

Pan Asia Footwear Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2019



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Independent Auditor's Report

To the Shareholders of Pan Asia Footwear Public Company Limited

Qualified Opinion

I have audited the accompanying consolidated financial statements of Pan Asia Footwear Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Pan Asia Footwear Public Company Limited for the same period.

In my opinion, except for the possible effects on the matter described in the *Basis for Qualified Opinion* on the section of my report, the financial statements referred to above present fairly, in all material respects, the financial position of Pan Asia Footwear Public Company Limited and its subsidiaries and of Pan Asia Footwear Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

As discussed in Note 14 to the financial statements, the Company did not obtain the financial statements for the year ended 31 December 2019 of PA Capital Company Limited, the associated company, and its subsidiary companies. The latest financial statements of the associated company available to the Company were the financial statements for the year ended 31 December 2018, which were audited by its auditor, and only separate financial statements were presented, not consolidated financial statements. Thus, I was unable to audit the carrying amount of the investment in associate which is accounted for under the equity method in the consolidated statement of financial position and under cost method in the separate statement of financial position as at 31 December 2019 and I was unable to apply other auditing procedures to satisfy myself as to the value of such investment in associate, included the related accounts in the statement of comprehensive income. This matter is considered to be a scope limitation imposed by circumstance. In addition, I issued the qualified opinion on the 2018 consolidated and separate financial statements due to the same reason and currently, I have not been furnished with the up-to-date consolidated financial statements of the associated company and its subsidiary companies as well for such period.

Consequently, I was unable to determine whether and to what extent any adjustments were required to adjust the value of investment in associate, including the related accounts in the consolidated and separate financial statements for the years 2019 and 2018. If adjustments were necessary, they would affect the investment in associate and retained earnings in the consolidated and separate statement of financial position as at 31 December 2019 and 2018, and the share of profit from associate and relevant elements in the consolidated statement of comprehensive income and impairment loss on investment and relevant elements in the separate statement of comprehensive income for the years 2019 and 2018, including the relevant elements in the consolidated and separate statements of changes in shareholders' equity and cash flows for the years 2019 and 2018.

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 to the financial statements, regarding the ability of the Group to continue as a going concern. As presented in the separate statement of financial position as at 31 December 2019, the Company has current liabilities exceeded current assets by Baht 137 million. In addition, several subsidiaries have operating loss, several subsidiaries have large deficits, and there are indicators of possible persistent losses in the future. Several subsidiaries ceased their operations. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matter described in *the Basis for Qualified Opinion and the Material Uncertainty Related to Going Concern* section, key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenue from sales is one of the significant accounting transactions of the Group, representing 87% of total revenue of the Group. The sales amount recorded in the accounts has a direct effect on the Group's operating results. In addition, the Group have sales to a large number of customers in several business sectors with a varying of commercial terms. There is therefore a risk related to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period to assess whether revenue recognition was consistent with the sales conditions, and whether it was in compliance with the Group's policy.
- Reviewing credit notes that the Group issued after the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.



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Impairment of investments in subsidiaries

Because several subsidiaries have operating losses and several subsidiaries have large deficits, with indications of possible persistent losses in the future, the process of determining the impairment loss of investments in the subsidiaries, requires significant management judgement with respect to its projections of future operating performance of the subsidiaries, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss recorded on investments in subsidiaries.

I gained an understanding of management's decision - making process and assessed the following:

- The assumptions applied in preparing 5-year plans and cash flow projections for the subsidiaries, based on the understanding I gained of the process by which the figures were arrived at comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections, and comparison of the long-term growth rate of the subsidiaries with economic and industry forecasts.
- The discount rate, based on comparison of the average cost of capital and other data with those used by comparable organisations.
- Considering the scope and probability of potential changes in the key assumptions

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the 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 financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.



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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.



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From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.

A handwritten signature in black ink, appearing to read 'Ma R.', is written above the printed name.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 26 February 2020

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	6	44,592,276	60,086,830	6,289,495	1,070,665
Current investments		13,558	13,454	-	-
Trade and other receivables	7	163,320,971	133,002,015	7,143,127	4,639,440
Short-term loans to related parties and others	8	277,969	282,969	4,000,000	2,000,000
Current portion of long-term loans to related parties	8	4,900,000	-	-	-
Inventories	9	81,480,583	96,190,461	1,351,704	1,270,415
Current biological assets	10	2,774,905	1,557,051	2,774,905	1,557,051
Other current assets		3,886,274	5,846,558	1,052,389	1,128,869
Total current assets		301,246,536	296,979,338	22,611,620	11,666,440
Non-current assets					
Restricted bank deposits	11	14,187,139	6,577,893	1,349,000	1,349,000
Investments in available-for-sale securities	12	34,800	38,200	34,800	38,200
Investments in subsidiaries	13	-	-	172,534,980	172,534,980
Investments in associates	14	-	12,098,990	-	-
Investments in related parties	15	4,325,483	10,294,048	2,744,940	7,438,495
Investment properties	16	317,693,695	319,868,356	317,647,743	321,187,871
Property, plant and equipment	17	86,555,238	83,328,174	5,288,383	5,694,753
Goodwill	18	-	-	-	-
Non-current biological assets	10	3,886,250	3,886,250	-	-
Receivables from guarantee - related parties	8	-	-	-	-
Deferred tax assets	26	2,876,123	1,265,240	-	-
Withholding tax deducted at source		5,865,167	4,134,546	2,196,889	1,733,650
Other non-current assets		2,255,262	6,015,536	226,273	249,474
Total non-current assets		437,679,157	447,507,233	502,023,008	510,226,423
Total assets		738,925,693	744,486,571	524,634,628	521,892,863

