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| **1 General information** |

R&B Food Supply Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

Head office: 3395 Soi Ladprao 101 (Wadbuengthonglang) Klongchan, Bangkapi, Bangkok 10240.

The principal business operations of the Company and its subsidiaries (“the Group”) are manufacturing and trading of bread products, colour, fragrances and chemicals, which are used in food, beverage, consumer product industries and hotel business.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 25 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 continuing to the present has adverse effects on operating results for the year ended 31 December 2020 particularly on the hotel properties.

The global COVID-19 outbreak initiated government-imposed travelling restrictions and controls as well as upended the normal way of living and economic activities. As a result, revenues of hotel business group significantly dropped by 37% compared to 2019. This is due to temporary operational closures from April to June 2020 and resulted in 24% hotel booking cancellation in 2020, a high season for hotel properties as well as previously suspended and currently diminished domestic and international travels. In response, the Group has registered the government's tourism stimulus campaign known as Rao Tiew Duay Kan (We Travel Together) attract customers. The Group is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions.

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 information related to COVID-19 as an indication of the impairent of assets in the Group’s cash-generating units of the hotel properties. After the relief expiry in 2021, the Group expects a significant impact from the impairment recognition impairment of the plant, equipment and right-of-use assets of the hotel properties cash-generating units (CGUs) in the upcoming Quarter 1, 2021.

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| **3 Basis of preparation** |

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

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

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

1. **TFRS 9, 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.

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## 4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021

The Group is currently assessing the impact of 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.

1. **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.

1. **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.
2. **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.
3. **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 chosento early apply the exemption for the current reporting period. The impacts from the exemptions is disclosed in Note 6.12

|  |
| --- |
| **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.

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** | | | |
|  |  | **31 December**  **2019** | **TFRS 9 and TAS 32** | **TFRS 16** | **1 January**  **2020** |
|  | **Notes** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |
| Short-term investments | B | 6,088,762 | (6,088,762) | - | - |
| Trade and other receivables - net | A | 726,918,668 | (1,096,112) | - | 725,822,556 |
| Financial assets (fixed deposit) |  |  |  |  |  |
| measured at amortised cost | B | - | 6,088,762 | - | 6,088,762 |
|  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |
| Property, plant and equipment - net | C, D | 1,622,609,273 | - | (519,094,898) | 1,103,514,375 |
| Right-of-use assets | C, D | - | - | 773,175,190 | 773,175,190 |
| Deferred tax assets | B | 32,870,268 | 219,222 | - | 33,089,490 |
|  |  |  |  |  |  |
| **Total assets affected** |  | 2,388,486,971 | (876,890) | 254,080,292 | 2,641,690,373 |
|  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Trade and other payables |  | 311,767,892 | - | (4,782,825) | 306,985,067 |
| Current portion of lease liabilities | C, D | 71,554 | - | 5,454,976 | 5,526,530 |
|  |  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |  |
| Lease liabilities | C, D | 35,081,539 | - | 253,408,141 | 288,489,680 |
|  |  |  |  |  |  |
| **Total liabilities affected** |  | 346,920,985 | - | 254,080,292 | 601,001,277 |
|  |  |  |  |  |  |
| Unappropriated retained earnings |  | 423,929,843 | (876,890) | - | 423,052,953 |
|  |  |  |  |  |  |
| **Total equity affected** |  | 423,929,843 | (876,890) | - | 423,052,953 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | |
|  |  | **31 December**  **2019** | **TFRS 9 and TAS 32** | **TFRS 16** | **1 January**  **2020** |
|  | **Notes** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |
| Trade and other receivables - net | A | 634,200,304 | (1,096,112) | - | 633,104,192 |
| Current portion of long-term loans to related parties | A, B | 58,308,000 | (4,476,665) | - | 53,831,335 |
|  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |
| Investments in subsidiaries |  | 756,023,624 | 13,740,367 | - | 769,763,991 |
| Long-term loans to related parties | A, B | 227,190,875 | (11,271,296) | - | 215,919,579 |
| Property, plant and equipment - net | C, D | 750,811,246 | - | (125,726,658) | 625,084,588 |
| Right-of-use assets | C, D | - | - | 247,991,282 | 247,991,282 |
| Deferred tax assets | B | 12,492,344 | 620,741 | - | 13,113,085 |
|  |  |  |  |  |  |
| **Total assets affected** |  | 2,439,026,393 | (2,482,965) | 122,264,624 | 2,558,808,052 |
|  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Trade and other payables |  | 256,321,887 | - | (3,068,498) | 253,253,389 |
| Current portion of lease liabilities | C, D | - | - | 4,477,227 | 4,477,227 |
|  |  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |  |
| Lease liabilities | C, D | 32,835,396 | - | 120,855,895 | 153,691,291 |
|  |  |  |  |  |  |
| **Total liabilities affected** |  | 289,157,283 | - | 122,264,624 | 411,421,907 |
|  |  |  |  |  |  |
| Unappropriated retained earnings |  | 351,871,554 | (2,482,965) | - | 349,388,589 |
|  |  |  |  |  |  |
| **Total equity affected** |  | 351,871,554 | (2,482,965) | - | 349,388,589 |

Note:

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

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

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 as of 1 January 2020 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | **Separate**  **financial statements** |
|  | **Notes** | **Baht** | **Baht** |
|  |  |  |  |
| Unappropriated retained earnings as of 31 December 2019  (as previously reported) |  | 423,929,843 | 351,871,554 |
|  |  |  |  |
| Increase in provision for trade receivables | d | (1,096,112) | (1,096,112) |
| Increase in provision for loans to related parties | d | - | (2,007,594) |
| Increase in deferred tax assets related to the above adjustments |  | 219,222 | 620,741 |
|  |  |  |  |
| Total adjustments to opening unappropriated retained  earnings from adoption of TFRS 9 |  | (876,890) | (2,482,965) |
|  |  |  |  |
| Unappropriated retained earnings as of 1 January  2020 after reflecting TFRS 9 adoption (before impaact  from TFRS 16) |  | 423,052,953 | 349,388,589 |

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 as follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | | **Seperate**  **financial statements** |
|  |  | **Short-term investments** | **Amortised**  **cost** | **Amortised**  **cost** |
|  | **Note** | **Baht** | **Baht** | **Baht** |
| **Financial assets** |  |  |  |  |
| **Balance as at 31 December 2019** |  |  |  |  |
| **(Previously reported)** |  | 6,088,762 | - | 285,498,875 |
| Reclassify investments from short-term |  |  |  |  |
| (fixed deposit) to amortised cost | a | (6,088,762) | 6,088,762 | - |
| Fair value adjustments on loan |  |  |  |  |
| to related parties | b | - | - | (13,740,367) |
| Provision for loans to related parties | d | - | - | (2,007,594) |
|  |  |  |  |  |
| **Opening balance 1 January 2020 -**  **TFRS 9 adoption** |  | - | 6,088,762 | 269,750,914 |

### Reclassification from short-term investments to amortised cost

Fixed deposits with financial institutions that would have previously been classified as short-term investments are now classified at amortised cost. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

### Fair value adjustments on loan to related parties

On 1 January 2020, the date of initial application, resulting in the Company has recognised loans to related parties at fair value as at 1 January 2020. The difference between the carrying amount and fair value of loans to related parties is recognised as an increment of investments in subsidiaries of Baht 13,740,367.

### Reclassifications 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 | 1,234,416,297 | 1,234,416,297 | - | |
|  |  |  |  |  |  | |
| Short-term investments | Held-to-maturity | Amortised cost | 6,088,762 | 6,088,762 | - | |
| Trade and other receivables | Amortised cost | Amortised cost | 726,918,668 | 725,822,556 | (1,096,112) | |
|  |  |  |  |  |  | |
| **Non-current financial assets** |  |  |  |  |  | |
| Deposit at bank pledged as collateral | Amortised cost | Amortised cost | 3,159,700 | 3,159,700 | - | |
|  |  |  |  |  |  | |
| **Current financial liabilities** |  |  |  |  |  | |
| Trade and other payables | Amortised cost | Amortised cost | 311,767,892 | 311,767,892 | - | |
|  |  |  |  |  |  | |

|  | **Seperate 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 | 1,091,584,267 | 1,091,584,267 | - |
| Trade and other receivables | Amortised cost | Amortised cost | 634,200,304 | 633,104,192 | (1,096,112) |
| Current portion of long-term loans to related parties | Amortised cost | Amortised cost | 58,308,000 | 53,831,335 | (4,476,665) |
|  |  |  |  |  |  |
| **Non-current financial assets** |  |  |  |  |  |
| Long-term loans to related parties | Amortised cost | Amortised cost | 227,190,875 | 215,919,579 | (11,271,296) |
|  |  |  |  |  |  |
| **Current financial liabilities** |  |  |  |  |  |
| Trade and other payables | Amortised cost | Amortised cost | 256,321,887 | 256,321,887 | - |

### 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
* Investment in debt instruments measured at amortised cost
* Loans to related parties

The Group and the Company were 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 at 1 January 2020 were Baht 1,096,112 million and Baht 3,103,706 million, respectively.

While i) cash and cash equivalents and ii) investment in debt instruments measured at amortised cost are subject to the new impairment requirement, the identified impact was immaterial.

*Trade receivables and other receivables*

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

To measure the expected credit losses, trade 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 for trade receivables of Baht 1,096,112.

During the year 2020, the loss allowance for trade receivables of the Group and the Company increased by Baht 18,290,667 and Baht 15,743,552, respectively.

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 receivables, other receivebles and lease receivables. As of 31 December 2020, the expected credit loss of the Group and the Company of Baht 39,338,628 and Baht 31,812,536, respectively as already recognized in the consolidated and separate financial statements for trade receivabels were assessed based only from historical credit loss together with the management’s judgement in estimating the expected credit loss.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **Not yet due**  **Baht** | **Up to 3**  **months**  **Baht** | **3 - 6**  **months**  **Baht** | **6 - 12**  **months Baht** | **More than**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| **As of 1 January 2020**  **(Restated)** |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 468,042,044 | 179,886,856 | 20,100,898 | 11,344,634 | 15,446,554 | 694,820,986 |
| - other receivables  from other companies | 12,367,651 | - | - | - | - | 12,367,651 |
|  |  |  |  |  |  |  |
| Loss allowance | (4,579,773) | (192,421) | (343,622) | (485,591) | (15,446,554) | (21,047,961) |
|  |  |  |  |  |  |  |
| **As of 31 December 2020** |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 479,758,511 | 282,378,644 | 10,633,715 | 14,378,816 | 29,045,571 | 816,195,257 |
| - other receivables  from other companies | 7,115,433 | - | - | - | 4,526,613 | 11,642,046 |
|  |  |  |  |  |  |  |
| Loss allowance | (3,897,964) | (395,808) | (242,190) | (1,184,740) | (33,617,926) | (39,338,628) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **Not yet due**  **Baht** | **Up to 3**  **months**  **Baht** | **3 - 6**  **months**  **Baht** | **6 - 12**  **months**  **Baht** | **More than**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| **As of 1 January 2020**  **(Restated)** |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 366,119,020 | 179,929,043 | 36,141,634 | 8,928,297 | 13,039,803 | 604,157,797 |
| - other receivables  from other companies | 1,933,069 | - | - | - | - | 1,933,069 |
| Loss allowance | (2,007,547) | (192,421) | (343,622) | (485,591) | (13,039,803) | (16,068,984) |
|  |  |  |  |  |  |  |
| **As of 31 December 2020** |  |  |  |  |  |  |
| Gross carrying  amount |  |  |  |  |  |  |
| - trade receivables | 383,985,794 | 251,975,065 | 26,191,876 | 45,536,274 | 25,204,351 | 732,893,360 |
| - other receivables  from other companies | 2,983,813 | - | - | - | 1,933,069 | 4,916,882 |
|  |  |  |  |  |  |  |
| Loss allowance | (3,110,525) | (395,808) | (242,190) | (1,184,740) | (26,879,273) | (31,812,536) |

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial statements** | |
|  | **Trade receivables and other receivables** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| **As of 31 December - calculated under TAS 101** | (19,951,849) | (31,225,400) |
| Amounts restated through opening retained earnings | (1,096,112) | - |
|  |  |  |
| Opening loss allowance as at 1 January 2020 |  |  |
| - calculated under TFRS 9 (2019: TAS 101) | (21,047,961) | (31,225,400) |
| Increase in loss allowance recognised in profit or loss during the year | (18,306,207) | (4,505,295) |
| Receivable written off during the year as uncollectible | - | 20,897 |
| Unused amount reversed | - | 15,757,949 |
| Currency differences | 15,540 | - |
|  |  |  |
| **As of 31 December - calculated TFRS 9 (2019: TAS 101)** | (39,338,628) | (19,951,849) |

|  |  |  |
| --- | --- | --- |
|  | **Separate financial statements** | |
|  | **Trade receivables and other receivables** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| **As of 31 December - calculated under TAS 101** | (14,972,872) | (28,136,288) |
| Amounts restated through opening retained earnings | (1,096,112) | - |
|  |  |  |
| Opening loss allowance as at 1 January 2020 |  |  |
| - calculated under TFRS 9 (2019: TAS 101) | (16,068,984) | (28,136,288) |
| Increase in loss allowance recognised in profit or loss during the year | (15,743,552) | (1,933,069) |
| Unused amount reversed | - | 15,096,485 |
|  |  |  |
| **As of 31 December - calculated TFRS 9 (2019: TAS 101)** | (31,812,536) | (14,972,872) |

*Loans to related parties*

The Company has loans to related parties measured at amortised cost. The 12-month expected credit loss allowance was recognised for those loans without any significant increase in credit risk. The lifetime expected credit loss was recognised for those loans with significant increase in credit risk.

