

**Selic Corp Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Selic Corp Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Selic Corp Public Company Limited and its subsidiaries (the "Group") and of Selic Corp Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Impairment testing of goodwill and indefinite-lived intangible assets	
Refer to Note 4(k) and 11 to the financial statements	
The key audit matter	How the matter was addressed in the audit
As at 31 December 2020, the Group had goodwill and indefinite-lived intangible assets, consisting of trademarks arising from the acquisition of a self-adhesive label business, of Baht 380 million and Baht 77 million, respectively. The above carrying amounts have been allocated to individual cash-generating units (CGUs) for impairment test, which is required to be performed at least annually and whenever there is an indication of impairment. Due to the materiality of the carrying amounts and the use of management's judgement in determining recoverable amounts of CGUs, particularly on growth rates, royalty rate, forecast of future cash flows, and discount rates, I considered this matter as a key audit matter.	My audit procedures included the following: • Inquiring of the management in order to understand the Group's policies and procedures in relating to impairment testing of goodwill and trademarks and assessing the appropriateness of the management's identification of CGUs; • Evaluating the reasonableness of key assumptions and data used to determine recoverable amounts based on value in use, such as forecasted revenue, royalty rate and short-term and long-term growth rates by reference to historical results, knowledge of business, industry and market situation in which the CGUs operate; • Evaluating the appropriateness of key financial parameters used to determine discount rates applied by comparing them with available market information and other companies in the same industry; • Evaluating the reasonableness of future financial performance forecasts by comparing historical estimation to actual operating results; • Assessing the impact of sensitivity analysis made by the management on the recoverable amounts by estimating the impact of marginal changes of key assumptions related to long-term growth rates; and • Considering disclosures in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

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

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



In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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



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

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

D. 4

(Dussanee Yimsuwan)
Certified Public Accountant
Registration No. 10235

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2021

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Assets	Note	2020	2019	2020	2019
		(in thousand Baht)			
<i>Current assets</i>					
Cash and cash equivalents	7	149,694	114,713	85,205	42,341
Trade accounts receivable	6, 23	274,136	273,931	145,680	148,415
Other current receivables	6, 27	11,654	12,731	11,805	6,531
Inventories	8	303,689	315,915	88,754	90,987
Other current assets	27	738	415	342	264
Total current assets		739,911	717,705	331,786	288,538
<i>Non-current assets</i>					
Investments in subsidiaries	5, 9	-	-	1,039,997	1,039,997
Investment properties		-	1,752	-	-
Property, plant and equipment	3, 10	333,391	324,169	104,023	87,533
Goodwill	11	380,288	378,310	-	-
Other intangible assets	11	154,873	162,329	2,151	3,627
Deferred tax assets	20	7,287	5,785	4,081	2,999
Other non-current assets		2,798	3,446	2,789	3,437
Total non-current assets		878,637	875,791	1,153,041	1,137,593
Total assets	17	1,618,548	1,593,496	1,484,827	1,426,131

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
(in thousand Baht)					
Current liabilities					
Short-term loans from financial institutions	12, 23	36,109	37,664	15,500	15,500
Trade accounts payable	23	188,685	171,368	112,686	109,190
Other current payables	13, 27	20,188	125,607	11,489	113,801
Current portion of long-term loans					
from financial institution	12, 23	119,566	119,564	26,634	26,633
Current portion of long-term loan					
from related party	12, 23	-	-	50,000	-
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities)	3, 12, 23	7,278	2,239	4,052	332
Current income tax payable		13,968	8,675	8,802	2,560
Other current liabilities	27	1,960	1,624	1,533	1,212
Total current liabilities		387,754	466,741	230,696	269,228
Non-current liabilities					
Long-term loans from financial institution	12, 23	397,860	517,425	132,478	159,112
Long-term loan from related party	12, 23	-	-	388,320	500,000
Lease liabilities					
(2019: Finance lease liabilities)	3, 12, 23	30,896	3,623	25,135	29
Other non-current payable	13	206,000	103,000	206,000	103,000
Deferred tax liabilities	20	52,119	54,502	-	-
Non-current provisions for					
employee benefits	14	19,552	15,748	15,641	12,230
Other non-current liabilities		2,751	-	2,751	-
Total non-current liabilities		709,178	694,298	770,325	774,371
Total liabilities	17	1,096,932	1,161,039	1,001,021	1,043,599

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
(in thousand Baht)					
Equity					
Share capital :					
Authorised share capital	15	179,000	159,000	179,000	159,000
Issued and paid-up share capital	15	164,999	145,000	164,999	145,000
Share premium on ordinary shares	15	177,835	177,835	177,835	177,835
Retained earnings					
Appropriated					
Legal reserve	16, 22	4,579	3,030	4,579	3,030
Unappropriated		174,231	108,695	136,393	56,667
Other components of equity	16	(30)	(2,105)	-	-
Equity attributable to owners of the parent		521,614	432,455	483,806	382,532
Non-controlling interests		2	2	-	-
Total equity		521,616	432,457	483,806	382,532
Total liabilities and equity		1,618,548	1,593,496	1,484,827	1,426,131

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Revenue					
Revenue from sale of goods	6, 17	1,247,872	1,388,899	628,565	681,971
Net foreign exchange gain		2,444	809	-	421
Other income	6	10,013	8,078	88,252	39,489
Total revenue		1,260,329	1,397,786	716,817	721,881
Expenses					
Cost of sales of goods	6, 19	930,191	1,049,136	456,111	525,852
Distribution costs	19	30,696	35,339	13,843	14,075
Administrative expenses	6, 19	158,384	167,852	96,262	101,375
Net foreign exchange loss		-	-	138	-
Total expenses		1,119,271	1,252,327	566,354	641,302
Profit from operating activities		141,058	145,459	150,463	80,579
Finance costs	6	(30,833)	(41,484)	(33,860)	(45,365)
Profit before income tax expense	17	110,225	103,975	116,603	35,214
Tax expense	20	(20,918)	(18,165)	(13,106)	(4,226)
Profit for the year		89,307	85,810	103,497	30,988
Profit attributable to:					
Owners of the parent		89,307	85,810	103,497	30,988
Non-controlling interests		-	-	-	-
Profit for the year		89,307	85,810	103,497	30,988
Basic earnings per share (in Baht)	21	0.271	0.260	0.314	0.094

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the year	89,307	85,810	103,497	30,988
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	2,075	(2,105)	-	-
Other comprehensive income (expense) for the year	2,075	(2,105)	-	-
Total comprehensive income for the year	91,382	83,705	103,497	30,988
Total comprehensive income attributable to:				
Owners of the parent	91,382	83,705	103,497	30,988
Non-controlling interests	-	-	-	-
Total comprehensive income for the year	91,382	83,705	103,497	30,988

The accompanying notes form an integral part of the financial statements.

Statement of changes in equity

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements									
		Retained earnings			Other components of equity			Equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated reserve	Translation reserve	attributable to owners of the parent	Non-controlling interests	Total equity
	Note								
(in thousand Baht)									
Year ended 31 December 2020		145,000	177,835	3,030	108,695	(2,105)	432,455	2	432,457
Balance at 1 January 2020									
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Share dividends	22	19,999	-	-	(19,999)	-	-	-	-
Dividends	22	-	-	-	(2,223)	-	(2,223)	-	(2,223)
Total contributions by and distributions to owners of the parent		19,999	-	-	(22,222)	-	(2,223)	-	(2,223)
Comprehensive income for the year									
Profit or loss		-	-	-	89,307	-	89,307	-	89,307
Other comprehensive income		-	-	-	-	2,075	2,075	-	2,075
Total comprehensive income for the year		-	-	-	89,307	2,075	91,382	-	91,382
Transfer to legal reserve	16, 22	-	-	1,549	(1,549)	-	-	-	-
Balance at 31 December 2020		164,999	177,835	4,579	174,231	(30)	521,614	2	521,616

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements			
		Retained earnings			Total equity
Note		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	
		<i>(in thousand Baht)</i>			
	Year ended 31 December 2019				
	Balance at 1 January 2019	140,000	177,835	3,030	352,100
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
22	Share dividends	5,000	-	-	-
22	Dividends	-	-	-	(556)
	Total contributions by and distributions to owners	5,000	-	-	(556)
Comprehensive income for the year					
	Profit or loss	-	-	-	30,988
	Total comprehensive income for the year	-	-	-	30,988
	Balance at 31 December 2019	145,000	177,835	3,030	382,532