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



Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	19	3,946,264	12,856,699	-	8,862,505
Trade and other payables	20	89,214,015	107,895,917	25,670,888	25,393,226
Short-term loans from related parties	8	60,000,000	100,000,000	133,400,000	166,300,000
Current portion of liabilities under finance					
lease agreements		3,504,909	3,707,316	-	-
Income tax payable		1,597,789	800,857	-	-
Other current liabilities		2,819,107	1,779,522	623,877	413,513
Total current liabilities		161,082,084	227,040,311	159,694,765	200,969,244
Non-current liabilities					
Liabilities under finance lease agreements,					
net of current portion		3,317,764	3,896,186	-	-
Provision for long-term employee benefits	21	25,519,985	16,908,557	2,891,821	2,230,713
Long-term provisions	22	1,857,251	1,366,063	240,567	240,567
Deferred tax liabilities	26	2,779,432	3,015,509	1,214,228	1,020,955
Other non-current liabilities		3,023,000	3,023,000	3,023,000	3,023,000
Total non-current liabilities		36,497,432	28,209,315	7,369,616	6,515,235
Total liabilities		197,579,516	255,249,626	167,064,381	207,484,479

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



Pan Asia Footwear Public Company Limited and its subsidiaries

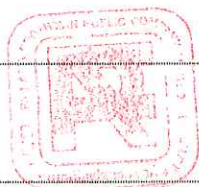
Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
Registered					
540,000,000 ordinary shares of Baht 0.51 each		275,400,000	275,400,000	275,400,000	275,400,000
Issued and fully paid-up					
540,000,000 ordinary shares of Baht 0.51 each		275,400,000	275,400,000	275,400,000	275,400,000
The Company's shares held by subsidiaries		(17,552,525)	(17,552,525)	-	-
Retained earnings					
Appropriated - statutory reserve	23	15,181,470	13,028,470	15,181,470	13,028,470
Unappropriated		204,268,473	169,877,995	67,077,977	26,065,714
Other component of shareholders' equity		4,852,500	4,855,900	(89,200)	(85,800)
Equity attributable to owners of the Company		482,149,918	445,609,840	357,570,247	314,408,384
Non-controlling interests of the subsidiaries		59,196,259	43,627,105	-	-
Total shareholders' equity		541,346,177	489,236,945	357,570,247	314,408,384
Total liabilities and shareholders' equity		738,925,693	744,486,571	524,634,628	521,892,863

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



Directors

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales		751,223,316	725,988,505	23,042,043	12,829,884
Revenues from hire of work		7,864,904	30,844,840	-	-
Dividend income		51,401	41,000	6,955,178	18,290,140
Gain on sales of assets		490,370	18,314,402	264,731	-
Gain arising from change in fair value of biological assets	10	445,892	-	445,892	-
Other income	25	103,189,780	63,172,143	80,555,661	54,912,397
Total revenues		863,265,663	838,360,890	111,263,505	86,032,421
Expenses					
Cost of sales and hire of work		684,876,489	699,631,792	25,540,513	21,130,097
Selling and distribution expenses		19,385,410	17,912,514	4,445,856	3,925,624
Administrative expenses		97,986,908	97,515,517	25,558,850	23,958,396
Allowance for doubtful accounts (reversal)		(83,582)	(63,894,182)	898,196	708,589
Impairment loss on investments		5,968,565	1,154,905	4,693,555	68,946,655
Impairment loss on fixed assets		828,310	15,000,000	-	-
Loss arising from change in fair value of biological assets	10	-	827,761	-	827,761
Total expenses		808,962,100	768,148,307	61,136,970	119,497,122
Profit (loss) before share of profit (loss) from investments					
in associates, finance cost and income tax expenses		54,303,563	70,212,583	50,126,535	(33,464,701)
Share of profit (loss) from investments in associates	14.2	144,242	(910,064)	-	-
Profit (loss) before finance cost and income tax expenses		54,447,805	69,302,519	50,126,535	(33,464,701)
Finance cost		(6,105,802)	(7,714,522)	(6,887,514)	(8,361,678)
Profit (loss) before income tax expenses		48,342,003	61,587,997	43,239,021	(41,826,379)
Income tax expenses		(654,129)	(882,248)	(193,272)	(193,272)
Profit (loss) for the year	26	47,687,874	60,705,749	43,045,749	(42,019,651)

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



Pan Asia Footwear Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on changes in value of available-for-sale investments					
- net of income tax		(3,400)	(7,800)	(3,400)	(7,800)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax		(1,308,723)	(2,906,441)	119,514	(1,646,756)
Other comprehensive income for the year		(1,312,123)	(2,914,241)	116,114	(1,654,556)
Total comprehensive income for the year		46,375,751	57,791,508	43,161,863	(43,674,207)
Profit (loss) attributable to:					
Equity holders of the Company		37,746,039	53,056,732	43,045,749	(42,019,651)
Non-controlling interests of the subsidiaries		9,941,835	7,649,017		
		47,687,874	60,705,749		
Total comprehensive income attributable to:					
Equity holders of the Company		36,540,078	50,296,190	43,161,863	(43,674,207)
Non-controlling interests of the subsidiaries		9,835,673	7,495,318		
		46,375,751	57,791,508		
Basic earnings (loss) per share					
Profit (loss) attributable to equity holder of the Company	27	0.07	0.10	0.08	(0.08)

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



W. Subyanaul

Pan Asia Footwear Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Other components of shareholders' equity									Total
Issued and paid-up share capital	The Company's shares held by subsidiaries	Retained earnings (deficit)	Deficit on changes in value of available-for-sale investments	Difference resulting from change in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	shareholders' equity		
		Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2018	275,400,000	(17,552,525)	13,028,470	119,574,006	4,941,700	4,863,700	395,313,651	37,541,401	432,855,052	
Profit for the year	-	-	-	53,056,732	-	-	53,056,732	7,649,017	60,705,749	
Other comprehensive income for the year	-	-	-	(2,752,743)	-	(7,800)	(2,760,543)	(153,698)	(2,914,241)	
Total comprehensive income for the year	-	-	-	50,303,989	-	(7,800)	50,296,189	7,495,319	57,791,508	
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	(1,409,615)	(1,409,615)	
Balance as at 31 December 2018	275,400,000	(17,552,525)	13,028,470	169,877,995	4,941,700	4,855,900	445,609,840	43,627,105	489,236,945	
Balance as at 1 January 2019	275,400,000	(17,552,525)	13,028,470	169,877,995	4,941,700	4,855,900	445,609,840	43,627,105	489,236,945	
Profit for the year	-	-	-	37,746,039	-	-	37,746,039	9,941,835	47,687,874	
Other comprehensive income for the year	-	-	-	(1,202,561)	-	(3,400)	(1,205,961)	(106,162)	(1,312,123)	
Total comprehensive income for the year	-	-	-	36,543,478	-	(3,400)	36,540,078	9,835,673	46,375,751	
Transferred to retained earnings (Note 23)	-	-	2,153,000	(2,153,000)	-	-	-	-	-	
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	6,311,621	6,311,621	
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	(578,140)	(578,140)	
Balance as at 31 December 2019	275,400,000	(17,552,525)	15,181,470	204,268,473	4,941,700	4,852,500	482,149,918	59,196,259	541,346,177	

