |  |  |  |  |  |
| **Deferred interest expense as at January 1,** | (3,278) |  | (5,013) |  | (3,182) |  | (4,848) |
| Additions during the year | (1,114) |  | (435) |  | (1,028) |  | (435) |
| Decreased during the year | 213 |  | - |  | 213 |  | - |
| Recognized as financial costs during the year | 1,556 |  | 2,170 |  | 1,504 |  | 2,101 |
| **Deferred interest expense as at December 31,** | (2,623) |  | (3,278) |  | (2,493) |  | (3,182) |
|  |  |  |  |  |  |  |  |
| **Leased liabilities - net** | 29,447 |  | 38,697 |  | 28,222 |  | 37,617 |
| Less: Current portion of leased liabilities | (9,345) |  | (12,644) |  | (8,986) |  | (12,289) |
| **Leased liabilities - net of current portion** | 20,102 |  | 26,053 |  | 19,236 |  | 25,328 |

During the year, the Company and its subsidiary has modified building and vehicles leases by 6 contracts. The Company recognized gain from the difference between right-of-use assets balance and lease liabilities balance in statements of profit or loss and other comprehensive income for the year ended December 31, 2021 by Baht 0.59 million (Separate financial statement : Baht 0.57 million) (For the year ended December 31, 2020 : Nil).

Maturity analysis of the lease liabilities for the years ended December 31, are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | | | | |
| **Maturity analysis:** | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Year 1 | 10,605 |  | 14,227 |  | 10,201 |  | 13,823 |
| Year 2 | 8,284 |  | 11,940 |  | 8,059 |  | 11,536 |
| Year 3 | 5,416 |  | 9,314 |  | 5,227 |  | 9,089 |
| Year 4 | 2,960 |  | 5,999 |  | 2,771 |  | 5,856 |
| Year 5 | 2,620 |  | 495 |  | 2,431 |  | 495 |
| Year 6 | 2,184 |  | - |  | 2,026 |  | - |
| Less deferred interest | (2,622) |  | (3,278) |  | (2,493) |  | (3,182) |
| **Total** | 29,447 |  | 38,697 |  | 28,222 |  | 37,617 |

The Company and its subsidiary calculated lease liabilities by the present value of the remaining lease payments, discounted using the Company and its subsidiary’s incremental borrowing rates is 4.82% and 5.40%, respectively. The Company and its subsidiary used fixed discount rate throughout the contracts.

The Company and its subsidiary do not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company’s treasury function.

**20. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS**

Movement of provision for long-term employee benefits account during the years ended December 31, were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| **Balance as at January 1,** | 74,501 | 82,929 | 72,693 | 81,449 |
| Included in profit or loss: |  |  |  |  |
| Current service cost | 8,811 | 9,573 | 8,595 | 9,381 |
| Interest cost | 929 | 1,925 | 902 | 1,881 |
| Past service cost | (199) | 675 | (199) | 675 |
|  | 9,541 | 12,173 | 9,298 | 11,937 |
| Included in other comprehensive income: |  |  |  |  |
| Actuarial (gain) loss arising from |  |  |  |  |
| Demographic assumptions changes | 4,485 | (4,283) | 4,371 | (4,189) |
| Financial assumptions changes | (6,078) | (6,065) | (6,007) | (6,213) |
| Experience adjustments | (2,929) | (1,190) | (2,881) | (1,228) |
|  | (4,522) | (11,538) | (4,517) | (11,630) |
| Benefits paid during the years | (10,551) | (11,241) | (10,551) | (11,241) |
| Increase from employee transferring | - | 2,178 | - | 2,178 |
| **Balance as at December 31,** | 68,969 | 74,501 | 66,923 | 72,693 |

Line items in profit or loss under which long-term employee benefit expenses are recognized are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Cost of sales | 2,902 | 3,708 | 2,902 | 3,708 |
| Distribution costs and administrative expenses | 6,639 | 8,465 | 6,396 | 8,229 |
| Total expenses recognized in profit or loss | 9,541 | 12,173 | 9,298 | 11,937 |

As at December 31, 2021 and 2020, the Company and its subsidiary expect to pay Baht 18.12 million and Baht 13.13 million, respectively, of long-term employee benefits during the next year (Separate financial statements: as at December 31, 2021 and 2020: Baht 17.56 million and Baht 13.13 million, respectively).

As at December 31, 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefit for the Company is 16 years and a subsidiary is 23 years.

