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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 domiciled 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 22 February 2021.

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| **2 Significant events during the current year** |

*Coronavirus Disease 2019 outbreak*

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has adverse effects on economic slowdown to countries around the world, including Thailand. However, the COVID-19 does not have a significant impact on the Group. The Group’s management is closely monitoring and planning to deal with the situation continuously.

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| **3 Basic 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, except certain financial assets and liabilities (including derivative instrument) and employee benefit obligations.

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 9.

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.

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| **4 New and amended financial reporting standards** |

**4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group**

**a) Financial instruments**

The new financial standards related to financial instruments are as follows:

|  |  |
| --- | --- |
| 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 |

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets’ measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

**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.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements.   
The impact from the first-time adoption has been disclosed in Note 5.

**4.2 Amended financial reporting standards that are effective for accounting period beginning or after   
1 January 2021 and have significant impacts to the Group**

**a) Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:

* Measurement basis, including factors in considering difference measurement basis
* Presentation and disclosure, including classification of income and expenses in other comprehensive income
* Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
* Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

**b) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

**c) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

**d) Amendmen****t to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted.

The Group and the Company has chosen not to early apply the exemption for the current reporting period and the Group’s management is currently assessing the impact of initial adoption of these amended standards.

**4.3 Amended financial reporting standards that are effective for accounting period beginning or after   
1 January 2022 and have significant impacts to the Group**

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

**Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

The Group and the Company has chosen not to early apply the exemption for the current reporting period.

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

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| **5 Impacts from initial application of the new and revised financial reporting standards** |

This note explains the impact of the adoption of TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group’s consolidated financial statements and the Company’s separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 6.7, Note 6.11 and Note 6.12.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of   
1 January 2020.

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | | |
|  |  |  | **TFRS9, TFRS7**  **and TAS 32** | **TFRS16** |  |
| **Statements of financial position** |  | **31 December**  **2019**  **(As previously reported** | **Reclassifications and adjustments** | **Reclassifications and adjustments** | **1 January**  **2020**  **(Restated)** |
| **Notes** | **Baht** | **Bah** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |
| Trade and other receivables, net | A | 156,218,527 | (122,932) | - | 156,095,595 |
| Derivative assets | B | - | 626,067 | - | 626,067 |
|  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |
| Property, plant and equipment, net | D | 712,226,723 | - | (17,803,783) | 694,422,940 |
| Right-of-use assets, net | C, D | - | - | 23,116,214 | 23,116,214 |
| Deferred tax assets, net | A, B | 15,287,690 | 50,997 | - | 15,338,687 |
|  |  |  |  |  |  |
| **Total assets affected** |  | **883,732,940** | **554,132** | **5,312,431** | **889,599,503** |
|  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Derivative liabilities | B | - | 758,120 | - | 758,120 |
| Current portion of lease liabilities, net | C, D | 3,906,136 | - | 2,503,061 | 6,409,197 |
|  |  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |  |
| Lease liabilities, net | C, D | 10,690,017 | - | 2,809,370 | 13,499,387 |
|  |  |  |  |  |  |
| **Total liabilities affected** |  | **14,596,153** | **758,120** | **5,312,431** | **20,666,704** |
|  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |
|  |  |  |  |  |  |
| Retained earnings (Deficit) - Unappropriated |  | (19,698,194) | (203,988) | - | (19,902,182) |
|  |  |  |  |  |  |
| **Total equity affected** |  | **(19,698,194)** | **(203,988)** | **-** | **(19,902,182)** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | |
|  |  |  | **TFRS9, TFRS7**  **and TAS 32** | **TFRS16** |  |
| **Statements of financial position** |  | **31 December**  **2019**  **(As previously reported** | **Reclassifications and adjustments** | **Reclassifications and adjustments** | **1 January**  **2020**  **(Restated)** |
| **Notes** | **Baht** | **Bah** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |
| Trade and other receivables, net | A | 156,187,523 | (122,932) | - | 156,064,591 |
| Derivative assets | B | - | 626,067 | - | 626,067 |
|  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |
| Property, plant and equipment, net | D | 712,220,835 | - | (17,803,783) | 694,417,052 |
| Right-of-use assets, net | C, D | - | - | 23,116,214 | 23,116,214 |
| Deferred tax assets, net | A, B | 15,287,690 | 50,997 | - | 15,338,687 |
|  |  |  |  |  |  |
| **Total assets affected** |  | **883,696,048** | **554,132** | **5,312,431** | **889,562,611** |
|  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Derivative liabilities | B | - | 758,120 | - | 758,120 |
| Current portion of lease liabilities, net | C, D | 3,906,136 | - | 2,503,061 | 6,409,197 |
|  |  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |  |
| Lease liabilities, net | C, D | 10,690,017 | - | 2,809,370 | 13,499,387 |
|  |  |  |  |  |  |
| **Total liabilities affected** |  | **14,596,153** | **758,120** | **5,312,431** | **20,666,704** |
|  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |
|  |  |  |  |  |  |
| Retained earnings (Deficit) - Unappropriated |  | (18,655,319) | (203,988) | - | (18,859,307) |
|  |  |  |  |  |  |
| **Total equity affected** |  | **(18,655,319)** | **(203,988)** | **-** | **(18,8592,307)** |

Note:

A) Adjustments on impairment of financial assets (Note 5.1 (a))

B) Impacts from changes in classification and measurement of financial assets (Note 5.1 (b) and (c))

C) Recognition of right of use assets and lease liabilities under TFRS 16 (Note 5.2)

D) Reclassification of leased assets and finance lease liabilities (Note 5.2)

**5.1 Financial instruments**

The total impact on the Group’s and the Company’s unappropriated retained earnings (Deficit) as of 1 January 2020 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **Consolidated**  **financial**  **statements** | **Separate**  **financial**  **statements** |
|  |  | **Baht** | **Baht** |
|  |  |  |  |
| Unappropriated retained earnings (Deficit) as of 31 December 2019  - as previously reported |  | (19,698,194) | (18,655,319) |
|  |  |  |  |
| Increase in provision for trade and other receivables | A | (122,932) | (122,932) |
| Fair value adjustments on derivatives | B | (132,053) | (132,053) |
| Increase in deferred tax assets/liabilities related to the above adjustments |  | 50,997 | 50,997 |
|  |  |  |  |
| Total adjustments to opening unappropriated retained earnings (deficit)  from adoption of TFRS 9 |  | (203,988) | (203,988) |
|  |  |  |  |
| Unappropriated retained earnings (Deficit) as of 1 January 2020  after reflecting TFRS 9 adoption (before impact from TFRS 16) |  | (19,902,182) | (18,859,307) |

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS 9 categories below.

|  | **Consolidated financial statements** | | |
| --- | --- | --- | --- |
|  | **FVPL**  **Baht** | **Amortised cost**  **Baht** | **Total**  **Baht** |
| **Financial assets** |  |  |  |
| Cash and cash equivalents | - | 243,351,249 | 243,351,249 |
| Trade and other receivables, net | - | 130,839,492 | 130,839,492 |
| Derivative assets | 626,067 | - | 626,067 |
| Restricted deposits at banks | - | 5,783,700 | 5,783,700 |
|  |  |  |  |
|  | 626,067 | 379,974,441 | 380,600,508 |
| **Financial liabilities** |  |  |  |
| Short-term loans from financial institutions | - | 213,570,223 | 213,570,223 |
| Trade and other payables | - | 190,465,389 | 190,465,389 |
| Derivative liabilities | 758,120 | - | 758,120 |
| Long-term loans from financial institutions | - | 7,500,000 | 7,500,000 |
| Lease liabilities, net | - | 19,908,584 | 19,908,584 |
|  |  |  |  |
|  | 758,120 | 431,444,196 | 432,202,316 |

|  | **Separate financial statements** | | |
| --- | --- | --- | --- |
|  | **FVPL**  **Baht** | **Amortised cost**  **Baht** | **Total**  **Baht** |
| **Financial assets** |  |  |  |
| Cash and cash equivalents | - | 241,561,273 | 241,561,273 |
| Trade and other receivables, net | - | 130,838,992 | 130,838,992 |
| Derivative assets | 626,067 | - | 626,067 |
| Restricted deposits at banks | - | 783,700 | 783,700 |
|  |  |  |  |
|  | 626,067 | 373,183,965 | 373,810,032 |
| **Financial liabilities** |  |  |  |
| Short-term loans from financial institutions | - | 213,570,223 | 213,570,223 |
| Trade and other payables | - | 190,417,685 | 190,417,685 |
| Derivative liabilities | 758,120 | - | 758,120 |
| Long-term loans from financial institutions | - | 7,500,000 | 7,500,000 |
| Lease liabilities, net | - | 19,908,584 | 19,908,584 |
|  |  |  |  |
|  | 758,120 | 431,396,492 | 432,154,612 |

Details disclosure on adjustments and reclassifications above are summarised below.

### *Impairment of financial assets*

The Group and the Company have following financial assets that are subject to the expected credit loss model:

* cash and cash equivalents
* trade and other receivables
* restricted deposits at banks

The Group was required to revise its impairment methodology under TFRS 9. The impact of the change in impairment methodology on the Group’s and the Company’s retained earnings (deficit) at 1 January 2020 were Baht 122,932.

While cash and cash equivalents and restricted deposits at banks are subject to the new impairment requirement, the identified impact was immaterial.

*Trade and other receivables*

The Group applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

As of 1 January 2020, the Group and the Company recognised additional loss allowance of Baht 204,486 for trade receivables and recognised reduction loss allowance of Baht 81,554.

During the year 2020, the loss allowance of the Group and the Company increased by Baht 1,054,164.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC, for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade and other receivables. As of 31 December 2020, the expected credit loss of Baht 2,816,645 for trade and other receivables were assessed based on historical credit loss together with the management’s judgement in estimating the expected credit loss.