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



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Pan Asia Footwear Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Retained earnings (deficit)		Unappropriated	Other component of equity	Total shareholders' equity
		in value of				
		Appropriated - statutory reserve	Deficit on changes available-for-sale investments			
Balance as at 1 January 2018	275,400,000	13,028,470	69,732,121	(78,000)	358,082,591	
Loss for the year	-	-	(42,019,651)	-	(42,019,651)	
Other comprehensive income for the year	-	-	(1,646,756)	(7,800)	(1,654,556)	
Total comprehensive income for the year	-	-	(43,666,407)	(7,800)	(43,674,207)	
Balance as at 31 December 2018	275,400,000	13,028,470	26,065,714	(85,800)	314,408,384	
Balance as at 1 January 2019	275,400,000	13,028,470	26,065,714	(85,800)	314,408,384	
Profit for the year	-	-	43,045,749	-	43,045,749	
Other comprehensive income for the year	-	-	119,514	(3,400)	116,114	
Total comprehensive income for the year	-	-	43,165,263	(3,400)	43,161,863	
Transferred to retained earnings (Note 23)	-	2,153,000	(2,153,000)	-	-	
Balance as at 31 December 2019	275,400,000	15,181,470	67,077,977	(89,200)	357,570,247	

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



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Pan Asia Footwear Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before tax	48,342,003	61,587,997	43,239,021	(41,826,379)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	20,318,237	22,928,341	6,087,456	6,285,072
Allowance for doubtful accounts (reversal)	(83,582)	(63,894,182)	898,196	708,589
Reduce cost to net realisable value (reversal)	(2,445,442)	(40,281,368)	-	(41,371,390)
Allowance for impairment loss on assets	828,310	15,000,000	-	-
Loss (gain) on sales of property, plant and equipment	(490,370)	(18,314,402)	(264,731)	12,260
Loss (gain) arising from change in fair value of biological assets	(445,892)	827,761	(445,892)	827,761
Share of loss (gain) from investments in associates	(144,242)	910,064	-	-
Gain from a bargain purchase of equity interest in a subsidiary	(10,391,512)	-	-	-
Allowance for impairment loss on investments	5,968,565	1,154,904	4,693,555	68,946,655
Provision for litigation	682,726	317,580	-	317,580
Provision for long-term employee benefits	6,361,414	1,426,219	780,622	4,757
Unrealised gain on exchange	(18,457)	(49,116)	(63,649)	(24,218)
Interest income	(1,062,767)	(498,474)	(222,570)	(184,522)
Dividend income	(51,401)	(41,000)	(6,955,178)	(18,290,140)
Interest expenses	6,105,802	7,714,522	6,887,514	8,361,678
Profit (loss) from operating activities before changes in operating assets and liabilities	73,473,392	(11,211,154)	54,634,344	(16,232,297)
Operating assets (Increase) decrease				
Trade and other receivables	(26,531,732)	32,022,569	(3,251,827)	2,085,766
Inventories	22,248,142	36,186,258	(81,289)	40,577,821
Current biological assets	(771,962)	60,342	(771,962)	60,342
Other current assets	1,363,125	286,597	76,480	(412,850)
Other non-current assets	3,124,636	(1,809,387)	23,201	483,936
Operating liabilities increase (decrease)				
Trade and other payables	(19,959,124)	2,328,415	17,316	(3,346,306)
Other current liabilities	916,356	(959,301)	210,364	175,966
Cash paid for long-term provisions	(191,538)	(4,697,010)	-	(4,697,010)
Cash paid for long-term employee benefits	(152,640)	(335,513)	-	-
Cash from operating activities	53,518,655	51,871,816	50,856,627	18,695,368
Cash paid for income tax	(3,861,456)	(5,598,003)	(463,239)	(734,511)
Income tax refunded	2,187,566	949,754	-	-
Net cash from operating activities	51,844,765	47,223,567	50,393,388	17,960,857

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



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Pan Asia Footwear Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in restricted bank deposits	(102,460)	(65,538)	-	-
Increase in cash from change in status of associate to be subsidiary	7,485,495	-	-	-
Cash paid for investment in subsidiaries	(5,600,000)	-	-	(1,766,453)
Increase in current investments	(104)	(409)	-	-
Increase in short-term loans to related parties	-	-	(2,500,000)	(4,000,000)
Cash receipt from short-term loan to other	5,000	-	-	-
Cash receipt from short-term loans to related parties	-	-	500,000	2,000,000
Cash receipt from long-term loans to related parties	1,700,000	1,372	-	-
Dividend received	51,401	41,000	6,955,178	18,290,140
Acquisition of property, plant and equipment	(12,818,135)	(10,513,965)	(2,156,600)	(1,139,655)
Proceeds from sales of property, plant and equipment	629,818	18,781,423	280,374	177,570
Interest income	1,922,381	662,566	72,022	88,357
Net cash from (used in) investing activities	(6,726,604)	8,906,449	3,150,974	13,649,959
Cash flows from financing activities				
Decrease in bank overdrafts	(8,910,435)	(20,625,435)	(8,862,505)	(20,634,831)
Cash receipt from short-term loans from related parties	-	-	10,000,000	5,000,000
Repayment of short-term loans from related parties	-	-	(2,900,000)	(8,000,000)
Repayment of short-term loans from related person	(40,000,000)	-	(40,000,000)	-
Repayment of liabilities under finance lease agreements	(5,018,338)	(7,753,227)	-	-
Dividend paid for non-controlling interest of a subsidiary	(578,140)	(1,409,615)	-	-
Cash paid for interest expenses	(6,105,802)	(7,654,702)	(6,563,027)	(7,978,425)
Net cash used in financing activities	(60,612,715)	(37,442,979)	(48,325,532)	(31,613,256)
Net increase (decrease) in cash and cash equivalents	(15,494,554)	18,687,037	5,218,830	(2,440)
Cash and cash equivalents at the beginning of year	60,086,830	41,399,793	1,070,665	1,073,105
Cash and cash equivalents at end of year	44,592,276	60,086,830	6,289,495	1,070,665

