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| **1 General information** |

Sunsweet Public Company Limited (‘the Company’) is a public limited company which listed in the Stock Exchange of Thailand. The Company is incorporated and resident in Thailand on 25 December 1997. The address of its registered office is as follows:

No. 9 Moo 1, Thung Satok Sub-district, Sanpatong district, Chiang Mai, 50120.

The principal business operations of the Company and its subsidiary (together “the Group”) are manufacture and distribute in agricultural products including fresh and processed of fruits and vegetables.

These consolidated and separate financial statements were authorised by the Board of Directors on 20 February 2020.

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| **2 Accounting policies** |

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

**2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group**

**2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019**

**Thai Financial Reporting Standard no.15 (TFRS 15), *Revenue from contracts with customers***

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 (initial application date) by applying the modified retrospective approach and the comparative figures have not been restated. The Group did not apply practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15 and mainly affects the Group’s accounting treatment as follows;

- Sale of goods under customers’ packaging and brands, under TFRS 15, would resulted in earlier recognition of revenue. The trade receivables were recognised by Baht 36.82 million, inventories decreased by Baht 31.34 million and trade payable increased by Baht 1.96 million.

- The advance received from customers of Baht 8.73 million previously presented under trade and other payables is recognised as contract liabilities under TFRS 15.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of TFRS 15.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **As at** |  |  |  |
|  | **31 December** |  |  | **As at** |
|  | **2018** |  |  | **1 January** |
|  | **(As previously** |  |  | **2019** |
|  | **reported)** | **Adjustments** | **Reclassification** | **(As restated)** |
| **Statement of financial position** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade and other receivables, net | 125,633,668 | 36,816,711 | - | 162,450,379 |
| Inventories, net | 403,287,825 | (31,338,634) | - | 371,949,191 |
| Trade and other payables | 222,310,857 | 1,963,731 | (8,732,085) | 215,542,503 |
| Contract liabilities | - | - | 8,732,085 | 8,732,085 |
| Deficit - Unappropriated | 40,166,871 | 3,514,346 | - | 43,681,217 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  | **As at** |  |  |  |
|  | **31 December** |  |  | **As at** |
|  | **2018** |  |  | **1 January** |
|  | **(As previously** |  |  | **2019** |
|  | **reported)** | **Adjustments** | **Reclassification** | **(As restated)** |
| **Statement of financial position** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade and other receivables, net | 125,628,693 | 36,816,711 | - | 162,445,404 |
| Inventories, net | 403,116,726 | (31,338,634) | - | 371,778,092 |
| Trade and other payables | 222,332,044 | 1,963,731 | (8,732,085) | 215,563,690 |
| Contract liabilities | - | - | 8,732,085 | 8,732,085 |
| Deficit - Unappropriated | 41,494,668 | 3,514,346 | - | 45,009,014 |

The following tables show the amounts of affected line items in the current year from the adoption of the TFRS 15 compared to the previous revenue recognition standards.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  | **As at 31 December 2019** | | |
|  |  |  | **Amounts under** |
|  |  |  | **the previous** |
|  | **Amounts as** | **Impacts from** | **revenue** |
|  | **reported** | **TFRS 15** | **standards** |
| **Statement of financial position** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Trade and other receivables, net | 156,218,527 | (20,507,768) | 135,710,759 |
| Inventories, net | 197,510,349 | 23,012,644 | 220,522,993 |
| Trade and other payables | 208,101,919 | 19,616,698 | 227,718,617 |
| Contract liabilities | 16,290,296 | (16,290,296) | - |
| Deficit - Unappropriated | (19,698,194) | (821,526) | (20,519,720) |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  | **For the year ended 31 December 2019** | | |
|  |  |  | **Amounts under** |
|  |  |  | **the previous** |
|  | **Amounts as** | **Impacts from** | **revenue** |
|  | **reported** | **TFRS 15** | **standards** |
| **Statement of comprehensive income** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Sales | 1,919,737,747 | 11,374,009 | 1,931,111,756 |
| Cost of sales | (1,774,807,691) | (8,297,593) | (1,783,105,284) |
| Selling expenses | (141,015,446) | (383,596) | (141,399,042) |
| Net loss for the year | (41,879,411) | 2,692,820 | (39,186,591) |
| Total comprehensive expense for the year | (39,777,180) | 2,692,820 | (37,084,360) |
|  |  |  |  |
| **Statement of cash flows** |  |  |  |
| **Cash flows from operating activities** |  |  |  |
| Loss before income tax | (51,563,843) | 2,692,820 | (48,871,023) |
| Adjustments for: |  |  |  |
| Loss from decrease in value of inventories | 3,198,409 | 504,478 | 3,702,887 |
|  |  |  |  |
| **Changes in working capital** |  |  |  |
| Trade and other receivables | 5,099,085 | (16,308,943) | (11,209,858) |
| Inventories | 171,240,433 | 7,821,512 | 179,061,945 |
| Trade and other payables | (11,776,499) | 12,848,344 | 1,071,845 |
| Contract liabilities | 7,558,211 | (7,558,211) | - |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **As at 31 December 2019** | | |
|  |  |  | **Amounts under** |
|  |  |  | **the previous** |
|  | **Amounts as** | **Impacts from** | **revenue** |
|  | **reported** | **TFRS 15** | **standards** |
| **Statement of financial position** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Trade and other receivables, net | 156,187,523 | (20,507,768) | 135,679,755 |
| Inventories, net | 197,487,584 | 23,012,644 | 220,500,228 |
| Trade and other payables | 207,864,180 | 19,616,698 | 227,480,878 |
| Contract liabilities | 16,290,296 | (16,290,296) | - |
| Deficit - Unappropriated | (18,655,319) | (821,526) | (19,476,845) |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **For the year ended 31 December 2019** | | |
|  |  |  | **Amounts under** |
|  |  |  | **the previous** |
|  | **Amounts as** | **Impacts from** | **revenue** |
|  | **reported** | **TFRS 15** | **standards** |
| **Statement of comprehensive income** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Sales | 1,904,899,779 | 11,374,009 | 1,916,273,788 |
| Cost of sales | (1,762,320,052) | (8,297,593) | (1,770,617,645) |
| Selling expenses | (140,134,196) | (383,596) | (140,517,792) |
| Net loss for the year | (42,164,333) | 2,692,820 | (39,471,513) |
| Total comprehensive expense for the year | (40,062,102) | 2,692,820 | (37,369,282) |
|  |  |  |  |
| **Statement of cash flows** |  |  |  |
| **Cash flows from operating activities** |  |  |  |
| Loss before income tax | (51,985,458) | 2,692,820 | (49,292,638) |
| Adjustments for: |  |  |  |
| Loss from decrease in value of inventories | 3,198,409 | 504,478 | 3,702,887 |
|  |  |  |  |
| **Changes in working capital** |  |  |  |
| Trade and other receivables | 5,125,114 | (16,308,943) | (11,183,829) |
| Inventories | 171,092,099 | 7,821,512 | 178,913,611 |
| Trade and other payables | (12,035,425) | 12,848,344 | 812,919 |
| Contract liabilities | 7,558,211 | (7,558,211) | - |

**2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020**

**a) Financial instruments**

The new financial standards relate to financial instruments are:

TAS 32 Financial instruments: Presentation

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

**b) TFRS 16, Leases**

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

**c) Other new/amended standards**

The new and amended financial reporting standards that will have impact on the Group are:

TAS 12 Income tax

TAS 19 Employee benefits

TAS 23 Borrowing cost

TFRS 9 Financial instruments

TFRIC 23 Uncertainty over income tax treatments

**Amendment to TAS 12, Income tax** - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

**Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement)** - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

**Amendment to TAS 23, Borrowing costs** - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

**Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation)** - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be ‘reasonable compensation for early termination of the contract’ and the asset must be held within a ‘held to collect’ business model.

**TFRIC 23, Uncertainty over income tax treatments** - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

* that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
* that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
* That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group’s management is currently assessing the impact of initial adoption of these standards.

**2.3 Principles of consolidation accounting**

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investment in subsidiary is accounted for using cost method.

b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated.

**2.4 Business combination under common control**

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree as predecessor accounting. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer’s interests in the carrying value of the acquiree is presented as “surplus (discounts) arising from business combination under common control” in equity and is derecognised when the investment is disposed of (transferred to retained earnings).

**2.5 Foreign currency translation**

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s and Group’s functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains or losses on a non-monetary item is recognised in profit and loss on the non-monetary items.

**2.6 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

In the statement of financial position, bank overdrafts are shown in current liabilities.