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements				
		Retained earnings				
Note		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Total equity
				<i>(in thousand Baht)</i>		
	Year ended 31 December 2020					
	Balance at 1 January 2020	145,000	177,835	3,030	56,667	382,532
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
22	Share dividends	19,999	-	-	(19,999)	-
22	Dividends	-	-	-	(2,223)	(2,223)
	Total contributions by and distributions to owners	19,999	-	-	(22,222)	(2,223)
Comprehensive income for the year						
	Profit or loss	-	-	-	103,497	103,497
	Total comprehensive income for the year	-	-	-	103,497	103,497
16, 22	Transfer to legal reserve	-	-	1,549	(1,549)	-
	Balance at 31 December 2020	164,999	177,835	4,579	136,393	483,806

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Cash flows from operating activities					
Profit for the year		89,307	85,810	103,497	30,988
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	20	20,918	18,165	13,106	4,226
Finance costs		30,833	41,484	33,860	45,365
Depreciation and amortisation	10, 11, 19	56,897	49,702	24,721	22,776
(Reversal of) impairment loss recognised in profit or loss		(594)	594	(594)	594
Provisions for employee benefits	14	3,867	5,994	3,411	4,878
Unrealised (gain) loss on foreign exchange		(840)	2,095	(537)	1,241
(Reversal of) bad and doubtful debts expenses	23	1,435	(257)	429	285
(Reversal of) losses on inventories devaluation	8	1,329	(138)	1,071	(756)
Gain on disposal of plant and equipment		(895)	(3,806)	(699)	(1,934)
Dividend income	9	-	-	(46,680)	-
Interest income		(130)	(272)	(87)	(152)
		202,127	199,371	131,498	107,511
Changes in operating assets and liabilities					
Trade accounts receivable		(1,470)	12,675	1,820	(9,246)
Other current receivables		1,107	6,761	(5,604)	560
Inventories		11,076	(47,127)	1,162	(11,002)
Other current assets		(323)	8,956	(78)	1,694
Other non-current assets		648	(2,398)	648	(2,397)
Trade accounts payable		17,626	15,088	4,506	13,015
Other current payables		(3,636)	(20,176)	(1,198)	(11,669)
Other current liabilities		336	(607)	321	551
Provisions for employee benefits paid	14	(63)	(736)	-	(736)
Net cash generated from operating activities		227,428	171,807	133,075	88,281
Taxes paid		(19,517)	(23,407)	(7,947)	(2,344)
Net cash from operating activities		207,911	148,400	125,128	85,937

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	5, 9	-	(787,677)	-	(824,000)
Acquisition of plant and equipment		(13,213)	(17,565)	(3,282)	(7,493)
Proceeds from sale of equipment		2,281	3,811	1,876	1,934
Acquisition of other intangible assets		(1,126)	(2,095)	(201)	(455)
Proceeds from sale of other intangible assets		423	-	341	-
Dividend received	9	-	-	46,680	-
Interest received		130	271	86	151
Net cash from (used in) investing activities		(11,505)	(803,255)	45,500	(829,863)
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions	12	63,067	107,535	15,500	22,480
Repayment of short-term borrowings from financial institutions	12	(64,696)	(140,505)	(15,500)	(74,196)
Proceeds from long-term borrowings from financial institution	12	-	700,000	-	200,000
Repayment of long-term borrowings from financial institution	12	(120,120)	(60,060)	(26,760)	(13,380)
Payment of borrowing fee for long-term borrowings from financial institution	12	-	(3,500)	-	(1,000)
Proceeds from long-term borrowings from related party	12	-	-	(61,680)	500,000
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	12	(8,531)	(3,782)	(4,932)	(1,047)
Dividends paid to owners of the Company	22	(2,223)	(556)	(2,223)	(556)
Interest paid		(29,228)	(37,968)	(32,180)	(44,498)
Net cash from (used in) financing activities		(161,731)	561,164	(127,775)	587,803

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Net increase (decrease) in cash and cash equivalents,					
before effect of exchange rates		34,675	(93,691)	42,853	(156,123)
Effect of exchange rate changes on					
cash and cash equivalents		<u>306</u>	<u>(2,377)</u>	<u>11</u>	<u>(909)</u>
Net increase (decrease) in					
cash and cash equivalents		34,981	(96,068)	42,864	(157,032)
Cash and cash equivalents at 1 January		<u>114,713</u>	<u>210,781</u>	<u>42,341</u>	<u>199,373</u>
Cash and cash equivalents at 31 December		<u>149,694</u>	<u>114,713</u>	<u>85,205</u>	<u>42,341</u>
Non-cash transactions					
Consideration payable for investment	5	206,000	206,000	206,000	206,000

The accompanying notes form an integral part of the financial statements.

Selic Corp Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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Selic Corp Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2021.

1 General information

Selic Corp Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Market for Alternative Investment (“mai”) on 18 October 2016. The Company's registered office is at 270 Liapkhlongphasicharoenfangtai Road, Nong Khaem, Bangkok, Thailand.

The Company's major shareholders during the financial year were Mr. Narong Suwatthanaphim (29.64% shareholding) and Mr. Ek Suwatthanaphim (25.89% shareholding). Both persons were directors of the Company.

The principal activities of the Company and its subsidiaries (“the Group”) are production and distribution of adhesives used in industrial including self-adhesive label for domestic and international markets. Details of the Company's subsidiaries were as at 31 December as follows:

Name of the entity	Type of business	Country of incorporation	Direct/indirect ownership interest (%)	
			2020	2019
E.V.A. International Co., Ltd.	Wholesales of industrial chemicals	Thailand	99.97	99.97
PMC Label Materials Co., Ltd.	Production and distribution of self-adhesive label	Thailand	99.99	99.99
PMC Label Materials Pte. Ltd.	Distribution of self-adhesive label	Singapore	100.00	100.00
Selic Australia Pty Ltd	Distribution of self-adhesive label and industrial chemicals	Australia	100.00	-
PMC Label Materials (Malaysia) Sdn. Bhd. (held by PMC Label Materials Co., Ltd.)	Distribution of self-adhesive label	Malaysia	99.99	-

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations which have no material impact on the financial statements, and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

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In addition, the Group has not early adopted a number of revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak were described in note 3.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

- 4(j) Leases:
- whether an arrangement contains a lease; and
 - whether the Group is reasonably certain to exercise extension options.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4(j) Determining the incremental borrowing rate to measure lease liabilities; and
11 Impairment test of goodwill: key assumptions underlying recoverable amounts.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

(a) *TFRS - Financial instruments standards*

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d) and 4(k). The impact from adoption of TFRS - Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method and all derivatives are measured at fair value in the statement of financial position. The Group designates derivatives as derivatives held for risk management. Previously, TFRS were silent on the requirements of derivatives held for risk management purposes. In 2019, the Group accounted for these transactions as described in accounting policies in note 4(d.5).

The changes in accounting policies about classification and measurement under previous standards and TFRS 9 have no significant impact on the Group's financial statements as at 1 January 2020.

(a.2) Impairment - Financial assets

TFRS 9 introduces the 'expected credit loss' (ECL) model whereas previously the Group estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments measured at FVOCI, except for investments in equity instruments.

The Group has determined the application of TFRS 9's impairment requirements at 1 January 2020. At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak. The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account. The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020. Nevertheless, there is no material impact to the financial statements of the Group.

(b) *TFRS 16 Leases*

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

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Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets, which were presented as part of property, plant and equipment, and recognised lease liabilities. As a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Increase in property, plant and equipment	27,515	27,515
Increase in lease liabilities	24,917	24,917
Increase in other non-current liabilities	2,598	2,598
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	37,346	36,476
Recognition exemption for short-term leases or leases of low-value assets	<u>(3,570)</u>	<u>(2,700)</u>
	<u>33,776</u>	<u>33,776</u>
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	24,917	24,917
Finance lease liabilities recognised as at 31 December 2019	<u>5,862</u>	<u>361</u>
Lease liabilities recognised at 1 January 2020	<u>30,779</u>	<u>25,278</u>
Weighted-average incremental borrowing rate (% per annum)	<u>6</u>	<u>6</u>

Right-of-use assets and lease liabilities shown above were presented as part of adhesives for industrial use segment.

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4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than business combinations with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group and the Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

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When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged.

(d.6) Hedging

The Group holds certain derivatives as hedging instruments to manage risk exposure arising from foreign currency. However, the Group has elected not to apply hedge accounting for which there are separate requirements and accounting.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, current account, saving account and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

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

Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 - 20 years
Machinery and factory equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

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Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software licences	2 - 5 years
Customer relationship	15 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of certain class of asset, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

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(k) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade' or when it has low risk of default.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as a long period past due, or probable the debtor will enter bankruptcy.

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Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

(I) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(m) Employee benefits

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed every three years by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(p) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(q) Revenue

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data. Revenue for rendering of services is recognised as the services are provided.