The reconciliations of loss allowance for short-term and long-term loans to related parties for the year ended   
31 December are as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  | **2020** | | **2019** | |
|  | **Short-term** | **Long-term** | **Short-term** | **Long-term** |
|  | **loans to** | **loans to** | **loans to** | **loans to** |
|  | **related parties** | **related parties** | **related parties** | **related parties** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **As of 1 January - calculated under**  **TAS 101** | - | - | - | - |
| Amounts restated through opening  retained earnings | - | (2,007,594) | - | - |
|  |  |  |  |  |
| Opening loss allowance as of 1 January  calculated under TFRS 9 |  |  |  |  |
| (2019: TAS 101) | - | (2,007,594) | - | - |
| Increase in the allowance recognised in  profit or loss during the year | (34,504) | (92,476) | - | - |
|  |  |  |  |  |
| **As of 31 December - calculated TFRS 9**  **(2019: TAS 101)** | (34,504) | (2,100,070) | - | - |

**5.2 Leases**

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases for leases of land, office buildings, warehouse, equiptments and vehicle with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2020. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 3.75% - 4.75%.

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 measured at the amount equal to the lease liability 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 financial information** | **Separate financial information** |
|  | **Baht** | **Baht** |
|  |  |  |
| Operating lease commitments disclosed as at 31 December 2019 | 327,751,983 | 196,593,968 |
| (Less): Discounted using the lessee’s incremental borrowing |  |  |
| rate of at the date of initial application | (250,085,524) | (64,950,748) |
| Add: Finance lease liabilities recognised as at 31 December 2019 | 35,153,093 | 32,835,396 |
| (Less): Low-value leases recognised on a straight-line basis as expense | (406,150) | (179,190) |
| (Less): Contracts reassessed as service agreements | (11,688,625) | (6,130,908) |
| Add: Adjustments as a result of a different treatment of extension |  |  |
| and termination options | 193,279,630 | - |
| Add: Currency differences | 11,803 | - |
|  |  |  |
| **Lease liabilities recognised as at 1 January 2020** | 294,016,210 | 158,168,518 |
|  |  |  |
| Current lease liabilities | 5,526,530 | 4,477,227 |
| Non-current lease liabilities | 288,489,680 | 153,691,291 |

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
* the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
* elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an arrangement contains a lease.

|  |
| --- |
| 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) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains and losses on transactions are eliminated 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) Transactions and balances

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

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

Any exchange component of gains 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.

c) Group companies

The operational results and financial position of the Group’s entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group’s presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;

- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates; and

- All resulting exchange differences are recognised in other comprehensive income.

**6.4 Cash and cash equivalents**

In the statements of cash flows, 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 and bank overdrafts.

In the statements 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 services performed in the ordinary course of business. They are generally due for settlement within 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 receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 6.7(d).

**6.6 Inventories**

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

Cost of inventories is determined by the moving 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 asset**

For the year ended 31 December 2020

a) Classification

From 1 January 2020, the Group classified its financial assets instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset.

The Group reclassified fixed deposits with financial institutions to financial assets which measured at amortised cost due to the Group held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI). Interest income is included in other income using the effective interest method. Impairment losses are presented as separate line item.

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, transaction costs that are directly attributable to the acquisition of the financial asset.

d) Impairment

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 5.1 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 receivables, other receivables and lease receivables. The Group applied historical credit loss adjusted with the management’s judgement in estimating the expected credit loss as disclosed in note 9.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

For the year ended 31 December 2019

**Investments in debt and equity securities**

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

*Trading and available-for-sale investments*

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

*Held-to-maturity investments*

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

*General investments*

General investments are carried at cost less impairment.

*Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

**6.8 Investment property**

Investment properties, principally land, factory, office buildings, building improvement and right-of-use assets, are held for long-term rental yields or for capital appreciation and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Building improvements 10 years or 15 years

Factory, office buildings 20 years – 40 years

**6.9 Property, plant and equipment**

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 improvements 5 years or 20 years

Building improvements 5 years - 20 years

Factories, office and hotel buildings 20 years - 55 years

Machineries and equipment 2 years - 10 years

Office equipment and furniture 5 years or 10 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 gains or losses.

**6.10 Intangible assets**

*Acquired computer software*

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 3 years.

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

**6.11 Impairment of assets**

The Group will review 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.

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 information related to COVID-19 as an indication of the impairment of assets.

**6.12 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 office equipments.

During the reporting period, the Group received discounts in the lease payments from lessors due to the COVID-19 outbreak. The Group elected not to account for all discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen 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 reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion of Baht 1,129,023 and Baht 2,015,417, respectively. The differences between the reduction of the lease liabilities and the reversal of the expenses of Baht 1,433,216 are recognised in administrative expense instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

**Leases - where the Group is the lessor**

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.

The investment properties are leased to tenants under operating leases with rentals payable monthly.

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**

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

**6.13 Financial liabilities**

For the year ended 31 December 2020

1. 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.

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.

**6.14 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take 12 months 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.

**6.15 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 subsidiaries, associates and joint arrangements 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.

## 6.16 Employee benefits

6.16.1) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care 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.

6.16.2) Defined contribution plan

The Group pays contributions to a separate fund on a contractual. 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.

6.16.3) 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 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 included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss

**6.17 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.

**6.18 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 as a deduction in equity.

**6.19 Revenue** **and expense recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group’s ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

The Group’s policy is to sell its products to the end customer with a right of return within 1 month separated by type of customer. Therefore, a refund liability and a right to returned goods are recognized for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level by applying expected value method. The Group recognised an estimated goods return deducting from revenue and cost of goods sold, respectively.

The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

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.

*Services*

The Group recognised service contracts with a continuous service provision as revenue on a straight-line basis over the contract term, regardless of the payment pattern.

*Contract assets and contract liabilities*

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

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.

For each customer contract, contract liabilities is set off against contract assets.

*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 a distinct goods or service from the customer.

*Hotel*

Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, food and beverage sales, and other ancillary services. Revenue is recognised over the period when rooms are occupied or services are performed. Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

*Financing components*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Interest income and interest expense are recognised using the effective interest method.

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements. Dividend income is recognised when the right to receive payment is established.

Expense is recognised on an accrual basis.

**6.20 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.

**6.21 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Financial Officer that makes strategic decisions.

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

**7.1 Financial risk factors**

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

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

a) Foreign exchange risk

The Group has the subsidiaries in foreign countries and operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group’s primary functional currency is Baht, while overseas sales, purchases and borrowings transactions are primarily denominated in US dollar. The Group uses forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency. The Group uses forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency.

*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** | | **Separate financial statements** | |
|  | **31 December 2020** | **31 December 2019** | **31 December 2020** | **31 December 2019** |
|  | **US Dollar Baht** | **US Dollar Baht** | **US Dollar Baht** | **US Dollar Baht** |
|  |  |  |  |  |
| Cash and cash equivalents | 59,409,322 | 37,801,267 | 39,564,141 | 27,051,646 |
| Trade and other receivables - net | 31,417,659 | 47,281,299 | 132,352,417 | 106,933,672 |
| Short-term loan to related party | - | - | 5,978,000 | - |
| Long-term loans to related parties | - | - | 40,167,133 | 22,032,875 |
|  |  |  |  |  |
| Trade and other payables | 84,541,668 | 74,429,233 | 78,854,707 | 74,719,433 |

*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** | | **Separate financial statements** | |
|  | **Impact to net profit** | | **Impact to net profit** | |
|  | **2020**  **Baht** | **2019**  **Baht** | **2020**  **Baht** | **2019**  **Baht** |
| US Dollar to Baht exchange rate  - increase 10% | 1,461,585 | 683,030 | 14,383,229 | 8,130,967 |
| US Dollar to Baht exchange rate  - decrease 10% | (1,461,585) | (683,030) | (14,383,229) | (8,130,967) |

b) 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 and long-term loans to related parties and long-term borrowings from related parties. Most of the Group’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates. 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.

The Group and the Company does not apply hedge accounting.

### 7.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, including outstanding receivables and short-term and long-term loans to related parties.

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 in collectability 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 related to the trade by using letters of credit which can be called upon from financial institution if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

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

* Cash and cash equivalents
* Trade and other receivables
* Investment in debt instruments measured at amortised cost
* Loan to related parties

While cash and cash equivalents and investment in debt instruments measured at amortised cost are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

*Trade receivables 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 receivables.

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

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, the unemployment rate, and consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2020 was determined as follows for both trade receivables and other receivables are disclosed in Note 5.1 (d)

The Group and the Company write-off trade 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.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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

In the year 2019, the Group recognised impairment of trade receivables based on the incurred loss model such as uncollectible or past due for a period less than 365 days, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

*Loans to related parties*

Loans to related parties measured at amotised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

7.1.4 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 and the Company held cash and deposits at call of Baht 613,654,534 and Baht 415,523,283, respectively (2019: Baht 1,234,416,297 and Baht 1,091,584,267, respectively) 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.

a) Financing arrangements

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 | 966,307,015 | 812,490,155 | 537,926,705 | 418,262,761 |
| Expiring beyond one year |  |  |  |  |
| - Bank loans | - | 900,000 | - | - |
|  |  |  |  |  |
|  | 966,307,015 | 813,390,155 | 537,926,705 | 418,262,761 |

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. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **Maturity of financial liabilities** | **On demand**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book**  **value**  **Baht** |
| **As at 31 December 2020** |  |  |  |  |  |  |
| Trade payables and other payables | 277,091,759 | 88,905,746 | - | - | 365,997,505 | 365,997,505 |
| Lease liabilities | - | 25,399,740 | 83,796,173 | 482,952,427 | 592,148,340 | 307,009,384 |
|  |  |  |  |  |  |  |
| **Total financial liabilities** | 277,091,759 | 114,305,486 | 83,796,173 | 482,952,427 | 958,145,845 | 673,006,889 |
|  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **Maturity of financial liabilities** | **On demand**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book**  **value**  **Baht** |
| **As at 31 December 2019** |  |  |  |  |  |  |
| Trade payables and other payables | 237,684,389 | 73,898,370 | 185,133.00 | - | 311,767,892 | 311,767,892 |
| Long-term borrowings from |  |  |  |  |  |  |
| financial institutions | - | 13,763,292 | 40,326,020 | - | 54,089,312 | 54,089,312 |
| Long-term borrowings |  |  |  |  |  |  |
| related parties | - | 12,492,000 | 37,508,000 | - | 50,000,000 | 50,000,000 |
| Finance lease obligation | - | 3,478,390 | 15,442,029 | 64,859,523 | 83,779,942 | 35,153,093 |
|  |  |  |  |  |  |  |
| **Total financial liabilities** | 237,684,389 | 103,632,052 | 93,461,182 | 64,859,523 | 499,637,146 | 451,010,297 |
|  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **Maturity of financial liabilities** | **On demand**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book**  **value**  **Baht** |
| **As at 31 December 2020** |  |  |  |  |  |  |
| Trade payables and other payables | 239,333,706 | 58,410,729 | - | - | 297,744,435 | 297,744,435 |
| Lease liabilities | - | 12,400,958 | 49,336,385 | 195,900,602 | 257,637,945 | 155,400,621 |
|  |  |  |  |  |  |  |
| **Total financial liabilities** | 239,333,706 | 70,811,687 | 49,336,385 | 195,900,602 | 555,382,380 | 453,145,056 |
|  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **Maturity of financial liabilities** | **On demand**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book**  **value**  **Baht** |
| **As at 31 December 2019** |  |  |  |  |  |  |
| Trade payables and other payables | 198,284,872 | 58,037,015 | - | - | 256,321,887 | 256,321,887 |
| Finance lease obligation | - | 3,192,190 | 14,396,765 | 61,226,011 | 78,814,966 | 32,835,396 |
|  |  |  |  |  |  |  |
| **Total financial liabilities** | 198,284,872 | 61,229,205 | 14,396,765 | 61,226,011 | 335,136,853 | 289,157,283 |
|  |  |  |  |  |  |  |

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

The following financial assets and liabilities are measured at amortised cost which its fair value is approximating the carrying amount.

|  |  |
| --- | --- |
| **Consolidated financial statements** | **Separate financial statements** |
|  |  |
| **Financial assets**   * Cash and cash equivalents * Trade and other receivables - net * Other current assets * Financial assets (fixed deposit) measured at   amortised cost   * Other non-current assets | **Financial assets**   * Cash and cash equivalents * Trade and other receivables - net * Other current assets * Financial assets (fixed deposit) measured at   amortised cost   * Loans to related parties - net * Other non-current assets |
| **Financial liabilities**   * Trade and other payables * Other current liabilities * Lease liabilities | **Financial liabilities**   * Trade and other payables * Other current liabilities * Lease liabilities |

The following table presents non-financial assets that are disclosed at fair value:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| a | **Consolidated financial statements** | | | | | | | |
|  | **Level 1** | | **Level 2** | | **Level 3** | | **Total fair value** | |
|  | **31 December 2020** | **31 December 2019** | **31 December 2020** | **31 December 2019** | **31 December 2020** | **31 December 2019** | **31 December 2020** | **31 December 2019** |
| **Assets** |  |  |  |  |  |  |  |  |
| Investment properties | - | - | - | - | 126,800,000 | 126,800,000 | 126,800,000 | 126,800,000 |
|  |  |  |  |  |  |  |  |  |
| **Total non-financial assets measured at fair value** | **-** | **-** | **-** | **-** | **126,800,000** | **126,800,000** | **126,800,000** | **126,800,000** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | |
|  | **Level 1** | | **Level 2** | | **Level 3** | | **Total fair value** | |
|  | **31 December 2020** | **31 December 2019** | **31 December 2020** | **31 December 2019** | **31 December 2020** | **31 December 2019** | **31 December 2020** | **31 December 2019** |
| **Assets** |  |  |  |  |  |  |  |  |
| Investment properties | - | - | - | - | 129,717,550 | 129,717,550 | 129,717,550 | 129,717,550 |
|  |  |  |  |  |  |  |  |  |
| **Total non-financial assets measured at fair value** | **-** | **-** | **-** | **-** | **129,717,550** | **129,717,550** | **129,717,550** | **129,717,550** |

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 of financial assets and liabilities are according to the accounting policies disclosed in Note 6.7 and Note 6.13.