Loss (gain) on re-measurements of defined benefit plans recognized in the statement of profit or loss and other comprehensive income for the years ended December 31,   
as followings:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| **Included in retained earnings** |  |  |  |  |  |  |  |
| As at January 1, | 554 |  | (10,984) |  | 678 |  | (10,952) |
| Recognized during the years | 4,522 |  | 11,538 |  | 4,517 |  | 11,630 |
| **As at December 31,** | 5,076 |  | 554 |  | 5,195 |  | 678 |

Significant actuarial assumptions summarized below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | **Separate  financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **(% per annum)** | **(% per annum)** | **(% per annum)** | **(% per annum)** |
|  |  |  |  |  |
| Discount rate | 1.94 and 2.29 | 1.49 and 1.51 | 1.94 | 1.49 |
| Future salary increase rate | 1.83 and 5.17 | 2.66 and 4.89 | 1.83 | 2.66 |
| Staff turnover rate (depending on age) | 0.5 - 33 | 0.8 - 35 | 0.5 - 33 | 0.8 - 35 |

Assumptions regarding future mortality for the years ended December 31, 2021 and 2020 are based on published statistics and Thailand Mortality Ordinary Life table 2017 (“TMO17”).

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation are summarized below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | |
|  | **As at December 31, 2021** | | | | |
|  | **Consolidated financial statements** | | **Separate financial statements** | | |
|  | Increase 1% | Decrease 1% | | Increase 1% | Decrease 1% | |
|  |  |  | |  |  | |
| Discount rate | (3,977) | 4,536 | | (3,850) | 4,386 | |
| Salary increase rate | 4,883 | (4,364) | | 4,729 | (4,230) | |
|  | Increase 10% | Decrease 10% | | Increase 10% | Decrease 10% | |
| Staff turnover rate | (705) | 754 | | (649) | 690 | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | |
|  | **As at December 31, 2020** | | | | |
|  | **Consolidated financial statements** | | **Separate financial statements** | | |
|  | Increase 1% | Decrease 1% | | Increase 1% | Decrease 1% | |
|  |  |  | |  |  | |
| Discount rate | (5,869) | 6,733 | | (5,747) | 6,590 | |
| Salary increase rate | 6,964 | (6,193) | | 6,816 | (6,065) | |
|  | Increase 10% | Decrease 10% | | Increase 10% | Decrease 10% | |
| Staff turnover rate | (1,240) | 1,334 | | (1,188) | 1,276 | |

**21. LEGAL RESERVE**

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

As at December 31, 2021 and 2020, the Company’s legal reserve equaled to one-tenth of the registered share capital.

**22. EXPENSES BY NATURE**

Significant expenses for the years ended December 31, classified by nature are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Salaries and wages and other employee benefits | 241,534 |  | 274,735 |  | 229,082 |  | 260,302 |
| Depreciation and amortization expenses | 106,108 |  | 116,574 |  | 33,704 |  | 36,240 |
| Rental expenses from operating lease agreements | 18,766 |  | 19,910 |  | 18,315 |  | 19,220 |
| Consulting fees | 26,207 |  | 24,782 |  | 15,582 |  | 16,738 |
| Insurance expense | 4,153 |  | 4,412 |  | 2,511 |  | 2,215 |
| Security guard expense | 6,876 |  | 7,319 |  | 3,369 |  | 3,738 |
| Donation | 4,750 |  | 12,668 |  | - |  | 5,009 |
| Purchase of finished goods | 186,541 |  | 229,958 |  | 186,541 |  | 229,958 |
| Raw materials and consumables used | 166,164 |  | 148,763 |  | 166,164 |  | 148,763 |
| Changes in inventories of finished goods and |  |  |  |  |  |  |  |
| work in process | (22,576) |  | 4,111 |  | (22,776) |  | 4,111 |

**23. INCOME TAX**

Income tax revenue for the years ended December 31, are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| **Current income tax:** |  |  |  |  |  |  |  |
| Current income tax charge | (3,403) |  | (879) |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Deferred tax:** |  |  |  |  |  |  |  |
| Relating to origination temporary differences | 21,350 |  | 9,014 |  | 21,189 |  | 8,973 |
| **Income tax revenue reported** |  |  |  |  |  |  |  |
| **in the statement of profit or loss and other** |  |  |  |  |  |  |  |
| **comprehensive income** | 17,947 |  | 8,135 |  | 21,189 |  | 8,973 |

The amounts of income tax relating to each component of other comprehensive income for the years ended December 31, are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Deferred tax relating to gain on remeasurement of defined benefit plans | (903) |  | (2,323) |  | (903) |  | (2,326) |
| Gain on revaluation of land | (2,591) |  | - |  | (2,591) |  | - |
| Total | (3,494) |  | (2,323) |  | (3,494) |  | (2,236) |