(r) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(s) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

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Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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(u) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(v) Related parties

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(w) Segment reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Acquisitions of subsidiaries

Year 2019

On 4 January 2019, the Group purchased 100% of the ordinary shares of PMC Label Materials Co., Ltd. ("PMCT"), a manufacturer and distributor of self-adhesive label which is incorporated in Thailand, and PMC Label Materials Pte. Ltd. ("PMCS"), a distributor of self-adhesive label in Singapore and Malaysia which is incorporated in Singapore, for a total consideration of Baht 1,030 million. The transaction was accounted for a business combination.

Taking control of PMC Label Materials Co., Ltd. and PMC Label Material Pte. Ltd., downstream business of the Group, will enable the Group to expand its market to other industrial market through label production and enhance the Group's capabilities to develop new products, including broaden the Group's distribution channel and customer base in international market.

The Group engaged the independent appraisers to determine the fair values of identifiable assets acquired and liabilities assumed which were mainly property, plant and equipment, and intangible assets. The Group was continuing its review of these matters during the measurement period within one year from the acquisition date about facts and circumstances that existed at the acquisition date.

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Identifiable assets acquired and liabilities assumed

	Note	PMCT	Fair value PMCS (in thousand Baht)	Total
Cash and cash equivalents		21,388	14,935	36,323
Trade accounts receivable		144,015	17,883	161,898
Inventories		179,739	10,206	189,945
Property, plant and equipment	10	239,589	2,331	241,920
Intangible assets	11	146,370	16,890	163,260
Other receivables and other assets		9,012	1,239	10,251
Short-term loans from financial institutions		(3,493)	-	(3,493)
Finance lease liabilities		(2,601)	-	(2,601)
Trade accounts payable		(55,292)	(5,159)	(60,451)
Deferred tax liabilities - net	20	(50,878)	(3,774)	(54,652)
Non-current provisions for employee benefits	14	(2,402)	-	(2,402)
Other payables and other liabilities		(27,131)	(1,177)	(28,308)
Total identifiable net assets received		598,316	53,374	651,690
Goodwill arising from the acquisition	11	328,684	49,626	378,310
Purchase consideration transferred		927,000	103,000	1,030,000
Cash acquired				(36,323)
Net cash outflows				993,677
<i>Less consideration payable</i>	13			(206,000)
Net cash outflows in 2019				787,677

The trade receivables comprise gross contractual amounts due of Baht 163.7 million, of which Baht 1.8 million was expected to be uncollectible at the acquisition date.

The consideration payable will be paid to the former shareholders who sold the shares to the Group when the terms and conditions in the Share Sale and Purchase Agreement are met. Under such terms, the payment shall be made by 2 installments.

The assets, liabilities and operating results have been included in the Group's consolidated financial statement for the year ended 31 December 2019 since the acquisition date. During the period from acquisition date to 31 December 2019, the subsidiaries contributed revenue from sale of goods and profit for the year of Baht 825.2 million and Baht 68.2 million, respectively, to the Group's results.

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6 Related parties

Relationships with subsidiaries are described in note 1 and 9. Other related parties that the Group had significant transactions during the year were as follows:

Individuals/entities	Country of incorporation/ nationality	Nature of relationships
Trade Ally International Co., Ltd.	Thailand	Having a person or a close member of that director's family as director and common director
Trade Ally International Pte. Ltd.	Singapore	Having a person or a close member of that director's family as director and common director
S.O.M. International Co., Ltd.	Thailand	Having a person or a close member of that director's family as director and common directors
News EVA Co., Ltd.	Thailand	Having a person or a close member of that director's family as director and common directors
ILCT LTD. (Formerly: International Legal Counsellors Thailand Ltd.)	Thailand	Having a person or a close member of that director's family as key management personnel
Big Jet Travel Co., Ltd.	Thailand	Having a person or a close member of that director's family as director and common director
Narongwong Group Co., Ltd.	Thailand	Having a person or a close member of that director's family as director and common director
Humanica Public Company Limited	Thailand	Having a person or a close member of that director's family as director and common director
Green Star Technology Co., Ltd.	Thailand	Having a person or a close member of that director's family as director and common director
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods/purchase of goods	Approximated market price
Rendering/receiving of services	Mutually agreed amount
Land and building rental	Mutually agreed price referenced to the valuation of an independent appraiser
Consultant fee	Mutually agreed amount
Management personnel compensation	Mutually agreed amount
Interest expense	Contract price based on market
Loan guarantee	Free of charge
Other income	Mutually agreed amount
Dividend income	Upon declaration

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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods	-	-	95,381	90,821
Management service income	-	-	34,800	34,800
Dividend income	-	-	46,680	-
Purchase of goods	-	-	1,151	69
Administrative expenses	-	-	-	200
Finance costs	-	-	23,312	32,446
Other income	-	-	433	-
Other related parties				
Revenue from sale of goods	2,172	7,295	-	-
Other income	168	75	168	-
Administrative expenses	573	391	31	266
Legal consulting fee	54	280	25	244
Land and building rental expense	2,904	3,069	2,904	3,069
Purchase of other intangible assets	-	1,227	-	-
Key management personnel				
Consulting fee	2,963	1,713	1,713	1,713
Key management personnel compensation				
Short-term employee benefit	25,768	28,163	20,409	19,471
Post-employment benefits	1,021	950	972	795
Other benefits	978	886	976	886
Total key management personnel compensation	27,767	29,999	22,357	21,152

Balances as at 31 December with related parties were as follows:

Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Subsidiaries					
E.V.A. International Co., Ltd.		-	-	4,412	15,784
PMC Label Materials Co., Ltd.		-	-	24,691	16,889
Selic Australia Pty Ltd		-	-	1,388	-
Other related party					
Trade Ally International Pte. Ltd.		-	4,644	-	-
Total	23	-	4,644	30,491	32,673

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Other current receivables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
E.V.A. International Co., Ltd.	-	-	20	-
PMC Label Materials Co., Ltd.	-	-	3,614	-
Selic Australia Pty Ltd	-	-	1,938	-
Key management personnel	-	4	134	4
Total	<u>-</u>	<u>4</u>	<u>5,706</u>	<u>4</u>

Other current payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
PMC Label Materials Co., Ltd.	-	-	2,854	-
PMC Label Materials Pte. Ltd.	-	-	1,014	-
Selic Australia Pty Ltd	-	-	42	-
Other related parties				
Narongwong Group Co., Ltd.	-	600	-	600
Humanica Public Company Limited ILCT LTD.	4	15	-	-
(Formerly: International Legal Counsellors Thailand Ltd.)	12	4	-	-
Big Jet Travel Co., Ltd.	-	5	-	5
Key management personnel	2	24	2	24
Total	<u>18</u>	<u>648</u>	<u>3,912</u>	<u>629</u>

Long-term loan from related party

	31 December 2019	Separate financial statements		31 December 2020
		Increase	Decrease	
		<i>(in thousand Baht)</i>		
Subsidiary				
PMC Label Materials Co., Ltd.	500,000	-	(61,680)	438,320

On 30 January 2019, the Company has entered into a long-term loan agreement with PMC Label Materials Co., Ltd. with a credit facility of Baht 500 million. This loan bears interest rate at MLR plus margin per annum in the first year and MLR less margin per annum in the subsequent year, and is repayable on demand. The objective of the loan is for repayment of short-term loan (Bridge loan) from a financial institution used as source of fund for business acquisition. As at 31 December 2020, the credit facility has been fully utilised.

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Significant agreements with related parties

As at 31 December 2020, significant agreements with related parties were as follows:

Land and building rental agreement

The Company has land and building rental agreement with a related party for being the operating location. The agreement is effective for 15 years and expires in June 2031 with total rental fee for the year 2020 of Baht 2.9 million (*for the year 2019 of Baht 2.9 million*). The rental rate will be adjusted every 5 years.