Investment properties

The investment properties were valued at fair value for disclose in financial statements. Management engaged independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

The valuer applied income approach which classified as fair value level 3 of fair value hierarchy as detail in Note 16.

There were no transfers between levels 1 and 2 during the year.

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Group’s valuation processes

The Group’s Finance Department performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every quarter, in line with the Group’s quarterly reporting dates.

|  |
| --- |
| **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.

1. **Allowance for diminution in value of inventories**

The Group has made allowance, where necessary, for diminution in value of inventories by estimating the net realisable value which was calculated from selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable value estimation is based on historical experience, management’s knowledge of the industry and future market trend and the allowance for obsolescence and diminution in value of inventories are determined through a combination of analysis of inventories aging.

1. **Allowances for inventory obsolescence**

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to allowances. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories.

1. **Useful life of plants, equipment and intangible assets**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group’s plant and equipment and to review estimate useful lives and residual values when there are any changes from the estimates made during the prior year, derecognition of the dilapidated asset or cease of usage from disposal or disused.

1. **Retirement benefits**

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 23.

1. **Deferred tax assets**

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgments are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

1. **Impairment of investments in subsidiaries**

The Group tests whether investments in subsidiaries and cash generating unit have suffered any impairment when there is any indication of impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of management's estimation.

1. **Impairment of assets**

The Group assessed the impairment of assets for hotel business from subsidiaries by using discounted cash flow method from the best estimate of the management. The performance of investments in subsidiaries will pay back and gain the profit in the future.

1. **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).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) 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.

1. **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.

1. **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.

|  |
| --- |
| **10 Segment information** |

The Group’s Chief Operating Decision Makers identifies reportable segments of its business to examine the Group’s performance by dividend follow the location of revenue as follows the revenues from domestic and overseas which include production and trading business and hotel business.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | |
|  | **Domestic revenues** | | | | | **Overseas revenues** | | |  | | |
|  | **Production and trading** | | **Hotel Business** | | | **Production and trading** | | | **Total** | | |
|  | **31 December** | **31 December** | | **31 December** | **31 December** | | **31 December** | **31 December** | | **31 December** | **31 December** | |
|  | **2020** | **2019** | | **2020** | **2019** | | **2020** | **2019** | | **2020** | **2019** | |
|  | **Baht** | **Baht** | | **Baht** | **Baht** | | **Baht** | **Baht** | | **Baht** | **Baht** | |
|  |  |  | |  |  | |  |  | |  |  | |
| Segment revenues | 2,974,655,827 | 2,545,104,325 | | 55,751,823 | 88,302,927 | | 556,066,182 | 554,376,174 | | 3,586,473,832 | 3,187,783,426 | |
| Less Inter-segment revenues | (290,083,974) | (212,889,170) | | (54,100) | (27,230) | | (124,259,809) | (110,213,469) | | (414,397,883) | (323,129,869) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Revenue from external customers** | 2,684,571,853 | 2,332,215,155 | | 55,697,723 | 88,275,697 | | 431,806,373 | 444,162,705 | | 3,172,075,949 | 2,864,653,557 | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Segment profit or loss** | 1,224,212,001 | 1,030,620,368 | | (23,487,942) | (17,381,039) | | 82,874,598 | 77,379,573 | | 1,283,598,657 | 1,090,618,902 | |
|  |  |  | |  |  | |  |  | |  |  | |
| Other income |  |  | |  |  | |  |  | | 15,189,213 | 17,341,322 | |
| Selling expenses |  |  | |  |  | |  |  | | (191,662,129) | (182,013,584) | |
| Administrative expenses |  |  | |  |  | |  |  | | (440,471,877) | (457,096,100) | |
| Net impairment losses on financial assets |  |  | |  |  | |  |  | | (19,735,303) | - | |
| Finance costs |  |  | |  |  | |  |  | | (14,571,517) | (25,949,201) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Profit before income tax** |  |  | |  |  | |  |  | | 632,347,044 | 442,901,339 | |
| Income tax expense |  |  | |  |  | |  |  | | (115,040,492) | (89,365,146) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Net profit for the year** |  |  | |  |  | |  |  | | 517,306,552 | 353,536,193 | |
|  |  |  | |  |  | |  |  | |  |  | | |
| **Timing of revenue recognition** |  |  | |  |  | |  |  | |  |  | |
| At a point in time | 2,684,571,853 | 2,332,215,155 | | 16,483,128 | 27,966,526 | | 427,153,581 | 439,875,268 | | 3,128,208,562 | 2,800,056,949 | |
| Over time | - | - | | 39,214,595 | 60,309,171 | | 4,652,792 | 4,287,437 | | 43,867,387 | 64,596,608 | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Total revenue** | 2,684,571,853 | 2,332,215,155 | | 55,697,723 | 88,275,697 | | 431,806,373 | 444,162,705 | | 3,172,075,949 | 2,864,653,557 | |

During the year 2020, the Group has two customers whose sales accounted to be 13% and 11% of total revenue from sales and rendering services, which was domestic production and trading revenues. Total revenues from this customer during the year were Baht 796,812,848 (2019: the Group has a customer whose sales accounted to be 16% of total revenue from sales and rendering services, which was domestic production and trading revenues. Total revenues from this customer during the year were Baht 457,199,451).

Majority of non-current assets located in resident country. The Group’s non-current assets located oversea was insignificant.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash on hand | 892,902 | 1,019,950 | 330,000 | 330,000 |
| Deposits at banks | 612,761,632 | 1,233,396,347 | 415,193,283 | 1,091,254,267 |
|  |  |  |  |  |
| Total | 613,654,534 | 1,234,416,297 | 415,523,283 | 1,091,584,267 |

The effective interest rates on deposits at banks of the Group and the Company are 0.05% - 0.375% per annum (2019: 0.05% - 0.50% per annum).

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

12.1 Trade and other receivables

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables - other companies | 815,552,695 | 693,072,800 | 579,226,370 | 490,029,769 |
| Trade receivables - related parties (Note 32) | - | - | 153,666,990 | 114,128,028 |
| Trade receivables - hotel business | 642,562 | 1,748,186 |  | - |
| Less Loss allowance (2019: Allowance for doubtful  accounts under TAS 101) | (31,062,081) | (15,446,554) | (26,895,654) | (13,039,803) |
|  |  |  |  |  |
| Total trade receivables | 785,133,176 | 679,374,432 | 705,997,706 | 591,117,994 |
| Advance payments | 32,817,414 | 18,979,770 | 26,701,779 | 14,322,402 |
| Prepayments | 18,427,768 | 9,432,500 | 5,756,411 | 5,049,363 |
| Other receivables from other companies | 11,642,046 | 12,367,651 | 4,916,882 | 1,933,069 |
| Other receivables from related parties (Note 32) | 36,100 | - | 13,269,994 | 12,468,462 |
| Accrued income | 1,880,088 | 11,269,610 | 1,803,003 | 11,242,083 |
| Less Loss allowance (2019: Allowance for doubtful  accounts under TAS 101) | (8,276,547) | (4,505,295) | (4,916,882) | (1,933,069) |
|  |  |  |  |  |
| Total trade and other receivables | 841,660,045 | 726,918,668 | 753,528,893 | 634,200,304 |

During 2020, total amounts of receivables written-off as uncollectible of the Group and the Company amounted to Baht 184,666 and Baht 82,966, respectively (2019: Baht 10,815 and Baht 5,415, respectively).

Outstanding trade accounts receivable from third parties and related parties as of 31 December can be analysed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Not yet due | 479,758,511 | 468,042,044 | 383,985,794 | 366,119,020 |
| Up to 3 months | 282,378,644 | 179,886,856 | 251,975,065 | 179,929,043 |
| 3 - 6 months | 10,633,715 | 20,100,898 | 26,191,876 | 36,141,634 |
| 6 - 12 months | 14,378,816 | 11,344,634 | 45,536,274 | 8,928,297 |
| Over 12 months | 29,045,571 | 15,446,554 | 25,204,351 | 13,039,803 |
|  |  |  |  |  |
|  | 816,195,257 | 694,820,986 | 732,893,360 | 604,157,797 |
| Less Loss allowance (2019: Allowance for doubtful  accounts under TAS 101) | (31,062,081) | (15,446,554) | (26,895,654) | (13,039,803) |
|  |  |  |  |  |
|  | 785,133,176 | 679,374,432 | 705,997,706 | 591,117,994 |

12.2 Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

12.3 Impairments of trade receivables

Information about the impairment of trade receivables and the Group’s exposure to credit risk, foreign currency risk and interest rate risk is disclosed in Note 5.1.

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

**a) Classification of the Group’s financial assets and financial liabilities under TFRS 9 (2019: classified under TAS 105)** **are as follows:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Saperate financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Amortised cost** | **Amortised cost** | **Amortised cost** | **Amortised cost** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Financial assets** |  |  |  |  |
|  |  |  |  |  |
| **Current assets** |  |  |  |  |
| Cash and cash equivalents | 613,654,534 | 1,234,416,297 | 415,523,283 | 1,091,584,267 |
| Trade and other receivables | 880,998,673 | 746,870,517 | 785,341,429 | 649,173,176 |
| Less: Loss allowance (2019: Allowance for |  |  |  |  |
| doubtful accounts under TAS 101) | (39,338,628) | (19,951,849) | (31,812,536) | (14,972,872) |
|  |  |  |  |  |
| Total trade and other receivables - net | 841,660,045 | 726,918,668 | 753,528,893 | 634,200,304 |
| Short-term loan to related party | - | - | 5,978,000 | - |
| Current portion of long-term loan to |  |  |  |  |
| related parties | - | - | 88,354,446 | 58,308,000 |
| Less: Loss allowance 12 month  (2019: Allowance for doubtful   accounts under TAS 101) | - | - | (544,474) | - |
| Total short-term and long-term loan  to related party |  | - | 93,787,972 | 58,308,000 |
| Financial assets (fixed deposit) |  |  |  |  |
| measured at amortised cost | 400,103,341 | 6,088,762 | 400,000,000 | - |
|  |  |  |  |  |
| **Non-current assets** |  |  |  |  |
| Deposit at bank pledged as collateral | 3,159,700 | 3,159,700 |  |  |
| Long-term loan to related parties | - | - | 273,593,487 | 227,190,875 |
| Less: Loss allowance (2019: Allowance for |  |  |  |  |
| doubtful accounts under TAS 101) | - | - | (1,590,100) | - |
|  |  |  |  |  |
| Total long-term loan to related parties | - | - | 272,003,387 | 227,190,875 |
|  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |
|  |  |  |  |  |
| **Current liabilities** |  |  |  |  |
| Trade and other payables | 365,997,505 | 311,767,892 | 297,744,435 | 256,321,887 |
| Lease liabilities | 10,888,551 | 71,554 | 3,722,655 | - |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Lease liabilities | 296,120,833 | 35,081,539 | 151,677,966 | 32,835,396 |

Financial assets (fixed deposits) measured at amortised cost are fixed deposits with financial institutions of the Group and the Company are due over three months to twelve months have the effective interest rates at 0.30% - 0.70% per annum and 0.65% - 0.70% per annum, respectively (31 December 2019: Fixed deposits with financial institutions of the Group have the effective interest rates at 1.00% - 1.30% per annum).

1. **Amounts recognised in profit or loss**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Saperate financial statements** | |
|  | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Expected credit losses | 19,735,303 | - | 17,197,929 | - |

1. **Expected credit losses for the year**

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

|  |
| --- |
| **14 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Finished goods | 361,229,977 | 380,792,754 | 239,170,253 | 248,045,894 |
| Raw materials | 312,382,652 | 236,457,242 | 133,965,248 | 102,172,695 |
| Packing materials | 54,388,202 | 43,340,733 | 42,862,282 | 32,869,302 |
| Supplies | 15,997,569 | 11,513,110 | 13,722,912 | 9,839,274 |
|  |  |  |  |  |
| Total | 743,998,400 | 672,103,839 | 429,720,695 | 392,927,165 |
| Less Allowances for decrease in value |  |  |  |  |
| of inventories | (4,243,616) | (3,367,350) | (3,105,608) | (2,803,764) |
| Less Allowances for inventory obsolescence | (27,131,436) | (32,588,762) | (18,826,788) | (15,996,116) |
|  |  |  |  |  |
|  | 712,623,348 | 636,147,727 | 407,788,299 | 374,127,285 |
| Goods in transit | 41,708,891 | 43,400,046 | 41,435,745 | 38,076,181 |
|  |  |  |  |  |
| Total inventories - trading business, net | 754,332,239 | 679,547,773 | 449,224,044 | 412,203,466 |
|  |  |  |  |  |
| Food and beverages | 851,230 | 1,081,920 | - | - |
| Supplies | 1,803,053 | 1,883,320 | - | - |
|  |  |  |  |  |
| Total inventories - hotel business, net | 2,654,283 | 2,965,240 | - | - |
|  |  |  |  |  |
| Total inventories - net | 756,986,522 | 682,513,013 | 449,224,044 | 412,203,466 |

During the year ended 31 December 2020 and 2019, amounts recognised as cost of sales in profit or loss are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cost of sales and cost of services | 1,456,639,231 | 1,337,130,881 | 1,180,636,107 | 1,075,037,096 |
| Write-down inventories to net |  |  |  |  |
| realisable value (Reversal) | 876,266 | (2,043,249) | 301,844 | (2,359,596) |
| (Reversal) of allowances for inventory |  |  |  |  |
| obsolescence | (5,134,198) | (1,791,449) | 2,830,672 | (3,951,482) |