The loss allowance for trade and other receivables was determined as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **As of 1 January 2020** | **Not yet due**  **Baht** | **Up to 3 months**  **Baht** | **3 - 6**  **months**  **Baht** | **6 - 12 months Baht** | **More than**  **12 months**  **Baht** | **Total**  **Baht** | |
|  |  |  |  |  |  |  | |
| Gross carrying amount |  |  |  |  |  |  | |
| - trade receivables | 52,465,064 | 94,851,925 | 835,493 | 860,203 | 691,362 | 149,704,047 | |
| - other receivables | 890,122 | 1,601,045 | - | 369,509 | 738,138 | 3,598,814 | |
|  |  |  |  |  |  |  | |
| Loss allowance | 66,199 | 348,594 | 131,294 | 280 | 1,216,114 | 1,762,481 | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **As of 31 December 2020** | **Not yet due**  **Baht** | **Up to 3 months**  **Baht** | **3 - 6**  **months**  **Baht** | **6 - 12 months Baht** | **More than**  **12 months**  **Baht** | **Total**  **Baht** | |
|  |  |  |  |  |  |  | |
| Gross carrying amount |  |  |  |  |  |  | |
| - trade receivables | 183,653,752 | 2,349,335 | 237,896 | 28,330 | 2,076,497 | 188,345,810 | |
| - other receivables | 1,356,675 | 946,601 | - | - | - | 2,303,276 | |
|  |  |  |  |  |  |  | |
| Loss allowance | 60,518 | 516,074 | 135,226 | 28,330 | 2,076,497 | 2,816,645 | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **As of 1 January 2020** | **Not yet due**  **Baht** | **Up to 3 months**  **Baht** | **3 - 6**  **months**  **Baht** | **6 - 12 months Baht** | **More than**  **12 months**  **Baht** | **Total**  **Baht** | |
|  |  |  |  |  |  |  | |
| Gross carrying amount |  |  |  |  |  |  | |
| - trade receivables | 52,464,564 | 94,851,925 | 835,493 | 860,203 | 691,362 | 149,703,547 | |
| - other receivables | 905,822 | 1,601,045 | - | 369,509 | 738,138 | 3,614,514 | |
|  |  |  |  |  |  |  | |
| Loss allowance | 66,199 | 348,594 | 131,294 | 280 | 1,216,114 | 1,762,481 | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **As of 31 December 2020** | **Not yet due**  **Baht** | **Up to 3 months**  **Baht** | **3 - 6**  **months**  **Baht** | **6 - 12 months Baht** | **More than**  **12 months**  **Baht** | **Total**  **Baht** | |
|  |  |  |  |  |  |  | |
| Gross carrying amount |  |  |  |  |  |  | |
| - trade receivables | 182,957,026 | 2,349,335 | 237,896 | 28,330 | 2,076,497 | 187,649,084 | |
| - other receivables | 1,356,675 | 946,601 | - | - | - | 2,303,276 | |
|  |  |  |  |  |  |  | |
| Loss allowance | 60,518 | 516,074 | 135,226 | 28,330 | 2,076,497 | 2,816,645 | |

The reconciliations of loss allowance for trade and other receivables for the year ended 31 December 2020 are as follow:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate financial statements** | |
|  | **Trade and other receivables** | |
|  | **2020**  **Baht** | **2019**  **Baht** |
|  |  |  |
| **As of 1 January - calculated under TAS 101** | **1,639,549** | **158,770** |
| Amounts restated through opening retained earnings (deficit) | 122,932 | - |
|  |  |  |
| Opening loss allowance as at 1 January 2020  - calculated under TFRS 9 (2019: TAS 101) | 1,762,481 | 158,770 |
| Increase in loss allowance recognised in profit or loss during the year | 1,090,406 | 1,552,199 |
| Receivable written off during the year as uncollectible | (36,242) | (71,420) |
|  |  |  |
| **As of 31 December - calculated TFRS 9 (2019: TAS 101)** | **2,816,645** | **1,639,549** |

### *Recognition of derivative at fair value through profit or loss*

As at 1 January 2020, the Group and the Company recognised derivative assets and liabilities at their fair values with a corresponding adjustment to opening retained earnings (deficit) of Baht 626,067 and Baht 758,120, respectively. During the year 2020, the fair value gains of Baht 2,341,390 and Baht 2,350,505 were recognised in the Group’s and the Company’s net unrealised gain on derivative, respectively.

### *Reclassification of financial instruments on adoption of TFRS 9*

On 1 January 2020, the date of initial application, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows.

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Measurement categories** | | **Carrying amounts** | | | |
|  | **Previously reported**  **(TAS 105 and**  **other TAS)** | **New**  **(TFRS 9)** | **Previously**  **reported**  **Baht** | **New**  **Baht** | **Difference**  **Baht** | |
|  |  |  |  |  |  | |
| **Current financial assets** |  |  |  |  |  | |
| Cash and cash equivalents | Amortised cost | Amortised cost | 243,351,249 | 243,351,249 | - | |
| Trade and other receivables,net | Amortised cost | Amortised cost | 130,962,424 | 130,839,492 | (122,932) | |
| Derivative assets | Unrecognised | FVPL | - | 626,067 | 626,067 | |
|  |  |  |  |  |  | |
| **Non-current financial assets** |  |  |  |  |  | |
| Restricted deposits at banks | Amortised cost | Amortised cost | 5,783,700 | 5,783,700 | - | |
|  |  |  |  |  |  | |
| **Current financial liabilities** |  |  |  |  |  | |
| Short-term loans from |  |  |  |  |  | |
| financial institutions | Amortised cost | Amortised cost | 213,570,223 | 213,570,223 | - | |
| Trade and other payables | Amortised cost | Amortised cost | 190,465,389 | 190,465,389 | - | |
| Derivative liabilities | Unrecognised | FVPL | - | 758,120 | 758,120 | |
| Current portion of long-term  loans from financial institutions | Amortised cost | Amortised cost | 3,600,000 | 3,600,000 | - | |
| Current portion of lease  liabilities, net | Amortised cost | Amortised cost | 3,906,136 | 3,906,136 | - | |
|  |  |  |  |  |  | |
| **Non-current financial liabilities** |  |  |  |  |  | |
| Long-term loans from  financial institutions | Amortised cost | Amortised cost | 3,900,000 | 3,900,000 | - | |
| Lease liabilities, net | Amortised cost | Amortised cost | 10,690,017 | 10,690,017 | - | |

|  | **Separate financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Measurement categories** | | **Carrying amounts** | | | |
|  | **Previously reported**  **(TAS 105 and**  **other TAS)** | **New**  **(TFRS 9)** | **Previously**  **reported**  **Baht** | **New**  **Baht** | **Difference**  **Baht** | |
|  |  |  |  |  |  | |
| **Current financial assets** |  |  |  |  |  | |
| Cash and cash equivalents | Amortised cost | Amortised cost | 241,561,273 | 241,561,273 | - | |
| Trade and other receivables,net | Amortised cost | Amortised cost | 130,961,924 | 130,838,992 | (122,932) | |
| Derivative assets | Unrecognised | FVPL | - | 626,067 | 626,067 | |
|  |  |  |  |  |  | |
| **Non-current financial assets** |  |  |  |  |  | |
| Restricted deposits at banks | Amortised cost | Amortised cost | 783,700 | 783,700 | - | |
|  |  |  |  |  |  | |
| **Current financial liabilities** |  |  |  |  |  | |
| Short-term loans from |  |  |  |  |  | |
| financial institutions | Amortised cost | Amortised cost | 213,570,223 | 213,570,223 | - | |
| Trade and other payables | Amortised cost | Amortised cost | 190,417,685 | 190,417,685 | - | |
| Derivative liabilities | Unrecognised | FVPL | - | 758,120 | 758,120 | |
| Current portion of long-term  loans from financial institutions | Amortised cost | Amortised cost | 3,600,000 | 3,600,000 | - | |
| Current portion of lease  liabilities, net | Amortised cost | Amortised cost | 3,906,136 | 3,906,136 | - | |
|  |  |  |  |  |  | |
| **Non-current financial liabilities** |  |  |  |  |  | |
| Long-term loans from  financial institutions | Amortised cost | Amortised cost | 3,900,000 | 3,900,000 | - | |
| Lease liabilities, net | Amortised cost | Amortised cost | 10,690,017 | 10,690,017 | - | |

**5.2 Leases**

On the adoption of TFRS 16, the Group recognised lease liabilities in relation to lease contracts which had previously been classified as ‘operating leases’ under the principles of TAS 17 - Leases of for leases of machinery, equipment and vehicles with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments and discount using the lessee’s incremental borrowing rate as of 1 January 2020. The weight average lessee’s incremental borrowing rates applied to the lease liabilities on 1 January 2020 was 4%.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied in which the incremental borrowing rate for the whole lease term is applied.  
Other right-of-use assets were recognised at the amount equal to the lease liabilities in which the incremental borrowing rate for the remaining lease terms from the initial application date is applied, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

|  |  |
| --- | --- |
|  | **Consolidated and separate** |
|  | **financial statements** |
|  | **Baht** |
|  |  |
| Operating lease commitments disclosed as at 31 December 2019 | 6,948,500 |
| (Less): Discounted using the lessee’s incremental borrowing rate |  |
| at the date of initial application | (243,069) |
| Add: Finance lease liabilities recognised as at 31 December 2019 | 14,596,153 |
| (Less): Short-term leases recognised on a straight-line basis as expense | (1,288,000) |
| (Less): Low-value leases recognised on a straight-line basis as expense | (105,000) |
|  |  |
| **Lease liabilities recognised as at 1 January 2020** | **19,908,584** |
|  |  |
| Current lease liabilities | 6,409,197 |
| Non-current lease liabilities | 13,499,387 |
|  |  |
| **Lease liabilities recognised as at 1 January 2020** | **19,908,584** |

*Practical expedients applied*

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

* the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
* reliance on previous assessments on whether leases are onerous
* the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
* the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application

|  |
| --- |
| **6 Accounting policies** |

**6.1 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 through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associate and joint ventures ae eliminated to the extent of the Group’s interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**6.2 Business combination under common control**

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. 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 arising from business combination under common control” in equity and is derecognised when the investment is disposed of by transferred to retained earnings.

**6.3 Foreign currency translation**

a) Functional and presentation currency

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

b) Transaction 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 and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**6.4 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.

**6.5 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 - 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivalbes with the objective to collect the contractual cash flows and therefore measures them subsequently at amortise cost.

The impairment of trade receivables are disclosed in Note 6.7 e)

**6.6 Inventories**

Inventories are stated at the lower of cost or net realisable value. 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 sales.

Cost is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

**6.7 Financial assets**

***For the year ended 31 December 2020***

a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

* Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of income.
* FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), expect for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of profit or loss.
* FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment

From 1 January 2020, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 5.1 (a) for details.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade and other receivables. The Group applied historical credit loss adjusted with the management’s judgement in estimating the expected credit loss as disclosed in Note 12.

Impairment (and reversal of impairment) losses are recognised in profit or loss and include in administrative expenses.

***For the year ended 31 December 2019***

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.

**6.8 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 follows:

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.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income or administrative expenses.

**6.9 Intangible assets**

*Acquired computer software*

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives within   
5 years.

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

**6.10 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.

**6.11 Leases**

***For the year ended 31 December 2020***

#### Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

* fixed payments (including in-substance fixed payments), less any lease incentives receivable
* variable lease payment that are based on an index or a rate
* amounts expected to be payable by the lessee under residual value guarantees
* the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
* payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

* the amount of the initial measurement of lease liability
* any lease payments made at or before the commencement date less any lease incentives received
* any initial direct costs, and
* restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.   
Low-value assets comprise of small items of office equipment.