The reconciliation between accounting profit and income tax expenses is shown below.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated financial statements** | | | | | | |
|  | **2021** | | |  | **2020** | | |
|  | **Applicable** |  |  |  | **Applicable** |  |  |
|  | **tax rate** |  |  |  | **tax rate** |  |  |
|  | **(%)** |  |  |  | **(%)** |  |  |
| Profit (loss) before tax expense (revenue) |  |  | (48,322) |  |  |  | 21,835 |
| Income tax using applicable tax rate | 20 |  | 9,664 |  | 20 |  | (4,367) |
| Recognized tax losses as deferred tax assets |  |  | (21,445) |  |  |  | (13,228) |
| Tax effects of: |  |  |  |  |  |  |  |
| Promotional tax privileges from |  |  |  |  |  |  |  |
| the Board of Investment (see Note 24) |  |  | 10,167 |  |  |  | 17,918 |
| Non-deductible expenses |  |  | 18,585 |  |  |  | 6,850 |
| Additional expense deductions allowed |  |  | 1,047 |  |  |  | 1,431 |
| Others |  |  | (61) |  |  |  | (469) |
| Total |  |  | 29,738 |  |  |  | 25,730 |
| Income tax revenue reported in |  |  |  |  |  |  |  |
| the statement of profit of loss and other |  |  |  |  |  |  |  |
| comprehensive income | - |  | 17,947 |  | - |  | 8,135 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Separate financial statements** | | | | | | |
|  | **2021** | | |  | **2020** | | |
|  | **Applicable** |  |  |  | **Applicable** |  |  |
|  | **tax rate** |  |  |  | **tax rate** |  |  |
|  | **(%)** |  |  |  | **(%)** |  |  |
|  |  |  |  |  |  |  |  |
| Loss before income tax revenue |  |  | (20,163) |  |  |  | (71,897) |
| Income tax using applicable tax rate | 20 |  | 4,033 |  | 20 |  | 14,379 |
| Recognized tax losses as deferred tax assets |  |  | (21,455) |  |  |  | (13,228) |
| Tax effects of: |  |  |  |  |  |  |  |
| Non-deductible expenses |  |  | 19,183 |  |  |  | 6,485 |
| Additional expense deductions allowed |  |  | 1,041 |  |  |  | 1,364 |
| Exemption of income |  |  | 18,415 |  |  |  | - |
| Others |  |  | (28) |  |  |  | (28) |
| Total |  |  | 38,611 |  |  |  | 7,821 |
| Income tax revenue reported in |  |  |  |  |  |  |  |
| the statement of profit or loss and other |  |  |  |  |  |  |  |
| comprehensive income | - |  | 21,189 |  | - |  | 8,972 |

For the years ended December 31 2021 and 2020, the effective income tax rate is not equal to the statutory income tax because certain revenues of the Company and its subsidiary were exempt from income tax calculation or included only half amount because promotional privileges under the Investment. In addition certain expenses are non-tax deductible expense in accordance with the Revenue code.

As at December 31, 2021 and 2020, the Company has deductible temporary differences and unused tax losses totaling Baht 186.01 million and Baht 78.74 million, respectively.

Details of expiry date of unused tax losses are summarized as below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | |
|  | **Consolidated and Separate** | | |
|  | **financial statements** | | |
|  | **2021** |  | **2020** |
|  |  |  |  |
| As at December 31, 2024 | 12,697 |  | 12,697 |
| As at December 31, 2025 | 66,042 |  | 66,042 |
| As at December 31, 2026 | 107,273 |  | - |
|  | 186,012 |  | 78,739 |

The components of deferred tax assets and deferred tax liabilities are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| **Deferred tax assets** |  |  |  |  |  |  |  |
| Provision for long-term employee benefits | 13,268 |  | 14,592 |  | 13,062 |  | 14,539 |
| Tax losses | 37,222 |  | 15,767 |  | 37,222 |  | 15,767 |
| Total deferred tax assets | 50,490 |  | 30,359 |  | 50,284 |  | 30,306 |
|  |  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |  |
| Difference in depreciation amount between |  |  |  |  |  |  |  |
| tax base and accounting base | (1,828) |  | (2,136) |  | (1,828) |  | (2,136) |
| Revaluation surplus on land | (14,293) |  | (11,702) |  | (14,293) |  | (11,702) |
| Others | - |  | (8) |  | - |  | - |
| Total deferred tax liabilities | (16,121) |  | (13,846) |  | (16,121) |  | (13,838) |
| **Total deferred tax assets - net** | 34,369 |  | 16,513 |  | 34,163 |  | 16,468 |