**2.7 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

**2.8 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories, and presented as cost of goods sold.

**2.9 General investments**

Investments other than investments in subsidiaries, associates and joint venture are classified into the short-term investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Short-term investments are fixed deposits that have maturity between 3 to 12 months from the date of acquisition and carried at cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

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

**2.10 Property, plant and equipment**

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follow:

Land improvement 5 - 10 years

Buildings and buildings improvement 5 - 30 years

Machinery and equipment 5 - 20 years

Furniture, fixtures and office equipment 5 years

Vehicles 5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset’s carrying amount is written-down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (see more information in Note 2.12).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.11 Intangible assets**

*Acquired computer software*

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 5 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

**2.12 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

**2.13 Leases**

*Leases - where the Group is the lessee*

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

*Leases - where the Group is the lessor*

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

**2.14 Borrowings**

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**2.15 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

**2.16 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

*Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

* initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
* investments in subsidiary where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.17 Employee benefits**

*a) Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, and profit-sharing and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees’ service up to the end of the reporting period. They are measured at the amount expected to be paid.

*b) Defined contribution plan*

The Group pays contributions to a separate fund on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

*c) Defined benefit plans*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee’s latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

**2.18 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.19 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown in equity.

**2.20 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group’s activities. Revenue is shown net of returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when the customers obtain control of that goods.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

*Revenue recognition from sales of goods*

The Group manufactures and sells in agricultural products including fresh and processed of fruits and vegetables in both domestic and export. The revenue is recognised when the customers obtain control of that goods in following case:

1. In case that the specific packaging is used such as address and brands of buyers, the revenue is recognised   
when the products are completely packed.

2. In general cases the revenue is recognised when the buyers possess the products.

*Payments to customers*

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue.

*Contract liabilities*

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

Interest income and other income are recognised on an accrual basis unless collectibility is in doubt.

**2.21 Dividend distribution**

Dividend distributed to the Company’s shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

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| **3 Financial risk management** |

**3.1 Financial risk factors**

The Group exposes to a variety of financial risks: market risk (currency risk, interest rate risk, fair value risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

**3.1.1 Foreign exchange risk**

The Group use forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency. The Group treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts.

The Group also hedges foreign currency at least 70% of anticipated export sales in each major currency based on customer orders.

**3.1.2 Interest rate risk**

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest rate risk from loans with interest charged at the floating rates. However, the Group does not use interest rate swaps to hedge certain exposures because the management believes that the fluctuation in interest rates does not have significant impact to the Group.

**3.1.3 Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers’ credit limit as well as obtaining appropriate guarantees from customers. Derivative counterparties and deposits are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

**3.1.4 Liquidity risk**

The Group manages cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

**3.2** **Accounting for derivative financial instruments and hedging activities**

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instrument is not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period.

The Group’s derivation financial instruments are disclosed in note 30.1.

**3.3 Fair value**

The following methods and assumptions are used to estimate the fair value of each class of financial assets and liabilities.

Cash and cash equivalents and trade and other receivables - the carrying amounts of these financial assets approximate their fair values due to the relatively short-term maturity of these financial assets.

Short-term borrowings from financial institutions and trade and other payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial liabilities.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price or the closing price by reference to the Stock Exchange of Thailand or the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

The Group discloses fair values of financial assets and financial liabilities in the following note.

Foreign currency forward contracts : Note 30.1

Long-term loans from financial institutions : Note 16.2

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| **4 Critical estimates and judgements** |

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

**Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition. The management will fully set up allowance for outstanding amounts overdue more than 1 year and without any collateral.

**Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates the net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring at the year ended.

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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Property, plant and equipment**

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

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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Deferred tax assets**

The recognition of deferred tax assets is based upon whether it is probably that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has determined the future taxable profits by referencing to the latest available financial forecasts. The recognition, therefore, involves judgement regarding the future financial performance of the Group in which the deferred tax assets have been recognised.

**Defined retirement benefit obligations**

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligation.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits obligations. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefits liability.

Additional information of other key assumptions for retirement benefits obligations other is disclosed in Note 20.

|  |
| --- |
| **5 Capital management** |

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

|  |
| --- |
| **6 Segment information** |

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The highest operational decision-making authority is the Board of Directors which measure its performance from segment profit.

For the purpose of operational management the Group separated the business into 2 operating segments as follows:

* Sales of goods in domestic segment.
* Export of goods to overseas segment.

The segment revenue information for the year ended 31 December 2018 has been prepared in accordance with   
TFRS 18 (old revenue recognition standards). Therefore, the segment revenue information presented in the current and prior years are not comparable. The comparable revenue has been is disclosed in Note 2.2.1.

Significant information relating to revenue and profit of the reportable segments are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **Domestic sales** | | **Export sales** | |  | | |
|  | **segment** | | **segment** | | **Total** | | |
|  | **2019**  **Baht** | **2018**  **Baht** | **2019**  **Baht** | **2018**  **Baht** | **2019**  **Baht** | **2018**  **Baht** | |
|  |  |  |  |  |  |  | |
| Sales | 319,878,410 | 317,098,216 | 1,599,859,337 | 1,512,026,865 | 1,919,737,747 | 1,829,125,081 | |
| Cost of sales | (184,664,427) | (223,061,257) | (1,590,143,264) | (1,338,123,110) | (1,774,807,691) | (1,561,184,367) | |
|  |  |  |  |  |  |  | |
| **Segment profit** | 135,213,983 | 94,036,959 | 9,716,073 | 173,903,755 | 144,930,056 | 267,940,714 | |
| Other income |  |  |  |  | 19,958,194 | 9,258,560 | |
| Unallocated costs |  |  |  |  |  |  | |
| - Selling and administrative |  |  |  |  |  |  | |
| expenses and finance costs |  |  |  |  | (216,452,093) | (220,317,421) | |
|  |  |  |  |  |  |  | |
| **Profit (loss) before income tax** |  |  |  |  | (51,563,843) | 56,881,853 | |
| Income tax |  |  |  |  | 9,684,432 | (477,607) | |
|  |  |  |  |  |  |  | |
| **Net profit (loss) for the year** |  |  |  |  | (41,879,411) | 56,404,246 | |
|  |  |  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  |  |  | |
| At a point in time | 319,878,410 | 317,098,216 | 1,599,859,337 | 1,512,026,865 | 1,919,737,747 | 1,829,125,081 | |

**Major customers**

The Group has no revenue transactions with a single external customer that amounts to 10% or more of the Group revenue. Therefore, the Group does not present the information about major customers.

|  |
| --- |
| **7 Cash and cash equivalents** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash on hand | 36,169 | 36,000 | 33,169 | 33,000 |
| Cash at banks - current accounts | 286,855 | 4,744,588 | 205,152 | 4,662,135 |
| - savings accounts | 128,213,596 | 9,308,738 | 126,508,323 | 8,963,374 |
| - fixed accounts | 114,814,629 | - | 114,814,629 | - |
|  |  |  |  |  |
|  | 243,351,249 | 14,089,326 | 241,561,273 | 13,658,509 |

As at 31 December 2019, cash at banks - savings accounts carry interest at the rates of 0.01% to 0.375% per annum (2018 :   
at the rates of 0.10% to 0.375% per annum) and cash at banks - fixed accounts carry interest at the rate of 1.50% to 1.75% per annum (2018 : Nil).

Cash, cash equivalents and bank overdrafts included the following for the purposes of the statements of cash flows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash and cash equivalent | 243,351,249 | 14,089,326 | 241,561,273 | 13,658,509 |
| Less Bank overdrafts (Note 16.1) | - | (108,011) | - | - |
|  |  |  |  |  |
|  | 243,351,249 | 13,981,315 | 241,561,273 | 13,658,509 |

|  |
| --- |
| **8 Trade and other receivables, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables - third parties | 149,704,047 | 117,317,719 | 149,703,547 | 117,317,719 |
| Less Allowance for doubtful accounts | (1,553,309) | (103,230) | (1,553,309) | (103,230) |
|  |  |  |  |  |
| Total trade receivables, net | 148,150,738 | 117,214,489 | 148,150,238 | 117,214,489 |
|  |  |  |  |  |
| Others receivables - third parties | 3,598,814 | 4,629,959 | 3,598,814 | 4,629,959 |
| - subsidiary (Note 29.3) | - | - | 15,700 | 37,100 |
| Less Allowance for doubtful accounts | (86,240) | (55,540) | (86,240) | (55,540) |
|  |  |  |  |  |
| Total other receivables, net | 3,512,574 | 4,574,419 | 3,528,274 | 4,611,519 |
|  |  |  |  |  |
| Prepaid expenses | 3,930,906 | 2,794,240 | 3,884,702 | 2,760,513 |
| Advance payment | 293,245 | 369,748 | 293,245 | 369,748 |
| Others | 331,064 | 680,772 | 331,064 | 672,424 |
|  |  |  |  |  |
|  | 156,218,527 | 125,633,668 | 156,187,523 | 125,628,693 |