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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

***For the year ended 31 December 2019***

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.

**6.12 Financial liabilities**

***For the year ended 31 December 2020***

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

* Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group’s own equity instruments.
* Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost except derivative liabilities that the Group accounts for those financial liablilities at FVPL.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled,   
or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

***For the year ended 31 December 2019***

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 will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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.

**6.13 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take long 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.

**6.14 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.

**6.15 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 that matches the terms and currency of the expected cash outflows.

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.

**6.16 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.

**6.17 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.

**6.18 Revenue recognition**

Revenue includes all revenues from ordinary business activities. All ancillary income in the course of the Group’s ordinary activities are also presented as revenue.

Revenue are recorded net of returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable 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.

1. Revenue 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 cases:

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 unless the payment constitutes consideration of distinct goods or service from the customer.

*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.

1. Other income and interest income

Other income and interest income are recognised on an accrual basis unless collectibility is in doubt.

**6.19 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.

**6.20 Derivatives**

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Change in the fair value are include in gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

|  |
| --- |
| **7 Financial risk management** |

**7.1 Financial risk**

The Group exposes to a variety of financial risks; market risk (currency risk, interest rate risk and fair value 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 Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group Treasury Committee. The Group’s policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team globally.

**7.1.1 Market risk**

1. *Foreign exchange risk*

The Group operates internationally and is exposed to foreign currency risk arises mainly in US Dollar from sales transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. The Group uses forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk at least 70% of anticipated export sales in each major currency based on customer orders.

*Exposure*

The Group’s exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **As at 31 December 2020** | | | **As at 31 December 2020** | | |
|  | **US Dollar** | **Euro** | **Japanese**  **Yen** | **US Dollar** | **Euro** | **Japanese**  **Yen** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| Cash and cash equivalents | 4,150,828 | - | - | 218,602,052 | 3,168,192 | - |
| Trade and other receivables,  net | 77,191,927 | - | 2,509,634 | 78,981,941 | - | 4,210,871 |
| Sale foreign currency forwards  (Notional amount) | 53,379,918 | - | - | 303,507,929 | - | - |
|  |  |  |  |  |  |  |
| Trade and other payables | 2,943,960 | 529,214 | 22,157 | 2,793,330 | 318,640 | 42,075 |
| Purchase foreign currency   forwards (Notional amount) | 1,000,230 | - | - | - | - | - |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **As at 31 December 2020** | | | **As at 31 December 2020** | | |
|  | **US Dollar** | **Euro** | **Japanese**  **Yen** | **US Dollar** | **Euro** | **Japanese**  **Yen** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| Cash and cash equivalents | 4,149,107 | - | - | 218,600,331 | 3,168,192 | - |
| Trade and other receivables,  net | 76,495,201 | - | 2,509,634 | 78,981,941 | - | 4,210,871 |
| Sale foreign currency   forwards (Notional amount) | 53,379,918 | - | - | 303,507,929 | - | - |
|  |  |  |  |  |  |  |
| Trade and other payables | 2,943,960 | 529,214 | 22,157 | 2,793,330 | 318,640 | 42,075 |

*Sensitivity*

As shown in the table above, the Group is primarily exposed to changes in Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar.

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
|  | **Impact to net profit** | |
|  | **Year 2020**  **Baht** | **Year 2019**  **Baht** |
| US Dollar to Baht exchange rate - increase 0.40%  (2019: 3.83%) \* | 516,287 | 11,406,663 |
| US Dollar to Baht exchange rate - decrease 0.37%  (2019: 0.16%)\* | (462,371) | (442,233) |

\* Holding all other variables constant

|  |  |  |
| --- | --- | --- |
|  | **Separate financial statements** | |
|  | **Impact to net profit** | |
|  | **Year 2020**  **Baht** | **Year 2019**  **Baht** |
| US Dollar to Baht exchange rate - increase 0.40%  (2019: 3.83%) \* | 513,488 | 11,404,597 |
| US Dollar to Baht exchange rate - decrease 0.37%  (2019: 0.16%)\* | (459,861) | (442,231) |

\* Holding all other variables constant

1. *Cash flow and fair value interest rate risk*

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings and long-term borrowings. Most of the Group’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group assesses that the interest rate risk is insignificant as the interests from financial assets and financial liabilities are not significantly different. However, the Group will use interest rate swap to management the risk when necessary.

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified interval, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

The Group and the Company does not apply hedge accounting.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
|  | **Fixed interest rates** | | **Fixed interest rates** | |  |  |  |
|  |  |  |  |  | **Non** |  |  |
| **As at 31 December**  **2020** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Interest**  **bearing**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |
| Cash and cash equivalents | 279,259,003 | - | - | - | 14,303,250 | 293,562,253 | 0.01 - 1.50 |
| Restricted bank deposits | - | 5,783,700 | - | - | - | 5,783,700 | 0.125 - 0.375 |
|  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |
| Long-term loans from  financial institutions | - | - | 300,000 | 3,600,000 | - | 3,900,000 | MLR-2 and MLR-1.75 |
| Lease liabilities, net | 6,271,219 | 11,125,865 | - | - | - | 17,397,084 | 3.11 - 7.42 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
|  | **Fixed interest rates** | | **Floating interest rates** | |  |  |  |
|  |  |  |  |  | **Non-** |  |  |
| **As at 31 December**  **2019** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Interest**  **bearing**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |
| Cash and cash equivalents | 243,028,225 | - | - | - | 323,024 | 243,351,249 | 0.01 - 1.75 |
| Restricted bank deposits | - | 5,783,700 | - | - | - | 5,783,700 | 0.375 - 1.05 |
|  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |
| Short-term loans from  financial institutions | 213,570,223 | - | - | - | - | 213,570,223 | MMR and  MMR+0.25 |
| Long-term loans from  financial institutions | - | - | 3,600,000 | 3,900,000 | - | 7,500,000 | MLR-2 and MLR-1.75 |
| Lease liabilities, net | 3,906,136 | 10,690,017 | - | - | - | 14,596,153 | 3.11 - 7.42 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
|  | **Fixed interest rates** | | **Floating interest rates** | |  |  |  |
|  |  |  |  |  | **Non-** |  |  |
| **As at 31 December**  **2020** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Interest**  **bearing**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |
| Cash and cash equivalents | 276,914,674 | - | - | - | 14,219,841 | 291,134,515 | 0.01 - 1.50 |
| Restricted bank deposits | - | 783,700 | - | - | - | 783,700 | 0.375 |
|  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |
| Long-term loans from  financial institutions | - | - | 300,000 | 3,600,000 | - | 3,900,000 | MLR-2 and MLR-1.75 |
| Lease liabilities, net | 6,271,219 | 11,125,865 | - | - | - | 17,397,084 | 3.11 - 7.42 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
|  | **Fixed interest rates** | | **Floating interest rates** | |  |  |  |
|  |  |  |  |  | **Non-** |  |  |
| **As at 31 December**  **2019** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5**  **years**  **Baht** | **Interest**  **bearing**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |
| Cash and cash equivalents | 241,322,952 | - | - | - | 238,321 | 241,561,273 | 0.01 - 1.75 |
| Restricted bank deposits | - | 783,700 | - | - | - | 783,700 | 1.05 |
|  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |
| Short-term loans from   financial institutions | 213,570,223 | - | - | - | - | 213,570,223 | MMR and  MMR+0.25 |
| Long-term loans from  financial institutions | - | - | 3,600,000 | 3,900,000 | - | 7,500,000 | MLR-2 and MLR-1.75 |
| Lease liabilities, net | 3,906,136 | 10,690,017 | - | - | - | 14,596,153 | 3.11 - 7.42 |

*Sensitivity*

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses from borrowings as a result of changes in interest rates.

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **Impact to net profit** | |
|  | **Year 2020**  **Baht** | **Year 2019**  **Baht** |
|  |  |  |
| Interest rate - increase 0.50% (2019: 0.25%) \* | (11,338) | (36,670) |
| Interest rate - decrease 0.53% (2019: 0.78%)\* | 11,905 | 3,850 |

\* Holding all other variables constant

**7.1.2 Credit risk**

Credit risk arises from cash and cash equivalents and derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tjps assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

b) Security

For some trade receivables the Group may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

The Group and the Company’s financial asset that are subject to the expected credit loss model is trade and other receivables.

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

*Trade and other receivables*

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group and the Company write-off trade and other receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments or cannot be contacted for a period greater than 180 days past due.

Impairment losses on trade and other receivables are presented as impairment losses within administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Details of expected credit losses of trade and other receivables are presented in Note 5.1 (a).

*Previous accounting policy for impairment of trade receivables for comparative period*

In the year 2019, the Group recognised impairment of trade and other receivables based on the incurred loss model such as not yet due or past due for a period less than 180 days, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

*Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost include cash and cash equivalents, restricted deposits at banks and other current assets.

The Group has no loss allowances for other financial assets measured at amortised cost for the year ended 31 December 2020 and 2019.

**7.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 293 million (2019: Baht 243 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group’s liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows.   
In addition, the Group’s liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

1. Financing arrangement

The Group has access to the following undrawn credit facilities as at 31 December as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Floating rate** |  |  |  |  |
| Expiring within one year |  |  |  |  |
| - Bank overdraft | 64,000,000 | 64,000,000 | 62,000,000 | 62,000,000 |
| - Short-term loans from |  |  |  |  |
| financial institutions |  |  |  |  |
| - promissory notes | 200,000,000 | 41,000,000 | 200,000,000 | 41,000,000 |
| - Short-term loans from |  |  |  |  |
| financial institutions |  |  |  |  |
| - packing credit and trust receipt | 1,000,948,314 | 897,710,777 | 991,950,500 | 887,710,777 |
|  |  |  |  |  |
| Expiring beyond one year |  |  |  |  |
| - Long-term loans from |  |  |  |  |
| financial institutions | 159,825,000 | 159,825,000 | 159,825,000 | 159,825,000 |
|  |  |  |  |  |
|  | 1,424,773,314 | 1,162,535,777 | 1,413,775,500 | 1,150,535,777 |

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Total**  **Baht** | **Total**  **net book amount of liabilities**  **Baht** |
| **As at 31 December 2020** |  |  |  |  |
| Trade and other payables | 182,343,065 | 5,669,392 | 188,012,457 | 188,012,457 |
| Long-term loans from financial |  |  |  |  |
| institutions | 3,600,000 | 300,000 | 3,900,000 | 3,900,000 |
| Lease liabilities, net | 5,768,501 | 14,430,868 | 20,199,369 | 17,397,084 |
|  |  |  |  |  |
| **Total financial liabilities that is not** |  |  |  |  |
| **derivatives** | 191,711,566 | 20,400,260 | 212,111,826 | 209,309,541 |
|  |  |  |  |  |
| **Derivative** |  |  |  |  |
| Foreign currency forward contracts | 9,115 | - | 9,115 | 9,115 |
|  |  |  |  |  |
| **Total derivatives liabilities** | 9,115 | - | 9,115 | 9,115 |
|  |  |  |  |  |
| **Total** | 191,720,681 | 20,400,260 | 212,120,941 | 209,318,656 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Total**  **Baht** | **Total**  **net book amount of liabilities**  **Baht** |
| **As at 31 December 2020** |  |  |  |  |
| Trade and other payables | 181,110,673 | 5,658,683 | 186,769,356 | 186,769,356 |
| Long-term loans from financial |  |  |  |  |
| institutions | 3,600,000 | 300,000 | 3,900,000 | 3,900,000 |
| Lease liabilities, net | 5,768,501 | 14,430,868 | 20,199,369 | 17,397,084 |
|  |  |  |  |  |
| **Total financial liabilities that is not** |  |  |  |  |
| **derivatives** | 190,479,174 | 20,389,551 | 210,868,725 | 208,066,440 |

**7.2 Capital management**

*Risk management*

The objectives when managing capital are to:

* safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
* 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.