Movements of deferred tax assets and liabilities for the years ended December 31, were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
| **As at December 31, 2021** | **Consolidated financial statements** | | | | | | |
|  | **As at** |  | **Recorded as (expense) revenue in** | | |  | **As at** |
|  | **January 1,** |  | **Profit or loss** |  | **Comprehensive** |  | **December 31,** |
|  | **2021** |  |  |  | **income** |  | **2021** |
| **Deferred tax assets** |  |  |  |  |  |  |  |
| Provision for long-term employee benefits | 14,592 |  | (421) |  | (903) |  | 13,268 |
| Tax losses | 15,767 |  | 21,455 |  | - |  | 37,222 |
| Total deferred tax assets | 30,359 |  | 21,034 |  | (903) |  | 50,490 |
|  |  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |  |
| Difference in depreciation amount between |  |  |  |  |  |  |  |
| tax base and accounting base | (2,136) |  | 308 |  | - |  | (1,828) |
| Revaluation surplus on land | (11,702) |  | - |  | (2,591) |  | (14,293) |
| Others | (8) |  | 8 |  | - |  | - |
| Total deferred tax liabilities | (13,486) |  | 316 |  | (2,591) |  | (16,121) |
| **Total deferred tax assets - net** | 16,513 |  | 21,350 |  | (3,494) |  | 34,369 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
| **As at December 31, 2020** | **Consolidated financial statements** | | | | | | |
|  | **As at** |  | **Recorded as (expense) revenue in** | | |  | **As at** |
|  | **January 1,** |  | **Profit or loss** |  | **Comprehensive** |  | **December 31,** |
|  | **2020** |  |  |  | **income** |  | **2020** |
| **Deferred tax assets** |  |  |  |  |  |  |  |
| Provision for long-term employee benefits | 16,290 |  | 625 |  | (2,323) |  | 14,592 |
| Allowance for expected credit loss | 4,625 |  | (4,625) |  | - |  | - |
| Tax losses | 2,539 |  | 13,228 |  | - |  | 15,767 |
| Others | 48 |  | (48) |  | - |  | - |
| Total deferred tax assets | 23,502 |  | 9,180 |  | (2,323) |  | 30,359 |
|  |  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |  |
| Difference in depreciation amount between |  |  |  |  |  |  |  |
| tax base and accounting base | (1,978) |  | (158) |  | - |  | (2,136) |
| Revaluation surplus on land | (11,702) |  | - |  | - |  | (11,702) |
| Others | - |  | (8) |  | - |  | (8) |
| Total deferred tax liabilities | (13,680) |  | (166) |  | - |  | (13,486) |
| **Total deferred tax assets - net** | 9,822 |  | 9,014 |  | (2,323) |  | 16,513 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
| **As at December 31, 2021** | **Separate financial statements** | | | | | | |
|  | **As at** |  | **Recorded as (expense) revenue in** | | |  | **As at** |
|  | **January 1,** |  | **Profit or loss** |  | **Comprehensive** |  | **December 31,** |
|  | **2021** |  |  |  | **income** |  | **2021** |
| **Deferred tax assets** |  |  |  |  |  |  |  |
| Provision for long-term employee benefits | 14,539 |  | (574) |  | (903) |  | 13,062 |
| Tax losses | 15,767 |  | 21,455 |  | - |  | 37,222 |
| Total deferred tax assets | 30,306 |  | 20,881 |  | (903) |  | 50,284 |
|  |  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |  |
| Difference in depreciation amount between |  |  |  |  |  |  |  |
| tax base and accounting base | (2,136) |  | 308 |  | - |  | (1,828) |
| Revaluation surplus on land | (11,702) |  | - |  | (2,591) |  | (14,293) |
| Total deferred tax liabilities | (13,838) |  | 308 |  | (2,591) |  | (16,121) |
| **Total deferred tax assets - net** | 16,468 |  | 21,189 |  | (3,494) |  | 34,163 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit : Thousand Baht** | | |
| **As at December 31, 2020** | **Separate financial statements** | | | | | | |
|  | **As at** |  | **Recorded as (expense) revenue in** | | |  | **As at** |
|  | **January 1,** |  | **Profit or loss** |  | **Comprehensive** |  | **December 31,** |
|  | **2020** |  |  |  | **income** |  | **2020** |
| **Deferred tax assets** |  |  |  |  |  |  |  |
| Provision for long-term employee benefits | 16,290 |  | 575 |  | (2,326) |  | 14,539 |
| Allowance for expected credit loss | 4,625 |  | (4,625) |  | - |  | - |
| Tax losses | 2,539 |  | 13,228 |  | - |  | 15,767 |
| Others | 48 |  | (48) |  | - |  | - |
| Total deferred tax assets | 23,502 |  | 9,130 |  | (2,326) |  | 30,306 |
|  |  |  |  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |  |  |  |
| Difference in depreciation amount between |  |  |  |  |  |  |  |
| tax base and accounting base | (1,978) |  | (158) |  | - |  | (2,136) |
| Revaluation surplus on land | (11,702) |  | - |  | - |  | (11,702) |
| Total deferred tax liabilities | (13,680) |  | (158) |  | - |  | (13,838) |
| **Total deferred tax assets - net** | 9,822 |  | 8,972 |  | (2,326) |  | 16,468 |