Supplementary cash flows information:

Non-cash transactions:

Assets acquired under finance lease agreement	3,875,000	2,214,953	-	-
Transfer investment properties to payment debt from litigations	-	7,462,500	-	7,462,500
Unpaid investment in a subsidiary	-	-	-	9,969,100
Investment in associate increased due to payment received from an account receivable - associate	-	12,893,639	-	-
Investment properties increased due to payment received from an account receivable - associate	-	51,245,950	-	-
Change in status of investment in associate to investments in subsidiary	12,243,232	-	-	-
Transfer non-current assets to property, plant and equipment	277,136	-	-	-

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



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Pan Asia Footwear Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

1. General information

1.1 Corporate information

Pan Asia Footwear Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment in other companies (Holding company) and an organic farming business. The registered office of the Company is at 620/5 Moo 11, Nongkharm, Sriracha, Chonburi.

1.2 Going concern

As presented in the separate statement of financial position as at 31 December 2019, the Company has current liabilities exceeded current assets by Baht 137 million. In addition, several subsidiaries have operating loss, several subsidiaries have large deficits, and there are indicators of possible persistent losses in the future. Several subsidiaries ceased their operations. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the Company had restructured its business and majority of subsidiaries still have profit from operations. For these reasons, the financial statements have been prepared on the going concern basis.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.



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2.2 Basis of consolidation

- a) These consolidated financial statements include the financial statements of Pan Asia Footwear Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 Percent	2018 Percent
<u>Subsidiaries directly held by the Company</u>				
Footwear Tech 1530 Company Limited	Ceased operation	Thailand	100.00	100.00
International Curity Footwear Company Limited	Ceased operation	Thailand	100.00	100.00
WBLP Company Limited	Manufacture of footwear and bag	Thailand	100.00	100.00
Phimai Footwear Company Limited (registered its dissolution with the Ministry of Commerce on 2 May 2018)	In the process of liquidation	Thailand	100.00	100.00
Excellent Rubber Company Limited	Ceased operation	Thailand	100.00	100.00
Kabinburi Pan Asia Footwear Company Limited (registered its dissolution with the Ministry of Commerce on 29 April 2019)	In the process of liquidation	Thailand	100.00	100.00
Modern Technology Component Company Limited	Manufacture of footwear parts	Thailand	100.00	100.00
Pontex (Thailand) Company Limited	Manufacture of plastic parts and injection	Thailand	97.02	96.27
Innovation Nakornluang Footwear Company Limited (registered its dissolution with the Ministry of Commerce on 2 May 2018)	In the process of liquidation	Thailand	96.07	96.07
Exact Q Company Limited (registered its dissolution with the Ministry of Commerce on 15 May 2019)	In the process of liquidation	Thailand	99.98	99.98
Advantage Footwear Company Limited	Manufacture of footwear and footwear parts	Thailand	79.12	79.12
Aphakorn Industries Company Limited	Manufacture and repair of plastic injection molds	Thailand	-	99.07
<u>A subsidiary held by Kabinburi Pan Asia Footwear Company Limited</u>				
Burirum Pan Footwear Company Limited	In the process of liquidation	Thailand	69.27	69.27
<u>A subsidiary held by Advantage Footwear Company Limited and Excellent Rubber Company Limited</u>				
Pek Industry Company Limited	Cutting board and eyelet	Thailand	81.73	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.



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- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements



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(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.



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Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.



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4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost, and includes all production costs and attributable factory overheads.

Raw material and supplies are valued at the lower of cost (under the average method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company and its subsidiary classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

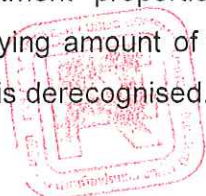
On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.



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4.7 Property, plant and equipment/Depreciation

Land is stated at cost less allowance for diminution in value (if any). Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Land improvements	-	5 years
Plants and buildings	-	5 - 40 years
Machinery and equipment	-	3 - 15 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 - 10 years
Utilities	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

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

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.



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4.9 Agriculture

The Group's biological assets are organic vegetables and economic trees (Teak, Afzelia xylocarpa craib, Iron wood and Burmese Rosewood), which measure at their fair value less costs to sell.

The fair value of biological assets is determined based on fair value less estimated selling costs. Gains or losses on changes in fair value of biological assets are recognised in profit or loss.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

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



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

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Group performs impairment review in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.



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4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the subsidiaries. The fund's assets are held in a separate trust fund and the subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.15 Provisions

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

4.16 Income tax

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



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Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Fair value measurement

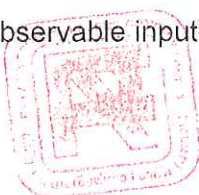
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows



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

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance of diminution in value of inventory

In determining a reduce cost to net realisable value of inventories, the management needs to make judgement in estimating the losses that will be incurred on the sale of the inventory, taking into account net realisable value, aging profile of outstanding inventories and the stock-keeping conditions, among other factors.

Impairment of investments in subsidiaries

The Company will record impairment loss on investments in subsidiaries when the objective evidence of impairment exists. The determining impairment of investments in subsidiaries requires the management judgement with respect to its projections of future performance of the subsidiaries.