Outstanding balance of trade receivables as at 31 December 2019 and 2018 classified by aging are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Not overdue | 52,465,064 | 25,339,114 | 52,464,564 | 25,339,114 |
| Less than 3 months | 94,851,925 | 91,237,467 | 94,851,925 | 91,237,467 |
| 3 - 6 months | 835,493 | 632,478 | 835,493 | 632,478 |
| 6 - 12 months | 860,203 | 10,860 | 860,203 | 10,860 |
| Over 12 months | 691,362 | 97,800 | 691,362 | 97,800 |
|  |  |  |  |  |
|  | 149,704,047 | 117,317,719 | 149,703,547 | 117,317,719 |
| Less Allowance for doubtful accounts | (1,553,309) | (103,230) | (1,553,309) | (103,230) |
|  |  |  |  |  |
| Total trade and other receivables, net | 148,150,738 | 117,214,489 | 148,150,238 | 117,214,489 |

|  |
| --- |
| **9 Inventories, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw materials | 1,761,149 | 1,646,555 | 1,761,149 | 1,646,555 |
| Finished goods | 161,405,566 | 362,820,040 | 161,397,801 | 362,817,841 |
| Containers and packing materials | 29,521,110 | 32,730,044 | 29,506,110 | 32,561,144 |
| Supplies | 8,020,933 | 7,270,677 | 8,020,933 | 7,270,677 |
|  |  |  |  |  |
|  | 200,708,758 | 404,467,316 | 200,685,993 | 404,296,217 |
| Less Allowance for decrease in value of inventories | (3,198,409) | (1,179,491) | (3,198,409) | (1,179,491) |
|  |  |  |  |  |
|  | 197,510,349 | 403,287,825 | 197,487,584 | 403,116,726 |

During the year 2019 and 2018, amounts recognised as cost of sales in profit or losses are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cost of sales | 1,772,788,773 | 1,561,361,719 | 1,760,301,134 | 1,544,844,429 |
| Write-down of inventories to net realisation value | 3,198,409 | 1,179,491 | 3,198,409 | 1,179,491 |
| Reversal of write-down inventories to net realisation value | (1,179,491) | (1,356,843) | (1,179,491) | (1,356,843) |

The Group sold inventory that was previously write-down to a customers at original cost. Therefore, the Group reversed the allowance for decrease in value of inventories during the year.

|  |
| --- |
| **10 Other current assets** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Value added tax refundable | 5,974,709 | 7,314,100 | 5,801,293 | 6,805,055 |
| Undue input value added tax | 1,304,286 | 1,417,937 | 1,304,227 | 1,407,831 |
| Withholding tax deducted at source | 79,077 | 60,667 | 48,011 | 60,418 |
| Others | 80,326 | 756,772 | 80,326 | 756,772 |
|  |  |  |  |  |
|  | 7,438,398 | 9,549,476 | 7,233,857 | 9,030,076 |

|  |
| --- |
| **11 Restricted deposits at banks** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash at banks - savings accounts | 5,000,000 | 6,000,000 | - | 1,000,000 |
| - fixed accounts | 783,700 | 783,700 | 783,700 | 783,700 |
|  |  |  |  |  |
|  | 5,783,700 | 6,783,700 | 783,700 | 1,783,700 |

As at 31 December 2019, restricted deposits at a banks comprise of cash at banks - savings accounts which bear interest rate at 0.375% per annum (2018 : at the rate of 0.10% per annum) and cash at banks - fixed deposits accounts which redeemable in 12 months bear interest rate at 1.05% per annum (2018 : at the rate of 1% per annum). The Group has been used as collateral against bank overdrafts and borrowings from financial institutions (Note 16).

|  |
| --- |
| **12 Investments in subsidiary** |

As at 31 December 2019, the subsidiary included in consolidated financial statements is as follows. The subsidiary have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiary held by the Group.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Separate financial statements** | | | | | |
|  |  |  |  | | **Ownership interest held** | | **Investment in** | |
|  |  |  | **Paid-up share capital** | | **by company** | | **cost method** | |
|  | **Nature of** | **Country of** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** |
| **Entity name** | **business** | **incorporation** | **Baht** | **Baht** | **%** | **%** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| SunSweet  International  Co., Ltd. | Trading in  Agricutural  products | Thailand | 5,000,000 | 5,000,000 | 100 | 100 | 7,369,971 | 7,369,971 |