**24. PROMOTIONAL PRIVILEGES**

A subsidiary has been granted the following promotional privileges under the Investment Promotion Act (B.E. 2520) approved by the Board of Investment:

|  |  |  |  |
| --- | --- | --- | --- |
| **Number** | **Date granted** | **Business** | **Date of the first earning operating income** |
|  |  |  |  |
| 1783(1)/2552 | October 9, 2009 | Producing electricity from solar power | January 25, 2011 |
| 1978(1)/2555 | July 26, 2012 | Producing electricity from solar power | May 21, 2013 |
| 1979(1)/2555 | July 26, 2012 | Producing electricity from solar power | May 21, 2013 |

Subject to certain imposed conditions, the privileges include the followings:

(1) Exemption from corporate income tax on net income from the promoted activity for periods of 8 years, commencing from the date of the first earning operating income.

(2) A fifty percent reduction of corporate income on net income from the promoted activity for a period of 5 years after the expiration of the corporate income tax exemption period as mentioned in (1).

The subsidiary has to comply with certain terms and conditions as stipulated in the investment promotion certificates.

**25. EARNINGS (LOSSES) PER SHARE**

Basic earnings (losses) per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Profit (loss) for the years (Thousand Baht) | (45,220) | 6,766 | 1,026 | (62,925) |
| Weighted average number of ordinary shares (Thousand shares) | 300,000 | 300,000 | 300,000 | 300,000 |
| Earnings (losses) per share (Baht/share) | (0.151) | 0.023 | 0.003 | (0.210) |

**26. DIVIDENDS PAID**

At the Board of Directors’ meeting held on April 1, 2020, the Board of Directors approved   
the appropriation of interim dividend of Baht 0.20 per share, amounting to Baht 60 million.   
The dividend was paid to shareholders on April 20, 2020. Subsequently, on July 23, 2020,   
the Annual General Meeting of the shareholders considered and acknowledged such the interim dividend payment.

**27. SEGMENT INFORMATION**

The Company and its subsidiary are organized into business units based on its products and services. During the current period, the Company and its subsidiary have not changed the organization of their reportable segments.

*Geographical segments*

Revenue from external customers reported by locations of customers

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **Consolidated financial statements** | |
|  | **for the years ended December 31,** | |
|  | **2021** | **2020** |
| Revenue from external customers |  |  |
| Local sales | 937,846 | 1,095,854 |
| Export sales | 20,837 | 20,012 |
| Total | 958,683 | 1,115,866 |

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and   
total assets and on a basis consistent with that used to measure operating profit or loss and   
total assets in the financial statements. However, the Company and its subsidiary centralizes administrative activities, financing activities, which give rise to finance costs and finance income, and income taxes are managed on a group basis. Therefore, these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

*Major customer*

For the year ended December 31, 2021, the Company and its subsidiary have revenue from sales and services from 1 major customer by Baht 184.33 million (For the year ended December 31, 2020 : 1 major customer and Baht 237.41 million).