During 2020, the Group reversed of a previous allowance for obsolescence of Baht 323,128 as the Group has destroyed and written-down those inventories at original cost and the Group recognised loss on inventories destruction amounting to Baht 84,643

|  |
| --- |
| **15 Investments in subsidiaries** |

As at 31 December 2020, the subsidiaries included in consolidated financial statement. The subsidiaries 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 subsidiaries held by the Group.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Country of** |  | **Proportion of**  **ordinary shares**  **held by the Group** | | **Proportion of**  **ordinary shares held**  **by non-controlling**  **interests** | | **Amount of investments**  **in subsidiaries** | |
|  | **Incorporation** | **Nature of** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
| **Company** | **or registration** | **business** | **(%)** | **(%)** | **(%)** | **(%)** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| R&B Food Supply Vietnam |  |  |  |  |  |  |  |  |
| Limited Liability Company | Vietnam | Manufacturing   and trading | 100.00 | 100.00 | - | - | 22,762,000 | 22,762,000 |
| PT RBFood Supply Indonesia | Indonesia | Trading | 60.00 | 60.00 | 40.00 | 40.00 | 14,894,570 | 14,894,570 |
| PT RBFood Manufaktur Indonesia | Indonesia | Manufacturing   and trading | 100.00 | 80.00 | - | 20.00 | 38,368,932 | 36,278,932 |
| Thai Flavour and Fragrance Co., Ltd. | Thailand | Manufacturing   and trading | 99.99 | 99.99 | 0.01 | 0.01 | 187,970,392 | 187,970,392 |
| Premium Foods Co., Ltd. | Thailand | Manufacturing   and trading | 99.99 | 99.99 | 0.01 | 0.01 | 444,174,099 | 444,174,099 |
| Best Odour Co., Ltd. | Thailand | Manufacturing   and trading | 99.97 | 99.97 | 0.03 | 0.03 | 36,576,718 | 36,576,718 |
|  |  |  |  |  |  |  |  |  |
| Guanghzhou Thai Delicious Food Co., Ltd. | China | Trading | 100.00 | 100.00 | - | - | 13,366,913 | 13,366,913 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | 758,113,624 | 756,023,624 |

The movement of investments in subsidiaries for the years ended 31 December 2020 and 2019 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Separate financial statements** | |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening book amount | 756,023,624 | 715,465,045 |
| Adjustment on adoption of TFRS 9 on 1 January 2020 (Note 5) | 13,740,367 | - |
| Increase in investment in subsidiary by adjusted |  |  |
| fair value of loans to related parties | 4,673,477 | - |
| Effect of changes in interest rates on loan agreements (Note 32) | (18,413,844) | - |
| Additions in investment in subsidiaries |  |  |
| - PT RBFood Manufaktur Indonesia | 2,090,000 | 27,191,666 |
| - Guanghzhou Thai Delicious Food Co., Ltd. | - | 13,366,913 |
|  |  |  |
| Closing book amount | 758,113,624 | 756,023,624 |

As of 22 December 2020, the Company paid for outstanding shares at PT RBFood Manufaktur Indonesia amounting to Baht 2,090,000.

As of 2 November 2020, the Company had established RBJ Company Limited with registered capital amounting to Baht 10,000,000 and 51% of total registered share are held by the Company. The Company unpaid for these shares.

As of 6 April 2020, the Company had established R&B Food Supply (Singapore) with registered capital amounting to Singapore Dollar 1,000,000 and 100% of total registered share are held by the Company. The Company unpaid for these shares.

On 1 June 2020, the Company has changed the interest rates on long-term loans to related parties based on market rates. As a result, there was no difference between the carrying amount and fair value of long-term loans to related parties. Therefore, the Company has adjusted the effect of changes in investments in subsidiaries and loans to related parties.

The Group has initially adopted the financial reporting standards related to financial instruments (TFRS 9), resulting in recognition of loans to related parties at fair value as at 1 January 2020. The difference between the carrying amount and fair value of loans to related parties is recognised as an increment of investments in subsidiaries in accordance with the amount of loans in each entity.

|  |
| --- |
| **16 Investment properties** |

|  |  |
| --- | --- |
|  | **Consolidated financial statements** |
|  | **Land** |
|  | **Baht** |
|  |  |
| **As at 1 January 2019** |  |
| Cost | - |
|  |  |
| Net book amount | - |
|  |  |
| **For the year ended 31 December 2019** |  |
| Opening net book amount | - |
| Transferred in (Note 17) | 67,126,009 |
|  |  |
| Closing net book amount | 67,126,009 |
|  |  |
| **As at 31 December 2019** |  |
| Cost | 67,126,009 |
|  |  |
| Net book amount | 67,126,009 |
|  |  |
| **As a 31 December 2020** |  |
| Cost | 67,126,009 |
|  |  |
| Net book amount | 67,126,009 |
|  |  |
| Fair value as at 31 December 2019 | 126,800,000 |
| Fair value as at 31 December 2020 | 126,800,000 |

During 2019, the Group has transferred land held for a currently undetermined future use from land to investment property (Note 17).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  |  | Factory, |  |  |
|  | **Land** | office and building | Building improvements | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **As at 1 January 2019** |  |  |  |  |
| Cost | - | 93,261,960 | 8,370,018 | 101,631,978 |
| Less Accumulated depreciation | - | (22,722,351) | (2,333,500) | (25,055,851) |
|  |  |  |  |  |
| Net book amount | - | 70,539,609 | 6,036,518 | 76,576,127 |
|  |  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |  |
| Opening net book amount | - | 70,539,609 | 6,036,518 | 76,576,127 |
| Transferred in (Note 18) | 32,565,208 | - | - | 32,565,208 |
| Depreciation | - | (4,098,998) | (698,515) | (4,797,513) |
|  |  |  |  |  |
| Closing net book amount | 32,565,208 | 66,440,611 | 5,338,003 | 104,343,822 |
|  |  |  |  |  |
| **As at 31 December 2019** |  |  |  |  |
| Cost | 32,565,208 | 93,261,960 | 8,370,018 | 134,197,186 |
| Less Accumulated depreciation | - | (26,821,349) | (3,032,015) | (29,853,364) |
|  |  |  |  |  |
| Net book amount | 32,565,208 | 66,440,611 | 5,338,003 | 104,343,822 |
|  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |
| Opening net book amount | 32,565,208 | 66,440,611 | 5,338,003 | 104,343,822 |
| Depreciation | - | (3,544,271) | (697,515) | (4,241,786) |
|  |  |  |  |  |
| Closing net book amount | 32,565,208 | 62,896,340 | 4,640,488 | 100,102,036 |
|  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |
| Cost | 32,565,208 | 93,261,960 | 8,370,018 | 134,197,186 |
| Less Accumulated depreciation | - | (30,365,620) | (3,729,530) | (34,095,150) |
|  |  |  |  |  |
| Net book amount | 32,565,208 | 62,896,340 | 4,640,488 | 100,102,036 |
|  |  |  |  |  |
| Fair value - Land |  |  |  | 63,400,000 |
| Fair value - Building and building improvement |  |  |  | 66,317,550 |
|  |  |  |  |  |
| Fair value as at 31 December 2019 |  |  |  | 129,717,550 |
|  |  |  |  |  |
| Fair value - Land |  |  |  | 63,400,000 |
| Fair value - Building and building improvement |  |  |  | 66,317,550 |
|  |  |  |  |  |
| Fair value as at 31 December 2020 |  |  |  | 129,717,550 |

The fair value of investment properties of the Group and the Company consist of land held for a currently undetermined future use, building and building improvements for rent. Land is assessed using market comparison approach. In addition, building and building improvements are assessed using income approach. The main input used by the Company pertains to the discount rate for investment property is estimated based on discounted cash flow projections, which reflects rental income at market rate. Net cash outflows that could be expected in respect of the property and discount rate is estimated based on a yield rate, considering capital structure and cost of fund of the company that are, in the opinion of the management, considered appropriate, including the appropriate risk premium and reflects current market assessments of the time value of money and risk adjusted which mainly are at the rates of 12% per annum.

Amounts recognised in profit and loss that are related to investment property are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Rental income | - | - | 10,045,681 | 11,713,125 |
| Direct operating expense arise from investment property |  |  |  |  |
| that generated rental income | - | - | 4,241,786 | 4,797,513 |
| Direct operating expense arise from investment property |  |  |  |  |
| that did not generated rental income | 463,680 | 463,680 | 231,840 | 231,840 |

|  |
| --- |
| **17 Property, plant and equipment** |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | | | |
|  |  |  | Factory, |  | Machineries | Office |  |  |  |
|  |  | Land | offices and hotel | Building | and | equipment |  | Construction |  |
|  | Land | improvements | buildings | improvements | equipment | and furniture | Vehicles | in-progress | Total |
|  | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
|  |  |  |  |  |  |  |  |  |  |
| As 1 January 2019 |  |  |  |  |  |  |  |  |  |
| Cost | 264,401,485 | 44,125,001 | 1,196,511,496 | 317,410,218 | 704,365,089 | 180,168,604 | 138,851,223 | 89,076,768 | 2,934,909,884 |
| Less Accumulated depreciation | - | (24,690,151) | (391,678,221) | (122,944,455) | (444,262,554) | (115,408,121) | (114,308,007) | - | (1,213,291,509) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 264,401,485 | 19,434,850 | 804,833,275 | 194,465,763 | 260,102,535 | 64,760,483 | 24,543,216 | 89,076,768 | 1,721,618,375 |
|  |  |  |  |  |  |  |  |  |  |
| For the year ended |  |  |  |  |  |  |  |  |  |
| 31 December 2019 |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 264,401,485 | 19,434,850 | 804,833,275 | 194,465,763 | 260,102,535 | 64,760,483 | 24,543,216 | 89,076,768 | 1,721,618,375 |
| Additions | 2,050,355 | 95,327 | 11,610,700 | 8,400,606 | 26,398,683 | 5,031,455 | 1,521,028 | 92,967,433 | 148,075,587 |
| Disposals/ Write-offs | - | - | (1,340,246) | - | (156,686) | (19,924) | - | - | (1,516,856) |
| Transfer in (out) | - | - | 9,609,533 | 7,591,993 | 36,705,034 | 607,949 | - | (54,514,509) | - |
| Transfer out to investment |  |  |  |  |  |  |  |  |  |
| property (Note 16) | (67,126,009) | - | - | - | - | - | - | - | (67,126,009) |
| Depreciation charge | - | (2,130,716) | (53,935,194) | (16,676,752) | (68,998,880) | (16,723,585) | (8,373,091) | - | (166,838,218) |
| Impairment loss | - | (1,052,706) | (9,413,094) | (2,987) | (786,961) | (309,242) | - | - | (11,564,990) |
| Currency differences | - | - | - | (5,505) | (1,806) | (30,244) | (1,061) | - | (38,616) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 199,325,831 | 16,346,755 | 761,364,974 | 193,773,118 | 253,261,919 | 53,316,892 | 17,690,092 | 127,529,692 | 1,622,609,273 |
|  |  |  |  |  |  |  |  |  |  |
| As 31 December 2019 |  |  |  |  |  |  |  |  |  |
| Cost | 199,325,831 | 44,220,328 | 1,188,292,387 | 329,904,068 | 766,751,635 | 185,474,647 | 140,370,836 | 127,529,692 | 2,981,869,424 |
| Less Accumulated depreciation | - | (26,820,867) | (417,514,319) | (136,127,963) | (512,702,755) | (131,848,513) | (122,680,744) | - | (1,347,695,161) |
| Less Accumulated impairment | - | (1,052,706) | (9,413,094) | (2,987) | (786,961) | (309,242) | - | - | (11,564,990) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 199,325,831 | 16,346,755 | 761,364,974 | 193,773,118 | 253,261,919 | 53,316,892 | 17,690,092 | 127,529,692 | 1,622,609,273 |
|  |  |  |  |  |  |  |  |  |  |
| Adjustments from change in  accounting policy (Note 5) |  |  |  |  |  |  |  |  |  |
| Cost | - | (41,773,295) | (813,229,618) | (1,455,733) | (337,500) | - | - | - | (856,796,146) |
| Less Accumulated depreciation | - | 26,646,838 | 299,963,190 | 600,163 | 22,562 | - | - | - | 327,232,753 |
| Less Accumulated impairment | - | 1,052,706 | 9,413,094 | 2,695 | - | - | - | - | 10,468,495 |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | - | (14,073,751) | (503,853,334) | (852,875) | (314,938) | - | - | - | (519,094,898) |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | | | |
|  |  |  | Factory, |  | Machineries | Office |  |  |  |
|  |  | Land | offices and hotel | Building | and | equipment |  | Construction |  |
|  | Land | improvements | buildings | improvements | equipment | and furniture | Vehicles | in-progress | Total |
|  | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
|  |  |  |  |  |  |  |  |  |  |
| As 1 January 2020 |  |  |  |  |  |  |  |  |  |
| Cost | 199,325,831 | 2,447,033 | 375,062,769 | 328,448,335 | 766,414,135 | 185,474,647 | 140,370,836 | 127,529,692 | 2,125,073,278 |
| Less Accumulated depreciation | - | (174,029) | (117,551,129) | (135,527,800) | (512,680,193) | (131,848,513) | (122,680,744) | - | (1,020,462,408) |
| Less Accumulated impairment | - | - | - | (292) | (786,961) | (309,242) | - | - | (1,096,495) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 199,325,831 | 2,273,004 | 257,511,640 | 192,920,243 | 252,946,981 | 53,316,892 | 17,690,092 | 127,529,692 | 1,103,514,375 |
|  |  |  |  |  |  |  |  |  |  |
| For the year ended |  |  |  |  |  |  |  |  |  |
| 31 December 2020 |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 199,325,831 | 2,273,004 | 257,511,640 | 192,920,243 | 252,946,981 | 53,316,892 | 17,690,092 | 127,529,692 | 1,103,514,375 |
| Additions | - | - | 8,153,229 | 8,532,754 | 85,938,229 | 7,323,712 | 19,112,140 | 286,019,675 | 415,079,739 |
| Disposals/ Write-offs | - | - | - | - | (882,142) | (93,505) | (14,911) | - | (990,558) |
| Transfer in (out) | - | - | 97,792,743 | 24,028,043 | 204,033,608 | 751,320 | 4,008,647 | (330,614,361) | - |
| Depreciation charge | - | (123,186) | (22,043,380) | (16,776,420) | (74,433,908) | (16,580,991) | (9,111,099) | - | (139,068,984) |
| Currency differences | - | - | (388,573) | - | (374,911) | 12,471 | (352) | - | (751,365) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 199,325,831 | 2,149,818 | 341,025,659 | 208,704,620 | 467,227,857 | 44,729,899 | 31,684,517 | 82,935,006 | 1,377,783,207 |
|  |  |  |  |  |  |  |  |  |  |
| As 31 December 2020 |  |  |  |  |  |  |  |  |  |
| Cost | 199,325,831 | 2,447,033 | 480,620,168 | 361,009,132 | 1,055,128,919 | 193,468,645 | 163,476,360 | 82,935,006 | 2,538,411,094 |
| Less Accumulated depreciation | - | (297,215) | (139,594,509) | (152,304,220) | (587,114,101) | (148,429,504) | (131,791,843) | - | (1,159,531,392) |
| Less Accumulated impairment | - | - | - | (292) | (786,961) | (309,242) | - | - | (1,096,495) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 199,325,831 | 2,149,818 | 341,025,659 | 208,704,620 | 467,227,857 | 44,729,899 | 31,684,517 | 82,935,006 | 1,377,783,207 |