|  |
| --- |
| **13 Property, plant and equipment, net** |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  |  |  |  |  | **Furniture,** |  |  |  |
|  |  |  | **Buildings and** | **Machinery** | **fixtures** |  |  |  |
|  |  | **Land** | **buildings** | **and** | **and office** |  | **Construction** |  |
|  | **Land** | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
| **As at 1 January 2018** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 9,010,528 | 134,768,791 | 596,559,524 | 11,694,810 | 22,341,384 | 27,075,172 | 900,156,712 |
| Less Accumulated depreciation | - | (6,532,667) | (47,009,443) | (257,355,257) | (8,248,657) | (18,077,210) | - | (337,223,234) |
| Less Allowance for impairment | - | - | - | (3,122,965) | - | - | (396,665) | (3,519,630) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 2,477,861 | 87,759,348 | 336,081,302 | 3,446,153 | 4,264,174 | 26,678,507 | 559,413,848 |
|  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2018** |  |  |  |  |  |  |  |  |
| Opening net book amount | 98,706,503 | 2,477,861 | 87,759,348 | 336,081,302 | 3,446,153 | 4,264,174 | 26,678,507 | 559,413,848 |
| Additions | - | 2,145,820 | 747,330 | 9,501,640 | 2,041,445 | - | 178,105,257 | 192,541,492 |
| Transfer in (out) | - | 442,790 | 9,093,211 | 62,758,426 | 293,750 | - | (72,588,177) | - |
| Disposals, net | - | - | - | (204,731) | (20,665) | (1) | - | (225,397) |
| Write-off, net | - | - | (241,737) | (1,072,415) | (184) | - | - | (1,314,336) |
| Depreciation charge | - | (691,705) | (5,985,632) | (42,588,392) | (1,110,627) | (1,617,361) | - | (51,993,717) |
| Reversal of (impairment) charge | - | - | - | (1,104,391) | (24,328) | - | 396,665 | (732,054) |
|  |  |  |  |  |  |  |  |  |
| Closing net book amount | 98,706,503 | 4,374,766 | 91,375,520 | 363,371,439 | 4,625,544 | 2,646,812 | 132,592,252 | 697,689,836 |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2018** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 11,599,138 | 144,310,267 | 661,025,807 | 12,536,121 | 20,688,112 | 132,592,252 | 1,081,458,200 |
| Less Accumulated depreciation | - | (7,224,372) | (52,937,747) | (293,427,012) | (7,886,249) | (18,041,300) | - | (379,516,680) |
| Less Allowance for impairment | - | - | - | (4,227,356) | (24,328) | - | - | (4,251,684) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 97,706,503 | 4,374,766 | 91,372,520 | 363,371,439 | 4,625,544 | 2,646,812 | 132,592,252 | 697,689,836 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  |  |  |  |  | **Furniture,** |  |  |  |
|  |  |  | **Buildings and** | **Machinery** | **fixtures** |  |  |  |
|  |  | **Land** | **buildings** | **and** | **and office** |  | **Construction** |  |
|  | **Land** | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2018** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 11,599,138 | 144,310,267 | 661,025,807 | 12,536,121 | 20,688,112 | 132,592,252 | 1,081,458,200 |
| Less Accumulated depreciation | - | (7,224,372) | (52,937,747) | (293,427,012) | (7,886,249) | (18,041,300) | - | (379,516,680) |
| Less Allowance for impairment | - | - | - | (4,227,356) | (24,328) | - | - | (4,251,684) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 97,706,503 | 4,374,766 | 91,372,520 | 363,371,439 | 4,625,544 | 2,646,812 | 132,592,252 | 697,689,836 |
|  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |  |  |  |  |  |
| Opening net book amount | 98,706,503 | 4,374,766 | 91,372,520 | 363,371,439 | 4,625,544 | 2,646,812 | 132,592,252 | 697,689,836 |
| Additions | - | 8,000 | 2,591,539 | 5,125,640 | 1,072,027 | 1,283,178 | 67,737,856 | 77,818,240 |
| Transfer in (out) | - | 4,556,636 | 14,960,104 | 128,671,607 | 662,305 | - | (148,850,652) | - |
| Disposals, net | - | - | - | (1) | (3) | - | - | (4) |
| Write-off, net | - | (60,701) | - | - | - | - | - | (60,701) |
| Depreciation charge | - | (916,592) | (7,149,821) | (52,397,025) | (1,354,929) | (1,323,981) | - | (63,142,348) |
| Impairment charge | - | - | - | (78,300) | - | - | - | (78,300) |
|  |  |  |  |  |  |  |  |  |
| Closing net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 444,693,360 | 5,004,944 | 2,606,009 | 51,479,456 | 712,226,723 |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2019** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 15,984,599 | 161,861,910 | 794,816,154 | 14,255,555 | 21,971,290 | 51,479,456 | 1,159,075,467 |
| Less Accumulated depreciation | - | (8,022,490) | (60,087,568) | (345,817,138) | (9,226,283) | (19,365,281) | - | (442,518,760) |
| Less Allowance for impairment | - | - | - | (4,305,656) | (24,328) | - | - | (4,329,984) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 444,693,360 | 5,004,944 | 2,606,009 | 51,479,456 | 712,226,723 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  |  |  |  |  | **Furniture,** |  |  |  |
|  |  |  | **Buildings and** | **Machinery** | **fixtures** |  |  |  |
|  |  | **Land** | **buildings** | **and** | **and office** |  | **Construction** |  |
|  | **Land** | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
| **As at 1 January 2018** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 9,010,528 | 134,768,791 | 595,957,448 | 11,008,224 | 18,821,874 | 27,075,172 | 895,348,540 |
| Less Accumulated depreciation | - | (6,532,667) | (47,009,443) | (256,753,181) | (7,562,072) | (15,677,600) | - | (333,534,963) |
| Less Allowance for impairment | - | - | - | (3,122,965) | - | - | (396,665) | (3,519,630) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 2,477,861 | 87,759,348 | 336,081,302 | 3,446,152 | 3,144,274 | 26,678,507 | 558,293,947 |
|  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2018** |  |  |  |  |  |  |  |  |
| Opening net book amount | 98,706,503 | 2,477,861 | 87,759,348 | 336,081,302 | 3,446,152 | 3,144,274 | 26,678,507 | 558,293,947 |
| Additions | - | 2,145,820 | 747,330 | 9,501,640 | 2,041,445 | - | 178,105,257 | 192,541,492 |
| Transfer in (out) | - | 442,790 | 9,093,211 | 62,758,426 | 293,750 | - | (72,588,177) | - |
| Disposals, net | - | - | - | (204,731) | (20,665) | (1) | - | (225,397) |
| Write-off, net | - | - | (241,737) | (1,072,415) | (184) | - | - | (1,314,336) |
| Depreciation charge | - | (691,705) | (5,985,632) | (42,588,392) | (1,110,627) | (913,486) | - | (51,289,842) |
| Reversal of (impairment) charge | - | - | - | (1,104,391) | (24,328) | - | 396,665 | (732,054) |
|  |  |  |  |  |  |  |  |  |
| Closing net book amount | 98,706,503 | 4,374,766 | 91,372,520 | 363,371,439 | 4,625,543 | 2,230,787 | 132,592,252 | 697,273,810 |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2018** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 11,599,138 | 144,310,267 | 660,995,103 | 12,536,121 | 17,168,603 | 132,592,252 | 1,077,907,987 |
| Less Accumulated depreciation | - | (7,224,372) | (52,937,747) | (293,396,308) | (7,886,250) | (14,937,816) | - | (376,382,493) |
| Less Allowance for impairment | - | - | - | (4,227,356) | (24,328) | - | - | (4,251,684) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 4,374,766 | 91,372,520 | 363,371,439 | 4,625,543 | 2,230,787 | 132,592,252 | 697,273,810 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  |  |  |  |  | **Furniture,** |  |  |  |
|  |  |  | **Buildings and** | **Machinery** | **fixtures** |  |  |  |
|  |  | **Land** | **buildings** | **and** | **and office** |  | **Construction** |  |
|  | **Land** | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2018** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 11,599,138 | 144,310,267 | 660,995,103 | 12,536,121 | 17,168,603 | 132,592,252 | 1,077,907,987 |
| Less Accumulated depreciation | - | (7,224,372) | (52,937,747) | (293,396,308) | (7,886,250) | (14,937,816) | - | (376,382,493) |
| Less Allowance for impairment | - | - | - | (4,227,356) | (24,328) | - | - | (4,251,684) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 4,374,766 | 91,372,520 | 363,371,439 | 4,625,543 | 2,230,787 | 132,592,252 | 697,273,810 |
|  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |  |  |  |  |  |
| Opening net book amount | 98,706,503 | 4,374,766 | 91,372,520 | 363,371,439 | 4,625,543 | 2,230,787 | 132,592,252 | 697,273,810 |
| Additions | - | 8,000 | 2,591,539 | 5,125,640 | 1,072,027 | 1,283,178 | 67,737,856 | 77,818,240 |
| Transfer in (out) | - | 4,556,636 | 14,960,104 | 128,671,607 | 662,305 | - | (148,850,652) | - |
| Disposals, net | - | - | - | (1) | (3) | - | - | (4) |
| Write-off, net | - | (60,701) | - | - | - | - | - | (60,701) |
| Depreciation charge | - | (916,592) | (7,149,821) | (52,397,025) | (1,354,929) | (913,843) | - | (62,732,210) |
| Impairment charge | - | - | - | (78,300) | - | - | - | (78,300) |
|  |  |  |  |  |  |  |  |  |
| Closing net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 444,693,360 | 5,004,943 | 2,600,122 | 51,479,456 | 712,220,835 |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2019** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 15,984,599 | 161,861,910 | 794,785,450 | 14,255,555 | 18,451,781 | 51,479,456 | 1,155,525,254 |
| Less Accumulated depreciation | - | (8,022,490) | (60,087,568) | (345,786,434) | (9,226,284) | (15,851,659) | - | (438,974,435) |
| Less Allowance for impairment | - | - | - | (4,305,656) | (24,328) | - | - | (4,329,984) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 444,693,360 | 5,004,943 | 2,600,122 | 51,479,456 | 712,220,835 |

Additions include Baht 16.20 million (2018 : Nil) assets leased under finance leases (where the Group is the Group is the lessee) and no disposal of assets sold under finance lease.

During the year 2019, the management decide to recognised the impairment of certain part of machinery and equipment, which no longer usable of Baht 78,300. The recoverable amount (the higher of the value in use or fair value less costs of disposal) was determined at the individual assets and the net selling price was determined with reference to market prices for equivalent assets.

As at 31 December 2019, a certain part of machinery and equipment Baht 356.73 million (2018 : a certain part land, land improvement and machinery at the cost of Baht 494.94 million) has been pledged as collateral against borrowings from financial institutions (Note 16).

Included in property, plant, and equipment are leased assets, where the Group is a lessee under a finance lease which comprise   
of machinery, vehicle and office equipment as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Cost of assets under a finance lease | 21,082,231 | 39,845,843 |
| Less Accumulated depreciation | (3,278,449) | (8,253,933) |
|  |  |  |
| Net book amount | 17,803,782 | 31,591,910 |

|  |
| --- |
| **14 Intangible assets, net** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | |
|  |  | **Computer** |  |
|  | **Computer** | **software under** |  |
|  | **software** | **installation** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
| **As at 1 January 2018** |  |  |  |
| Cost | 7,938,773 | - | 7,938,773 |
| Less Accumulated amortisation | (1,252,699) | - | (1,252,699) |
|  |  |  |  |
| Net book amount | 6,686,074 | - | 6,686,074 |
|  |  |  |  |
| **For the year ended 31 December 2018** |  |  |  |
| Opening net book amount | 6,686,074 | - | 6,686,074 |
| Additions | 169,390 | - | 169,390 |
| Amortisation charge | (1,601,287) | - | (1,601,287) |
|  |  |  |  |
| Closing net book amount | 5,254,177 | - | 5,254,177 |
|  |  |  |  |
| **As at 31 December 2018** |  |  |  |
| Cost | 8,108,163 | - | 8,108,163 |
| Less Accumulated amortisation | (2,853,986) | - | (2,853,986) |
|  |  |  |  |
| Net book amount | 5,254,177 | - | 5,254,177 |
|  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |
| Opening net book amount | 5,254,177 | - | 5,254,177 |
| Additions | 137,785 | 1,857,487 | 1,995,272 |
| Transfer in (out) | 1,834,987 | (1,834,987) | - |
| Amortisation charge | (1,759,928) | - | (1,759,928) |
|  |  |  |  |
| Closing net book amount | 5,467,021 | 22,500 | 5,489,521 |
|  |  |  |  |
| **As at 31 December 2019** |  |  |  |
| Cost | 10,080,935 | 22,500 | 10,103,435 |
| Less Accumulated amortisation | (4,613,914) | - | (4,613,914) |
|  |  |  |  |
| Net book amount | 5,467,021 | 22,500 | 5,489,521 |

|  |
| --- |
| **15 Deferred income taxes** |

Deferred tax assets and liabilities comprise the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |
| Deferred income tax assets to be |  |  |  |  |
| recovered within 12 months | 8,960,544 | 275,699 | 8,960,544 | 275,699 |
| Deferred income tax assets to be |  |  |  |  |
| recovered more than 12 months | 6,765,038 | 5,836,350 | 6,765,038 | 5,834,952 |
|  |  |  |  |  |
| **Deferred tax liability** |  |  |  |  |
| Deferred income tax liability to be |  |  |  |  |
| settled within 12 months | (437,892) | (935,262) | (437,892) | (935,262) |
|  |  |  |  |  |
| **Deferred tax assets, net** | 15,287,690 | 5,176,787 | 15,287,690 | 5,175,389 |