Management service agreement

The Company has management service agreement with a related party. The agreement is effective from date as specified in the agreement with a service fee as stipulated in the agreement and shall be automatically extended for one additional year unless terminated by either party upon giving 30 days advance notice.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	3,356	761	341	335
Cash at banks - current accounts	37,213	29,909	5,835	3,410
Cash at banks - savings accounts	104,980	80,527	78,318	37,400
Others	4,145	3,516	711	1,196
Cash and cash equivalents in the statement of financial position	149,694	114,713	85,205	42,341

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	40,970	39,741	19,391	23,948
Work in progress	61,152	75,368	1,589	1,495
Raw materials	178,278	184,182	55,286	57,103
Factory supplies	5,006	4,289	4,948	4,289
Spare parts	1,354	1,222	-	-
Goods in transit	27,702	20,557	10,916	6,457
	314,462	325,359	92,130	93,292
<i>Less allowance for inventories devaluation</i>	<i>(10,773)</i>	<i>(9,444)</i>	<i>(3,376)</i>	<i>(2,305)</i>
Net	303,689	315,915	88,754	90,987
 Inventories recognised as an expense in cost of sales of goods				
- Cost	928,862	1,049,274	455,040	526,608
- Write-down to net realisable value	1,329	618	1,071	-
- Reversal of write-down	-	(756)	-	(756)
Net	930,191	1,049,136	456,111	525,852

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9 Investments in subsidiaries

	<i>Note</i>	Separate financial statements	
		2020	2019
		<i>(in thousand Baht)</i>	
At 1 January		1,039,997	9,997
Acquisition of subsidiaries	5	-	1,030,000
At 31 December		<u>1,039,997</u>	<u>1,039,997</u>

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Investments in subsidiaries as at 31 December, and dividend income from those investments for the years then ended, were as follows:

	Ownership interest 2020	2019 (%)	Paid-up capital				Separate financial statements				At cost - net		Dividend income	
			2020	2019	2020	2019	Cost	2020	2019	Impairment 2020 (in thousand Baht)	2020	2019	2020	2019
Subsidiaries														
E.V.A. International Co., Ltd.	99.97	99.97	10,000	10,000	9,997	9,997		9,997		-	9,997	9,997	-	-
PMC Label Materials Co., Ltd.	99.99	99.99	100,000	100,000	927,000	-		927,000	-	-	927,000	-	46,680	-
PMC Label Materials Pte. Ltd.														
(*Paid-up capital amounting to SGD 2)	100	100	-*	-*	103,000	-		103,000	-	-	103,000	-	-	-
Selic Australia Pty Ltd														
(**Paid-up capital amounting to AUD 1)	100	-	-**	-										
Total					<u>1,039,997</u>	<u>9,997</u>	<u>-</u>	<u>1,039,997</u>	<u>-</u>	<u>-</u>	<u>1,039,997</u>	<u>9,997</u>	<u>46,680</u>	<u>-</u>

During 2020, the Company established a subsidiary, Selic Australia Pty Ltd, in Australia to support the business expansion in the future.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

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10 Property, plant and equipment

		Consolidated financial statements						
		Land and land improvement	Right to use land, buildings and building improvements	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
		(in thousand Baht)						
<i>Cost</i>								
At 1 January 2019		-	46,367	151,576	35,007	23,075	25,067	281,092
Additions		-	120	1,579	547	8,252	14,300	24,798
Acquisitions through business combination	5	86,190	131,903	278,378	12,997	28,553	10,750	548,771
Transfers		-	15,714	32,988	-	-	(48,702)	-
Transfer to investment property		(1,079)	(2,696)	-	-	-	-	(3,775)
Disposals		-	-	(218)	(362)	(23,360)	-	(23,940)
Effect of movements in exchange rates		-	(51)	(80)	(20)	(90)	-	(241)
At 31 December 2019 and 1 January 2020		85,111	191,357	464,223	48,169	36,430	1,415	826,705
Recognition of right-of-use asset	3(b)	-	27,515	-	-	-	-	27,515
At 1 January 2020 - as adjusted		85,111	218,872	464,223	48,169	36,430	1,415	854,220
Additions		-	10,177	3,915	3,029	8,053	4,584	29,758
Transfers		-	-	21,859	(19,325)	435	(2,969)	-
Transfer from investment property		1,079	2,696	-	-	-	-	3,775
Disposals		-	-	(8,889)	(266)	(5,754)	-	(14,909)
Effect of movements in exchange rates		-	57	20	7	25	(3)	106
At 31 December 2020		86,190	231,802	481,128	31,614	39,189	3,027	872,950

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		Consolidated financial statements					
		Land and land improvement	Right to use land, buildings and building improvements	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation
	Note						Total
					(in thousand Baht)		
Depreciation and impairment losses							
At 1 January 2019		-	35,803	99,966	23,147	20,112	179,028
Depreciation charged for the year	19	-	10,174	21,241	5,107	5,633	42,155
Acquisitions through business combination	5	-	60,930	214,287	10,977	20,657	306,851
Impairment losses		-	-	594	-	-	594
Transfer to investment property		-	(2,023)	-	-	-	(2,023)
Disposals		-	-	(218)	(359)	(23,358)	(23,935)
Effect of movements in exchange rates		-	(22)	(34)	(19)	(59)	(134)
At 31 December 2019 and 1 January 2020		-	104,862	335,836	38,853	22,985	502,536
Depreciation charged for the year	19	-	16,484	20,967	4,529	7,098	49,078
Reversal of impairment losses		-	-	(594)	-	-	(594)
Transfer		-	-	14,061	(14,061)	-	-
Transfer from investment property		-	2,023	-	-	-	2,023
Disposals		-	-	(8,281)	(266)	(4,977)	(13,524)
Effect of movements in exchange rates		-	6	10	5	19	40
At 31 December 2020		-	123,375	361,999	29,060	25,125	539,559
Net book value							
At 31 December 2019		85,111	86,495	128,387	9,316	2,845	313,569
Owned assets		-	-	-	-	10,600	10,600
Assets under finance leases		85,111	86,495	128,387	9,316	13,445	324,169
At 31 December 2020		86,190	78,026	119,129	2,554	1,326	290,252
Owned assets		-	30,401	-	-	12,738	43,139
Right-of-use assets		86,190	108,427	119,129	2,554	14,064	333,391

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	<i>Note</i>	Separate financial statements					Total
		Right to use land, buildings and building improvements	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
Cost							
At 1 January 2019		46,367	151,576	34,971	23,075	25,067	281,056
Additions		120	1,343	385	-	5,644	7,492
Transfers		22	29,274	-	-	(29,296)	-
Disposals		-	(129)	(30)	(12,838)	-	(12,997)
At 31 December 2019 and 1 January 2020		46,509	182,064	35,326	10,237	1,415	275,551
Recognition of right-of-use asset on initial application of TFRS 16	3(b)	27,515	-	-	-	-	27,515
At 1 January 2020 – as adjusted		74,024	182,064	35,326	10,237	1,415	303,066
Additions		803	1,079	2,402	7,210	1,446	12,940
Transfers		-	21,600	(19,325)	-	(2,275)	-
Disposals		-	(6,562)	(266)	(5,191)	-	(12,019)
At 31 December 2020		74,827	198,181	18,137	12,256	586	303,987
Depreciation and impairment losses							
At 1 January 2019		35,803	99,966	23,113	20,112	-	178,994
Depreciation charged for the year	19	2,711	13,107	4,350	1,259	-	21,427
Impairment losses		-	594	-	-	-	594
Disposals		-	(130)	(30)	(12,837)	-	(12,997)
At 31 December 2019 and 1 January 2020		38,514	113,537	27,433	8,534	-	188,018
Depreciation charged for the year	19	4,536	12,702	3,843	2,303	-	23,384
Reversal of impairment losses		-	(594)	-	-	-	(594)
Transfers		-	14,061	(14,061)	-	-	-
Disposals		-	(5,990)	(266)	(4,588)	-	(10,844)
At 31 December 2020		43,050	133,716	16,949	6,249	-	199,964

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	<i>Note</i>	Separate financial statements					Total
		Right to use land, buildings and building improvements	Machinery and factory equipment	Office furniture, fixtures and equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	
<i>Net book value</i>							
At 31 December 2019							
Owned assets		7,995	68,527	7,893	603	1,415	86,433
Assets under finance leases		-	-	-	1,100	-	1,100
		<u>7,995</u>	<u>68,527</u>	<u>7,893</u>	<u>1,703</u>	<u>1,415</u>	<u>87,533</u>
<i>Net book value</i>							
At 31 December 2020							
Owned assets		6,172	64,465	1,188	99	586	72,510
Right-of-use assets		25,605	-	-	5,908	-	31,513
		<u>31,777</u>	<u>64,465</u>	<u>1,188</u>	<u>6,007</u>	<u>586</u>	<u>104,023</u>

The gross amount of the Group and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 334 million and Baht 124 million, respectively (2019: Baht 323 million and Baht 118 million).

During 2020, the Group has recognised profit from reversal of impairment losses on property, plant and equipment approximately totalling Baht 0.6 million, which is included in other income in the consolidated statement of income.

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In 2020, additions to the right-of-use assets of the Group and the Company were Baht 10.7 million and Baht 4.1 million, respectively.

The Group leases a number of vehicles and properties which comprise property, plant and office for 3 - 15 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Properties, plants and offices	6,967	-	2,713	-
- Vehicles	4,675	-	1,067	-
Interest on lease liabilities	1,792	1,876	1,674	51
Expenses relating to short-term leases and low-value assets	585	-	585	-
Lease expense	-	7,481	-	5,378

In 2020, total cash outflow for leases of the Group and the Company were Baht 8.5 million and Baht 4.9 million, respectively.