As of 31 December 2020, the Group did not pledged any part of its land, factory or hotel building as collateral for borrowing facilities from financial institutions (2019: the Group pledged part of its land, factory and hotel building at net book value of Baht 204.24 million as collateral for borrowings and borrowing facilities from financial institutions (Note 21)).

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate financial statements | | | | | | | | |
|  |  |  | Factory |  | Machineries | Office |  |  |  |
|  |  | Land | and office | Building | and | equipment |  | Construction |  |
|  | Land | improvements | buildings | improvements | equipment | and furniture | Vehicles | in-progress | Total |
|  | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
|  |  |  |  |  |  |  |  |  |  |
| As 1 January 2019 |  |  |  |  |  |  |  |  |  |
| Cost | 148,904,588 | 1,798,786 | 363,728,166 | 238,324,226 | 384,209,418 | 62,557,162 | 83,834,659 | 78,851,132 | 1,362,208,137 |
| Less Accumulated depreciation | - | (53,258) | (137,130,701) | (91,416,052) | (233,425,777) | (27,323,975) | (63,551,036) | - | (552,900,799) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 148,904,588 | 1,745,528 | 226,597,465 | 146,908,174 | 150,783,641 | 35,233,187 | 20,283,623 | 78,851,132 | 809,307,338 |
|  |  |  |  |  |  |  |  |  |  |
| For the year ended 31 December 2019 |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 148,904,588 | 1,745,528 | 226,597,465 | 146,908,174 | 150,783,641 | 35,233,187 | 20,283,623 | 78,851,132 | 809,307,338 |
| Additions | 2,050,355 | 95,327 | 6,291,963 | 8,283,268 | 20,124,018 | 2,746,194 | 1,521,028 | 37,771,086 | 78,883,239 |
| Disposals/ Write-offs | - | - | - | - | (65,545) | (10,335) | - | (19,903,000) | (19,978,880) |
| Transfer in (out) | - | - | 7,795,292 | 365,987 | 27,496,673 | 510,321 | - | (36,168,273) | - |
| Transfer out to investment property (Note 16) | (32,565,208) | - | - | - | - | - | - | - | (32,565,208) |
| Depreciation charge | - | (92,290) | (16,203,071) | (11,768,955) | (41,152,162) | (8,695,285) | (6,923,480) | - | (84,835,243) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 118,389,735 | 1,748,565 | 224,481,649 | 143,788,474 | 157,186,625 | 29,784,082 | 14,881,171 | 60,550,945 | 750,811,246 |
|  |  |  |  |  |  |  |  |  |  |
| As 31 December 2019 |  |  |  |  |  |  |  |  |  |
| Cost | 118,389,735 | 1,894,113 | 377,815,422 | 246,973,483 | 431,635,981 | 65,575,729 | 85,355,687 | 60,550,945 | 1,388,191,095 |
| Less Accumulated depreciation | - | (145,548) | (153,333,773) | (103,185,009) | (274,449,356) | (35,791,647) | (70,474,516) | - | (637,379,849) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 118,389,735 | 1,748,565 | 224,481,649 | 143,788,474 | 157,186,625 | 29,784,082 | 14,881,171 | 60,550,945 | 750,811,246 |
|  |  |  |  |  |  |  |  |  |  |
| Adjustments from change in accounting policy  (Note 5) |  |  |  |  |  |  |  |  |  |
| Cost | - | - | (222,148,044) | - | - | - | - | - | (222,148,044) |
| Less Accumulated depreciation | - | - | 96,421,386 | - | - | - | - | - | 96,421,386 |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | - | - | (125,726,658) | - | - | - | - | - | (125,726,658) |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate financial statements | | | | | | | | |
|  |  |  | Factory |  | Machineries | Office |  |  |  |
|  |  | Land | and office | Building | and | equipment |  | Construction |  |
|  | Land | improvements | buildings | improvements | equipment | and furniture | Vehicles | in-progress | Total |
|  | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
|  |  |  |  |  |  |  |  |  |  |
| As 1 January 2020 |  |  |  |  |  |  |  |  |  |
| Cost | 118,389,735 | 1,894,113 | 155,667,378 | 246,973,483 | 431,635,981 | 65,575,729 | 85,355,687 | 60,550,945 | 1,166,043,051 |
| Less Accumulated depreciation | - | (145,548) | (56,912,387) | (103,185,009) | (274,449,356) | (35,791,647) | (70,474,516) | - | (540,958,463) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 118,389,735 | 1,748,565 | 98,754,991 | 143,788,474 | 157,186,625 | 29,784,082 | 14,881,171 | 60,550,945 | 625,084,588 |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| For the year ended 31 December 2020 |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 118,389,735 | 1,748,565 | 98,754,991 | 143,788,474 | 157,186,625 | 29,784,082 | 14,881,171 | 60,550,945 | 625,084,588 |
| Additions | - | - | - | 3,279,820 | 57,444,987 | 4,474,164 | 18,162,140 | 219,988,137 | 303,349,248 |
| Disposals/ Write-offs | - | - | - | - | (1,175,798) | (22,008) | (2) | - | (1,197,808) |
| Transfer in (out) | - | - | 48,098,542 | 23,947,043 | 126,609,876 | 869,340 | 4,008,647 | (203,533,448) | - |
| Depreciation charge | - | (94,705) | (7,986,940) | (12,240,165) | (46,045,829) | (8,925,361) | (7,901,885) | - | (83,194,885) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 118,389,735 | 1,653,860 | 138,866,593 | 158,775,172 | 294,019,861 | 26,180,217 | 29,150,071 | 77,005,634 | 844,041,143 |
|  |  |  |  |  |  |  |  |  |  |
| As 31 December 2020 |  |  |  |  |  |  |  |  |  |
| Cost | 118,389,735 | 1,894,113 | 203,765,920 | 274,200,346 | 613,958,619 | 70,754,594 | 106,639,675 | 77,005,634 | 1,466,608,636 |
| Less Accumulated depreciation | - | (240,253) | (64,899,327) | (115,425,174) | (319,938,758) | (44,574,377) | (77,489,604) | - | (622,567,493) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 118,389,735 | 1,653,860 | 138,866,593 | 158,775,172 | 294,019,861 | 26,180,217 | 29,150,071 | 77,005,634 | 844,041,143 |

At 31 December 2020, the Company did not pledged any part of its land or factory as collateral for borrowing facilities from financial institutions (2019: the Company pledged part of its land and factory at net book value of Baht 61.88 million as collateral for borrowings and borrowing facilities from financial institutions (Note 21)).

Details of depreciation recognised in the statement of comprehensive income are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cost of sales and rendering services | 87,958,083 | 83,790,179 | 58,855,761 | 49,781,695 |
| Cost of hotel operations | 9,028,577 | 32,882,805 | - | - |
| Selling expenses and |  |  |  |  |
| administrative expenses | 42,082,324 | 50,165,234 | 24,339,124 | 35,053,548 |
|  |  |  |  |  |
| Total | 139,068,984 | 166,838,218 | 83,194,885 | 84,835,243 |

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 5.

As at 31 December 2019, The Group is a lessee under a finance lease, comprise land, office building, warehouse, equipments and vehicle:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **Consolidated**  **financial statements** | **Separate**  **financial statements** |
|  |  |  | **2019** | **2019** |
|  |  |  | **Baht** | **Baht** |
|  |  |  |  |  |
| Cost - finance leases |  |  | 856,796,146 | 222,148,044 |
| Less Accumulated depreciation |  |  | (327,232,753) | (96,421,386) |
| Less Accumulated impairment |  |  | (10,468,495) | - |
|  |  |  |  |  |
| Net book amount |  |  | 519,094,898 | 125,726,658 |

|  |
| --- |
| **18 Right-of-use assets** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **Buildings** | **machinery** | **Vehicles** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Balance as at 1 January 2020 (Note 5) | 768,428,801 | 1,015,242 | 3,731,147 | 773,175,190 |
| Additions | 24,880,110 | 1,021,453 | 1,444,824 | 27,346,387 |
| Lease termination | - | (121,334) | - | (121,334) |
| Lease modifications and reassessments | - | - | (77,016) | (77,016) |
| Depreciation | (45,901,428) | (449,057) | (2,576,499) | (48,926,984) |
|  |  |  |  |  |
| Balance as at 31 December 2020 | 747,407,483 | 1,466,304 | 2,522,456 | 751,396,243 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  | **Buildings** | **machinery** | **Vehicles** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Balance as at 1 January 2020 (Note 5) | 244,781,455 | 537,282 | 2,672,545 | 247,991,282 |
| Additions | - | 1,021,453 | 830,719 | 1,852,172 |
| Lease termination | - | (121,334) | - | (121,334) |
| Lease modifications and reassessments | - | - | (77,016) | (77,016) |
| Depreciation | (13,277,419) | (325,210) | (2,119,775) | (15,722,404) |
|  |  |  |  |  |
| Balance as at 31 December 2020 | 231,504,036 | 1,112,191 | 1,306,473 | 233,922,700 |

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | **Separate**  **financial statements** |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Expense relating to leases of low-value assets | 4,449,909 | 1,543,752 |
| Total cash outflow for leases | 10,436,520 | 4,421,719 |

|  |
| --- |
| **19 Intangible assets** |

|  |  |  |
| --- | --- | --- |
|  |  | **Consolidated financial statements** |
|  |  | **Software** | |
|  |  | **Baht** | |
| **At 1 January 2019** |  |  | |
| Cost |  | 64,587,200 | |
| Less Accumulated amortisation |  | (40,890,484) | |
|  |  |  | |
| Net book amount |  | 23,696,716 | |
|  |  |  | |
| **For the year ended 31 December 2019** |  |  | |
| Opening net book amount |  | 23,696,716 | |
| Additions |  | 1,769,449 | |
| Amortisation charge |  | (14,152,490) | |
|  |  |  | |
| Closing net book amount |  | 11,313,675 | |
|  |  |  | |
| **At 31 December 2019** |  |  | |
| Cost |  | 66,358,933 | |
| Less Accumulated amortisation |  | (55,045,258) | |
|  |  |  | |
| Net book amount |  | 11,313,675 | |
|  |  |  | |
| **For the year ended 31 December 2020** |  |  | |
| Opening net book amount |  | 11,313,675 | |
| Additions |  | 2,006,501 | |
| Amortisation charge |  | (8,846,431) | |
|  |  |  | |
| Closing net book amount |  | 4,473,745 | |
|  |  |  | |
| **At 31 December 2020** |  |  | |
| Cost |  | 68,365,434 | |
| Less Accumulated amortisation |  | (63,891,689) | |
|  |  |  | |
| Net book amount |  | 4,473,745 | |

|  |  |  |
| --- | --- | --- |
|  |  | **Separate financial**  **statements** |
|  |  | **Software** | |
|  |  | **Baht** | |
|  |  |  | |
| **At 1 January 2019** |  |  | |
| Cost |  | 41,125,191 | |
| Less Accumulated amortisation |  | (26,327,375) | |
|  |  |  | |
| Net book amount |  | 14,797,816 | |
|  |  |  | |
| **For the year ended 31 December 2019** |  |  | |
| Opening net book amount |  | 14,797,816 | |
| Additions |  | 945,601 | |
| Amortisation charge |  | (9,645,140) | |
|  |  |  | |
| Closing net book amount |  | 6,098,277 | |
|  |  |  | |
| **At 31 December 2019** |  |  | |
| Cost |  | 42,073,076 | |
| Less Accumulated amortisation |  | (35,974,799) | |
|  |  |  | |
| Net book amount |  | 6,098,277 | |
|  |  |  | |
| **For the year ended 31 December 2020** |  |  | |
| Opening net book amount |  | 6,098,277 | |
| Additions |  | 1,702,911 | |
| Amortisation charge |  | (5,712,732) | |
|  |  |  | |
| Closing net book amount |  | 2,088,456 | |
|  |  |  | |
| **At 31 December 2020** |  |  | |
| Cost |  | 43,775,987 | |
| Less Accumulated amortisation |  | (41,687,531) | |
|  |  |  | |
| Net book amount |  | 2,088,456 | |