The movements of deferred income tax are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| As at 1 January | 5,176,787 | 5,972,497 | 5,175,389 | 5,971,550 |
| Charged (credited) in profit or loss |  |  |  |  |
| (Note 27) | 10,636,461 | (288,027) | 10,637,859 | (288,641) |
| Charged (credited) relation to other |  |  |  |  |
| comprehensive income (Note 27) | (525,558) | (507,683) | (525,558) | (507,520) |
|  |  |  |  |  |
| As at 31 December | 15,287,690 | 5,176,787 | 15,287,690 | 5,175,389 |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | |  |  | **Recognised** |  | |
|  | | **As at** |  | **in other** | **As at** | |
|  | | **1 January** | **Recognised in** | **comprehensive** | **31 December** | |
|  | | **2018** | **profit or loss** | **income** | **2018** | |
|  | | **Baht** | **Baht** | **Baht** | **Baht** | |
| **Deferred tax assets** | |  |  |  |  | |
| Allowance for doubtful accounts | | - | 31,754 | - | 31,754 | |
| Employee benefit obligations | | 4,956,452 | 537,244 | (507,683) | 4,986,013 | |
| Amortisation expenses of trademark | |  |  |  |  | |
| which differences between | |  |  |  |  | |
| accounting and tax basis | | 663,945 | (420,000) | - | 243,945 | |
| Impairment of assets | | 703,926 | 146,411 | - | 850,337 | |
| Allowance for decrease in value of | |  |  |  |  | |
| inventories | | 271,369 | (271,369) | - | - | |
|  | |  |  |  |  | |
|  | | 6,595,692 | 24,040 | (507,683) | 6,112,049 | |
|  | |  |  |  |  | |
| **Deferred tax liability** | |  |  |  |  | |
| Finance lease obligations | | (623,195) | (312,067) | - | (935,262) | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  |  |  | **Recognised** |  |
|  | **As at** |  | **in other** | **As at** |
|  | **1 January** | **Recognised in** | **comprehensive** | **31 December** |
|  | **2018** | **profit or loss** | **income** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Deferred tax assets** |  |  |  |  |
| Allowance for doubtful accounts | - | 31,754 | - | 31,754 |
| Employee benefit obligations | 4,955,505 | 536,630 | (507,520) | 4,984,615 |
| Amortisation expenses of trademark |  |  |  |  |
| which differences between | 663,945 | (420,000) | - | 243,945 |
| accounting and tax basis | 703,926 | 146,411 | - | 850,337 |
| Allowance for decrease in value of |  |  |  |  |
| inventories | 271,369 | (271,369) | - | - |
|  |  |  |  |  |
|  | 6,594,745 | 23,426 | (507,520) | 6,110,651 |
|  |  |  |  |  |
| **Deferred tax liability** |  |  |  |  |
| Finance lease obligations | (623,195) | (312,067) | - | (935,262) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  |  |  | **Recognised** |  |
|  | **As at** |  | **in other** | **As at** |
|  | **1 January** | **Recognised in** | **comprehensive** | **31 December** |
|  | **2019** | **profit or loss** | **income** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |
| Allowance for doubtful accounts | 31,754 | 296,156 | - | 327,910 |
| Employee benefit obligations | 4,986,013 | 1,811,500 | (525,558) | 6,271,955 |
| Amortisation expenses of trademark |  |  |  |  |
| which differences between |  |  |  |  |
| accounting and tax basis | 243,945 | (243,945) | - | - |
| Impairment of assets | 850,337 | (357,252) | - | 493,085 |
| Allowance for decrease in value of |  |  |  |  |
| inventories | - | 639,682 | - | 639,682 |
| Loss carry forward | - | 7,992,950 | - | 7,992,950 |
|  |  |  |  |  |
|  | 6,112,049 | 10,139,091 | (525,558) | 15,725,582 |
|  |  |  |  |  |
| **Deferred tax liability** |  |  |  |  |
| Finance lease obligations | (935,262) | 497,370 | - | (437,892) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  |  |  | **Recognised** |  |
|  | **As at** |  | **in other** | **As at** |
|  | **1 January** | **Recognised in** | **comprehensive** | **31 December** |
|  | **2019** | **profit or loss** | **income** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Deferred tax assets** |  |  |  |  |
| Allowance for doubtful accounts | 31,754 | 296,156 | - | 327,910 |
| Employee benefit obligations | 4,984,615 | 1,812,898 | (525,558) | 6,271,955 |
| Amortisation expenses of trademark |  |  |  |  |
| which differences between | 243,945 | (243,945) | - | - |
| accounting and tax basis | 850,337 | (357,252) | - | 493,085 |
| Allowance for decrease in value of |  |  |  |  |
| inventories | - | 639,682 | - | 639,682 |
| Loss carry forward | - | 7,992,950 | - | 7,992,950 |
|  |  |  |  |  |
|  | 6,110,651 | 10,140,489 | (525,558) | 15,725,582 |
|  |  |  |  |  |
| **Deferred tax liability** |  |  |  |  |
| Finance lease obligations | (935,262) | 497,370 | - | (437,892) |

Deferred tax asset from tax loss carried forward will be recognised to the extent to which it is highly probable that the Group will have enough profit to utilise tax benefits in the future.

|  |
| --- |
| **16 Borrowings** |

**16.1 Bank overdrafts and short-term loans from financial institutions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank overdrafts | - | 108,011 | - | - |
| Short-term loans - promissory notes | 159,000,000 | 30,000,000 | 159,000,000 | 30,000,000 |
| - trust receipt | 44,930,223 | - | 44,930,223 | - |
| - packing credit | 9,640,000 | 63,907,000 | 9,640,000 | 63,907,000 |
|  |  |  |  |  |
|  | 213,570,223 | 94,015,011 | 213,570,223 | 93,907,000 |

Bank overdrafts and short-term loans from financial institutions are secured by restricted deposit at a bank (Note 11) and certain part of machinery and equipment (Note 13).

Movement of short-term loans from financial institution is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening balance | 93,907,000 | - |
| Additions during the year | 722,191,398 | 102,500,000 |
| Repayments during the year | (602,528,175) | (8,593,000) |
|  |  |  |
| Closing balance | 213,570,223 | 93,907,000 |

Bank overdrafts and short-term loans from financial institutions as at 31 December 2019 and 2018 are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | **Consolidated** | | **Separate** | |
|  |  | **Significant condition of loans agreement** | | **financial statement** | | **financial statement** | |
|  | **Credit limit** | **Interest rate** |  | **2019** | **2018** | **2019** | **2018** |
| **No.** | **Baht** | **(% per annum)** | **Secured by** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |
| 1 | 2,000,000 | Saving+2% | Cash at bank and directors | - | 108,011 | - | - |
| 2 | 200,000,000 | MMR+0.25% | Certain part of machinery and equipment | 159,000,000 | - | 159,000,000 | - |
| 3 | 105,000,000 | MMR | None | 46,676,551 | - | 46,676,551 | - |
| 4 | 787,281,000 | MMR | Certain part of machinery and equipment | - | 93,907,000 | - | 93,907,000 |
| 5 | 50,000,000 | MMR | None | 7,893,672 | - | 7,893,672 | - |
|  |  |  |  |  |  |  |  |
|  |  |  |  | 213,570,223 | 94,015,011 | 213,570,223 | 93,907,000 |

The fair value of bank overdrafts and short-term loan are equal to their carrying amounts because the maturity is within one year. The impact of discounting is not material.