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Revenue, profit and total assets information regarding the Company and its subsidiary’s operating segments for the years ended December 31, are as follows: | | | | | | | | | | |
| **Unit : Thousand Baht** | | | | | | | | | | |
|  | **The consolidated financial statements** | | | | | | | | | |
|  | **Water Treatment Solution segment** | | **Environmental Preservation Products segment** | | **Clean energy business segment** | | **Adjustments and eliminations** | | **Consolidated** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| **Revenue** |  |  |  |  |  |  |  |  |  |  |
| Sales and service income | 509,217 | 550,963 | 265,136 | 327,498 | 184,330 | 237,405 | - | - | 958,683 | 1,115,866 |
| Inter-segment revenue | - | 147 | 4,315 | 19,426 | - | - | (4,315) | (19,573) | - | - |
| Total revenue | 509,217 | 551,110 | 269,451 | 346,924 | 184,330 | 237,405 | (4,315) | (19,573) | 958,683 | 1,115,866 |
| **Segment profit** | 41,992 | 64,408 | (15,244) | 22,596 | 100,384 | 143,027 | (166) | (2,205) | 126,966 | 227,826 |
| Unallocated income and expenses: |  |  |  |  |  |  |  |  |  |  |
| Other income |  |  |  |  |  |  |  |  | 3,982 | 3,090 |
| Selling expenses |  |  |  |  |  |  |  |  | (23,526) | (26,279) |
| Administrative expenses |  |  |  |  |  |  |  |  | (150,614) | (172,229) |
| Finance income |  |  |  |  |  |  |  |  | 68 | 314 |
| Finance costs |  |  |  |  |  |  |  |  | (5,197) | (10,887) |
| **Profit before income tax expenses** |  |  |  |  |  |  |  |  | (48,321) | 21,835 |
| Income tax revenue |  |  |  |  |  |  |  |  | 17,947 | 8,135 |
| **Profit for the years** |  |  |  |  |  |  |  |  | (30,374) | 29,970 |
| **Segment total assets** | 711,270 | 714,401 | 416,811 | 438,416 | 975,604 | 1,083,261 | (606,682) | (561,511) | 1,497,003 | 1,674,567 |

**28. PROVIDENT FUND**

The Company and its subsidiary and their employees have jointly established separate provident funds in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 3 to 15 percent of basic salary. The Company and its subsidiary contributed to the fund monthly at the rate of 3 to 8 percent accordance with the conditions set by the Company and its subsidiary. The funds, which are managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year ended December 31, 2021, the Company and its subsidiary contributed of Baht 8.25 million (For the year ended December 31, 2020 : Baht 8.95 million) to the funds, and the separate financial statements only contributed Baht 7.93 million (For the year ended December 31, 2020 : Baht 8.60 million).

**29. COMMITMENTS AND CONTINGENT LIABILITIES**

29.1 Operating lease and service commitments

As at December 31, 2021, the Company and its subsidiary has entered into several lease agreements in respect of equipment and long-term service agreements in respect of computer services, consultancy services and other services with related parties, other companies and individuals. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these operating leases contracts were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Unit : Thousand Baht** | |
|  | **Consolidated financial statements** | | **Separate financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
| Payable within |  |  |  |  |
| In up to 1 year | 23,364 | 27,031 | 20,649 | 22,968 |
| In over 1 and up to 5 years | 6,159 | 2,057 | 5,623 | 1,084 |

29.2 Long-term management service commitments

The Company and its subsidiary have entered into management service agreements with related parties, whereby management fees totaling Baht 2 million per month (The Company only: Baht 1 million per month) are payable in the future. The agreements end in December 2021, but they automatically renew for periods of one year each time until terminated.

For the year ended December 31, 2021, the Company and its subsidiary paid management service to related parties in the consolidated statement of profit or loss and other comprehensive income of Baht 24.86 million (For the year ended December 31, 2020 : Baht 24.86 million) and in the for the statement of profit or loss and other comprehensive income of Baht 14.62 million (For the year ended December 31, 2020 : Baht 14.62 million).

29.3 Capital commitments

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Unit : Thousand Baht** | |
|  | **Consolidated financial statements** | | **Separate financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
| Contracted but not provided for |  |  |  |  |
| Intangible assets | 11,554 | - | 10,987 | - |

29.4 Bank guarantees

As at December 31, 2021, the Company and its subsidiary have outstanding bank guarantees of Baht 59.75 million (As at December 31, 2020: Baht 51.19 million) issued by the banks on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 57.77 million (As at December 31, 2020: Baht 49.18 million) to guarantee contractual performance and Baht 1.98 million (As at December 31, 2020: Baht 2.01 million) to guarantee electricity use.