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing total debt with equity.

During the year 2020, the Group’s strategy, which remains unchanged, was to maintain a gearing ratio does not exceed 2 times. The gearing ratios at 31 December are as follows:

|  |  |  |
| --- | --- | --- |
|  | **2020**  **Baht** | **2019**  **Baht** |
|  |  |  |
| Total debt | 270,990,380 | 492,483,650 |
| Equity (including non-controlling interests) | 1,022,030,712 | 850,822,507 |
|  |  |  |
| **Debt to equity ratio** | **0.27 time** | **0.58 time** |

*Loan covenants*

Under the terms of the major borrowing facilities, the Group is not required to comply with the financial covenants for the year 2020 and 2019.

|  |
| --- |
| **8 Fair value** |

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 / closing price by reference to the Stock Exchange of Thailand / 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 fair value measurements of financial assets and financial liabilities are in accordance with accounting policies which disclosed in Note 6.7 and Note 6.12.

Since the majority of the Group’s financial assets and financial liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

|  | **Consolidated**  **financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  | **Fair value through profit or loss (FVPL)** | **Total carrying amount** | **Fair value** |
|  | **Level** | **Baht** | **Baht** | **Baht** |
| **31 December 2020** |  |  |  |  |
| *Financial assets measured at fair value (FV)* |  |  |  |  |
| Derivative assets- Foreign currency   forward contracts | 2 | 2,218,452 | 2,218,452 | 2,218,452 |
|  |  |  |  |  |
|  |  | 2,218,452 | 2,218,452 | 2,218,452 |
|  |  |  |  |  |
| *Financial liabilities measured at fair value* |  |  |  |  |
| Derivative liabilities - Foreign currency   forward contracts | 2 | 9,115 | 9,115 | 9,115 |
|  |  |  |  |  |
|  |  | 9,115 | 9,115 | 9,115 |
|  |  |  |  |  |
| **1 January 2020** |  |  |  |  |
| *Financial assets measured at fair value (FV)* |  |  |  |  |
| Derivative assets- Foreign currency   forward contracts | 2 | 626,067 | 626,067 | 626,067 |
|  |  |  |  |  |
|  |  | 626,067 | 626,067 | 626,067 |
|  |  |  |  |  |
| *Financial liabilities measured at fair value* |  |  |  |  |
| Derivative liabilities - Foreign currency   forward contracts | 2 | 758,120 | 758,120 | 758,120 |
|  |  |  |  |  |
|  |  | 758,120 | 758,120 | 758,120 |

|  | **Separate**  **financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  | **Fair value through profit or loss (FVPL)** | **Total carrying amount** | **Fair value** |
|  | **Level** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **31 December 2020** |  |  |  |  |
| *Financial assets measured at fair value (FV)* |  |  |  |  |
| Derivative assets- Foreign currency   forward contracts | 2 | 2,218,452 | 2,218,452 | 2,218,452 |
|  |  |  |  |  |
|  |  | 2,218,452 | 2,218,452 | 2,218,452 |
|  |  |  |  |  |
| *Financial liabilities measured at fair value* |  |  |  |  |
| Derivative liabilities - Foreign currency   forward contracts | 2 | - | - | - |
|  |  |  |  |  |
|  |  | - | - | - |
|  |  |  |  |  |
| **1 January 2020** |  |  |  |  |
| *Financial assets measured at fair value (FV)* |  |  |  |  |
| Derivative assets- Foreign currency   forward contracts | 2 | 626,067 | 626,067 | 626,067 |
|  |  |  |  |  |
|  |  | 626,067 | 626,067 | 626,067 |
|  |  |  |  |  |
| *Financial liabilities measured at fair value* |  |  |  |  |
| Derivative liabilities - Foreign currency   forward contracts | 2 | 758,120 | 758,120 | 758,120 |
|  |  |  |  |  |
|  |  | 758,120 | 758,120 | 758,120 |

*Details of key assumptions used*

The fair value of derivative assets and liabilities are determined using the foreign exchange rate from the financial institution which categorized into hierarchy level 2.

*Transfer between fair value hierarchy*

During the year, the Group has no transfers between fair value hierarchy levels.

*The Group’s valuation processes*

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

|  |
| --- |
| **9 Critical accounting 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.

**a) Fair value of certain financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 8.

**b) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group’s past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

**c) 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.

**d) Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of 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.

**e) 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.

**f) Defined retirement benefit obligations**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 25.

**g) Determination of lease terms**

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group also considers the underlying asset condition and/or insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

**h) Determination of discount rate applied to leases**

The Group determines the incremental borrowing rate as follows:

* Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
* Make adjustments specific to the lease, e.g. term, country, currency and security.

|  |
| --- |
| **10 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.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **Domestic sales** | | **Export sales** | |  | | |
|  | **segment** | | **segment** | | **Total** | | |
|  | **2020**  **Baht** | **2019**  **Baht** | **2020**  **Baht** | **2019**  **Baht** | **2020**  **Baht** | **2019**  **Baht** | |
|  |  |  |  |  |  |  | |
| Revenue from sales | 440,933,410 | 319,878,410 | 2,169,656,112 | 1,599,859,337 | 2,610,589,522 | 1,919,737,747 | |
| Cost of sales | (308,370,822) | (184,664,427) | (1,880,082,168) | (1,590,143,264) | (2,188,452,990) | (1,774,807,691) | |
|  |  |  |  |  |  |  | |
| **Segment profit** | 132,562,588 | 135,213,983 | 289,573,944 | 9,716,073 | 422,136,532 | 144,930,056 | |
| Other income |  |  |  |  | 7,178,469 | 5,738,718 | |
| Gains on exchange rate, net |  |  |  |  | 9,971,709 | 14,219,476 | |
| Gains on derivatives, net |  |  |  |  | 2,341,390 | - | |
| Unallocated costs |  |  |  |  |  |  | |
| - Selling and administrative |  |  |  |  |  |  | |
| expenses and finance costs |  |  |  |  | (229,776,879) | (216,452,093) | |
|  |  |  |  |  |  |  | |
| **Profit (loss) before income tax** |  |  |  |  | 211,851,221 | (51,563,843) | |
| Income tax |  |  |  |  | (18,939,028) | 9,684,432 | |
|  |  |  |  |  |  |  | |
| **Net profit (loss) for the year** |  |  |  |  | 192,912,193 | (41,879,411) | |
|  |  |  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  |  |  | |
| At a point in time | 440,933,410 | 319,878,410 | 2,169,656,112 | 1,599,859,337 | 2,610,589,522 | 1,919,737,747 | |

**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.

|  |
| --- |
| **11 Cash and cash equivalents** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash on hand | 34,875 | 36,169 | 33,169 | 33,169 |
| Cash at banks - current accounts | 14,268,375 | 286,855 | 14,186,672 | 205,152 |
| - savings accounts | 279,125,634 | 128,213,596 | 276,781,305 | 126,508,323 |
| - fixed accounts | 133,369 | 114,814,629 | 133,369 | 114,814,629 |
|  |  |  |  |  |
|  | 293,562,253 | 243,351,249 | 291,134,515 | 241,561,273 |

As at 31 December 2020, cash at banks - savings accounts carry interest at the rates of 0.01% to 0.125% per annum (2019 :   
at the rates of 0.01% to 0.375% per annum) and cash at banks - fixed accounts carry interest at the rate of 0.20% to 1.50% per annum (2019 : 1.50% to 1.75% per annum).

|  |
| --- |
| **12** **Trade and other receivables, net** |

**12.1 Trade and other receivables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables - third parties | 188,345,810 | 149,704,047 | 187,649,084 | 149,703,547 |
| Less Loss allowance (2019: Allowance for |  |  |  |  |
| doubtful accounts under TAS 101) | (2,800,804) | (1,553,309) | (2,800,804) | (1,553,309) |
|  |  |  |  |  |
| Total trade receivables, net | 185,545,006 | 148,150,738 | 184,848,280 | 148,150,238 |
|  |  |  |  |  |
| Others receivables - third parties | 2,303,276 | 3,598,814 | 2,303,276 | 3,598,814 |
| - subsidiary (Note 34.3) | - | - | - | 15,700 |
| Less Loss allowance (2019: Allowance for |  |  |  |  |
| doubtful accounts under TAS 101) | (15,841) | (86,240) | (15,841) | (86,240) |
|  |  |  |  |  |
| Total other receivables, net | 2,287,435 | 3,512,574 | 2,287,435 | 3,528,274 |
|  |  |  |  |  |
| Prepaid expenses | 5,143,121 | 3,930,906 | 5,106,537 | 3,884,702 |
| Advance payment | 223,897 | 293,245 | 218,397 | 293,245 |
| Others | 1,249,825 | 331,064 | 1,184,464 | 331,064 |
|  |  |  |  |  |
|  | 194,449,284 | 156,218,527 | 193,645,113 | 156,187,523 |

**12.2 Impairments of trade and other receivables**

Information about the impairment of trade and other receivables is disclosed in Note 5.1 (a).