**16.2 Long-term loans from financial institutions**

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Current portion of long-term loans |  |  |
| from financial institutions | 3,600,000 | - |
| Non-current portion of long-term |  |  |
| loans from financial institutions | 3,900,000 | - |
|  |  |  |
|  | 7,500,000 | - |

The movement of long-term loans from financial institutions are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening balance | - | 76,385,000 |
| Additions during the year | 9,000,000 | - |
| Repayments during the year | (1,500,000) | (76,385,000) |
|  |  |  |
| Closing balance | 7,500,000 | - |

Details of long-term loans as at 31 December 2019 and 2018 are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **Consolidated and separate** | |
|  |  |  |  |  |  |  | **financial statements** | |
|  | **Credit limit** |  |  |  | **Interest** |  | **2019** | **2018** |
| **No.** | **Baht** | **Objective** | **Interest rate (%)** | **Principal repayment** | **repayment** | **Secured by** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| 1 | 150,000,000 | Investing in machinery | First 12 months MLR-2  Afterwards  MLR-1.75 | 108 periods (monthly) minimum repayment at Baht 0.30 million | Monthly | Certain part of machinery and equipment | 7,500,000 | - |

**Fair value**

The carrying amounts and fair values of long-term loans are as follows. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of MLR minus fixed rate (2018 : Nil) and are within the level 2 of fair value hierarchy.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | | |
|  | **Carrying amount** | | **Fair value** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term loans from financial institutions | 7,500,000 | - | 7,498,969 | - |

The effective interest rates at the statement of financial position date were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **per annum** | **per annum** |
|  |  |  |
| Effective interest rate |  |  |
| - Long-term loans from financial institutions | 4.16% | - |

**Unused credit facilities**

Unused credit facilities as at 31 December 2019 and 2018 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank overdrafts | 64,000,000 | 12,891,989 | 62,000,000 | 11,000,000 |
| Short-term loans |  |  |  |  |
| - promissory notes | 41,000,000 | 170,000,000 | 41,000,000 | 170,000,000 |
| - packing credit and trust receipt | 897,710,777 | 533,374,000 | 887,710,777 | 523,374,000 |
| Long-term loans from financial institutions | 159,825,000 | 165,491,237 | 159,825,000 | 165,491,237 |
|  |  |  |  |  |
|  | 1,162,535,777 | 881,757,226 | 1,150,535,777 | 869,865,237 |

|  |
| --- |
| **17 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade payables - third parties | 185,615,334 | 182,224,169 | 185,583,330 | 182,148,356 |
| Other payables - third parties | 748,156 | 2,951,439 | 748,156 | 2,951,439 |
| Advance received from sales of goods | - | 10,034,503 | - | 10,034,503 |
| Accrued planting promotion expense | 7,965,135 | 12,829,646 | 7,965,135 | 12,829,646 |
| Accrued wages | 4,564,887 | 4,208,987 | 4,564,887 | 4,208,987 |
| Accrued expenses | 8,004,057 | 10,062,113 | 7,798,322 | 10,159,113 |
| Other | 1,204,350 | - | 1,204,350 | - |
|  |  |  |  |  |
|  | 208,101,919 | 222,310,857 | 207,864,180 | 222,332,044 |

|  |
| --- |
| **18 Contract liabilities** |

The Group has recognised the following liabilities related to contracts with customers:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2019** | **2018** | |
|  | **Baht** | **Baht** | |
|  |  |  | |
| Contract liabilities |  |  | |
| - Current | 16,290,296 | - | |
| - Non-current | - | - | |
|  |  |  | |
| **Total contract liabilities** | 16,290,296 | - | |

Revenue recognised in the current reporting period relates to carried-forward contract liabilities.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Revenue recognised that was included in the contract liabilities balance  at the beginning of the period |  |  |
| - Advance received from customers | 8,732,085 | - |

|  |
| --- |
| **19 Finance lease liabilities** |

Minimum lease payments under finance lease contract are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Not later than 1 year | 4,658,305 | 7,272,113 |
| Later than 1 year but not later than 5 years | 11,623,973 | 11,065,130 |
| Less Future finance charges on finance lease | (1,686,125) | (1,560,802) |
|  |  |  |
| Present value of finance lease liabilities | 14,596,153 | 16,776,441 |
|  |  |  |
| Finance lease liabilities: |  |  |
| - Current | 3,906,136 | 6,412,407 |
| - Non-current | 10,690,017 | 10,364,034 |
|  |  |  |
|  | 14,596,153 | 16,776,441 |

The present value of finance lease liabilities is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Not later than 1 year | 3,906,136 | 6,412,407 |
| Later than 1 year but not later than 5 years | 10,690,017 | 10,364,034 |
|  |  |  |
|  | 14,596,153 | 16,776,441 |

|  |
| --- |
| **20 Employee benefit obligations** |

The movement of employee benefit obligations is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Opening balance | 24,930,065 | 24,782,264 | 24,923,073 | 24,777,530 |
| Current service cost | 2,568,146 | 2,152,371 | 2,562,358 | 2,149,391 |
| Interest cost | 405,900 | 533,844 | 405,690 | 533,752 |
| Past service cost | 6,083,451 | - | 6,080,721 | - |
| Remeasurement |  |  |  |  |
| - Gain from change in actuarial |  |  |  |  |
| assumptions (Note 23) | (2,627,789) | (2,538,414) | (2,627,789) | (2,537,600) |
| Increase in obligation of transferred |  |  |  |  |
| staffs from subsidiary | - | - | 15,720 | - |
|  |  |  |  |  |
| Closing balance | 31,359,773 | 24,930,065 | 31,359,773 | 24,923,073 |

Current service cost came from change in estimation on compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day’s pay to 400 day’s pay in accordance with an amendment bill to the Labour Protection Law which was published in the Government Gazette.

The principal actuarial assumptions used as at the date of consolidated and separate statements of financial position are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidate and separate** | |
|  | **financial statements** | |
|  | **31 December** | **31 December** |
|  | **2019** | **2018** |
|  |  |  |
| Discount rate | 1.43% | 2.4% |
| Expected future salary increase | 3.5% | 5% |
| Staff turnover rate |  |  |
| - Age less than 31 | 23% | 25% |
| - Age between 31 to 40 | 12% | 12% |
| - Age between 41 to 50 | 7% | 8% |
| - Age above 50 | 0% | 0% |
| Retirement age | 60 years | 60 years |

Sensitivity analysis for each significant assumptions are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated and separate financial statements** | | | |
|  |  | **Impact on defined benefit obligation** | | | |
|  | **Change in** | **Increase in assumption** | | **Decrease in assumption** | |
|  | **assumption** | **2019** | **2018** | **2019** | **2018** |
|  |  |  |  |  |  |
| Discount rate | 1% | Decreased by 5.34% | Decreased by 4.67% | Increased by 6.32% | Increased by 5.52% |
| Salary growth rate | 1% | Increased by 6.12% | Increased by 5.32% | Decreased by 5.29% | Decreased by 4.61% |
| Staff turnover rate | 1% | Decreased by 5.62% | Decreased by 4.99% | Increased by 2.32% | Increased by 2.07% |
| Life expectancy | 1 year | Increased by 0.31% | Increased by 0.28% | Decreased by 0.31% | Decreased by 0.28% |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.  
In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement, the Group is exposed to a number of risks, the most significant of which are detailed below:

*Changes in bond yields*

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan’s bond holdings.

The weighted average duration of the defined benefit obligation for the Group is 7.71 years.

The Group use the cash flows from operating activities to pay the retirement and other long-term benefits.

Expected maturity analysis of undiscounted retirement is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Retirement benefits |  |  |  |  |
| - Less than 1 year | 2,295,685 | - | 2,295,685 | - |
| - Between 1 to 5 years | 20,244,740 | 20,964,298 | 20,244,740 | 20,964,298 |
| - More than 5 years | 141,976,088 | 163,418,196 | 141,976,088 | 161,729,002 |
|  |  |  |  |  |
|  | 164,516,513 | 184,382,494 | 164,516,513 | 182,693,300 |

|  |
| --- |
| **21 Dividend payment** |

At the Annual General meeting of Shareholders for the year 2018 held on 23 April 2018 the Shareholders approved the dividend payment for the year 2017 to Shareholders for 430 million ordinary shares at Baht 0.15 per share, totalling Baht 64.50 million. The dividend was paid to the Shareholders on 15 May 2018.

At the Company’s Board of Directors’ meeting No. 4/2561 on 7 November 2018, the Board approved a payment of interim dividend from the nine-month period ended 30 September 2018 operational results at Baht 0.05 per share totalling Baht 21.50 million. The dividend was paid to Shareholders on 6 December 2018.