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11 Goodwill and other intangible assets

	<i>Note</i>	Goodwill	Consolidated financial statements				
			Other intangible assets				Total other intangible assets
			Software licences	Software under installation (in thousand Baht)	Trademark	Customer relationship	
Cost							
At 1 January 2019		-	11,169	-	-	-	11,169
Additions		-	413	1,682	-	-	2,095
Acquisitions through business combination	5	378,310	3,089	3,013	77,228	82,791	166,121
Transfers		-	4,239	(4,239)	-	-	-
At 31 December 2019 and 1 January 2020		378,310	18,910	456	77,228	82,791	179,385
Additions		-	1,201	525	-	-	1,726
Transfers		-	341	(341)	-	-	-
Disposals		-	(1,449)	-	-	-	(1,449)
Effect of movements in exchange rates		1,978	31	-	(340)	(286)	(595)
At 31 December 2020		380,288	19,034	640	76,888	82,505	179,067
Amortisation							
At 1 January 2019		-	6,648	-	-	-	6,648
Amortisation for the year	19	-	2,028	-	-	5,519	7,547
Acquisitions through business combination	5	-	2,861	-	-	-	2,861
At 31 December 2019 and 1 January 2020		-	11,537	-	-	5,519	17,056
Amortisation for the year	19	-	2,326	-	-	5,492	7,818
Disposals		-	(685)	-	-	-	(685)
Effect of movements in exchange rates		-	5	-	-	-	5
At 31 December 2020		-	13,183	-	-	11,011	24,194
Net book value							
At 31 December 2019		378,310	7,373	456	77,228	77,272	162,329
At 31 December 2020		380,288	5,851	640	76,888	71,494	154,873

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Separate financial statements				
		Software licences	Software under installation <i>(in thousand Baht)</i>	Total
<i>Cost</i>				
At 1 January 2019		11,169	-	11,169
Additions		-	455	455
At 31 December 2019 and 1 January 2020		11,169	455	11,624
Additions		117	84	201
Disposals		(1,026)	-	(1,026)
At 31 December 2020		10,260	539	10,799
<i>Amortisation</i>				
At 1 January 2019		6,648	-	6,648
Amortisation for the year	19	1,349	-	1,349
At 31 December 2019 and 1 January 2020		7,997	-	7,997
Amortisation for the year	19	1,337	-	1,337
Disposals		(686)	-	(686)
At 31 December 2020		8,648	-	8,648
<i>Net book value</i>				
At 31 December 2019		3,172	455	3,627
At 31 December 2020		1,612	539	2,151

Impairment testing for CGUs containing goodwill and indefinite-lived intangible assets

For the purposes of impairment testing, goodwill and intangible assets have been allocated to the Group's CGUs (operating divisions) as follows:

Consolidated financial statements				
	2020		2019	
	Goodwill	Indefinite-lived intangible assets <i>(in thousand Baht)</i>	Goodwill	Indefinite-lived intangible assets
Manufacturing and distribution of self-adhesive labels business - PMCT	328,684	68,051	328,684	68,051
Distribution of self-adhesive labels business - PMCS	51,604	8,837	49,626	9,177
Total	380,288	76,888	378,310	77,228

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The recoverable amount of each CGU was based on its value in use. The key assumptions used in the estimation of value in use were as follows:

- Discount rate was calculated from the weight-average cost of capital (WACC) of PMCT and PMCS, which was equal to 11.0% (2019: 10.5% and 11.5% respectively.);
- Estimated sales and EBITDA growth rate for the next five years were approximately in range of 1% to 4% per year (2019: 1% to 3% per year);
- Terminal value growth rate of cash flow was at 1% per year (2019: 1% per year).

The estimated recoverable amount of the CGU exceeded its carrying amount. Therefore, no impairment loss was recognised in financial statements. The management has considered that change in the key assumption of terminal growth rate for goodwill impairment testing by decreasing or increasing 1% per year of terminal growth rate could still cause the estimated recoverable amount to exceed the carrying amount.

12 Interest-bearing liabilities

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Secured					
Long-term loans from financial institution		517,426	636,989	159,112	185,745
		<u>517,426</u>	<u>636,989</u>	<u>159,112</u>	<u>185,745</u>
Unsecured					
Short-term loans from financial institutions		36,109	37,664	15,500	15,500
Lease liabilities (2019: Finance lease liabilities)		38,174	5,862	29,187	361
Long-term loans from related party	6	-	-	438,320	500,000
		<u>74,283</u>	<u>43,526</u>	<u>483,007</u>	<u>515,861</u>
Total interest-bearing liabilities		591,709	680,515	642,119	701,606

Long-term loans from financial institution

The Company and PMC Label Materials Co., Ltd., a subsidiary, have entered into long-term loan agreements with a local financial institution dated on 4 January 2019 and 2 January 2019, respectively, for a total credit facility of Baht 900 million. The objective of the loans is to use as source of fund for business acquisition as described in note 6. The loans bear interest rate at MLR less margin per annum and shall be repayable in 95 monthly equally installments commencing from July 2019. As at 31 December 2020, the Group has unutilised credit facility of Baht 200 million.

The Group's land, machinery, inventories, shares issued by the Company and the subsidiary and claim to receive payment from debtors are used as collateral to secure long-term loans. These loans are guaranteed by the Company and the subsidiary.

Under the terms and conditions of the agreements of long-term loans from financial institution, the Group and the Company shall comply on certain conditions such as maintaining percentage of shareholding and financial ratios.

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	Consolidated financial statements			Separate financial statements		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
Finance lease liabilities						
At 31 December 2019						
Within 1 year	2,508	269	2,239	342	10	332
1 - 5 years	3,983	360	3,623	29	-	29
Total	6,491	629	5,862	371	10	361

Changes in liabilities arising from financing activities

	Consolidated financial statements		
	Loans from financial institutions	Lease liabilities (2019: Finance lease liabilities) (in thousand Baht)	Total
2020			
At 1 January	674,653	5,862	680,515
Changes from financing cash flows	(121,749)	(8,531)	(130,280)
Lease liabilities (2019: Finance lease liabilities)	-	38,738	38,738
Other non-cash movement	631	2,105	2,736
At 31 December	553,535	38,174	591,709
2019			
At 1 January	67,216	1,357	68,573
Changes from financing cash flows	603,470	(3,782)	599,688
Finance lease	-	6,411	6,411
Other non-cash movement	3,967	1,876	5,843
At 31 December	674,653	5,862	680,515

	Separate financial statements			
	Loans from financial institutions	Loans from related party (in thousand Baht)	Lease liabilities (2019: Finance lease liabilities)	Total
2020				
At 1 January	201,245	500,000	361	701,606
Changes from financing cash flows	(26,760)	(61,680)	(4,932)	(93,372)
Lease liabilities (2019: Finance lease liabilities)	-	-	32,030	32,030
Other non-cash movement	127	-	1,728	1,855
At 31 December	174,612	438,320	29,187	642,119
2019				
At 1 January	67,216	-	1,357	68,573
Changes from financing cash flows	133,904	500,000	(1,047)	632,857
Other non-cash movement	125	-	51	176
At 31 December	201,245	500,000	361	701,606

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13 Other payables

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Related parties	6	18	648	3,912	629
Others					
Investment payable	5	206,000	206,000	206,000	206,000
Other payables		11,559	11,253	5,639	7,065
Accrued operating expenses		6,503	8,451	1,247	1,636
Advance received		2,108	2,245	691	1,461
Other		-	10	-	10
		<u>226,170</u>	<u>227,959</u>	<u>213,577</u>	<u>216,172</u>
Total		226,188	228,607	217,489	216,801

14 Non-current provisions for employee benefits

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate.

<i>Present value of the defined benefit obligations</i>		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
At 1 January		15,748	8,088	12,230	8,088
Include in profit or loss:					
Current service cost		3,422	2,987	3,078	2,650
Past service cost		-	2,644	-	1,963
Interest on obligation		445	363	333	265
		<u>3,867</u>	<u>5,994</u>	<u>3,411</u>	<u>4,878</u>
Others					
Acquisitions through business	5	-	2,402	-	-
Benefit paid		(63)	(736)	-	(736)
		<u>(63)</u>	<u>1,666</u>	<u>-</u>	<u>(736)</u>
At 31 December		19,552	15,748	15,641	12,230

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

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<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(%)		
Discount rate	3.19 - 2.64	3.19 - 2.64	2.64	2.64
Future salary growth	4.00 - 5.00	4.00 - 5.00	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 8 - 14 years (2019: 8 - 14 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
		(in thousand Baht)		
Discount rate	(1,425)	(1,445)	1,611	1,680
Future salary growth	2,215	1,750	(1,929)	(1,942)

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
		(in thousand Baht)		
Discount rate	(1,157)	(962)	1,318	1,100
Future salary growth	1,556	1,168	(1,373)	(1,035)

15 Share capital

	Par value per share (in Baht)	2020		2019	
		Number	Amount	Number	Amount
		(thousand shares / in thousand Baht)			
<i>Authorised</i>					
At 1 January					
- ordinary shares	0.5	318,000	159,000	280,000	140,000
Reduction of shares					
- ordinary shares	0.5	(28,000)	(14,000)	-	-
Increase of new shares					
- ordinary shares	0.5	68,000	34,000	38,000	19,000
At 31 December					
- ordinary shares	0.5	<u>358,000</u>	<u>179,000</u>	<u>318,000</u>	<u>159,000</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.5	289,999	145,000	280,000	140,000
Increase of new shares					
- ordinary shares	0.5	40,000	19,999	9,999	5,000
At 31 December					
- ordinary shares	0.5	<u>329,999</u>	<u>164,999</u>	<u>289,999</u>	<u>145,000</u>

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At the 2020 Annual General Shareholders' Meeting held on 2 July 2020, the Company's shareholders approved the reduction and increase of the registered capital of the Company. The details are as follows:

(a) Decrease of registered capital

The reduction the registered capital of the Company by Baht 14,000,272.50 from the original registered capital of Baht 159,000,000 to a new registered capital of Baht 144,999,727.50 by cutting the ordinary shares which remained from the allocation of 28,000,000 ordinary shares and the stock dividend payment of 545 shares that have not been issued to 289,999,455 shares.