|  |
| --- |
| **13 Financial assets and financial liabilities** |

As at 31 December 2020, classification of the Group’s financial assets and financial liabilities are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  | **FVPL** | **Amortised**  **cost** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
| **Financial assets** |  |  |  |
| Cash and cash equivalents | - | 293,562,253 | 293,562,253 |
| Trade and other receivable, net | - | 137,595,692 | 137,595,692 |
| Derivative assets | 2,218,452 | - | 2,218,452 |
| Restricted deposits at banks | - | 5,783,700 | 5,783,700 |
|  |  |  |  |
|  | 2,218,452 | 436,941,645 | 439,160,097 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  | **FVPL** | **Amortised**  **cost** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
| **Financial liabilities** |  |  |  |
| Trade and other payables | - | 188,012,457 | 188,012,457 |
| Derivative liabilities | 9,115 | - | 9,115 |
| Long-term loans from financial institutions | - | 3,900,000 | 3,900,000 |
| Lease liabilities, net | - | 17,397,084 | 17,397,084 |
|  |  |  |  |
|  | 9,115 | 209,309,541 | 209,318,656 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **FVPL** | **Amortised**  **cost** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
| **Financial assets** |  |  |  |
| Cash and cash equivalents | - | 291,134,515 | 291,134,515 |
| Trade and other receivable, net | - | 136,834,028 | 136,834,028 |
| Derivative assets | 2,218,452 | - | 2,218,452 |
| Restricted deposits at banks | - | 783,700 | 783,700 |
|  |  |  |  |
|  | 2,218,452 | 428,752,243 | 430,970,695 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **FVPL** | **Amortised**  **cost** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
| **Financial liabilities** |  |  |  |
| Trade and other payables | - | 186,769,356 | 186,769,356 |
| Long-term loans from financial institutions | - | 3,900,000 | 3,900,000 |
| Lease liabilities, net | - | 17,397,084 | 17,397,084 |
|  |  |  |  |
|  | - | 208,066,440 | 208,066,440 |

**a) Details of financial assets classified under TFRS 9 (2019: classified under TAS 105)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **As at 31 December 2020** | | | **As at 31 December 2019** | | |
|  | **FVPL**  **Baht** | **Amortised cost**  **Baht** | **Total**  **Baht** | **FVPL**  **Baht** | **Amortised cost**  **Baht** | **Total**  **Baht** |
| **Current assets** |  |  |  |  |  |  |
| Cash and cash equivalents | - | 293,562,253 | 293,562,253 | - | 243,351,249 | 243,351,249 |
| Trade and other receivables | - | 137,595,692 | 137,595,692 | - | 130,839,492 | 130,839,492 |
| Less: Loss allowances |  |  |  |  |  |  |
| (2019: loss allowance under TAS 101) | - | (2,816,645) | (2,816,645) | - | (1,639,549) | (1,639,549) |
| Derivatives assets | 2,218,452 | - | 2,218,452 | - | - | - |
|  |  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |  |
| Restricted deposits at banks | - | 5,783,700 | 5,783,700 | - | 5,783,700 | 5,783,700 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **As at 31 December 2020** | | | **As at 31 December 2019** | | |
|  | **FVPL**  **Baht** | **Amortised cost**  **Baht** | **Total**  **Baht** | **FVPL**  **Baht** | **Amortised cost**  **Baht** | **Total**  **Baht** |
| **Current assets** |  |  |  |  |  |  |
| Cash and cash equivalents | - | 291,134,515 | 291,134,515 | - | 241,561,273 | 241,561,273 |
| Trade and other receivables | - | 136,834,028 | 136,834,028 | - | 136,838,992 | 136,838,992 |
| Less: Loss allowances |  |  |  |  |  |  |
| (2019: loss allowance under TAS 101) | - | (2,816,645) | (2,816,645) | - | (1,639,549) | (1,639,549) |
| Derivatives assets | 2,218,452 | - | 2,218,452 | - | - | - |
|  |  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |  |
| Restricted deposits at banks | - | 783,700 | 783,700 | - | 783,700 | 783,700 |

**b)** **Amounts recognised in profit or loss**

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
|  | **For the year ended**  **31 December 2020** | **For the year ended**  **31 December 2019** |
|  | **Profit or loss** | **Profit or loss** |
|  | **Baht** | **Baht** |
|  |  |  |
| Fair value gains on derivative assets |  |  |
| - Foreign currency forward contracts at FVPL (2019: nil.) | 1,592,385 | - |
| Fair value gains on derivative liabilities |  |  |
| - Foreign currency forward contracts at FVPL (2019: nil.) | 749,005 | - |

|  |  |  |
| --- | --- | --- |
|  | **Separated financial statements** | |
|  | **For the year ended**  **31 December 2020** | **For the year ended**  **31 December 2019** |
|  | **Profit or loss** | **Profit or loss** |
|  | **Baht** | **Baht** |
|  |  |  |
| Fair value gains on derivative assets |  |  |
| - Foreign currency forward contracts at FVPL (2019: nil.) | 1,592,385 | - |
| Fair value gains on derivative liabilities |  |  |
| - Foreign currency forward contracts at FVPL (2019: nil.) | 758,120 | - |

**c) Expected credit losses for the year**

Information about impairment of financial assets at amortised cost and the Group’s exposure to credit risk is disclosed in Note 5.1(a).

|  |
| --- |
| **14 Inventories, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw materials | 2,698,982 | 1,761,149 | 2,698,982 | 1,761,149 |
| Finished goods | 57,583,537 | 161,405,566 | 57,583,537 | 161,397,801 |
| Containers and packing materials | 34,461,029 | 29,521,110 | 34,461,029 | 29,506,110 |
| Supplies | 9,199,649 | 8,020,933 | 9,199,649 | 8,020,933 |
|  |  |  |  |  |
|  | 103,943,197 | 200,708,758 | 103,943,197 | 200,685,993 |
| Less Allowance for decrease in value of inventories | (267,515) | (3,198,409) | (267,515) | (3,198,409) |
|  |  |  |  |  |
|  | 103,675,682 | 197,510,349 | 103,675,682 | 197,487,584 |

During the year 2020 and 2019, amounts recognised as cost of sales in profit or losses are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cost of sales | 2,188,185,475 | 1,771,609,282 | 2,177,902,610 | 1,759,121,643 |
| Write-down of inventories to net realisable value | 267,515 | 3,198,409 | 267,515 | 3,198,409 |
|  |  |  |  |  |
|  | 2,188,452,990 | 1,774,807,691 | 2,178,170,125 | 1,762,320,052 |

|  |
| --- |
| **15 Other current assets** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Value added tax refundable | 3,013,325 | 5,974,709 | 2,949,330 | 5,801,293 |
| Undue input value added tax | 1,728,175 | 1,304,286 | 1,727,814 | 1,304,227 |
| Withholding tax deducted at source | 52,773 | 79,077 | 52,773 | 48,011 |
| Others | 170,452 | 80,326 | 170,452 | 80,326 |
|  |  |  |  |  |
|  | 4,964,725 | 7,438,398 | 4,900,369 | 7,233,857 |

|  |
| --- |
| **16 Restricted deposits at banks** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash at banks - savings accounts | 5,000,000 | 5,000,000 | - | - |
| - fixed accounts | 783,700 | 783,700 | 783,700 | 783,700 |
|  |  |  |  |  |
|  | 5,783,700 | 5,783,700 | 787,700 | 783,700 |

As at 31 December 2020, restricted deposits at a banks comprise of cash at banks - savings accounts which bear interest rate at 0.125% per annum (2019 : at the rate of 0.375% per annum) and cash at banks - fixed deposits accounts bear interest rate at 0.375% per annum (2019 : at the rate of 1.05% per annum). The Group has been used as collateral against bank guarantee for electricity usage (Note 35.2) and bank overdrafts and short-term loans from financial institutions of subsidiary.

|  |
| --- |
| **17 Investments in subsidiary** |

As at 31 December 2020, 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** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
| **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 |

|  |
| --- |
| **18 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 2019** |  |  |  |  |  |  |  |  |
| 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 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **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** |
| **Adjustments from change in** |  |  |  |  |  |  |  |  |
| **accounting policy (Note 5)** |  |  |  |  |  |  |  |  |
| Cost | - | - | - | (15,950,105) | (500,000) | (4,632,126) | - | (21,082,231) |
| Less Accumulated depreciation | - | - | - | 792,312 | 250,271 | 2,235,865 | - | 3,278,448 |
|  |  |  |  |  |  |  |  |  |
| Net book amount | - | - | - | (15,157,793) | (249,729) | (2,396,261) | - | (17,803,783) |
|  |  |  |  |  |  |  |  |  |
| **As at 1 January 2020** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 15,984,599 | 161,861,910 | 778,866,049 | 13,755,555 | 17,339,163 | 51,479,456 | 1,137,993,235 |
| Less Accumulated depreciation | - | (8,022,490) | (60,087,568) | (345,024,826) | (8,976,012) | (17,129,415) | - | (439,240,311) |
| Less Allowance for impairment | - | - | - | (4,305,655) | (24,329) | - | - | (4,329,984) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 429,535,568 | 4,755,214 | 209,748 | 51,479,456 | 694,422,940 |
|  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |  |  |  |
| Opening net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 429,535,568 | 4,755,214 | 209,748 | 51,479,456 | 694,422,940 |
| Additions | - | - | 293,800 | 6,262,072 | 1,642,114 | - | 24,276,580 | 32,474,566 |
| Transfer in (out) | - | 37,757 | 31,000 | 25,358,239 | - | - | (25,426,996) | - |
| Disposals, net | - | - | - | (1,305,774) | (6,706) | (2) | - | (1,312,482) |
| Transfer assets to expenses | - | - | - | - | - | - | (100,935) | (100,935) |
| Transfer from right-of-use assets, net | - | - | - | 1 | - | - | - | 1 |
| Depreciation charge | - | (1,222,203) | (7,917,873) | (54,657,408) | (1,513,667) | (209,742) | - | (65,520,893) |
| Impairment charge | - | - | - | (2,871,373) | - | - | - | (2,871,373) |
|  |  |  |  |  |  |  |  |  |
| Closing net book amount | 98,706,503 | 6,777,663 | 94,181,269 | 402,321,325 | 4,876,955 | 4 | 50,228,105 | 657,091,824 |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 16,022,356 | 162,186,710 | 802,713,420 | 14,973,844 | 12,859,164 | 50,228,105 | 1,157,690,102 |
| Less Accumulated depreciation | - | (9,244,693) | (68,005,441) | (393,215,066) | (10,072,561) | (12,859,160) | - | (493,396,921) |
| Less Allowance for impairment | - | - | - | (7,177,029) | (24,328) | - | - | (7,201,357) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 6,777,663 | 94,181,269 | 402,321,325 | 4,876,955 | 4 | 50,228,105 | 657,091,824 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **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 2019** |  |  |  |  |  |  |  |  |
| 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) |
| Reversal of (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 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **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** |
| **Adjustments from change in** |  |  |  |  |  |  |  |  |
| **accounting policy (Note 5)** |  |  |  |  |  |  |  |  |
| Cost | - | - | - | (15,950,105) | (500,000) | (4,632,126) | - | (21,082,231) |
| Less Accumulated depreciation | - | - | - | 792,312 | 250,271 | 2,235,865 | - | 3,278,448 |
|  |  |  |  |  |  |  |  |  |
| Net book amount | - | - | - | (15,157,793) | (249,729) | (2,396,261) | - | (17,803,783) |
|  |  |  |  |  |  |  |  |  |
| **As at 1 January 2020** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 15,984,599 | 161,861,910 | 778,835,345 | 13,755,555 | 13,819,654 | 51,479,456 | 1,134,443,022 |
| Less Accumulated depreciation | - | (8,022,490) | (60,087,568) | (344,994,123) | (8,976,012) | (13,615,793) | - | (435,695,986) |
| Less Allowance for impairment | - | - | - | (4,305,656) | (24,328) | - | - | (4,329,984) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 429,535,566 | 4,755,215 | 203,861 | 51,479,456 | 694,417,052 |
|  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |  |  |  |
| Opening net book amount | 98,706,503 | 7,962,109 | 101,774,342 | 429,535,566 | 4,755,215 | 203,861 | 51,479,456 | 694,417,052 |
| Additions | - | - | 293,800 | 6,262,072 | 1,642,114 | - | 24,276,580 | 32,474,566 |
| Transfer in (out) | - | 37,757 | 31,000 | 25,358,239 | - | - | (25,426,996) | - |
| Disposals, net | - | - | - | (1,305,774) | (6,706) | (2) | - | (1,312,482) |
| Transfer assets to expenses | - | - | - | - | - | - | (100,935) | (100,935) |
| Transfer from right-of-use assets, net | - | - | - | 1 | - | - | - | 1 |
| Depreciation charge | - | (1,222,203) | (7,917,873) | (54,657,408) | (1,513,667) | (203,857) | - | (65,515,008) |
| Impairment charge | - | - | - | (2,871,373) | - | - | - | (2,871,373) |
|  |  |  |  |  |  |  |  |  |
| Closing net book amount | 98,706,503 | 6,777,663 | 94,181,269 | 402,321,323 | 4,876,956 | 2 | 50,228,105 | 657,091,821 |
|  |  |  |  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |  |  |  |
| Cost | 98,706,503 | 16,022,356 | 162,186,710 | 802,682,715 | 14,973,845 | 9,339,655 | 50,228,105 | 1,154,139,889 |
| Less Accumulated depreciation | - | (9,244,693) | (68,005,441) | (393,184,363) | (10,072,561) | (9,339,653) | - | (489,846,711) |
| Less Allowance for impairment | - | - | - | (7,177,029) | (24,328) | - | - | (7,201,357) |
|  |  |  |  |  |  |  |  |  |
| Net book amount | 98,706,503 | 6,777,663 | 94,181,269 | 402,321,323 | 4,876,956 | 2 | 50,228,105 | 657,091,821 |