Details of amortisation charge recognised in the statement of comprehensive income are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cost of sales and rendering services | 50,210 | 106,378 | 41,445 | 93,915 |
| Selling expenses and administrative expenses | 8,796,221 | 14,046,112 | 5,671,287 | 9,551,225 |
|  |  |  |  |  |
| Total | 8,846,431 | 14,152,490 | 5,712,732 | 9,645,140 |

|  |
| --- |
| **20 Deferred income taxes** |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Deferred tax assets:** |  |  |  |  |
| Deferred tax assets to be |  |  |  |  |
| recovered within 12 months | 16,183,741 | 11,290,333 | 10,788,009 | 6,772,907 |
| Deferred tax assets to be |  |  |  |  |
| recovered after 12 months | 19,856,067 | 23,102,521 | 8,778,961 | 7,221,271 |
|  |  |  |  |  |
|  | 36,039,808 | 34,392,854 | 19,566,970 | 13,994,178 |
|  |  |  |  |  |
| **Deferred tax liabilities:** |  |  |  |  |
| Deferred tax liabilities to be |  |  |  |  |
| recovered within 12 months | - | - | - | - |
| Deferred tax liabilities to be |  |  |  |  |
| recovered after 12 months | (1,664,664) | (1,522,586) | (1,654,690) | (1,501,834) |
|  |  |  |  |  |
|  | (1,664,664) | (1,522,586) | (1,654,690) | (1,501,834) |
|  |  |  |  |  |
| Deferred income tax - net | 34,375,144 | 32,870,268 | 17,912,280 | 12,492,344 |

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

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | |
|  |  |  |  |  | **Different** | **Different** |  |  |  |  |  |
|  |  |  |  | **Allowances for** | **depreciation** | **rental expenses** |  |  |  |  |  |
|  | **Impairment** | **Post** | **Allowance** | **decrease in** | **charges between** | **between** |  |  |  |  |  |
|  | **on financial** | **retirement** | **for inventory** | **value of** | **tax and** | **tax and** | **Finance** |  |  |  |  |
|  | **asset** | **benefits** | **obsolescence** | **inventory** | **accounting** | **accounting** | **lease** | **Provision** | **Tax losses** | **Impairment** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Deferred income tax assets** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2019 | 6,245,080 | 7,695,932 | 6,927,394 | 1,082,120 | 10,554,232 | - | 65,053 | 67,058 | (37,482) | - | 32,599,387 |
| (Credited) charged to profit or loss | (2,254,710) | 3,180,822 | (358,290) | (408,650) | (878,600) | - | 171,975 | (9,669) | 37,482 | 2,312,998 | 1,793,358 |
| Currency differences | - | - | - | - | 109 | - | - | - | - | - | 109 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| At 31 December 2019 | 3,990,370 | 10,876,754 | 6,569,104 | 673,470 | 9,675,741 | - | 237,028 | 57,389 | - | 2,312,998 | 34,392,854 |
| Adjustments from changes in  accounting policies (Note 5) | 219,222 | - | - | - | - | - | - | - | - | - | 219,222 |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 4,209,592 | 10,876,754 | 6,569,104 | 673,470 | 9,675,741 | - | 237,028 | 57,389 | - | 2,312,998 | 34,612,076 |
| Charged (credited) to profit or loss | 3,335,849 | 891,306 | (1,142,817) | 175,253 | (3,566,837) | 100,039 | 1,091,369 | (7,099) | - | - | 877,063 |
| Charged to other comprehensive income | - | 561,798 | - | - | - | - | - | - | - | - | 561,798 |
| Currency difference | - | - | - | - | (11,129) | - | - | - | - | - | (11,129) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| At 31 December 2020 | 7,545,441 | 12,329,858 | 5,426,287 | 848,723 | 6,097,775 | 100,039 | 1,328,397 | 50,290 | - | 2,312,998 | 36,039,808 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Deferred income tax liabilities** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2019 | - | - | - | - | (2,140,510) | - | (53,685) | - | - | - | (2,194,195) |
| Chaeged to profit or loss | - | - | - | - | 638,677 | - | 32,932 | - | - | - | 671,609 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| At 31 December 2019 | - | - | - | - | (1,501,833) | - | (20,753) | - | - | - | (1,522,586) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | - | - | - | - | (1,501,833) | - | (20,753) | - | - | - | (1,522,586) |
| (Credited) charged to profit or loss | - | - | - | - | (162,831) | - | 20,753 | - | - | - | (142,078) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| At 31 December 2020 | - | - | - | - | (1,664,664) | - | - | - | - | - | (1,664,664) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Deferred tax, net** |  |  |  |  |  |  |  |  |  |  |  |
| **as at 1 January 2020** | 4,209,592 | 10,876,754 | 6,569,104 | 637,470 | 8,173,908 | - | 216,275 | 57,389 | - | 2,312,998 | 33,089,490 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Deferred tax, net** |  |  |  |  |  |  |  |  |  |  |  |
| **as at 31 December 2020** | 7,545,441 | 12,329,858 | 5,426,287 | 848,723 | 4,433,111 | 100,039 | 1,328,397 | 50,290 | - | 2,312,998 | 34,375,144 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | |
|  |  |  |  |  | **Different** |  |  |  |
|  |  |  |  | **Allowances for** | **depreciation** |  |  |  |
|  | **Impairment** | **Post** | **Allowance** | **decrease in** | **charges between** |  |  |  |
|  | **on financial** | **retirement** | **for inventory** | **value of** | **tax and** | **Finance** |  |  |
|  | **asset** | **benefits** | **obsolescence** | **inventory** | **accounting** | **lease** | **Provission** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| **Deferred income tax assets** |  |  |  |  |  |  |  |  |
| At 1 January 2019 | 5,627,258 | 4,872,902 | 3,989,519 | 1,032,672 | - | 41,774 | 67,058 | 15,631,183 |
| (Credited) charged to profit or loss | (2,632,683) | 2,137,985 | (790,296) | (471,919) | - | 168,610 | (48,702) | (1,637,005) |
|  |  |  |  |  |  |  |  |  |
| At 31 December 2019 | 2,994,575 | 7,010,887 | 3,199,223 | 560,753 | - | 210,384 | 18,356 | 13,994,178 |
| Adjustments from changes in accounting policies (Note 5) | 620,741 | - | - | - | - | - | - | 620,741 |
|  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 3,615,316 | 7,010,887 | 3,199,223 | 560,753 | - | 210,384 | 18,356 | 14,614,919 |
| Charged to profit or loss | 3,174,106 | 523,710 | 566,134 | 60,369 | - | 549,677 | 20,667 | 4,894,663 |
| Charged to other comprehensive income | - | 57,388 | - | - | - | - | - | 57,388 |
|  |  |  |  |  |  |  |  |  |
| At 31 December 2020 | 6,789,422 | 7,591,985 | 3,765,357 | 621,122 | - | 760,061 | 39,023 | 19,566,970 |
|  |  |  |  |  |  |  |  |  |
| **Deferred income tax liabilities** |  |  |  |  |  |  |  |  |
| At 1 January 2019 | - | - | - | - | (2,140,511) | - | - | (2,140,511) |
| Charged to profit or loss | - | - | - | - | 638,677 | - | - | 638,677 |
|  |  |  |  |  |  |  |  |  |
| At 31 December 2019 | - | - | - | - | (1,501,834) | - | - | (1,501,834) |
|  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | - | - | - | - | (1,501,834) | - | - | (1,501,834) |
| (Credited) to profit or loss | - | - | - | - | (152,856) | - | - | (152,856) |
|  |  |  |  |  |  |  |  |  |
| At 31 December 2020 | - | - | - | - | (1,654,690) | - | - | (1,654,690) |
|  |  |  |  |  |  |  |  |  |
| **Deferred tax, net as at 1 January 2020** | 3,615,316 | 7,010,887 | 3,199,223 | 560,753 | (1,501,834) | 210,384 | 18,356 | 13,113,085 |
|  |  |  |  |  |  |  |  |  |
| **Deferred tax, net as at 31 December 2020** | 6,789,422 | 7,591,985 | 3,765,357 | 621,122 | (1,654,690) | 760,061 | 39,023 | 17,912,280 |

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

|  |
| --- |
| **21 Borrowings** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Current** |  |  |  |  |
| Current portion of long-term borrowings |  |  |  |  |
| - Borrowings from financial institutions | - | 13,763,292 | - | - |
| - Lease liabilities | 10,888,551 | - | 3,722,655 |  |
| - Finance lease obligation | - | 71,554 | - | - |
| - Borrowing from related party (Note 32) | - | 12,492,000 | - | - |
|  |  |  |  |  |
| Total current borrowings | 10,888,551 | 26,326,846 | 3,722,655 | - |
|  |  |  |  |  |
| **Non-current** |  |  |  |  |
| Borrowings from financial institutions | - | 40,326,020 | - | - |
| Lease liabilities | 296,120,833 | - | 151,677,966 | - |
| Finance lease obligation | - | 35,081,539 | - | 32,835,396 |
| Borrowing from related party (Note 32) | - | 37,508,000 | - | - |
|  |  |  |  |  |
| Total non-current borrowings | 296,120,833 | 112,915,559 | 151,677,966 | 32,835,396 |
|  |  |  |  |  |
| **Total borrowings** | 307,009,384 | 139,242,405 | 155,400,621 | 32,835,396 |

The Group have no borrowings from financial institutions (2019: Borrowings of the Group from financial institutions of Baht 54,089,312 are secured over a part of the land and buildings of the Group and are guaranteed by the management (Note 17)).

The fair value of current borrowings is near to their carrying amount, as the impact of discounting is not significant.

Maturity of finance lease liabilities are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | | |
|  | **2020** | **2019** | | **2020** | **2019** |
|  | **Baht** | **Baht** | | **Baht** | **Baht** |
|  |  |  | |  |  |
| **Minimum finance lease liabilities payments** |  |  | |  |  |
| Not later than one year | - | 3,478,390 | | - | 3,192,190 |
| Later than 1 year but not later than 5 years | - | 15,442,029 | | - | 14,396,765 |
| Later than 5 years | - | 64,859,523 | | - | 61,226,011 |
| Less Future finance charges on finance leases | - | (48,626,849) | | - | (45,979,570) |
|  |  |  | |  |  |
| Present value of finance lease liabilities | - | 35,153,093 | | - | 32,835,396 |
|  |  |  | |  |  |
| **Present value of finance lease liabilities:** |  |  | |  |  |
| Not later than one year | - | 71,554 | | - | - |
| Later than 1 year but not later than 5 years | - | 1,075,823 | | - | 833,028 |
| Later than 5 years | - | 34,005,716 | | - | 32,002,368 |
|  |  |  | |  |  |
|  | - | 35,153,093 | | - | 32,835,396 |

Building lease agreement with shareholders offered renewal lease agreement 10 year per time but not exceed 3 times at market rate as of renewal contracts date.

|  |
| --- |
| **22 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade accounts payable - other companies | 240,014,386 | 193,138,658 | 187,968,587 | 160,939,903 |
| Trade accounts payable |  |  |  |  |
| - related parties (Note 32) | - | - | 20,245,127 | 14,614,070 |
| Other payables - other companies | 50,657,096 | 41,723,396 | 39,055,157 | 26,885,565 |
| Other payables - related parties (Note 32) | - | 5,000 | 4,550,090 | 3,700,950 |
| Amounts due to director (Note 32) | 47,248 | 5,473,274 | 19,000 | 3,305,649 |
| Accrued expenses | 74,242,340 | 69,470,961 | 45,906,474 | 46,875,750 |
| Room booking deposits | 1,036,435 | 1,956,603 | - | - |
|  |  |  |  |  |
| Total trade and other payables | 365,997,505 | 311,767,892 | 297,744,435 | 256,321,887 |

|  |
| --- |
| **23 Employee benefit obligations** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Statement of financial position: |  |  |  |  |
| Retirement benefits | 61,825,186 | 54,383,772 | 37,959,927 | 35,054,436 |
|  |  |  |  |  |
| Liability in the statement of financial position | 61,825,186 | 54,383,772 | 37,959,927 | 35,054,436 |
|  |  |  |  |  |
| Profit or loss charge included |  |  |  |  |
| in operating profit for: |  |  |  |  |
| Retirement benefits | 4,756,264 | 16,110,512 | 2,618,551 | 10,689,924 |
|  |  |  |  |  |
|  | 4,756,264 | 16,110,512 | 2,618,551 | 10,689,924 |
|  |  |  |  |  |
| Remeasurement for: |  |  |  |  |
| Retirement benefits | 2,808,990 | - | 286,940 | - |
|  |  |  |  |  |
|  | 2,808,990 | - | 286,940 | - |

Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members’ length of service and their salary in the final years leading up to retirement.

The movement in the defined benefit obligation over the year is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| At 1 January | 54,383,772 | 38,479,660 | 35,054,436 | 24,364,512 |
| Current service cost | 3,785,140 | 4,868,293 | 2,024,918 | 2,513,886 |
| Past service cost | - | 10,027,206 | - | 7,389,196 |
| Interest expense | 971,124 | 1,215,013 | 593,633 | 786,842 |
| Remeasurements: |  |  |  |  |
| Loss (Gain) from change in |  |  |  |  |
| demographic assumption | 2,442,165 | - | (580,666) | - |
| Loss from change in financial assumption | 2,754,769 | - | 2,495,411 | - |
| Experience gain | (2,387,944) | - | (1,627,805) | - |
| Benefit payment | (123,840) | (206,400) | - | - |
|  |  |  |  |  |
| At 31 December | 61,825,186 | 54,383,772 | 37,959,927 | 35,054,436 |

Total charge of the Group and the Company are Baht 4,765,264 and Baht 2,618,551, respectively (2019: Baht 16,110,512 and Baht 10,689,924, respectively) which are included in ‘cost of goods sold and rendering services, selling expenses and administrative expenses’ in financial statements.