(b) Increase of registered capital

The increase of the Company's registered capital of Baht 144,999,727.50 to Baht 178,999,727.50 by issuing 68 million ordinary shares at a par value of Baht 0.50 per share and allocating the newly issued ordinary shares in the amount not exceeding 28 million shares at the par value of Baht 0.50 per share in the form of a General Mandate and approved the increase of the registered capital of Baht 20 million by issuing ordinary shares of no more than 40 million shares with a par value of Baht 0.50 per share to support the stock dividend payment from the unappropriated retained earnings. The Company registered the increase of capital with the Ministry of Commerce on 31 July 2020.

On 4 April 2019, the Annual General Meeting of Shareholders approved the increase of the Company's registered capital of Baht 140 million to Baht 159 million by issuing new 38 million ordinary shares at a par value of Baht 0.5 per share and allocating the newly issued ordinary shares in the amount not exceeding 28 million shares at the par value of Baht 0.5 per share in the form of a General Mandate and approved the increase of the registered capital of Baht 5 million by issuing ordinary shares of no more than 10 million shares with a par value of Baht 0.5 per share to support the stock dividend payment from the unappropriated retained earnings. The Company registered the increase of capital with the Ministry of Commerce on 7 May 2019.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

16 Reserves

Legal reserve

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

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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17 Segment information

The Group has reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions are managed separately because they require different technologies and marketing strategies. For each of the strategic divisions, the chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Production and distribution of adhesive for industrial use
- Segment 2 Production and distribution of self-adhesive labels

Information regarding the results of each reportable segment is included below. Performance is measured based on segment earnings before interest, taxes, depreciation and amortisation (EBITDA) as included in the internal management reports that are reviewed by the Group's operation head. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments

	Adhesive for industrial use		Self-adhesive labels		Total reportable segments		Others		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>											
External revenues - oversea												
- Asia	103,431	113,138	178,819	241,448	282,250	354,586	-	-	-	-	282,250	354,586
- Australia	67,067	59,240	16,970	8,658	84,037	67,898	564	-	-	-	84,601	67,898
- Africa	54,840	61,568	-	-	54,840	61,568	-	-	-	-	54,840	61,568
- America	4,004	14,102	2,793	-	6,797	14,102	-	-	-	-	6,797	14,102
- Others	4,856	11,824	5,970	-	10,826	11,824	-	-	-	-	10,826	11,824
	234,198	259,872	204,552	250,106	438,750	509,978	564	-	-	-	439,314	509,978
External revenues - local	307,382	354,047	501,176	524,874	808,558	878,921	-	-	-	-	808,558	878,921
Inter-segment revenue	88,479	70,295	2,149	45	90,628	70,340	-	-	(90,628)	(70,340)	-	-
Total revenue from sale of goods	630,059	684,214	707,877	775,025	1,337,936	1,459,239	564	-	(90,628)	(70,340)	1,247,872	1,388,899
EBITDA	176,355	103,104	93,005	125,502	269,360	228,606	(322)	-	(71,082)	(33,444)	197,956	195,162
Profit before tax expense	117,775	34,962	51,832	81,592	169,607	116,554	(322)	-	(59,060)	(12,579)	110,225	103,975
Segment assets as at 31 December	1,483,064	1,423,147	1,637,744	1,718,037	3,120,808	3,141,184	3,264	-	(1,505,524)	(1,547,688)	1,618,548	1,593,496
Segment liabilities as at 31 December	1,001,130	1,043,659	566,026	634,269	1,567,156	1,677,928	3,595	-	(473,819)	(516,889)	1,096,932	1,161,039

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The Group manages its business and operates manufacturing facilities principally in Thailand. There are no material non-current assets located in foreign countries.

The Group has no external revenue from one customer for the amount over 10% of the Group's total revenue from sales.

18 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Wages and salaries		120,345	118,027	71,785	73,829
Defined benefit plans	14	3,867	5,994	3,411	4,878
Defined contribution plans		2,723	2,166	2,103	1,737
Employee Joint Investment Program		2,939	1,374	2,939	1,374
Others		9,459	10,159	2,081	3,311
Total		139,333	137,720	82,319	85,129

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at minimum rates at 2% of their basic salaries and by the Group at rates ranging from 3% to 4% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

19 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Raw materials and consumables used		794,734	930,148	322,102	406,666
Changes in inventories of finished goods and work in progress		(12,987)	5,942	(4,463)	1,487
Employee benefit expenses	18	139,333	137,720	82,319	85,129
Depreciation and amortisation	10, 11	56,897	49,702	24,721	22,776
Utility fees		13,859	13,671	5,013	5,549
Transportation expenses		13,156	13,189	6,353	6,127
Consultancy and advisory fees		7,256	5,803	3,415	3,814
Others		107,023	96,152	126,756	109,754
Total cost of sales of goods, distribution costs and administrative expenses		1,119,271	1,252,327	566,216	641,302

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For the year ended 31 December 2020

20 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	24,807	21,761	14,188	4,905
Deferred tax expense				
Movements in temporary differences	(3,889)	(3,596)	(1,082)	(679)
Total tax expense	20,918	18,165	13,106	4,226

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		110,225		103,975
Income tax using the Thai corporation tax rate	20	22,045	20	20,795
Effect of different tax rates in foreign jurisdictions		(92)		(52)
Income not subject to tax or double deductible expenses		(3,087)		(1,673)
Expenses not deductible for tax purposes		2,297		1,088
Utilisation of unrecognised tax losses		(245)		(2,043)
Current year losses for which no deferred tax asset was recognised		-		50
Total	19	20,918	17	18,165

<i>Reconciliation of effective tax rate</i>	Seperated financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		116,603		35,214
Income tax using the Thai corporation tax rate	20	23,321	20	7,043
Income not subject to tax or double deductible expenses		(11,436)		(1,026)
Expenses not deductible for tax purposes		1,221		252
Utilisation of unrecognised tax losses		-		(2,043)
Total	11	13,106	12	4,226

<i>Deferred tax</i>	Consolidated financial statements					
	(Charged) / Credited to					
	At 1 January	Profit or loss	Other comprehensive income	Acquired in business combination (Note 5)	Exchange differences	At 31 December
	<i>(in thousand Baht)</i>					
2020						
Deferred tax assets						
Trade accounts receivable	255	280	-	-	-	535
Inventories	2,278	296	-	-	-	2,574
Property, plant and equipment	119	(119)	-	-	-	-
Provisions for employee benefits	3,149	761	-	-	-	3,910
Lease liabilities	-	258	-	-	-	258
Others	11	(1)	-	-	-	10
Total	5,812	1,475	-	-	-	7,287