**30. FINANCIAL INSTRUMENTS**

30.1 Financial risk management

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade and other current receivables. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiary does not have high concentration of credit risk since it has large customer bases. The maximum exposure to credit risk is limited to the carrying amounts of trade and other current receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary’s exposure to interest rate risk relates primarily to their cash at banks overdrafts, short-term and long-term borrowings. Most of the Company and its subsidiary’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at December 31, 2021 and 2020, significant financial assets and liabilities, classified by type of interest rate, are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | | |
|  | **Consolidated financial statements as at December 31, 2021** | | | | | |
|  | **Fixed interest rates** | | **Floating** |  |  |  |
|  | **Within** | **1 - 3** | **interest** | **Non-interest** |  |  |
|  | **1 year** | **years** | **rate** | **bearing** | **Total** | **Interest rate** |
|  |  | | | | | **(% p.a.)** |
| **Financial assets** |  |  |  |  |  |  |
| Cash and cash equivalents | 28 | - | 4,001 | 481 | 4,510 | 0.05 - 0.13 |
| Trade and other current receivables | - | - | - | 166,893 | 166,893 | - |
| Current investments | - | - | - | 1,013 | 1,013 | - |
| Restricted bank deposits | 15,387 | - | - | - | 15,387 | 0.10 |
|  | 15,415 | - | 4,001 | 168,387 | 187,803 |  |
| **Financial liabilities** |  |  |  |  |  |  |
| Bank overdraft | - | - | 3,360 | - | 3,360 | 5.32 |
| Short-term borrowings from financial institutions | - | - | 40,000 | - | 40,000 | MMR |
| Trade and other current payables | - | - | - | 144,712 | 144,712 | - |
|  | - | - | 43,360 | 144,712 | 188,072 |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | | |
|  | **Consolidated financial statements as at December 31, 2020** | | | | | |
|  | **Fixed interest rates** | | **Floating** |  |  |  |
|  | **Within** | **1 - 3** | **interest** | **Non-interest** |  |  |
|  | **1 year** | **years** | **rate** | **bearing** | **Total** | **Interest rate** |
|  |  | | | | | **(% p.a.)** |
| **Financial assets** |  |  |  |  |  |  |
| Cash and cash equivalents | - | - | 21,237 | 8,293 | 29,530 | 0.05 - 0.13 |
| Trade and other current receivables | - | - | - | 184,581 | 184,581 | - |
| Current investments | - | - | - | 67,644 | 67,644 | - |
| Restricted bank deposits | 25,004 | - | - | - | 25,004 | 0.15 - 0.38 |
|  | 25,004 | - | 21,237 | 260,518 | 306,759 |  |
| **Financial liabilities** |  |  |  |  |  |  |
| Short-term borrowings from financial institutions | - | - | 100,000 | - | 100,000 | MMR |
| Trade and other current payables | - | - | - | 164,321 | 164,321 | - |
| Long-term borrowings from financial institutions | - | - | 43,065 | - | 43,065 | MLR - 1.25 |
|  | - | - | 143,065 | 164,321 | 307,386 |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | | |
|  | **Separate financial statements as at December 31, 2021** | | | | | |
|  | **Fixed interest rates** | | **Floating** |  |  |  |
|  | **Within** | **1 - 3** | **interest** | **Non-interest** |  | **Interest** |
|  | **1 year** | **years** | **rate** | **bearing** | **Total** | **rate** |
|  |  |  |  |  |  | **(% p.a.)** |
| **Financial assets** |  |  |  |  |  |  |
| Cash and cash equivalents | 28 | - | 3,759 | 323 | 4,110 | 0.05 - 0.13 |
| Trade and other current receivables | - | - | - | 132,684 | 132,684 | - |
| Restricted bank deposits | 15,387 | - | - | - | 15,387 | 0.10 |
|  | 15,415 | - | 3,759 | 133,007 | 152,181 |  |
| **Financial liabilities** |  |  |  |  |  |  |
| Bank overdraft | - | - | 3,360 | - | 3,360 | 5.32 |
| Short-term borrowings from financial institutions | - | - | 40,000 | - | 40,000 | MMR |
| Trade and other current payables | - | - | - | 141,459 | 141,459 | - |
| Short-term borrowings from a related party | - | - | 47,100 | - | 47,100 | 2.00-2.60 |
|  | - | - | 90,460 | 141,459 | 231,919 |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Unit : Thousand Baht** | | | | | | |
|  | **Separate financial statements as at December 31, 2020** | | | | | |
|  | **Fixed interest rates** | | **Floating** |  |  |  |
|  | **Within** | **1 - 3** | **interest** | **Non-interest** |  | **Interest** |
|  | **1 year** | **years** | **rate** | **bearing** | **Total** | **rate** |
|  |  |  |  |  |  | **(% p.a.)** |
| **Financial assets** |  |  |  |  |  |  |
| Cash and cash equivalents | - | - | 20,463 | 8,223 | 28,686 | 0.05 - 0.13 |
| Trade and other current receivables | - | - | - | 141,763 | 141,763 | - |
| Restricted bank deposits | 16,304 | - | - | - | 16,304 | 0.15 - 0.25 |
|  | 16,304 | - | 20,463 | 149,986 | 186,753 |  |
| **Financial liabilities** |  |  |  |  |  |  |
| Short-term borrowings from financial institutions | - | - | 100,000 | - | 100,000 | MMR |
| Trade and other current payables | - | - | - | 159,271 | 159,271 | - |
|  | - | - | 100,000 | 159,271 | 259,271 |  |