During the year 2020, the management decide to recognised the impairment of certain part of machinery and equipment and office equipment, which obsolete and no longer usable of Baht 3.18 million. The recoverable amount 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 2020, a certain part of machinery and equipment Baht 353.56 million (2019 : a certain part of machinery and equipment at the cost of Baht 356.73 million) has been pledged as collateral against borrowings from financial institutions (Note 20).

From 2020, the Group are presented right-of-use assets as a separate line item in the financial position as a results of changes in accounting policy in Note 19.

During the year ended 31 December 2019, additions include Baht 16.20 million of assets leased under finance leases (where the Group is the lessee) and there was no assets sold under finance leases.

The Group is a lessee under a finance lease comprise of machinery, equipment and vehicles as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Cost of assets under a finance lease | - | 21,082,231 |
| Less Accumulated depreciation | - | (3,278,449) |
|  |  |  |
| Net book amount | - | 17,803,782 |

|  |
| --- |
| **19 Right-of-use assets, net** |

The movements of right-of-use assets for the year 2020 is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | | |
|  | **Machinery** | **Office** |  |  |
|  | **and equipment** | **equipment** | **Vehicles** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Balance as at 1 January 2020 (Note 5) | 20,470,224 | 249,729 | 2,396,261 | 23,116,214 |
| Additions | 474,191 | 440,320 | 4,495,046 | 5,409,557 |
| Depreciation | (3,839,577) | (199,742) | (966,248) | (5,005,567) |
| Transfer to fixed assets | (1) | - | - | (1) |
|  |  |  |  |  |
| Balance as at 31 December 2020 | 17,104,837 | 490,307 | 5,925,059 | 23,520,203 |

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Expense relating to short-term leases | 1,242,000 | - |
| Expense relating to leases of low-value assets | 90,000 | - |

|  |
| --- |
| **20 Intangible assets, net** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | |
|  |  | **Computer** |  |
|  | **Computer** | **software under** |  |
|  | **software** | **installation** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
| **As at 1 January 2019** |  |  |  |
| 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 |
|  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |
| Opening net book amount | 5,467,021 | 22,500 | 5,489,521 |
| Additions | 4,800 | 12,000 | 16,800 |
| Transfer assets to expense | - | (22,500) | (22,500) |
| Write-off, net | (3) | - | (3) |
| Amortisation charge | (1,899,939) | - | (1,899,939) |
|  |  |  |  |
| Closing net book amount | 3,571,879 | 12,000 | 3,583,879 |
|  |  |  |  |
| **As at 31 December 2020** |  |  |  |
| Cost | 10,028,745 | 12,000 | 10,040,745 |
| Less Accumulated amortisation | (6,456,866) | - | (6,456,866) |
|  |  |  |  |
| Net book amount | 3,571,879 | 12,000 | 3,583,879 |

|  |
| --- |
| **21 Deferred income taxes** |

Deferred tax assets and liabilities comprise the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |
| Deferred income tax assets to be |  |  |  |  |
| recovered within 12 months | 720,972 | 8,960,544 | 719,149 | 8,960,544 |
| Deferred income tax assets to be |  |  |  |  |
| recovered more than 12 months | 4,598,745 | 6,765,038 | 4,598,745 | 6,765,038 |
|  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| Deferred income tax liabilities to be |  |  |  |  |
| settled within 12 months | (1,148,627) | (437,892) | (1,148,627) | (437,892) |
|  |  |  |  |  |
| **Deferred tax assets, net** | 4,171,090 | 15,287,690 | 4,169,267 | 15,287,690 |

The movements in deferred tax assets and liabilities during the year is as follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  |  |  |  | **Allowance** | **Allowance** |  |  |  |  |
|  | **Impairment** | **Employee** | **Amortisation** | **for** | **for decrease** |  | **Tax losses** |  |  |
|  | **on expected** | **benefit** | **expenses of** | **impairment** | **in value of** | **Derivative** | **carry** |  |  |
|  | **credit losses** | **obligations** | **trademark** | **of assets** | **inventories** | **liabilities** | **forward** | **Others** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |  |  |  |  |  |
| At 1 January 2019 | 31,754 | 4,986,013 | 243,945 | 850,337 | - | - | - | - | 6,112,049 |
| Charged/(credited) to profit or loss | 296,156 | 1,811,500 | (243,945) | (357,252) | 639,682 | - | 7,992,950 | - | 10,139,091 |
| Charged/(credited) to other comprehensive income | - | (525,558) | - | - | - | - | - | - | (525,558) |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2019 | 327,910 | 6,271,955 | - | 493,085 | 639,682 | - | 7,992,950 | - | 15,725,582 |
| Adjustments from adoption of new financial reporting |  |  |  |  |  |  |  |  |  |
| standards and changes in accounting policies | 24,586 | - | - | - | - | 151,624 | - | - | 176,210 |
|  |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 352,496 | 6,271,955 | - | 493,085 | 639,682 | 151,624 | 7,992,950 | - | 15,901,792 |
| Charged/(credited) to profit or loss | 210,833 | (2,554,322) | - | 388,028 | (586,179) | (149,801) | (7,992,950) | 102,316 | (10,582,075) |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2020 | 563,329 | 3,717,633 | - | 881,113 | 53,503 | 1,823 | - | 102,316 | 5,319,717 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  |  |  |  | **Allowance** | **Allowance** |  |  |  |  |
|  | **Impairment** | **Employee** | **Amortisation** | **for** | **for decrease** |  | **Tax losses** |  |  |
|  | **on expected** | **benefit** | **expenses of** | **impairment** | **in value of** | **Derivative** | **carry** |  |  |
|  | **credit losses** | **obligations** | **trademark** | **of assets** | **inventories** | **liabilities** | **forward** | **Others** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |  |  |  |  |  |
| At 1 January 2019 | 31,754 | 4,984,615 | 243,945 | 850,337 | - | - | - | - | 6,110,651 |
| Charged/(credited) to profit or loss | 296,156 | 1,812,898 | (243,945) | (357,252) | 639,682 | - | 7,992,950 | - | 10,140,489 |
| Charged/(credited) to other comprehensive income | - | (525,558) | - | - | - | - | - | - | (525,558) |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2019 | 327,910 | 6,271,955 | - | 493,085 | 639,682 | - | 7,992,950 | - | 15,725,582 |
| Adjustments from adoption of new financial reporting |  |  |  |  |  |  |  |  |  |
| standards and changes in accounting policies | 24,586 | - | - | - | - | 151,624 | - | - | 176,210 |
|  |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 352,496 | 6,271,955 | - | 493,085 | 639,682 | 151,624 | 7,992,950 | - | 15,901,792 |
| Charged/(credited) to profit or loss | 210,833 | (2,554,322) | - | 388,028 | (586,179) | (151,624) | (7,992,950) | 102,316 | (10,583,898) |
|  |  |  |  |  |  |  |  |  |  |
| At 31 December 2020 | 563,329 | 3,717,633 | - | 881,113 | 53,503 | - | - | 102,316 | 5,317,894 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | |
|  | **Right-of-use** | **Derivative** |  |
|  | **assets** | **assets** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| **Deferred tax liabilities** |  |  |  |
| At 1 January 2019 | (935,262) | - | (935,262) |
| Credited to profit or loss | 497,370 | - | 497,370 |
|  |  |  |  |
| At 31 December 2019 | (437,892) | - | (437,892) |
| Adjustments from adoption of new financial reporting |  |  |  |
| standards and changes in accounting policies | - | (125,213) | (125,213) |
|  |  |  |  |
| At 1 January 2020 | (437,892) | (125,213) | (563,105) |
| Charged to profit or loss | (267,045) | (318,477) | (585,522) |
|  |  |  |  |
| At 31 December 2020 | (704,937) | (443,690) | (1,148,627) |

|  |
| --- |
| **22 Borrowings** |

**22.1 Short-term loans from financial institutions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Consolidated and separate** | |
|  |  | | **financial statements** | |
|  |  |  | **2020** | **2019** |
|  |  |  | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term loans - promissory notes |  |  | - | 159,000,000 |
| - trust receipt |  |  | - | 44,930,223 |
| - packing credit |  |  | - | 9,640,000 |
|  |  |  |  |  |
|  |  |  | - | 213,570,223 |

Short-term loans from financial institutions are secured by restricted deposit at a bank (Note 16) and certain part of machinery and equipment (Note 18).