The significant actuarial assumptions used were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Discount rate (%) | 1.60 - 1.81 | 1.76 - 4.38 | 1.77 | 3.19 |
| Inflation rate (%) | 2.75 | 2.50 | 5.00 | 2.50 |
| Salary growth rate (%) | 4.00 - 6.00 | 4.00 - 8.50 | 2.75 | 4.00 - 8.50 |
| Turnover rate (%) | 2.87 - 34.38 | 5.00 - 40.00 | 5.73 - 34.38 | 5.00 - 40.00 |
| Retirement age (year) | 60 and 65 | 60 and 65 | 65 | 65 |

Sensitivity analysis for each significant assumption used is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidate financial statement** | | | | | |
|  |  | | **Impact on defined benefit obligation** | | | |
|  | **Change in assumption** | | **Increase in assumption** | | **Decrease in assumption** | | |
|  | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** | |
|  |  |  |  |  |  |  | |
| Discount rate | 1% | 1% | Decrease by 8.66% | Decrease by 8.58% | Increase  by 10.70% | Increase  by 10.56% | |
| Salary growth rate | 1% | 1% | Increase  by 9.98% | Increase  by 10.79% | Decrease by 8.29% | Decrease  by 8.91% | |
| Turnover rate | 20% | 20% | Decrease by 9.12% | Decrease by 9.00% | Increase  by 11.89% | Increase  by 11.70% | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statement** | | | | | | |
|  |  | | **Impact on defined benefit obligation** | | | | |
|  | **Change in assumption** | | **Increase in assumption** | | **Decrease in assumption** | |
|  | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |  |  |
| Discount rate | 1% | 1% | Decrease by 7.85% | Decrease by 8.42% | Increase  by 9.77% | Increase  by 10.43% |
| Salary growth rate | 1% | 1% | Increase  by 9.14% | Increase  by 10.62% | Decrease by 7.54% | Decrease  by 8.72% |
| Turnover rate | 20% | 20% | Decrease by 8.62% | Decrease by 8.14% | Increase  by 11.45% | Increase  by 10.47% |

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 in the statement of financial position.

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

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

**Asset volatility**

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. The plan asset holds a significant proportion of equities, which are expected to outperform government bond in the long-term while providing volatility and risk in the short-term.

**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 plans’ bond holdings.

**Inflation risk**

Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan’s assets are either unaffected by fixed interest bonds or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The weighted average duration of the defined benefit obligation of the Group and the Company are 36.33 years and 33.96 years, respectively (2019: 34.60 years and 34.94 years).

Expected maturity analysis of undiscounted retirement and post-employment medical benefits are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | **Less than**  **a year** | **Between**  **1 - 2 years** | **Between**  **2 - 5 years** | **Over**  **5 years** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| At 31 December 2020 |  |  |  |  |  |
| Retirement benefits | 786,190 | 1,257,315 | 1,638,757 | 182,905,980 | 186,588,242 |
|  |  |  |  |  |  |
| Total | 786,190 | 1,257,315 | 1,638,757 | 182,905,980 | 186,588,242 |
|  |  |  |  |  |  |
| At 31 December 2019 |  |  |  |  |  |
| Retirement benefits | 89,450 | 2,043,505 | 1,638,757 | 182,905,980 | 186,677,692 |
|  |  |  |  |  |  |
| Total | 89,450 | 2,043,505 | 1,638,757 | 182,905,980 | 186,677,692 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Less than a year** | **Between**  **1 - 2 years** | **Between**  **2 - 5 years** | **Over**  **5 years** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| At 31 December 2020 |  |  |  |  |  |
| Retirement benefits | 267,112 | 1,062,878 | 854,261 | 112,355,827 | 114,540,078 |
|  |  |  |  |  |  |
| Total | 267,112 | 1,062,878 | 854,261 | 112,355,827 | 114,540,078 |
|  |  |  |  |  |  |
| At 31 December 2019 |  |  |  |  |  |
| Retirement benefits | - | 1,329,990 | 854,261 | 112,355,827 | 114,540,078 |
|  |  |  |  |  |  |
| Total | - | 1,329,990 | 854,261 | 112,355,827 | 114,540,078 |

|  |
| --- |
| **24 Share capital and share premium** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Number of** | **Ordinary** | **Share** |  |
|  | **Shares** | **Shares** | **Premium** | **Total** |
|  | **Shares** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| At 1 January 2019 | 1,480,000,000 | 1,480,000,000 | 93,663,209 | 1,573,663,209 |
| Issue of shares | 520,000,000 | 520,000,000 | 1,196,000,000 | 1,716,000,000 |
| Less: Share issue costs | - | - | (40,724,473) | (40,724,473) |
|  |  |  |  |  |
| At 31 December 2019 | 2,000,000,000 | 2,000,000,000 | 1,248,938,736 | 3,248,938,736 |
|  |  |  |  |  |
|  |  |  |  |  |
| At 31 December 2020 | 2,000,000,000 | 2,000,000,000 | 1,248,938,736 | 3,248,938,736 |

On 24 October 2019, the Company initial public offered its ordinary shares of 520,000,000 shares, with the par value of Baht 1 per share. The offering price of these shares was Baht 3.30 per share, totalling Baht 1,716 million. The Company recorded expenses in respect of shares distribution of Baht 40.72 million (net of tax benefits) as a deduction to the share premium.

**Premium arising from business combination under common control**

The difference of acquisitions from entities under common control, which is higher of the carrying amount of the acquired net assets than the consideration transferred is recognized as premium from business combinations under common control in shareholder’s equity. The discount will be included in the consolidated financial statements until control ceases of the subsidiaries acquired.

|  |
| --- |
| **25 Legal reserve** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| At 1 January | 110,350,000 | 77,000,000 | 110,350,000 | 77,000,000 |
| Appropriation during the year | 20,300,000 | 33,350,000 | 20,300,000 | 33,350,000 |
|  |  |  |  |  |
| At 31 December | 130,650,000 | 110,350,000 | 130,650,000 | 110,350,000 |

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

|  |
| --- |
| **26 Dividends** |

At the Board of Directors Meeting no.2/2020 of the Company held on 3 April 2020, the meeting approved the payment of interim dividend from net profit for year ended 31 December 2019 at Baht 0.15 per share, totalling Baht 300 million. The interim dividend was already distributed to the shareholders on 30 April 2020.

At the Annual General Shareholders Meeting of the Company held on 8 May 2019 and the Board of Director Meeting of the Company held on 5 October 2019, the meetings approved the payment of annual dividend from net profit for year ended 31 December 2018 at Baht 0.17 per share, totalling Baht 246 million.

|  |
| --- |
| **27 Other income** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Rental income | - | - | 10,045,681 | 11,713,125 |
| Interest income | 3,961,735 | 1,477,526 | 17,977,129 | 5,826,512 |
| Other income | 11,227,478 | 15,863,796 | 39,879,698 | 40,725,899 |
|  |  |  |  |  |
| Total | 15,189,213 | 17,341,322 | 67,902,508 | 58,265,536 |

|  |
| --- |
| **28 Finance costs** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Interest and finance charges paid for lease  liabilities (2019: Finance lease liabilities) | 13,730,598 | 3,549,212 | 8,790,794 | 3,347,602 |
| Borrowings from financial institutions | 757,261 | 12,944,493 | - | 6,323,412 |
| Borrowings from related parties | 83,658 | 9,455,496 | - | 7,339,213 |
|  |  |  |  |  |
| Total finance costs | 14,571,517 | 25,949,201 | 8,790,794 | 17,010,227 |

|  |
| --- |
| **29 Expense by nature** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Change in finished goods and work-in-process | (19,562,777) | (30,855,468) | (8,875,641) | (22,127,885) |
| Raw material and supplies used | 1,476,202,008 | 1,367,986,349 | 1,189,511,748 | 1,097,164,981 |
| Services charge from hotel operations | 4,948,675 | 7,809,669 | - | - |
| Staff costs | 475,126,365 | 462,736,644 | 317,314,565 | 290,712,966 |
| Employee benefit (Note 23) | 4,756,264 | 16,110,512 | 2,618,551 | 10,689,924 |
| Selling, advertising and publicity | 17,712,495 | 16,907,759 | 12,043,901 | 10,483,449 |
| Reversal of doubtful accounts | - | (11,252,654) | - | (13,163,416) |
| Bad debt expense | - | 10,815 | - | 5,415 |
| Depreciation - net of the reduction of the lease |  |  |  |  |
| payments (Note 6.12, 16, 17, 18) | 186,866,945 | 166,838,218 | 103,159,075 | 89,632,756 |
| Amortisation (Note 19) | 8,846,431 | 14,152,490 | 5,712,732 | 9,645,140 |
| Transportation costs | 67,855,874 | 65,550,935 | 57,855,360 | 55,186,061 |
| Water and electricity expenses | 79,450,586 | 80,373,186 | 48,426,867 | 48,203,381 |
| Consultation and professional fees | 50,573,247 | 44,798,069 | 30,285,179 | 23,309,255 |
| Repair and maintenance expenses | 29,957,000 | 25,239,973 | 19,114,083 | 14,210,079 |
| Rental expense | 4,449,909 | 27,241,852 | 1,543,752 | 12,727,506 |
| Traveling expenses | 10,475,887 | 13,095,038 | 7,605,308 | 7,891,765 |
| Insurance expenses | 9,963,137 | 7,395,811 | 5,995,341 | 4,475,442 |
| Gas | 8,868,499 | 8,977,049 | 6,799,139 | 7,108,964 |
| Impairment loss (Note 17) | - | 11,564,990 | - | - |
| Other expense | 104,120,753 | 118,463,102 | 63,355,755 | 71,681,189 |
|  |  |  |  |  |
| Total | 2,520,611,298 | 2,413,144,339 | 1,862,465,715 | 1,717,836,972 |

|  |
| --- |
| **30 Income tax** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current tax: |  |  |  |  |
| Current tax on profits for the year | 116,045,203 | 91,830,113 | 90,533,810 | 77,775,595 |
| Adjustments in respect of prior year | (269,835) | - | (269,835) | - |
|  |  |  |  |  |
| Total current tax | 115,775,368 | 91,830,113 | 90,263,975 | 77,775,595 |
|  |  |  |  |  |
| Deferred income tax: |  |  |  |  |
| (Increase) decrease in deferred tax | (734,876) | (2,464,967) | (4,741,807) | 998,328 |
|  |  |  |  |  |
| Total deferred income tax | (734,876) | (2,464,967) | (4,741,807) | 998,328 |
|  |  |  |  |  |
| Income tax expenses | 115,040,492 | 89,365,146 | 85,522,168 | 78,773,923 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Profit before tax | 632,347,044 | 442,901,339 | 491,378,145 | 463,692,981 |
|  |  |  |  |  |
| Tax calculated at a tax rate of 20%  (2019: 20%) | 126,469,409 | 88,580,268 | 98,275,629 | 92,738,596 |
| Tax effect of: |  |  |  |  |
| Income not subject to tax | - | - | - | (13,157,006) |
| Expenses not deductible for tax purposes | 2,587,563 | 2,003,771 | 884,865 | 1,198,644 |
| Additional expense deductible  for tax purposes | (18,556,022) | (2,342,991) | (13,368,491) | (2,006,311) |
| Tax losses for which no deferred |  |  |  |  |
| income tax asset was recognised | 4,809,377 | 1,124,098 | - | - |
| Adjustment in respect of prior year | (269,835) | - | (269,835) | - |
|  |  |  |  |  |
| Tax charge | 115,040,492 | 89,365,146 | 85,522,168 | 78,773,923 |

The weighted average applicable tax rate of the Group and the Company used is 18.19% and 17.40%, respectively. (2019: 21.17% and 20.45%, respectively).

Further information about deferred income tax is presented in Note 20.

|  |
| --- |
| **31 Basic earnings per share** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
| **Basic earnings per share** |  |  |  |  |
| From continuing operations attributable to the |  |  |  |  |
| ordinary sharesholders of the Company | 519,016,386 | 352,777,109 | 405,855,977 | 384,919,058 |
| Weighted average number of ordinary |  |  |  |  |
| shares used as the denominator in |  |  |  |  |
| calculating basic earnings per share | 2,000,000,000 | 1,582,575,300 | 2,000,000,000 | 1,582,575,300 |
| Basic earnings per share (Baht per share) | 0.26 | 0.22 | 0.20 | 0.24 |

|  |
| --- |
| **32 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.