Foreign currency risk

The Company’s exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiary as summarized below, are unhedged since the Company has revenues from overseas sales to reduce foreign exchange risk.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Financial assets** | | **Financial liabilities** | | **Average exchange rate** | |
| Foreign currencies | **as at December 31,** | | **as at December 31,** | | **as at December 31,** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  | **(Million)** | **(Million)** | **(Million)** | **(Million)** | **(Baht per 1 foreign currency unit)** | |
|  |  |  |  |  |  |  |
| US Dollar | - | - | 0.13 | 0.7 | 33.4199 | 30.0371 |
| Japanese yen | - | 15.9 | - | 7.8 | 0.2906 | 0.2907 |
|  |  |  |  |  |  |  |

The Company has entered into various forward exchange contracts with a commercial bank which are outstanding as at December 31, 2021 and 2020 as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Average contractual exchange rate** | |
| **Foreign currency** | **Bought amount** | | **of bought** | |
|  | **(Million units of foreign currency)** | | **(Baht per 1 foreign currency unit)** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| US Dollar | 0.18 | - | 33.61 | - |

30.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary’s financial instruments are short-term in nature, and loans bear interest at rates close to market interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

**31. CAPITAL MANAGEMENT**

The primary objective of the Company’s capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value. As at December 31, 2021, the Company and its subsidiary’s debt-to-equity ratio was 0.3:1 (As at December 31, 2020 : 0.4:1) and the Company’s was 0.5:1 (As at December 31, 2020: 0.5:1).

**32. RECLASSIFICATIONS**

Certain reclassifications have been made in the consolidated and separate statement of financial position as at December 31, 2020 to conform to the classifications used in the consolidated and separate statement of financial position as at December 31, 2021 as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | |
|  | **Consolidated financial statements** | | |
|  | **Before** | **Reclassification** | **After** |
|  | **Reclassification** |  | **Reclassification** |
| **The statement of financial position** |  |  |  |
| **As at December 31, 2020** |  |  |  |
| Trade and other receivables | 177,746 | 6,834 | 184,580 |
| Other current assets | 9,800 | (6,834) | 2,966 |
| Intangible asset | 3,723 | 1,186 | 4,909 |
| Other non-current assets | 19,215 | (1,186) | 18,029 |
|  |  | | |
| **The statement of cash flows** |  |  |  |
| **For the year ended** |  |  |  |
| **December 31, 2020** |  |  |  |
| Trade and other receivables | 90,984 | 619 | 91,603 |
| Other current assets | 1,515 | (619) | 896 |
| Intangible asset | (664) | (351) | (1,015) |
| Other non-current assets | 165 | 351 | 516 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | |
|  | **Separated financial statements** | | |
|  | **Before** | **Reclassification** | **After** |
|  | **Reclassification** |  | **Reclassification** |
| **The statement of financial position** |  |  |  |
| **As at December 31, 2020** |  |  |  |
| Trade and other receivables | 136,224 | 5,539 | 141,763 |
| Other current assets | 6,865 | (5,539) | 1,326 |
| Intangible asset | 3,575 | 1,186 | 4,761 |
| Other non-current assets | 18,249 | (1,186) | 17,063 |
|  |  |  |  |
| **The statement of cash flows** |  |  |  |
| **For the year ended** |  |  |  |
| **December 31, 2020** |  |  |  |
| Trade and other receivables | 86,309 | 552 | 86,861 |
| Other current assets | 1,512 | (552) | 960 |
| Intangible asset | (664) | (351) | (1,015) |
| Other non-current assets | (485) | 351 | (134) |

**33. EVENTS AFTER THE REPORTING PERIOD**

**Litigation**

On January 30, 2022, the Company received an indictment dated January 10, 2022. The Company was sued on the Civil Court demanding the Company to pay for additional fee related to construction drawing adjustment in amount of Baht 0.67 million with the interest rate of 5% per annum. The Civil Court set the date for settlement of issue, prosecution guidelines and plaintiff testimony on March 14, 2022.

**Dividend**

On February 11, 2022, the Board of Directors’ Meeting of subsidiary passed the resolution to raise the agenda to approve to pay a dividend for the year 2021 to the shareholders of Baht 0.70 per share, a total of Baht 42 million. The dividend will be paid and recorded after it is approved by the Annual General Shareholders’ Meeting of subsidiary.

**34. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Company’s Board of Directors on February 18, 2022.