At the Annual General Meeting of Shareholders for the year 2019 held on 22 April 2019, the Shareholders approved the dividend payment for the year 2018 for 430 million ordinary shares at Baht 0.10 per share, totaling to Baht 43 million. However, the Company has paid the interim dividend at Baht 0.05 totalling to Baht 21.50 million on 6 December 2018 and the remaining amount of Baht 21.50 million was paid on 17 May 2019.

|  |
| --- |
| **22 Legal reserve** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| As at 1 January | 11,400,000 | 8,500,000 |
| Appropriation during the year | - | 2,900,000 |
|  |  |  |
| As at 31 December | 11,400,000 | 11,400,000 |

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

|  |
| --- |
| **23 Component of other comprehensive income (expense)** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Other comprehensive income (expense):** |  |  |  |  |
| Remeasurements of employee benefit |  |  |  |  |
| obligations (Note 20) | 2,627,789 | 2,538,414 | 2,627,789 | 2,537,600 |
|  |  |  |  |  |
| **Total other comprehensive** **income (expense)** | 2,627,789 | 2,538,414 | 2,627,789 | 2,537,600 |
| Less Income tax relating to comprehensive income | (525,558) | (507,683) | (525,558) | (507,520) |
|  |  |  |  |  |
| **Other comprehensive income** |  |  |  |  |
| **(expense) for the year, net of tax** | 2,102,231 | 2,030,731 | 2,102,231 | 2,030,080 |

|  |
| --- |
| **24 Other income** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Interest income | 945,762 | 1,354,991 | 949,032 | 1,425,814 |
| Others | 4,792,956 | 7,903,569 | 4,842,048 | 8,244,853 |
|  |  |  |  |  |
|  | 5,738,718 | 9,258,560 | 5,791,080 | 9,670,667 |

|  |
| --- |
| **25 Finance costs** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Interest expense |  |  |  |  |
| - loans from financial institutions | 4,721,065 | 2,016,251 | 4,719,489 | 2,012,104 |
| - finance lease liabilities | 1,023,993 | 1,222,309 | 1,023,993 | 1,215,232 |
|  |  |  |  |  |
|  | 5,745,058 | 3,238,560 | 5,743,482 | 3,227,336 |

|  |
| --- |
| **26 Expense by nature** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw materials and consumables used | 1,116,858,795 | 1,268,497,398 | 1,116,858,795 | 1,268,497,398 |
| Change in work in process and finished goods | 175,204,951 | 211,787,148 | 175,199,384 | 211,862,700 |
| Staff costs and other benefits | 269,650,218 | 239,129,808 | 269,139,998 | 238,650,078 |
| Transportation expenses | 121,111,530 | 97,671,271 | 120,139,488 | 96,122,324 |
| Depreciation and amortisation charges | 64,902,275 | 53,595,004 | 64,492,138 | 52,891,129 |
| Utilities expenses | 40,730,195 | 37,987,661 | 40,729,950 | 37,987,161 |
| Planting promotion expense | 32,936,798 | 37,950,871 | 32,936,798 | 37,950,871 |
| Rental expenses | 26,440,146 | 19,546,945 | 26,740,146 | 19,846,945 |
| Labour costs | 15,740,604 | 16,668,389 | 15,740,604 | 16,668,389 |
| Repair and maintenance expenses | 14,593,158 | 18,541,294 | 14,593,158 | 18,541,294 |
| Advertising and promotion expenses | 8,804,229 | 6,744,414 | 8,804,229 | 6,684,458 |
| Plant and office expense | 8,436,347 | 7,932,352 | 8,436,347 | 7,932,352 |
| Commission and incentive | 8,222,398 | 12,563,876 | 8,211,689 | 12,563,876 |
| Services and consultation expenses | 7,115,967 | 10,441,250 | 6,896,167 | 10,216,450 |
| Traveling and entertainment expenses | 7,354,275 | 9,128,163 | 7,163,085 | 8,981,166 |
| Loss from impairment of assets | 78,300 | 732,054 | 78,300 | 732,054 |

|  |
| --- |
| **27 Income tax** |

Income tax expense for the year comprises the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Current tax: |  |  |  |  |
| Current tax on profits for the year | (135,295) | (63,714) | - | - |
| Adjustments in respect of prior year | (816,734) | (125,866) | (816,734) | (125,866) |
|  |  |  |  |  |
| **Total current tax** | (952,029) | (189,580) | (816,734) | (125,866) |
|  |  |  |  |  |
| Deferred tax: |  |  |  |  |
| Increase (Decrease) in deferred tax assets (Note 15) | 10,139,090 | 24,040 | 10,140,488 | 23,426 |
| (Increase) Decrease in deferred tax liabilities (Note 15) | 497,371 | (312,067) | 497,371 | (312,067) |
|  |  |  |  |  |
| **Total deferred tax** | 10,636,461 | (288,027) | 10,637,859 | (288,641) |
|  |  |  |  |  |
| **Income tax expense** | 9,684,432 | (477,607) | 9,821,125 | (414,507) |

Income taxes disclosed in statement of income were calculated from taxable income at tax rate of 19% for the Group (2018 : 0%).

The tax charge (credit) relating to component of other comprehensive income is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **2019** | | | **2018** | | |
|  |  | **Tax charge** |  |  | **Tax charge** |  |
|  | **Before tax** | **(credit)** | **After tax** | **Before tax** | **(credit)** | **After tax** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| Remeasurement on retirement |  |  |  |  |  |  |
| benefit obligation | 2,627,789 | (525,558) | 2,102,231 | 2,538,414 | (507,683) | 2,030,731 |
|  |  |  |  |  |  |  |
| **Other comprehensive income** | 2,627,789 | (525,558) | 2,102,231 | 2,538,414 | (507,683) | 2,030,731 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **2019** | | | **2018** | | |
|  |  | **Tax charge** |  |  | **Tax charge** |  |
|  | **Before tax** | **(credit)** | **After tax** | **Before tax** | **(credit)** | **After tax** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| Remeasurement on retirement |  |  |  |  |  |  |
| benefit obligation | 2,627,789 | (525,558) | 2,102,231 | 2,537,600 | (507,520) | 2,030,080 |
|  |  |  |  |  |  |  |
| **Other comprehensive income** | 2,627,789 | (525,558) | 2,102,231 | 2,537,600 | (507,520) | 2,030,080 |

The tax on the Group’s profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Profit (loss) before income tax | (51,563,843) | 56,881,853 | (51,985,458) | 57,076,058 |
|  |  |  |  |  |
| Tax calculated at a tax rate of 20% (2018 : 20%) | (10,312,769) | 11,376,371 | (10,397,092) | 11,415,212 |
| Tax effect of: |  |  |  |  |
| Exemption from BOI promotion privilege | - | (11,837,960) | - | (11,837,960) |
| Expenses not deductible for tax purpose | 427,928 | 355,529 | 375,315 | 252,770 |
| Expenses additionally deductible for |  |  |  |  |
| tax purpose | (1,269,679) | (608,715) | (1,269,436) | (607,897) |
| Tax losses for which deferred |  |  |  |  |
| tax assets had not been recognised | - | 887,601 | - | 887,601 |
| Previously unrecognised tax losses used to |  |  |  |  |
| reduce deferred tax assets | (225,350) | - | (225,350) | - |
| Temporary differences which deferred |  |  |  |  |
| tax assets had not been recognised | 878,704 | 178,916 | 878,704 | 178,916 |
| Adjustment in respect of prior year | 816,734 | 125,865 | 816,734 | 125,865 |
|  |  |  |  |  |
| Income tax | (9,684,432) | 477,607 | (9,821,125) | 414,507 |

|  |
| --- |
| **28 Earnings per share** |

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares issued during the year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  |  |  |  |  |
| Profit (loss) attributable to the ordinary equity holders of  the Company used as the denominator in calculating  basic earnings per share (Baht) | (41,879,411) | 56,404,246 | (42,164,333) | 56,661,551 |
|  |  |  |  |  |
| Weighted average number of ordinary |  |  |  |  |
| shares outstanding used as the denominator in |  |  |  |  |
| calculating basic earnings per share (Shares) | 430,000,000 | 430,000,000 | 430,000,000 | 430,000,000 |
|  |  |  |  |  |
| Basic earnings (loss) per share (Baht per share) | (0.10) | 0.13 | (0.10) | 0.13 |

The Company has no potential dilutive ordinary shares in issue during the year ended 31 December 2019 and 2018. There are no dilutive ordinary shares in issue for the years ended 2019 and 2018.