Property plant and equipment and investment property/Depreciation

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

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




Wahabqumar

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Cash and cash equivalents

(Unit: Thousand Baht)

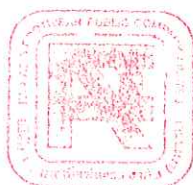
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	294	260	19	9
Bank deposits	44,298	59,827	6,270	1,062
Total	44,592	60,087	6,289	1,071

As at 31 December 2019, bank deposit in saving accounts carried interest at rates between 0.22% and 0.38% per annum (2018: 0.37% and 0.75%) (Separate financial statements: 0.37% and 0.38% per annum (2018: 0.38% and 0.50% per annum)).

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	20,185	21,845	207	25
Past due				
Up to 3 months	15,111	8,856	-	-
3 - 6 months	7,323	4,678	-	-
6 - 12 months	412	2	25	1
Over 12 months	76,348	72,824	276	275
Total	119,379	108,205	508	301
Less: Allowance for doubtful accounts	(76,294)	(72,772)	(231)	(231)
Total trade receivables - related parties, net	43,085	35,433	277	70



(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	38,042	48,427	825	685
Past due				
Up to 3 months	63,912	35,355	1,355	984
3 - 6 months	9,072	3,660	46	32
6 - 12 months	990	1,088	188	55
Over 12 months	12,226	11,494	193	195
Total	124,242	100,024	2,607	1,951
Less: Allowance for doubtful accounts	(12,189)	(11,335)	(168)	(168)
Total trade receivables - unrelated parties, net	112,053	88,689	2,439	1,783
Total trade receivables - net	155,138	124,122	2,716	1,853
<u>Other receivables</u>				
Other receivables - related parties	80,340	93,395	99,295	98,567
Other receivables - unrelated parties	19,878	19,929	11,499	9,688
Total	100,218	113,324	110,794	108,255
Less: Allowance for doubtful accounts	(92,035)	(104,444)	(106,367)	(105,469)
Total other receivables - net	8,183	8,880	4,427	2,786
Total trade and other receivables - net	163,321	133,002	7,143	4,639

8. Related party transactions

During the years, the Group had significant business transactions with individual or related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Dividend income	-	-	7	18	As declared
Interest expense	-	-	2	2	1.5 - 2.5% per annum



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(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with related companies</u>					
Sales of goods	152	190	-	-	Cost plus margins
Gain on sales of assets	-	15	-	-	Market price and negotiation
Purchases of goods	9	11	-	-	Cost plus margins
Public utilities expenses	5	6	-	-	As indicated in the agreement
Other expenses	14	19	-	-	As indicated in the agreement
<u>Transaction with related persons</u>					
Interest expenses	5	5	5	5	4.9% per annum

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related parties (Note 7)</u>				
Subsidiaries	-	-	90,026	89,298
Associates	49,153	44,639	180	180
Related companies (related by common shareholders and directors)	150,566	156,961	9,597	9,390
Total	199,719	201,600	99,803	98,868
Less: Allowance for doubtful accounts	(153,151)	(162,619)	(98,325)	(97,787)
Net	46,568	38,981	1,478	1,081
<u>Receivables from guarantee - related parties</u>				
Subsidiaries	-	-	21,119	21,119
Associates	36,286	36,286	36,286	36,286
Related companies (related by common shareholders)	14,734	14,734	14,734	14,734
Total	51,020	51,020	72,139	72,139
Less: Allowance for doubtful accounts	(51,020)	(51,020)	(72,139)	(72,139)
Net	-	-	-	-
<u>Trade and other payables - related parties (Note 20)</u>				
Subsidiaries	-	-	17,508	17,112
Associates	341	1,082	289	289
Related companies (related by common shareholders)	14,744	19,167	2,290	2,440
Total	15,085	20,249	20,087	19,841



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Short-term loans to related parties and others

As at 31 December 2019 and 2018, the balances of short-term loans to related parties and others and the movements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 1 January 2019	Decrease	As at 31 December 2019
<u>Short-term loans to related parties and others</u>			
Short-term loans to related parties			
Associate			
Nongchang Rubber Co., Ltd.	850	-	850
Related company			
Thai Sung Shin New Material Co., Ltd.	4,600	-	4,600
Total short-term loans to related parties	5,450	-	5,450
Less: Allowance for doubtful accounts	(5,450)	-	(5,450)
Total short-term loans to related parties - net	-	-	-
Short-term loans to others	283	(5)	278
Total short-term loans to related parties and others, net	283	(5)	278

(Unit: Thousand Baht)

	Separate financial statements			
	As at 1 January 2019	Increase	(Decrease)	As at 31 December 2019
<u>Short-term loans to related parties</u>				
Subsidiaries				
Modern Technology Component Company Limited	-	2,500	(500)	2,000
WBLP Company Limited	2,000	-	-	2,000
Total short-term loans to related parties	2,000	2,500	(500)	4,000

Long-term loans to related parties

During the year 2019, the repayment period of short-term loan to Natural Art and Technology Co., Ltd. was extended from repayable at call to monthly installments of Baht 0.2 million per month from June to December 2019 and Baht 0.5 million per month from January 2020 onwards.



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As at 31 December 2019 and 2018, the balances of long-term loans to related parties and the movements are as follows:

	(Unit: Thousand Baht)
	Consolidated financial statements
<u>Long-term loan to a related party</u>	
Balance as at 1 January 2019	-
Increase	6,600
Decrease	(1,700)
Total	4,900
Less: current portion	(4,900)
Balance as at 31 December 2019 - net	-

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 1 January 2019	Increase (Decrease)	As at 31 December 2019
<u>Long-term loans to related parties</u>			
Subsidiaries			
Kabinburi Pan Asia Footwear Co., Ltd.	78,379	-	78,379
Phimai Footwear Co., Ltd.	21,650	-	21,650
Innovation Nakornluang Footwear Co., Ltd.	1,430	-	1,430
Total	101,459	-	101,459
Less: Allowance for doubtful accounts	(101,459)	-	(101,459)
Total long-term loans to related parties, net	-	-	-

Short-term loans from related parties

As at 31 December 2019 and 2018, the balances of short-term loans from related parties and the movements are as follows:

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	As at 1 January 2019	Increase (decrease)	As at 31 December 2019	As at 1 January 2019	Increase (Decrease)	As at 31 December 2019
<u>Short-term loans from related parties</u>						
Subsidiaries						
Advantage Footwear Co., Ltd.	-	-	-	29,800	7,100	36,900
Excellent Rubber Co., Ltd.	-	-	-	17,500	-	17,500
Aphakorn Industries Co., Ltd.*	-	-	-	10,000	(10,000)	-
Pontex (Thailand) Co., Ltd.*	-	-	-	9,000	10,000	19,000
Total	-	-	-	66,300	7,100	73,400
Related person						
Mr. Boonyasit Chokwatana	100,000	(40,000)	60,000	100,000	(40,000)	60,000
Total	100,000	(40,000)	60,000	100,000	(40,000)	60,000
Total short-term loans from related parties	100,000	(40,000)	60,000	166,300	(32,900)	133,400

* In January 2019, Pontex (Thailand) Company Limited and Aphakorn Industries Company Limited have entered into business combination and established new company named "Pontex (Thailand) Company Limited" as described in Note 13 to the financial statements.