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening balance | 213,570,223 | 93,907,000 |
| Additions during the year | 268,310,415 | 722,191,398 |
| Repayments during the year | (481,880,638) | (602,528,175) |
|  |  |  |
| Closing balance | - | 213,570,223 |

Details of short-term loans from financial institutions as at 31 December 2020 and 2019 are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | | **Consolidated and separate** | |
|  |  | **Significant condition of loans agreement** | | **financial statement** | |
|  | **Credit limit** | **Interest rate** |  | **2020** | **2019** |
| **No.** | **Baht** | **(% per annum)** | **Secured by** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| 1 | 200,000,000 | MMR+0.25 | Certain part of machinery and equipment | - | 159,000,000 |
| 2 | 105,000,000 | MMR | None | - | 46,676,551 |
| 3 | 50,000,000 | MMR | None | - | 7,893,672 |
|  |  |  |  |  |  |
|  |  |  |  | - | 213,570,223 |

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

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2020 and 2019 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Current portion of long-term loans |  |  |
| from financial institutions | 3,600,000 | 3,600,000 |
| Non-current portion of long-term |  |  |
| loans from financial institutions | 300,000 | 3,900,000 |
|  |  |  |
|  | 3,900,000 | 7,500,000 |

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

time

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening balance | 7,500,000 | - |
| Additions during the year | - | 9,000,000 |
| Repayments during the year | (3,600,000) | (1,500,000) |
|  |  |  |
| Closing balance | 3,900,000 | 7,500,000 |

Details of long-term loans as at 31 December 2020 and 2019 are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **Consolidated and separate** | |
|  |  |  |  |  |  |  | **financial statements** | |
|  | **Credit limit** |  |  |  | **Interest** |  | **2020** | **2019** |
| **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 | 3,900,000 | 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 (2019 : MLR minus fixed rate) and are within the level 2 of fair value hierarchy.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | | |
|  | **Carrying amount** | | **Fair value** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term loans from financial institutions | 3,900,000 | 7,500,000 | 3,900,596 | 7,498,969 |

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **per annum** | **per annum** |
|  |  |  |
| Effective interest rate |  |  |
| - Long-term loans from financial institutions | 4.00% | 4.16% |

**22.3 Lease liabilities**

Details of maturity of finance lease liabilities are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
| **Minimum finance lease liabilities payments** |  |  |
| Not later than 1 year | - | 4,658,305 |
| Later than 1 year but not later than 5 years | - | 11,623,973 |
| Less Future finance charges on finance lease | - | (1,686,125) |
|  |  |  |
| Present value of finance lease liabilities | - | 14,596,153 |
|  |  |  |
| **Present value of finance lease liabilities:** |  |  |
| Not later than 1 year | - | 3,906,136 |
| Later than 1 year but not later than 5 years | - | 10,690,017 |
|  |  |  |
|  | - | 14,596,153 |

|  |
| --- |
| **23 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade payables - third parties | 182,439,880 | 185,615,334 | 181,804,551 | 185,583,330 |
| Other payables - third parties | 590,619 | 748,156 | 590,619 | 748,156 |
| Accrued planting promotion expense | 6,207,643 | 7,965,135 | 6,207,643 | 7,965,135 |
| Accrued wages | 4,432,381 | 4,564,887 | 4,432,381 | 4,564,887 |
| Accrued expenses | 10,699,652 | 8,004,057 | 10,481,386 | 7,798,322 |
| Others | 1,812,122 | 1,204,350 | 1,204,350 | 1,204,350 |
|  |  |  |  |  |
|  | 206,182,297 | 208,101,919 | 204,720,930 | 207,864,180 |

|  |
| --- |
| **24 Contract liabilities** |

Contract liabilities are advance received from customers which the Group has recognised the following liabilities related to contracts with customers:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2020** | **2019** | |
|  | **Baht** | **Baht** | |
|  |  |  | |
| Contract liabilities |  |  | |
| - Current | 14,839,760 | 16,290,296 | |

Revenue recognised in the current reporting period relates to carried-forward contract liabilities is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Revenue recognised that was included in the contract liabilities balance |  |  |
| at the beginning of the period |  |  |
| - Advance received from customers | 16,290,296 | 8,732,085 |

|  |
| --- |
| **25 Employee benefit obligations** |

The movement of employee benefit obligations during the year is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| As at 1 January | 31,359,773 | 24,930,065 | 31,359,773 | 24,923,073 |
| Current service cost | 3,595,981 | 2,568,146 | 3,595,981 | 2,562,358 |
| Interest cost | 448,444 | 405,900 | 448,444 | 405,690 |
| Past service cost | - | 6,083,451 | - | 6,080,721 |
| Remeasurement |  |  |  |  |
| - Gain from change in actuarial |  |  |  |  |
| assumptions (Note 28) | - | (2,627,789) | - | (2,627,789) |
| Increase in obligation of transferred |  |  |  |  |
| staffs from subsidiary | - | - | - | 15,720 |
| Benefit payment | (16,816,033) | - | (16,186,033) | - |
|  |  |  |  |  |
| As at 31 December | 18,588,165 | 31,359,773 | 18,588,165 | 31,359,773 |

The significant actuarial assumptions used were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidate and separate** | |
|  | **financial statements** | |
|  | **31 December** | **31 December** |
|  | **2020** | **2019** |
|  |  |  |
| Discount rate | 1.43% | 1.43% |
| Expected future salary increase | 3.5% | 3.5% |
| Staff turnover rate |  |  |
| - Age less than 31 | 23% | 23% |
| - Age between 31 to 40 | 12% | 12% |
| - Age between 41 to 50 | 7% | 7% |
| - Age above 50 | 0% | 0% |
| Retirement age | 60 years | 60 years |

Sensitivity analysis for each significant assumptions used were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated and separate financial statements** | | | |
|  |  | **Impact on defined benefit obligation** | | | |
|  | **Change in** | **Increase in assumption** | | **Decrease in assumption** | |
|  | **assumption** | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |  |
| Discount rate | 1% | Decreased by 5.77% | Decreased by 5.34% | Increased by 6.84% | Increased by 6.32% |
| Salary growth rate | 1% | Increased by 7.65% | Increased by 6.12% | Decreased by 6.62% | Decreased by 5.29% |
| Staff turnover rate | 1% | Decreased by 6.08% | Decreased by 5.62% | Increased by 2.53% | Increased by 2.32% |
| Life expectancy | 1 year | Increased by 0.34% | Increased by 0.31% | Decreased by 0.33% | Decreased by 0.31% |

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 8.67 years.

The Group use the cash flows from operating activities to pay the retirement benefits.

Expected maturity analysis of undiscounted retirement is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Retirement benefits |  |  |
| - Less than 1 year | 1,856,790 | 2,295,685 |
| - Between 1 to 5 years | 18,387,950 | 20,244,740 |
| - More than 5 years | 141,976,088 | 141,976,088 |
|  |  |  |
|  | 162,220,828 | 164,516,513 |

|  |
| --- |
| **26 Dividends per share** |

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, totalling 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.

At the Company’s Board of Directors’ meeting No. 4/2563 on 7 August 2020, the Board approved a payment of interim dividend from the six-month period ended 30 June 2020 operational results at Baht 0.05 per share totalling Baht 21.50 million. The dividend was paid to shareholders on 3 September 2020.

|  |
| --- |
| **27 Legal reserve** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| As at 1 January | 11,400,000 | 11,400,000 |
| Appropriation during the year | 10,000,000 | - |
|  |  |  |
| As at 31 December | 21,400,000 | 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.

|  |
| --- |
| **28 Component of other comprehensive income (expense)** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| **Other comprehensive income (expense):** |  |  |
| Remeasurements of employee benefit |  |  |
| obligations (Note 25) | - | 2,627,789 |
|  |  |  |
| **Total other comprehensive** **income (expense)** | - | 2,627,789 |
| Less Income tax relating to comprehensive income | - | (525,558) |
|  |  |  |
| **Other comprehensive income** |  |  |
| **(expense) for the year, net of tax** | - | 2,102,231 |

|  |
| --- |
| **29 Other income** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Interest income | 459,974 | 945,762 | 445,380 | 949,032 |
| Revenue from selling scrap | 897,761 | 1,049,886 | 897,761 | 1,049,886 |
| Rental income | 691,680 | 628,800 | 691,680 | 628,800 |
| Income from sales of staff uniforms | 447,012 | 388,100 | 447,012 | 388,100 |
| Compensation from damaged goods | 350,724 | 352,982 | 350,724 | 352,982 |
| Others | 4,376,318 | 2,373,188 | 5,091,380 | 2,422,280 |
|  |  |  |  |  |
|  | 7,178,469 | 5,738,718 | 7,878,937 | 5,791,080 |

|  |
| --- |
| **30 Finance costs** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Interest expense |  |  |  |  |
| - loans from financial institutions | 800,894 | 4,721,065 | 800,894 | 4,719,489 |
| - finance lease liabilities | 971,663 | 1,023,993 | 971,663 | 1,023,993 |
|  |  |  |  |  |
|  | 1,772,557 | 5,745,058 | 1,772,557 | 5,743,482 |

|  |
| --- |
| **31 Expense by nature** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw materials and consumables used | 1,539,832,792 | 1,116,858,795 | 1,539,832,792 | 1,116,858,795 |
| Change in work in process and finished goods | 94,679,380 | 175,204,951 | 94,679,380 | 175,199,384 |
| Staff costs and other benefits | 311,527,006 | 269,650,218 | 311,368,557 | 269,139,998 |
| Transportation expenses | 152,766,509 | 121,111,530 | 151,716,130 | 120,139,488 |
| Depreciation and amortisation charges | 72,426,399 | 64,902,275 | 72,420,514 | 64,492,138 |
| Utilities expenses | 47,939,525 | 40,730,195 | 47,939,375 | 40,729,950 |
| Planting promotion expense | 41,965,334 | 32,936,798 | 41,965,334 | 32,936,798 |
| Rental expenses | 12,493,690 | 26,440,146 | 12,793,690 | 26,740,146 |
| Labour costs | 12,165,865 | 15,740,604 | 12,133,365 | 15,740,604 |
| Repair and maintenance expenses | 19,121,450 | 14,593,158 | 19,105,687 | 14,593,158 |
| Advertising and promotion expenses | 4,534,255 | 8,804,229 | 4,522,000 | 8,804,229 |
| Plant and office expense | 10,345,368 | 8,436,347 | 10,345,368 | 8,436,347 |
| Commission and incentive | 11,813,218 | 8,222,398 | 11,813,218 | 8,211,689 |
| Services and consultation expenses | 6,615,296 | 7,115,967 | 6,399,696 | 6,896,167 |
| Traveling and entertainment expenses | 4,197,144 | 7,354,275 | 4,079,616 | 7,163,085 |
| Loss from impairment of assets | 2,871,373 | 78,300 | 2,871,373 | 78,300 |

|  |
| --- |
| **32 Income tax** |

Income tax expense for the year comprises the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Current tax: |  |  |  |  |
| Current tax on profits for the year | (7,822,428) | (135,295) | (7,787,007) | - |
| Adjustments in respect of prior year | - | (816,734) | - | (816,734) |
|  |  |  |  |  |
| **Total current tax** | (7,822,428) | (952,029) | (7,787,007) | (816,734) |
|  |  |  |  |  |
| Deferred tax: |  |  |  |  |
| Increase (Decrease) in deferred tax assets (Note 21) | (10,582,075) | 10,139,091 | (10,583,898) | 10,140,489 |
| (Increase) Decrease in deferred tax liabilities (Note 21) | (585,522) | 497,370 | (585,522) | 497,370 |
| Adjustments from adoption of new financial reporting |  |  |  |  |
| standards and changes in accounting policies (Note 21) | 50,977 | - | 50,997 | - |
|  |  |  |  |  |
| **Total deferred tax** | (11,116,600) | 10,636,461 | (11,118,423) | 10,637,859 |
|  |  |  |  |  |
| **Income tax** | (18,939,028) | 9,684,432 | (18,905,430) | 9,821,125 |