|  |
| --- |
| **29 Related party transactions** |

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

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

Relationships between the Company and related parties are as follows:

|  |  |  |
| --- | --- | --- |
| **Company** | **Nature of business** | **Relationship** |
|  |  |  |
| **Subsidiary** |  |  |
|  |  |  |
| SunSweet International Co., Ltd. | Trading in agricultural products | Direct shareholding, common |
|  |  | shareholders and directorship |
|  |  |  |
| **Related parties** |  |  |
|  |  |  |
| SunSweet Bio-Energy Co., Ltd. | Produce and sell electricity | Common shareholders and |
|  | power and processed scraps | directorship |
|  | from agricultural products |  |
|  |  |  |
| So Sweet Co., Ltd. | Retail sweet corn products in | Common shareholders and |
|  | franchise business | directorship |
|  |  |  |
| SunSweet Agrotech Co., Ltd. | Manufactured canned fruits | Common shareholders and |
|  | and agricultural products | directorship |
|  |  |  |
| Sunshine Travel Co., Ltd. | Travel agency and other | Common shareholders and |
|  | related services | directorship |
|  |  |  |
| Coffee Link Co., Ltd. | Sell foods and beverages | Common shareholders and |
|  |  | directorship |
|  |  |  |
| Wiangjedlin Co., Ltd. | Sell and distributor of ice-cream | Common shareholders and |
|  |  | directorship |
|  |  |  |
| Chiangmai Social Enterprises Company Limited | Social enterprises | Common shareholders and |
|  |  | directorship |

The following transactions were carried out with related parties:

**29.1 Sales of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Service rendered to |  |  |  |  |
| - subsidiary | - | - | 120,000 | 360,000 |
| - related persons | 25,107 | 4,132 | 25,107 | 4,132 |
|  |  |  |  |  |
|  | 25,107 | 4,132 | 145,107 | 364,132 |
|  |  |  |  |  |
| Rental income from |  |  |  |  |
| - subsidiary | - | - | 60,000 | 60,000 |
| - related persons | 628,800 | 628,800 | 628,800 | 628,800 |
|  |  |  |  |  |
|  | 628,800 | 628,800 | 688,800 | 688,800 |
|  |  |  |  |  |
| Interest income from subsidiary | - | - | 26,370 | 105,009 |

**29.2** **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Rental expense to |  |  |  |  |
| - subsidiary | - | - | 300,000 | 300,000 |
| - related persons | 209,760 | 171,120 | 209,760 | 171,120 |
|  |  |  |  |  |
|  | 209,760 | 171,120 | 509,760 | 471,120 |

**29.3 Outstanding balances arising from sales and purchases goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2019** | **2018** | **2019** | **2018** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Other receivables - subsidiary | - | - | 15,700 | 37,100 |
|  |  |  |  |  |
| Accrued rental expense - subsidiary | - | - | - | 300,000 |

**29.4 Short-term loans to subsidiary**

|  |  |  |
| --- | --- | --- |
|  | **Separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| As at 1 January | - | 5,033,666 |
| Additions during the year | 5,500,000 | 6,400,000 |
| Interest increased during the year | 26,370 | 105,009 |
| Repayments during the year | (5,526,370) | (11,538,675) |
|  |  |  |
| As at 31 December | - | - |

The short-term loans to subsidiary were made on commercial terms and conditions which unsecured and bearing interest at the rate of 3.5% per annum and received all principle and interest in full.

**29.5 Key management compensation**

Key management includes directors and executive management (regardless of whether they are in the managerial level or not), top management, corporate secretary and internal audit department head. Compensation paid or payable to key management as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Salaries and other short-term benefits | 22,159,439 | 21,439,824 |
| Post-employment benefits | 4,974,686 | 1,013,329 |
|  |  |  |
|  | 27,134,125 | 22,453,153 |

|  |
| --- |
| **30 Commitments** |

**30.1 Foreign currency forward contracts**

a) Sale foreign currency forward contracts

As at 31 December 2019, the settlement date on open sales forward contracts are 6 months (2018 : 6 months). The local currency amounts and contractual exchange rates of the outstanding contracts were:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | | | | |
|  | **Foreign currency** | |  |  |  |  |
|  | **contract amount** | | **Contract rate** | | **2019** | **2018** |
| **Foreign currency** | **2019** | **2018** | **2019** | **2018** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| USD | 10,082,295 | 10,892,389 | 30.00 - 30.21 | 32.1125 - 33.2350 | 303,507,929 | 355,111,491 |

**Fair value**

The net fair value of forward foreign exchange contracts as at 31 December 2019 is favorable forward foreign exchange contracts amount Baht 559,285 (2018: Favorable Baht 2,817,424).

b) Purchase foreign currency forward contracts

As at 31 December 2019, these was no open purchase foreign currency forward contract (2018 : 3 months). The local currency amounts and contractual exchange rates of the outstanding contracts were:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | | | | |
|  | **Foreign currency** | |  | |  |  |
|  | **contract amount** | | **Contract rate** | | **2019** | **2018** |
| **Foreign currency** | **2019** | **2018** | **2019** | **2018** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| USD | - | 86,899 | - | 32.523 | - | 2,819,350 |

**Fair value**

The net fair value of purchase foreign forward contracts as at 31 December 2018 is unfavorable forward foreign exchange contracts amount Baht 6,856.

The fair value of forward foreign exchange contracts have been calculated using rate quoted by the Company’s banker to terminate the contract on 31 December 2019. The valuation is classified as level 2 of the fair value hierarchy.

**30.2 Bank guarantees**

The Group had letter of guarantee as at the statement of financial position date issued by banks for normal business operations are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Guarantee for electricity usage | 3,554,000 | 3,502,700 |

**30.3 Sales of goods in advance agreement**

The Group has sales of goods in advance agreement with customers within the period of 1 month to 1 year but not recognised in the financial statements are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2019** | **2018** |
|  |  |  |
| Agreement for sales of goods in advance |  |  |
| - Baht | 47,907,940 | 932,610,999 |
| - USD | 17,650,074 | 13,385,995 |
| - Yen | 89,423,890 | 51,309,730 |
| - Euro | 968,967 | 2,005,444 |

The amounts shown in table above are presented in currency shown in the contracts which may differences from the actual amount.

**30.4 Operating lease commitments - where a Group is the lessee**

The Group leases office equipment and vehicles under non-cancellable operating lease agreement, and the majority of the leases are renewable at the end of the lease period at market rate.

Commitments for minimum lease payment in relation to non-cancellable operating leases are payable as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Within 1 year | 4,014,000 | 3,109,500 |
| Later than 1 year but not later than 3 years | 2,934,500 | 3,141,000 |
|  |  |  |
|  | 6,948,500 | 6,250,500 |

**30.5 Capital expenditure commitments**

Capital expenditure contracted as at the statement of financial position date but were not recognised as liabilities is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2019** | **2018** |
|  | **Baht** | **Baht** |
|  |  |  |
| Property, plant and equipment | 1,552,603 | 19,533,406 |

|  |
| --- |
| **31 Promotional privileges** |

The Company received five promotional privileges from the Board of Investment as follows:

On 7 May 2009, the Company received promotional privileges for the produce electricity power from biogas. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities for a period of eight years from the date of first income earned. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period. The Company also receives a 50% reduction in the corporate income tax rate for another five years.

On 9 November 2010, the Company received promotional privileges for the manufacture of frozen fruits. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities capped at 100% of the investment amount (excluding the cost of land and working capital) for a period of eight years from the date of first income. On 7 September 2018, the Company received additional rights and benefits for exemption from corporate income tax for the promoted activities capped at 200% of the investment amount (excluding the cost of land and working capital) for a period of eight years from the date of first income earned on 29 March 2018. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

On 25 October 2016, the Company received promotional privileges for the manufacture of canned vegetables and fruits. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities capped at 100% of the investment amount (excluding the cost of land and working capital) for a period of eight years from the date of first income earned and maximum exemption of corporate income tax is Baht 28,630,000. On 7 September 2018, the Company received additional rights and benefits for exemption from corporate income tax for the promoted activities capped at 200% of the investment amount (excluding the cost of land and working capital) for a period of five years from the date of first income earned on 29 March 2018. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

On 3 September 2018, the Company received promotional privileges for the manufacture of canned vegetables and fruits due to the modification of machinery to increase production efficiency. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities capped not exceed 50% of the investment amount (excluding the cost of land and working capital) for a period of three years from the date of first income earned and maximum exemption of corporate income tax is Baht 53,055,000. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

On 9 February 2019, the Company received promotional privileges for the manufacture of frozen vegetables and fruits The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities capped not exceed 100% of the investment amount (excluding the cost of land and working capital) for a period of five years from the date of first income earned and maximum exemption of corporate income tax is Baht 146,500,000. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

To be entitled to the rights and privileges, the Company must comply with conditions and restrictions specified in the promotional certificates.

Revenues from sales are classified into the promoted business and the non-promoted business and presented in the financial statements for the years ended 31 December 2019 and 2018 as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate**  **financial statements** | | |
|  | **BOI** | **Non-BOI** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| **2019** |  |  |  |
|  |  |  |  |
| Revenue from sales | 1,313,230,345 | 591,669,434 | 1,904,899,779 |
|  |  |  |  |
| **2018** |  |  |  |
|  |  |  |  |
| Revenue from sales | 985,610,914 | 824,327,948 | 1,809,938,862 |