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Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	23,191	21,416	8,399	7,016
Post-employment benefits	1,434	2,571	703	1,059
Total	24,625	23,987	9,102	8,075

Guarantee obligations with related parties

The Group have outstanding guarantee obligations with their related parties as described in Note 30.2 a) to the financial statements.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	33,307	30,732	(642)	(1,045)	32,665	29,687
Work in process	16,548	28,415	(178)	(220)	16,370	28,195
Raw materials	28,147	32,837	(1,340)	(3,340)	26,807	29,497
Raw materials in transit	2,206	5,185	-	-	2,206	5,185
Supplies	3,433	3,627	-	-	3,433	3,627
Total	83,641	100,796	(2,160)	(4,605)	81,481	96,191

(Unit: Thousand Baht)

	Separated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	353	41	-	-	353	41
Raw materials	647	912	-	-	647	912
Supplies	352	317	-	-	352	317
Total	1,352	1,270	-	-	1,352	1,270



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During the current year, the Group reduced cost of inventories amounting to Baht 0.3 million (2018: Baht 1 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 2.7 million (2018: Baht 42 million) (Separate financial statements: nil (2018: Baht 41 million)) and reduced the amount of inventories recognised as expenses during the year.

10. Biological assets

Movements of biological assets account for the years ended 31 December 2019 and 2018, are summarised below.

	Consolidated financial statements						(Unit: Thousand Baht) Separate financial statements	
	Economic trees		Organic vegetables		Total		Organic vegetables	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Balance as at 1 January	3,886	3,886	1,557	2,445	5,443	6,331	1,557	2,445
Gain (loss) arising from								
changes in fair value	-	-	446	(828)	446	(828)	446	(828)
Increase due to cultivate	-	-	20,788	17,419	20,788	17,419	20,788	17,419
Decrease due to harvest	-	-	(20,016)	(17,479)	(20,016)	(17,479)	(20,016)	(17,479)
Balance as at 31 December	<u>3,886</u>	<u>3,886</u>	<u>2,775</u>	<u>1,557</u>	<u>6,661</u>	<u>5,443</u>	<u>2,775</u>	<u>1,557</u>

11. Restricted bank deposits

As at 31 December 2019 and 2018, the Group had pledged the fixed deposits at financial institutions to secure loans and bank guarantee facilities issued by the banks on behalf of the Group.

12. Investments in available-for-sale securities

	(Unit: Thousand Baht) Consolidated/Separate financial statements	
	<u>2019</u>	<u>2018</u>
Boutique New City Public Company Limited	124	124
Bangkok Rubber Public Company Limited	758,294	758,294
Total investments - cost	758,418	758,418
Less: Deficit on changes in value of investment	(89)	(86)
Provision for impairment of investments	(758,294)	(758,294)
Investments in available-for-sale securities, net	<u>35</u>	<u>38</u>



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The Company had set aside full provision for impairment of investments in the ordinary shares of Bangkok Rubber Public Company Limited. At present, the Court ordered the absolute receivership of this company.

13. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment on investments		Net		(Unit: Thousand Baht) Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)								
Footwear Tech 1530 Co., Ltd.	400,000	400,000	100	100	467,968	467,968	(467,968)	(467,968)	-	-	-	-
International Curity Footwear Co., Ltd.	350,000	350,000	100	100	349,999	349,999	(349,999)	(349,999)	-	-	-	-
Kabinburi Pan Asia Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on 29 April 2019)	350,000	350,000	100	100	443,523	443,523	(443,523)	(443,523)	-	-	-	-
Excellent Rubber Co., Ltd.	370,000	370,000	100	100	385,887	385,887	(385,887)	(385,887)	-	-	-	-
Phimai Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on 2 May 2018)	100,000	100,000	100	100	115,969	115,969	(115,969)	(115,969)	-	-	-	-
WBLP Co., Ltd.	30,000	30,000	100	100	43,371	43,371	(43,371)	(43,371)	-	-	-	-
Modern Technology Component Co., Ltd.	50,000	50,000	100	100	36,600	36,600	-	-	36,600	36,600	4,000	6,000
Exact Q Co., Ltd. (registered its dissolution with the Ministry of Commerce on 15 May 2019)	16,000	16,000	100	100	15,997	15,997	(15,997)	(15,997)	-	-	-	-
Innovation Nakornluang Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on 2 May 2018)	350,150	350,150	96	96	264,290	264,290	(264,290)	(264,290)	-	-	-	-
Pontex (Thailand) Co., Ltd.	82,705	60,800	97	96	159,032	125,970	(86,427)	(86,427)	72,605	39,543	-	-
Advantage Footwear Co., Ltd.	91,750	91,750	79	79	63,330	63,330	-	-	63,330	63,330	2,904	6,824
Aphakorn Industries Co., Ltd.	-	21,905	-	99	-	33,062	-	-	-	33,062	-	5,425
Total					<u>2,345,966</u>	<u>2,345,966</u>	<u>(2,173,431)</u>	<u>(2,173,431)</u>	<u>172,535</u>	<u>172,535</u>	<u>6,904</u>	<u>18,249</u>

Business combination of subsidiaries

On 12 November 2018, a meeting of the Company's Board of Directors passed a resolution to approve the restructuring of the Group by combining the business of its two subsidiaries, Pontex (Thailand) Company Limited and Aphakorn Industries Company Limited. The new company (named "Pontex (Thailand) Company Limited") will receive the assets and liabilities at net book values, rights and obligations of the two subsidiaries. The business combination process was completed and the new company was registered with the Ministry of Commerce in January 2019.