The Company is controlled by Ratanapoompinyo's family. Major shareholders includes Mr. Somchai Ratanapoompinyo, Mrs.Petchara Ratanapoompinyo, Janjida Ratanapoompinyo, M.D., and Sanathorn Ratanapoompinyo, M.D., together hold 71.62% of the Company's total ordinary shares. (2019: 73.88%)

|  |  |
| --- | --- |
| **Related parties** | **Relationship** |
|  |  |
| R&B Food Supply Vietnam Limited Liability Company | Subsidiary |
| PT RBFood Supply Indonesia | Subsidiary |
| Thai Flavour and Fragrance Co., Ltd. | Subsidiary |
| Premium Food Co., Ltd. | Subsidiary |
| Best Odour Co., Ltd. | Subsidiary |
| PT RBFood Manufaktur Indonesia | Subsidiary |
| Guangzhou Thai Delicious Food Co., Ltd. | Subsidiary |
| JPS Holding Co., Ltd. | Company under common control at shareholders level |
| Port Plus Co., Ltd. | Company under common control at shareholders level |
| Global Triumph Co., Ltd. (Formerly Global taste Co., Ltd.) | Company under common control at shareholders level |
| Translucence Co., Ltd. (Formerly Taste and scent Co., Ltd) | Company under common control at shareholders level |
| Daphne Co., Ltd | Company under common control at shareholders level |
| Botanic delight Co., Ltd. | Related party |
| Petch Perm Sinn Co., Ltd. | Related party |

During the year, the Group and the Company entered into a number of transactions with its subsidiaries and related companies. The terms and basis of such transactions are negotiated between the parties in the ordinary course of business and according to normal trade conditions.

|  |  |
| --- | --- |
|  | **Terms and basis** |
|  |  |
| Revenues from sales of goods | Cost plus margin according to type of products |
| Revenues from sales of property, | Cost plus margin |
| plant and equipment |  |
| Rental income | Contract price value by independent appraiser and is in line with market |
| Service and other income | Cost plus margin |
| Other income - Commissions | Price is agreed in contract which is based on percentage of sales |
| Interest income | Price is agreed in contract |
| Purchases of goods | Cost plus margin according to type of products |
| Purchases of property, plant and equipment | Contract price value by independent appraiser and is in line with market |
| Finance lease obligations | Contract price value by independent appraiser and is in line with market |
| Land and factory building rental expenses | Contract price value by independent appraiser and is in line with market |
| Services expenses | Price is agreed in contract |
| Commissions | Price is agreed in contract which is based on percentage of sales |
| Other expenses | Price is agreed in contract |
| Interest expense | Price is agreed in contract |

The following transactions were carried out with related parties:

**a) Sales of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Revenues from sales of goods |  |  |  |  |
| Subsidiaries | - | - | 321,363,921 | 267,858,448 |
|  |  |  |  |  |
|  | - | - | 321,363,921 | 267,858,448 |
|  |  |  |  |  |
| Revenues from sales of property, |  |  |  |  |
| plant and equipment |  |  |  |  |
| Subsidiaries | - | - | 334,255 | 20,768,744 |
|  |  |  |  |  |
|  | - | - | 334,255 | 20,768,744 |
|  |  |  |  |  |
| Rental income |  |  |  |  |
| Subsidiaries | - | - | 10,045,681 | 11,713,125 |
|  |  |  |  |  |
|  | - | - | 10,045,681 | 11,713,125 |
|  |  |  |  |  |
| Service and other income |  |  |  |  |
| Subsidiaries | - | - | 35,497,340 | 26,992,019 |
|  |  |  |  |  |
|  | - | - | 35,497,340 | 26,992,019 |
|  |  |  |  |  |
| Interest income |  |  |  |  |
| Subsidiaries | - | - | 14,579,461 | 5,165,094 |
|  |  |  |  |  |
|  | - | - | 14,579,461 | 5,165,094 |
|  |  |  |  |  |
| Dividend income |  |  |  |  |
| Subsidiaries | - | - | - | 65,785,029 |
|  |  |  |  |  |
|  | - | - | - | 65,785,029 |

**b) Purchase of goods**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Purchases of goods |  |  |  |  |
| Subsidiaries | - | - | 75,182,920 | 48,397,492 |
| Companies under common control  at shareholders level | - | 7,528,151 | - | 7,528,151 |
|  |  |  |  |  |
|  | - | 7,528,151 | 75,182,920 | 55,925,643 |
| Purchases of property, plant |  |  |  |  |
| and equipment |  |  |  |  |
| Subsidiaries | - | - | 5,540,121 | - |
| Companies under common control  at shareholders level | - | - | - | - |
| Related parties | 1,428,066 | 20,314,812 | 1,428,066 | 20,314,812 |
|  |  |  |  |  |
|  | 1,428,066 | 20,314,812 | 6,968,187 | 20,314,812 |
|  |  |  |  |  |
| Land and factory building rental expenses |  |  |  |  |
| Shareholders and key management | - | 17,539,780 | - | 10,202,331 |
|  |  |  |  |  |
|  | - | 17,539,780 | - | 10,202,331 |
|  |  |  |  |  |
| Service and other expenses |  |  |  |  |
| Subsidiaries | - | - | 34,354,377 | 20,104,178 |
| Related parties | 119,092 | 1,259,812 | - | 120,794 |
|  |  |  |  |  |
|  | 119,092 | 1,259,812 | 34,354,377 | 20,224,972 |
| Interest expense |  |  |  |  |
| Companies under common control  at shareholders level | - | 1,131,283 | - | - |
| Shareholders and key management | 12,726,509 | 10,160,242 | 8,685,808 | 9,035,248 |
|  |  |  |  |  |
|  | 12,726,509 | 11,291,525 | 8,685,808 | 9,035,248 |
|  |  |  |  |  |
| Dividend paid |  |  |  |  |
| Shareholders and key management | 214,856,985 | 246,004,971 | 214,856,985 | 246,000,000 |
|  |  |  |  |  |
|  | 214,856,985 | 246,004,971 | 214,856,985 | 246,000,000 |

**c) Outstanding balances arising from sales and purchases of goods and services**

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables and other |  |  |  |  |
| receivables |  |  |  |  |
| Subsidiaries | - | - | 166,900,884 | 126,596,490 |
| Companies under common control  at shareholders level | 36,100 | - | 36,100 | - |
|  |  |  |  |  |
| Total receivables from related parties, net | 36,100 | - | 166,936,984 | 126,596,490 |
|  |  |  |  |  |
|  |  |  |  |  |
| Trade payables and other payables |  |  |  |  |
| Subsidiaries | - | - | 24,795,217 | 18,310,020 |
| Related party | - | 5,000 | - | 5,000 |
| Shareholders and key management | 47,248 | 5,473,274 | 19,000 | 3,305,649 |
|  |  |  |  |  |
| Total payable from related parties, net | 47,248 | 5,478,274 | 24,814,217 | 21,620,669 |
|  |  |  |  |  |
| Finance lease obligations |  |  |  |  |
| Shareholders and key management | 286,293,727 | 34,846,421 | 152,859,295 | 32,835,396 |
|  |  |  |  |  |
| Total finance lease obligations | 286,293,727 | 34,846,421 | 152,859,295 | 32,835,396 |
|  |  |  |  |  |

**d) Borrowings from related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Companies under common control**  **at shareholders level:** |  |  |  |  |
| Beginning balance | - | 74,000,000 | - | - |
| Borrowings received during the year |  | - | - | - |
| Borrowings repaid during the year | - | (74,000,000) | - | - |
|  |  |  |  |  |
| Ending balance | - | - | - | - |
|  |  |  |  |  |
| **Shareholders:** |  |  |  |  |
| Beginning balance | 50,000,000 | 498,780,000 | - | 448,780,000 |
| Borrowings received during the year |  | - |  | - |
| Borrowings repaid during the year | (50,000,000) | (448,780,000) | - | (448,780,000) |
|  |  |  |  |  |
| Ending balance | - | 50,000,000 | - | - |
|  |  |  |  |  |
| **Total borrowings from related parties** | - | 50,000,000 | - | - |

As at 31 December 2019, borrowings from shareholder were provided interest rate at 1.97% per annum with unsecured, and there was specified repayment date within 5 year. However, the Group has already paid the remaining balance fully in 2020.

**e) Loans to related parties**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Short-term loan to related party** |  |  |  |  |
| Subsidiaries | - | - | 5,978,000 | - |
| Less Loss allowance (2019: Allowance for |  |  |  |  |
| doubtful accounts under TAS 101) | - | - | (34,504) | - |
|  |  |  |  |  |
| Total | - | - | 5,943,496 | - |
|  |  |  |  |  |
| **Long-term loans to related parties** |  |  |  |  |
| Subsidiaries | - | - | 361,947,933 | 285,498,875 |
| Less Loss allowance (2019: Allowance for |  |  |  |  |
| doubtful accounts under TAS 101) | - | - | (2,100,070) | - |
|  |  |  |  |  |
| Total | - | - | 359,847,863 | 285,498,875 |

The movements of loans to related parties can be analysed are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  |  |  |  |  |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Related parties** |  |  |  |  |
| Beginning balance | - | - | 285,498,875 | 156,916,667 |
| Adjustment on adoption of TFRS 9 |  |  |  |  |
| on 1 January 2020 (Note 5) | - | - | (15,747,961) | - |
| Loans made during the year | - | - | 165,499,923 | 262,928,900 |
| Loans repaid during the year | - | - | (87,044,200) | (133,150,667) |
| Currency differences | - | - | (702,141) | (1,196,025) |
| Effect of changes in interest rates on loan |  |  |  |  |
| agreements (Note 15) | - | - | 18,413,844 | - |
| Allowance for impairment | - | - | (126,981) | - |
|  |  |  |  |  |
| Ending balance | - | - | 365,791,359 | 285,498,875 |

Loan terms and conditions are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Separate financial information** | | | | |
|  |  |  | **Amount repaid** |  |
|  | **Amount of** |  | **for the** |  |
|  | **loans as at** |  | **period ended** |  |
|  | **2020** |  | **2020** |  |
| **Company** | **Baht** | **Term** | **Baht** | **Interest rate** |
|  |  |  |  |  |
| Premium Foods Co., Ltd. | 177,733,193 | Unsecured and due in 2025 | 40,560,000 | 3.85 - 4.24 |
|  |  |  |  |  |
| Thai Flavour and Fragrance | 137,616,883 | Unsecured and due in 2025 | 44,084,200 | 3.85 - 4.24 |
| Co., Ltd. |  |  |  |  |
|  |  |  |  |  |
| Best Odour Co., Ltd. | 4,573,449 | Unsecured and due in 2022 | 2,400,000 | 3.85 |
|  |  |  |  |  |
| R&B Food Supply Vietnam |  | Unsecured and due in 2026 | - | 4.25 - 4.75 |
| Limited Liability Company | 16,476,539 |  |  |  |
|  |  |  |  |  |
| PT RBFood Manufaktur |  |  |  |  |
| Indonesia | 29,391,295 | Unsecured and due in 2027 | - | 4.50 - 4.75 |
|  |  |  |  |  |
|  | 365,791,359 |  | 87,044,200 |  |

Loans to related parties are normally given on commercial terms and conditions. Related interest income was Baht 14,579,461 (31 December 2019: Baht 5,165,094).

**f) Key management compensation**

The compensation paid or payable to key management for employee services are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 35,083,276 | 33,755,787 | 29,064,845 | 27,925,825 |
| Post-employee benefits | 201,526 | 6,014,635 | 154,088 | 5,101,076 |
|  |  |  |  |  |
|  | 35,284,802 | 39,770,422 | 29,218,933 | 33,026,901 |

|  |
| --- |
| **33 Commitments** |

**Lease and service commitments**

From 1 January 2020, the Group and the Company has recognised right-of-use assets for these leases, except for   
short-term and low-value leases (Note 5) as permitted by Financial reporting standards relating to leases standard (TFRS 16).

The Group and the Company have lease commitments which are short-term and low-value leases in respect of office equipment rental and service commitments which are security services in the ordinary course of business were made with third parties.

The future aggregate minimum payments under non-cancellable commitments are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Not later than 1 year | 3,255,815 | 28,659,609 | 1,800,447 | 16,129,967 |
| Later than 1 year but not later than 5 years | 224,640 | 55,443,018 | 171,200 | 33,046,960 |
| Later than 5 years | - | 243,649,356 | - | 147,417,041 |
|  |  |  |  |  |
| Total | 3,480,455 | 327,751,983 | 1,971,647 | 196,593,968 |

During 2020, the Group and the Company had adopted the Financial reporting standards relating to leases standard (TFRS 16), the financial information for current and prior year is incomparable (Note 5) .

|  |
| --- |
| **34 Bank guarantees** |

As at 31 December, the Group and the Company have the following guarantees in respect of bank arising in the ordinary course of business as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank guarantees | 4,456,700 | 4,636,200 | 1,197,000 | 1,376,500 |
| Import Letter of Credit | 11,537,064 | 5,173,958 | 6,509,867 | 3,401,352 |
| Export bill under L/C - Collection | - | 1,035,887 | - | 1,035,887 |
| Import bill for collection (B/C) | 5,571,644 | - | 3,383,162 | - |

|  |
| --- |
| **35 Events after the reporting period** |

**Dividend payment**

On 25 February 2021, the Company’s Board of Directors (“The Board”) Meeting agreed to propose to the Annual General Meeting of Shareholders to approve the dividend payment of the Company's 2020 operating results at Baht 0.15 per share, totalling Baht 300 million. The dividend payment, scheduled on 19 May 2021, is subject to the approval of the Shareholders at the Annual General Meeting to be held on 23 April 2021.

**Proposal of hotel property disposal planplan**

On 25 February 2021, the Company’s Board of Directors Meeting (excluding the directors who are also major shareholders who have no voting right on this matter), agreed to propose to the Annual General Meeting of Shareholders to consider and approve the transactions to dispose of the two hotel businesses: 1) Novotel Chumphon Beach Resort & Golf and 2) Ibis Styles Chiang Mai Hotel. Such resolution is for hotel asset disposal to the personal companies of major shareholders. The Board of Directors will consider and give opinions on such transactions based on the best interests of the Group and the Company's shareholders. Also, the Board is beginning to implement a plan to determine a reasonable selling price and engage external independent valuers to help as part of the disposal process. The resolution is still subject to the approval from the Annual General Meeting of Shareholders to be held on 23 April 2021. Key shareholders who have conflicts of interest won’t be able to vote on this matter. If this resolution is approved by the shareholders' meeting, the associated assets and liabilities will be classified as held for sale in the interim financial information for the period ended 31 March 2021.