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Consolidated financial statements						
		(Charged) / Credited to				
	At 1	Profit or	Other	Acquired in	Exchange	At 31
<i>Deferred tax</i>	January	loss	comprehensive	business	differences	December
			income	combination		
				(Note 5)		
				(in thousand Baht)		
Deferred tax liabilities						
Property, plant and equipment	(23,603)	1,164	-	-	(4)	(22,443)
Intangible asset	(30,900)	1,224	-	-	-	(29,676)
Others	(26)	26	-	-	-	-
Total	(54,529)	2,414	-	-	(4)	(52,119)
Net	(48,717)	3,889	-	-	(4)	(44,832)
2019						
Deferred tax assets						
Trade accounts receivable	-	(114)	-	369	-	255
Inventories	612	238	-	1,428	-	2,278
Property, plant and equipment	-	119	-	-	-	119
Provisions for employee benefits	1,617	1,051	-	481	-	3,149
Others	91	(80)	-	-	-	11
Total	2,320	1,214	-	2,278	-	5,812
Deferred tax liabilities						
Property, plant and equipment	-	1,304	-	(24,926)	19	(23,603)
Intangible asset	-	1,104	-	(32,004)	-	(30,900)
Others	-	(26)	-	-	-	(26)
Total	-	2,382	-	(56,930)	19	(54,529)
Net	2,320	3,596	-	(54,652)	19	(48,717)
Separate financial statements						
		(Charged) / Credited to				
			Other			
	At 1	Profit or	comprehensive			At 31
<i>Deferred tax</i>	January	loss	income			December
2020						
Deferred tax assets						
Inventories	461	214	-	-	-	675
Property, plant and equipment	119	(119)	-	-	-	-
Provisions for employee benefits	2,445	682	-	-	-	3,127
Lease liabilities	-	261	-	-	-	261
Others	-	18	-	-	-	18
Total	3,025	1,056	-	-	-	4,081
Deferred tax liabilities						
Others	(26)	26	-	-	-	-
Net	2,999	1,082	-	-	-	4,081
2019						
Deferred tax assets						
Inventories	612	(151)	-	-	-	461
Property, plant and equipment	-	119	-	-	-	119
Provisions for employee benefits	1,617	828	-	-	-	2,445
Others	91	(91)	-	-	-	-
Total	2,320	705	-	-	-	3,025
Deferred tax liabilities						
Others	-	(26)	-	-	-	(26)
Net	2,320	679	-	-	-	2,999

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A subsidiary has not recognised deferred tax assets from tax loss of Baht 1.8 million (*31 December 2019: Baht 2.6 million*) because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits therefrom. The tax loss will expire in 2024 (*31 December 2019: expire in 2024*).

21 Earnings per share

The calculations of basic earnings per share for the year ended 31 December were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year, after adjusting for the change in the number of ordinary shares as a result of the increase in registered capital arising from the payment of stock dividend of 40 million shares on 2 July 2020, as described in notes 15 and 22. The number of ordinary shares used in calculations of earnings per share for the comparative previous year has been adjusted as if the event had occurred at the beginning of the earliest reporting year as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>89,307</u>	<u>85,810</u>	<u>103,497</u>	<u>30,988</u>
Number of ordinary shares outstanding during the year	<u>329,999</u>	<u>329,999</u>	<u>329,999</u>	<u>329,999</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.271</u>	<u>0.260</u>	<u>0.314</u>	<u>0.094</u>

22 Dividends

At the Annual General Meeting of the Shareholders of the Company held on 2 July 2020, the shareholders approved the allocation of legal reserve of Baht 1,549,414.36 and dividend payment as ordinary shares of the Company from the unappropriated retained earnings at the end of 2019 in the amount of not more than 40 million shares with a par value of Baht 0.50 per share to shareholders, at the rate of 7.249986 existing shares per 1 stock dividend, total amount not exceeding Baht 20 million, and pay cash dividend at the rate of Baht 0.0076628497 per share or a total amount of not more than Baht 22,222,222.22 million. The dividends were paid to shareholders on 23 July 2020.

At the Annual General Meeting of the Shareholders of the Company held on 4 April 2019, the shareholders approved the unappropriated retained earnings of 2018 in the amount of not more than 10 million shares with a par value of Baht 0.50 per share to shareholders, at the rate of 28 existing shares per 1 stock dividend, total amount not exceeding Baht 5 million, and pay cash dividend at the rate of Baht 0.0019841 per share or a total amount of not more than Baht 0.60 million. The dividends were paid to shareholders on 26 April 2019.

23 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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	Consolidated financial statements			
	Carrying amount			Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 2
<i>At 31 December 2020</i>				
<i>Financial assets and financial liabilities</i>				
Long-term loans from financial institutions	-	(517,426)	(517,426)	(507,580)
Foreign currency forward contracts	27	-	27	27

(in thousand Baht)

	Separated financial statements			Fair value
	Financial instruments measured at	Financial instruments measured at		
	FVTPL	amortised cost	Total	Level 2
<i>At 31 December 2020</i>		(in thousand Baht)		
<i>Financial assets and financial liabilities</i>				
Long-term loans from financial institutions	-	(159,112)	(159,112)	(155,480)
Long-term loan from related party	-	(438,320)	(438,320)	(420,533)
Foreign currency forward contracts	(4)	-	(4)	(4)

(in thousand Baht)

	Consolidated financial statements			Fair value
	Carrying amount			
	Measured at	Not measure at	Total	Level 2
At 31 December 2019	fair value	fair value		
		(in thousand Baht)		
Financial assets and financial liabilities				
Long-term loans from financial institutions	-	(636,989)	(636,989)	(636,989)
Foreign currency forward contracts	129	-	129	129

(in thousand Baht)

	Separated financial statements			Fair value
	Measured at	Carrying amount		
	fair value	Not measure at	Total	Level 2
<i>At 31 December 2019</i>		fair value		
		<i>(in thousand Baht)</i>		
<i>Financial assets and financial liabilities</i>				
Long-term loans from financial institutions	-	(185,745)	(185,745)	(185,745)
Long-term loan from related party	-	(500,000)	(500,000)	(500,000)
Foreign currency forward contracts	134	-	134	134

(in thousand Baht)

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Financial instruments measured at fair value

Type	Valuation technique
Foreign currency forward contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Foreign currency forward contracts

The Group and the Company have entered into currency forward contracts with local financial institutions. The detail of the contracts as at and 31 December are as follows:

	Consolidated financial statements			
	Foreign currency		Equivalent to Baht	
	2020	2019	2020	2019
	(in thousand)		(in thousand Baht)	
Foreign currency forward contracts -sell foreign currency				
United States Dollar	1,034	1,614	31,100	48,649
Singapore Dollar	-	424	-	9,337
	Separate financial statements			
	Foreign currency		Equivalent to Baht	
	2020	2019	2020	2019
	(in thousand)		(in thousand Baht)	
Foreign currency forward contracts -sell foreign currency				
United States Dollar	480	1,015	14,447	30,566

The above contracts will be gradually due within June 2021 (31 December 2019: due within June 2020).

(b) Financial risk management policies

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

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(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 17.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed regularly.

The Group limits its exposure to credit risk from trade accounts receivable by granting the normal credit term ranging from 30 days to 180 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivable.

		Consolidated financial statements		Separate financial statements	
		Trade accounts receivable	Allowance for expected credit loss (in thousand Baht)	Trade accounts receivable	Allowance for expected credit loss
<i>At 31 December 2020</i>	<i>Note</i>				
Related parties					
Within credit terms		-	-	25,876	-
Overdue:					
Less than 3 months		-	-	2,388	-
3 - 6 months		-	-	2,227	-
	6	-	-	30,491	-
Others					
Within credit terms		211,205	-	96,271	-
Overdue:					
Less than 3 months		55,939	-	17,937	-
3 - 6 months		2,277	-	-	-
6 - 12 months		3,449	(78)	1,059	(78)
More than 12 months		4,654	(3,310)	636	(636)
		277,524	(3,388)	115,903	(714)
Total		277,524		146,394	
Less allowance for expected credit loss		(3,388)		(714)	
Net		274,136		145,680	

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<i>Movement of allowance for expected credit loss of trade accounts receivable</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
At 1 January 2020	1,953	285
Addition	1,827	429
Write-off	(392)	-
At 31 December 2020	3,388	714

Losses are based on actual credit loss experience over the past by considering economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

<i>Trade accounts receivable</i>	<i>Note</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
At 31 December 2019			
Related Parties			
Within credit terms		57	22,590
Overdue:			
Less than 3 months		3,680	10,083
3 - 6 months		907	-
	6	4,644	32,673
Others			
Within credit terms		200,703	94,670
Overdue:			
Less than 3 months		61,832	19,565
3 - 6 months		3,798	787
6 - 12 months		1,694	720
More than 12 months		3,213	285
		271,240	116,027
<i>Less allowance for doubtful accounts</i>		<i>(1,953)</i>	<i>(285)</i>
		269,287	115,742
Net		273,931	148,415
 (Reversal of) bad and doubtful debts expenses for the year		 (257)	 285

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks which have low credit risk.

(b.1.3) Guarantees

As at 31 December 2020, the parent and subsidiary provided guarantees for long-term loans from financial institutions of the Group (see note 12).

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and loan repayment.