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14. Investments in associates

14.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019 (%)	2018 (%)	2019	2018	2019	2018
PA Capital Co., Ltd.	Trading of fuel oil	Thailand	45.88	45.88	376,157	376,157	-	-
Nongchang Rubber Co., Ltd.	Ceased operations	Thailand	28.82	28.82	12,000	12,000	-	-
Uthai Bangkok Rubber Co., Ltd.	Ceased operations	Thailand	28.82	28.82	8,999	8,999	-	-
P.L. John Industries Co., Ltd.	In the process of liquidation	Thailand	19.25	19.25	7,700	7,700	-	-
Pek Industry Co., Ltd.	Manufacture of polypropylene cutting boards and eyelet	Thailand	-	35.44	-	12,894	-	12,099
Total					404,856	417,750	-	12,099

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method – net	
			2019 (%)	2018 (%)	2019	2018	2019	2018	2019	2018
PA Capital Co., Ltd.	Trading of fuel oil	Thailand	8.07	8.07	64,559	64,559	(64,559)	(64,559)	-	-
Total					64,559	64,559	(64,559)	(64,559)	-	-

As at 31 December 2018, investment in associate in the consolidated financial statements of Baht 12 million was an investment in Pek Industry Co., Ltd. (PEI) which represented a 35.44% interest. However, in February 2019 two subsidiaries purchased 6,993 ordinary shares of PEI from a director at Baht 801 per share, or for a total of Baht 5.6 million. As a result, the group's shareholding in PEI has increased from 35.44% to 81.73% and the status of PEI has changed from an associate to a subsidiary of the group. As at the date of the change in status, PEI had an outstanding balance of cash and cash equivalents of Baht 7 million, and the Company has therefore presented this as "Increase in cash from change in status of associate to subsidiary" in the consolidated cash flow statement for the year ended 31 December 2019.



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The acquisition cost of PEI's shares was approximately Baht 10 million lower than the proportionate net fair value of the identifiable assets, liabilities and contingent liabilities of that company, and this amount was recorded as negative goodwill in other income in the consolidated statement of comprehensive income for the current period.

The values of assets acquired, and liabilities assumed from Pek Industry Co., Ltd. as at the date its status changed are summarised below.

	(Unit: Thousand Baht)	
	Fair values as at status changed date	Carrying values as at status changed date
Cash and cash equivalents	7,484	7,484
Trade and other receivables	4,607	4,607
Inventories	5,093	5,093
Other current assets	363	363
Short-term loan to related party	6,600	6,600
Restricted bank deposits	7,508	7,508
Building improvement and equipment	5,369	3,616
Intangible assets	424	-
Other non-current assets	600	600
Trade and other payables	(1,728)	(1,728)
Current portion of liabilities under financial lease agreements	(219)	(219)
Other current liabilities	(123)	(123)
Income tax payable	(348)	(348)
Liabilities under finance lease agreements, net of current portion	(144)	(144)
Provision for long-term employee benefits	(737)	(737)
Deferred tax liabilities	(203)	-
Net assets of the subsidiary	<u>34,546</u>	<u>32,572</u>
Net assets in the portion held by the Group (81.73%)	28,234	26,621
Less: Investment in associate at the status changed date	(12,243)	(12,243)
The difference between the cash payment for purchase of investments and the net assets of the subsidiary in the Group's proportion	<u>(10,391)</u>	<u>(8,778)</u>
Net cash payment for purchase of investment in subsidiary	<u>5,600</u>	<u>5,600</u>



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14.2 Share of comprehensive income

During the years, the Company has recognised its share of profit (loss) from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of gain (loss) from investments in associates during the year		Share of other comprehensive income from investment in associate during the year	
	2019	2018	2019	2018
Pek Industry Co., Ltd.	144	(910)	-	115
Total	144	(910)	-	115

14.3 Investment in associates with capital deficit

The Group recognised share of losses from investments in 4 associates, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the accounts of the Group since the Group have no obligations, whether legal or constructive, to make any payments on behalf of those associates.

Partial of investments in associates in the consolidated financial statements at cost of Baht 376 million (Separate financial statements: Baht 65 million) was investment in PA Capital Co., Ltd. ("the associate"), the Company did not obtain the financial statements for the year ended 31 December 2019 of the associate and subsidiaries of the associate. The latest financial statements of the associate available to the Company were the financial statements as at 31 December 2018, which were audited by its auditor, and only separate financial statements were presented, not consolidated financial statements, even though it has subsidiaries and associates. However, the Company recorded investment in this associate under the cost method and the equity method as equal to zero.



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14.4 Summarised financial information about the associates

Financial information of the associates are summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit (loss)	
	as at		as at		as at		for the		for the	
	31 December		31 December		31 December		years ended		years ended	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
PA Capital Co., Ltd.	*	1,054	*	19	*	35	*	186	*	149
Nongchang Rubber Co., Ltd.	40	40	4	4	56	56	1	1	-	-
Uthai Bangkok Rubber Co., Ltd.	30	30	3	3	48	48	1	1	-	1
Pek Industry Co., Ltd.	-	14	-	36	-	5	-	51	-	3

(2019: Status changed to subsidiary)

* The Company did not obtain the financial statements of PA Capital Co., Ltd. as discussed in Note 14.3.

P.L. John Industries Co., Ltd. is in the process of liquidation as discussed in Note 14.1.