Income taxes disclosed in statement of income were calculated from taxable income at tax rate of 9% for the Group (2019 : At tax rate of 19%). The decrease in current year’s tax rate came from and exemption from BOI promotion privilege.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated and separate financial statements** | | | | | |
|  | **2020** | | | **2019** | | |
|  |  | **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 |
|  |  |  |  |  |  |  |
| **Other comprehensive income** | - | - | - | 2,627,789 | (525,558) | 2,102,231 |

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** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Profit (loss) before income tax | 211,851,221 | (51,563,843) | 211,683,929 | (51,985,458) |
|  |  |  |  |  |
| Tax calculated at a tax rate of 20% (2019 : 20%) | 42,370,244 | (10,312,769) | 42,336,786 | (10,397,092) |
| Tax effect of: |  |  |  |  |
| Exemption from BOI promotion privilege | (24,731,478) | - | (24,731,478) | - |
| Expenses not deductible for tax purpose | 117,883 | 427,928 | 117,743 | 375,315 |
| Expenses additionally deductible for |  |  |  |  |
| tax purpose | (655,155) | (1,269,679) | (655,155) | (1,269,436) |
| Utilisation of previously unrecognised tax losses | (225,472) | (225,350) | (225,472) | (225,350) |
| Temporary differences which deferred |  |  |  |  |
| tax assets had not been recognised | 2,063,006 | 878,704 | 2,063,006 | 878,704 |
| Adjustment in respect of prior year | - | 816,734 | - | 816,734 |
|  |  |  |  |  |
| Income tax | 18,939,028 | (9,684,432) | 18,905,430 | (9,821,125) |

|  |
| --- |
| **33 Earnings (loss) per share** |

Basic earnings (loss) 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** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Profit (loss) attributable to the ordinary equity holders of  the company used as the denominator in calculating  basic earnings (loss) per share (Baht) | 192,912,193 | (41,879,411) | 192,778,499 | (42,164,333) |
|  |  |  |  |  |
| Weighted average number of ordinary |  |  |  |  |
| shares outstanding used as the denominator in |  |  |  |  |
| calculating basic earnings (loss) per share (Shares) | 430,000,000 | 430,000,000 | 430,000,000 | 430,000,000 |
|  |  |  |  |  |
| Basic earnings (loss) per share (Baht per share) | 0.45 | (0.10) | 0.45 | (0.10) |

The Company has no potential dilutive ordinary shares in issue during the year ended 31 December 2020 and 2019. Therefore, dilutive ordinary share is not presented.

|  |
| --- |
| **34 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:

**34.1 Sales of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Service rendered to |  |  |  |  |
| - subsidiary | - | - | 720,000 | 120,000 |
| - related persons | 25,276 | 25,107 | 25,276 | 25,107 |
|  |  |  |  |  |
|  | 25,276 | 25,107 | 745,276 | 145,107 |
|  |  |  |  |  |
| Rental income from |  |  |  |  |
| - subsidiary | - | - | 60,000 | 60,000 |
| - related persons | 691,680 | 628,800 | 691,680 | 628,800 |
|  |  |  |  |  |
|  | 691,680 | 628,800 | 751,680 | 688,800 |
|  |  |  |  |  |
| Interest income from subsidiary | - | - | - | 26,370 |

**34.2** **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Rental expense to |  |  |  |  |
| - subsidiary | - | - | 300,000 | 300,000 |
| - related persons | 209,760 | 209,760 | 209,760 | 209,760 |
|  |  |  |  |  |
|  | 209,760 | 209,760 | 509,760 | 509,760 |
|  |  |  |  |  |
| Other expenese to related persons | 50,000 | - | - | - |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Other receivables - subsidiary | - | - | - | 15,700 |

**34.4 Short-term loans to subsidiary**

|  |  |  |
| --- | --- | --- |
|  | **Separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| As at 1 January | - | - |
| Additions during the year | - | 5,500,000 |
| Interest increased during the year | - | 26,370 |
| Repayments during the year | - | (5,526,370) |
|  |  |  |
| As at 31 December | - | - |

During the year 2019, the short-term loans to subsidiary were made on commercial terms and conditions which unsecured and bearing interest at the rate of 3.50% per annum and received all principle and interest in full.

**34.5 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** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Salaries and other short-term benefits | 22,123,726 | 22,159,439 |
| Post-employment benefits | 342,120 | 4,974,686 |
|  |  |  |
|  | 22,465,846 | 27,134,125 |

|  |
| --- |
| **35 Commitments** |

**35.1 Sale foreign currency forward contracts**

As at 31 December 2020, the settlement date on open sales forward contracts are 6 months (2019 : 6 months). The local currency amounts and contractual exchange rates of the outstanding contracts were:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **Foreign currency** | |  |  |  |  |
|  | **contract amount** | | **Contract rate** | | **2020** | **2019** |
| **Foreign currency** | **2020** | **2019** | **2020** | **2019** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| USD | 1,736,438 | 10,082,295 | 30.31 - 31.50 | 30.00 - 30.21 | 54,380,148 | 303,507,929 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **Foreign currency** | |  |  |  |  |
|  | **contract amount** | | **Contract rate** | | **2020** | **2019** |
| **Foreign currency** | **2020** | **2019** | **2020** | **2019** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| USD | 1,703,438 | 10,082,295 | 31.20 - 31.50 | 30.00 - 30.21 | 53,379,918 | 303,507,929 |

*Fair value*

The net fair value of forward foreign exchange contracts as at 31 December 2020 is disclose in Note 8   
(2019: Unrecognised).

**35.2 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** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Guarantee for electricity usage | 3,833,200 | 3,554,000 |

**35.3 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** | |
|  | **2020** | **2019** |
|  |  |  |
| Agreement for sales of goods in advance denominated in |  |  |
| - Baht | 70,311,160 | 47,907,940 |
| - USD | 23,181,641 | 17,650,074 |
| - Yen | 7,714,000 | 89,423,890 |
| - Euro | - | 968,967 |

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

**35.4 Non-cancellable operating leases - where a Group is the lessee**

At 31 December 2019, the Group leases office equipment and vehicles under non-cancellable operating lease agreement, expiring within 1 year to 3 years 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** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Within 1 year | - | 4,014,000 |
| Later than 1 year but not later than 3 years | - | 2,934,500 |
|  |  |  |
|  | - | 6,948,500 |

**35.5 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** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Property, plant and equipment | 19,178,181 | 1,552,603 |

|  |
| --- |
| **36 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 2020 and 2019 as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate**  **financial statements** | | |
|  | **BOI** | **Non-BOI** | **Total** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| **2020** |  |  |  |
|  |  |  |  |
| Revenue from sales | 1,529,537,372 | 1,069,023,579 | 2,598,560,951 |
|  |  |  |  |
| **2019** |  |  |  |
|  |  |  |  |
| Revenue from sales | 1,313,230,345 | 591,669,434 | 1,904,899,779 |

|  |
| --- |
| **37 Event occurring after the reporting period** |

*Land purchase*

At the Company’s Board of Directors’ meeting No. 1/2564 on 13 January 2021, the Board approved the purchase of 224 plots of land, totalling 1,007 rai, for a total of Baht 125 million. The purchase is to support the cultivation of sweet corn and other agricultural products, strengthen the stability of the Company’s raw materials and support the development of agricultural technology.

*Legal reserves*

At the Company’s Board of Directors’ meeting No.2/2564 on 22 February 2021, the Board approved a proposal to the 2021 Annual Shareholders’ meeting, to be held on 20 April 2021, to consider approval of setting the legal reserve for 2020 at Baht 10 million.

*Capital increase*

At the Company’s Board of Directors’ meeting No.2/2564 on 22 February 2021, the Board approved a proposal to the 2021 Annual Shareholders’ meeting, to be held on 20 April 2021, to consider approval of an increase in the Company’s registered capital from 430 million ordinary shares, totalling Baht 215 million to a total registered capital of 645 million ordinary shares, totalling Baht 322.50 million by issuing 215 million new ordinary shares with a par value of Baht 0.50 per share, totalling Baht 107.50 million.

*Allocation of newly issued shares*

At the Company’s Board of Directors’ meeting No.2/2564 on 22 February 2021, the Board approved a proposal to the 2021 Annual Shareholders’ meeting, to be held on 20 April 2021, to consider approval of the allocation of 215 million newly issued shares with a par value of Baht 0.50 per share and to consider approval of the 2020 dividend payment at Baht 0.35 per share, totalling Baht 150.50 million. However, the Company has paid the interim dividend on   
3 September 2020 at Baht 0.05 per share, totalling Baht 21.50 million.

The remaining annual dividend of Baht 0.30 per share, totalling Baht 129 million will be made in cash and stock dividends as follows;

* Stock dividend payment will be from registered capital increase and will not exceed 215.50 million ordinary shares with a par value of Baht 0.50 per share, totalling Baht 107.50 million at the ratio of   
  two existing ordinary shares to one stock dividend. If there is a fractional existing share from stock dividend payment calculation, the dividend payment for the fractional share will be made in cash at the rate of Baht 0.25 per share.
* Cash payment at Baht 0.05 per share, totalling Baht 21.50 million.

*Transfer of registered security*

At the Company’s Board of Directors’ meeting No. 2/2564 on 22 February 2021, the Board approved the transfer of the registered security, SUN, from the Market for Alternative Investment (MAI) to the Stock Exchange of Thailand (SET) by assigning management to submit a listing application to the SET within the second quarter of 2021.