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The following tables are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
Contractual cash flows						
At 31 December 2020	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
<i>Non-derivative financial liabilities</i>						
Trade accounts payable	188,685	188,685	-	-	-	188,685
Loans from financial institutions	553,535	179,367	137,351	271,312	26,503	614,533
Lease liabilities	38,174	9,215	8,975	12,797	15,713	46,700
	<u>780,394</u>	<u>377,267</u>	<u>146,326</u>	<u>284,109</u>	<u>42,216</u>	<u>849,918</u>

Separate financial statements						
Contractual cash flows						
At 31 December 2020	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
<i>Non-derivative financial liabilities</i>						
Trade accounts payable	112,686	112,686	-	-	-	112,686
Loans from financial institutions	174,612	47,591	31,553	89,208	26,503	194,855
Loan from related party	438,320	67,663	149,902	265,308	-	482,873
Lease liabilities	29,187	5,673	5,496	10,264	15,713	37,146
	<u>754,805</u>	<u>165,950</u>	<u>37,049</u>	<u>99,472</u>	<u>525,089</u>	<u>827,560</u>

Consolidated financial statements					
Maturity period					
At 31 December 2019	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>Financial Liabilities</i>					
Loans from financial institutions	3.94 - 4.30, MLR - 0.50	<u>157,228</u>	<u>491,608</u>	<u>25,817</u>	<u>674,653</u>

Separate financial statements					
Maturity period					
At 31 December 2019	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>Financial Liabilities</i>					
Loans from financial institutions	4.30, MLR - 0.50	42,133	133,295	25,817	201,245
Loan from related party	MLR - 0.45	-	-	500,000	500,000
Total		<u>42,133</u>	<u>133,295</u>	<u>525,817</u>	<u>701,245</u>

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

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(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies, especially in US dollar. The Group's risk management policy is to manage the volatility of foreign exchange. Natural hedge is utilized by using of revenues denominated in foreign currencies for making payment in the same currencies. In addition, foreign currency forward contracts with financial institutes are used. However, the Group does not hedge all amounts of and all currencies of foreign currency exposure. The Group has established policies for hedged transaction at an appropriate level.

Consolidated financial statements						
2020			2019			
<i>Exposure to foreign currency at 31 December</i>	USD	Others	Total	USD	Others	Total
	<i>(in thousand Baht)</i>					
Cash and cash equivalents	35,043	117	35,160	14,320	112	14,432
Trade accounts receivable	91,580	1,687	93,267	92,955	812	93,767
Trade accounts payable	(94,027)	(742)	(94,769)	(65,581)	(249)	(65,830)
Short-term loans from financial institutions	-	-	-	22,164	-	22,164
Net statement of financial position exposure	32,596	1,062	33,658	63,858	675	64,533
Forward exchange selling contracts	(30,853)	-	(30,853)	(48,382)	(9,351)	(57,733)
Net exposure	1,743	1,062	2,805	15,476	(8,676)	6,800

Separated financial statements						
2020			2019			
<i>Exposure to foreign currency at 31 December</i>	USD	Others	Total	USD	Others	Total
	<i>(in thousand Baht)</i>					
Cash and cash equivalents	25,277	111	25,388	2,914	106	3,020
Trade accounts receivable	61,241	1,742	62,983	58,497	762	59,259
Trade accounts payable	(51,102)	(1,794)	(52,896)	(33,173)	(109)	(33,282)
Net statement of financial position exposure	35,416	59	35,475	28,238	759	28,997
Forward exchange selling contracts	(14,336)	-	(14,336)	(30,426)	-	(30,426)
Net exposure	21,080	59	21,139	(2,188)	759	(1,429)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar which is the primarily exposure of foreign currency risk, against functional currencies of the Company at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>At 31 December 2020</i>	Consolidated financial statements			Separated financial statements	
	Profit or loss			Profit or loss	
	Movement (%)	Strengthening	Weakening	Strengthening	Weakening
USD / THB	2	35	(35)	422	(422)

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(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash. The Group is primarily exposed to interest rate risk from its long-term loans with floating flow rates (see note 12). The Group has no interest rate swap contract for such long-term loans.

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Financial instruments with variable interest rates</i>				
Long-term loans	<u>517,426</u>	<u>636,989</u>	<u>597,432</u>	<u>685,745</u>

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date would have increased (decreased) and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Consolidated financial statements		Separated financial statements	
	Profit or loss		Profit or loss	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
<i>At 31 December 2020</i>				
	<i>(in thousand Baht)</i>			
Financial instruments with variable interest rate	4,647	(4,647)	5,156	(5,156)
Cash flow sensitivity (net)	<u>4,647</u>	<u>(4,647)</u>	<u>5,156</u>	<u>(5,156)</u>

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not recognised:</i>				
Machinery, equipment and software under installation	288	282	288	282
Total	<u>288</u>	<u>282</u>	<u>288</u>	<u>282</u>

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Other commitments</i>				
Short-term lease commitments	218	-	218	-
Unused letters of credit for goods and raw materials	21,325	28,565	16,713	10,770
Bank guarantees	2,006	2,981	1,206	1,181
Total	23,549	31,546	18,137	11,951

26 Events after the reporting period

(a) At the Board of Directors' Meeting of the Company held on 25 February 2021,

- (a.1) The Board of Directors passed the resolution to propose to the Annual General Shareholders' Meeting for approval the appropriation of Legal reserve of Baht 5,174,853.15 and the appropriation of profit from retained earnings at the end of 2020 of the Company to pay cash and stock dividends and the change of the Company's registered capital. The details are as follows:

Stock and cash dividends

- 1) Dividend payment as ordinary shares of the Company from the unappropriated retained earnings at the end of 2020 in the amount of not more than 100,000,000 shares with a par value of Baht 0.50 per share to the shareholders, at the rate of 3.299987 existing shares per 1 stock dividend, total amount not exceeding Baht 50 million or equivalent to the dividend payment rate of Baht 0.1515157418 per share. In the case that any shareholder has a fraction of existing shares from the stock dividend allocation, the dividend will be paid in cash in stead of stock dividend at the rate of Baht 0.1515157418 per share.
- 2) Cash dividend payment at the rate of Baht 0.0168350824 per share, or a total amount of not more than Baht 5,555,556.

The total amount of 1) and 2) will not be exceeding Baht 55,555,556, which is a dividend payment at the rate of Baht 0.1683508242 per share. All dividends are subject to withholding tax at the rate as required by law. The dividend payment is subject to the approval of the Shareholders at the Annual General Meeting to be held in April 2021.

Decrease of registered capital

The reduction of the registered capital of the Company by reducing the registered capital of the Company by Baht 14,000,369 from the original registered capital of Baht 178,999,727.50 to a new registered capital of Baht 164,999,358.50 by cutting the ordinary shares that have not been issued which remained from the allocation of 28,000,000 ordinary shares under general mandate and the remaining dividend payment of 738 shares to 329,998,717 shares.

Increase of registered capital

The increase of the registered capital of the Company in the form of general mandate from the original registered capital of Baht 164,999,358.50 to Baht 228,999,358.50 by issuing 128,000,000 ordinary shares at a par value of Baht 0.50 per share. The details are as follows:

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Notes to the financial statements
For the year ended 31 December 2020

- 1) The allocation of the newly issued ordinary shares in the amount not exceeding 28,000,000 shares in the form of a general capital increase to sell shares to private placement. In this regard, the Company will allocate the issued ordinary shares in the form of general mandate. The paid-up capital of the Company shall not exceed Baht 14,000,000 which is not more than 10 percent of the paid-up capital on the date that the Board of Directors resolved to increase the general mandate, which is equal to 28,000,000 shares.
 - 2) The increase of the registered capital of Baht 50,000,000 by issuing ordinary shares of no more than 100,000,000 shares with a par value of Baht 0.50 per share to support the stock dividend payment.
- (a.2) Approved the PMC Label Materials Co., Ltd., a subsidiary of the Company,
- 1) To propose to the subsidiary's Annual General Meeting of Shareholders for the payment of dividend appropriated from retained earnings at the end of 2020 of Baht 150,000,000, at the rate of Baht 150 per share. The dividend will be paid in April 2021.
 - 2) To propose to the subsidiary's Annual General Meeting of Shareholders for increase of registered capital of Baht 150,000,000 by issuing 1,500,000 ordinary shares at a par value of Baht 100. The subsidiary's Annual General Meeting of Shareholders will be held in April 2021.
 - 3) To call for repayment of loan principal from the Company amounting to Baht 50,000,000. The payment shall be made in April 2021.
- (b) As disclosed in note 3, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020. The Group recognised impact on termination of temporary accounting relief measures since 1 January 2021 that has no material effect on the financial statements.

27 Reclassification of accounts

Certain accounts in the 2019 financial statements, which are included in the 2020 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2020 financial statements as follows:

	Consolidated financial statements			Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification	Before Reclassification	Reclassification	After Reclassification
<i>(in thousand Baht)</i>						
<i>Statement of financial position</i>						
Other current receivables	6,899	5,832	12,731	3,850	2,681	6,531
Other current assets	6,247	(5,832)	415	2,945	(2,681)	264
Other current payables	124,647	960	125,607	113,801	-	113,801
Other current liabilities	2,584	(960)	1,624	1,212	-	1,212
		<u>-</u>			<u>-</u>	