15. Investments in related parties

Details of investments in related parties are as follows:

(Unit : Thousand Baht)

Company's name	Consolidated financial statements							
	Cost		Allowance for impairment of investments		Net		Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
Sahapat Properties Co., Ltd.	500	500	-	-	500	500	50	40
Nutrition House Co., Ltd.	13,598	13,598	(13,598)	(9,704)	-	3,894	-	-
Thai Takaya Co., Ltd.	2,000	2,000	(2,000)	(368)	-	1,632	-	-
Pan Biotech Co., Ltd.	1,000	1,000	-	-	1,000	1,000	-	-
Barnpan Engineering and Holding Co., Ltd.	130,000	130,000	(130,000)	(130,000)	-	-	-	-
Pancomp International Co., Ltd.	2,000	2,000	(2,000)	(2,000)	-	-	-	-
Pan Technical Parts Co., Ltd.	720	720	(720)	(720)	-	-	-	-
Thai Sung Shin New Material Co., Ltd.	11,696	11,696	(11,696)	(11,696)	-	-	-	-
Sahachol Foods Supplies Co., Ltd.	5,000	5,000	(2,175)	(1,732)	2,825	3,268	-	-
Total	166,514	166,514	(162,189)	(156,220)	4,325	10,294	50	40



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(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Cost		Allowance for impairment of investments		Net		Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
Sahapat Properties Co., Ltd.	1,050	1,050	-	-	1,050	1,050	50	40
Nutrition House Co., Ltd.	4,267	4,267	(4,267)	(1,472)	-	2,795	-	-
Thai Takaya Co., Ltd.	2,308	2,308	(2,308)	(675)	-	1,633	-	-
Sahachol Foods Supplies Co., Ltd.	3,000	3,000	(1,305)	(1,039)	1,695	1,961	-	-
Total	10,625	10,625	(7,880)	(3,186)	2,745	7,439	50	40

16. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land and land improvement	Building	Total	Land and land improvement	Building	Total
As at 31 December 2019						
Cost	320,590	12,798	333,388	277,883	73,273	351,156
<u>Less</u> Accumulated depreciation	(5,191)	(7,652)	(12,843)	(5,191)	(25,466)	(30,657)
<u>Less</u> Provision for impairment	-	(2,851)	(2,851)	-	(2,851)	(2,851)
Net book value	315,399	2,295	317,694	272,692	44,956	317,648
As at 31 December 2018						
Cost	320,590	12,798	333,388	277,883	73,273	351,156
<u>Less</u> Accumulated depreciation	(3,930)	(6,739)	(10,669)	(3,930)	(23,187)	(27,117)
<u>Less</u> Provision for impairment	-	(2,851)	(2,851)	-	(2,851)	(2,851)
Net book value	316,660	3,208	319,868	273,953	47,235	321,188



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A reconciliation of the net book value of investment properties for the year 2019 and 2018 are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	319,868	278,260	321,188	332,190
Additions due to payment receipt	-	51,246	-	-
Transfer to payment of liability from litigation	-	(7,462)	-	(7,462)
Depreciation for the year	(2,174)	(2,176)	(3,540)	(3,540)
Net book value at the end of year	<u>317,694</u>	<u>319,868</u>	<u>317,648</u>	<u>321,188</u>

The fair value of the investment properties as at 31 December 2019 and 2018 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land awaiting sale	358	358	236	236
Land and building for rent	166	166	166	166

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land awaiting sale has been determined based on comparable market prices, while that of the land and building held for rent has been determined using the Replacement Cost New method.

As at 31 December 2019, the Company has mortgaged investment properties with net book value amounting to Baht 217 million (2018: Baht 219 million) as collateral against loan from related person and credit facilities received from financial institutions.



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17. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Consolidated financial statements				Assets under		Total
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Infrastructure	
Cost							
1 January 2018	10,977	36,025	721,675	125,913	14,591	7,144	594
Additions	-	518	4,838	2,682	2,836	-	1,854
Disposals/written off	-	-	(31,858)	(1,863)	(7,187)	-	(255)
Transfers in (out)	-	-	889	339	-	-	(1,228)
31 December 2018	10,977	36,543	695,544	127,071	10,240	7,144	965
Increase from change in status of associate to be subsidiary	-	1,174	23,521	2,200	2,568	-	-
31 December 2019	-	1,538	7,088	2,183	2,282	-	3,603
Additions	-	-	(9,480)	(5,971)	(1,111)	(576)	-
Disposals/written off	-	-	613	168	-	-	(504)
Transfers in (out)	-	-	717,286	125,651	13,979	6,568	4,064
31 December 2019	10,977	39,255	717,286	125,651	13,979	6,568	4,064
Accumulated depreciation							
1 January 2018	247	27,319	616,755	100,519	10,650	5,610	-
Depreciation for the year	-	347	14,991	3,972	915	527	-
Depreciation of disposals/written off	-	-	(24,697)	(1,744)	(7,179)	-	-
31 December 2018	247	27,666	607,049	102,747	4,386	6,137	-
Increase from change in status of associate to be subsidiary	-	287	20,205	2,034	1,568	-	-
31 December 2019	-	512	11,421	4,069	1,650	490	-
Depreciation for the year	-	-	(9,137)	(5,969)	(1,110)	(560)	-
Depreciation of disposals/written off	-	-	629,538	102,881	6,494	6,067	-
31 December 2019	247	28,465	629,538	102,881	6,494	6,067	-



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(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Infrastructure	Assets under installation and under construction	
Provision for impairment								
1 January 2018	-	-	48,900	99	-	-	-	48,999
Increase during the year	-	-	15,000	-	-	-	-	15,000
Decrease during the year	-	-	(6,980)	(95)	-	-	-	(7,075)
31 December 2018	-	-	56,920	4	-	-	-	56,924
Increase during the year	-	-	828	-	-	-	-	828
Decrease during the year	-	-	(219)	-	-	-	-	(219)
31 December 2019	-	-	57,529	4	-	-	-	57,533
Net book value								
31 December 2018	10,730	8,877	31,576	24,319	5,854	1,007	965	83,328
31 December 2019	10,730	10,790	30,219	22,766	7,485	501	4,064	86,555
Depreciation for the year								
2018 (Baht 19.3 million included in manufacturing cost, and the balance in selling and administrative expenses)								20,752
2019 (Baht 16.3 million included in manufacturing cost, and the balance in selling and administrative expenses)								18,142



(Unit: Thousand Baht)

Separate financial statements

	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Infrastructure	Assets under installation and under construction	Total
Cost							
1 January 2018	5,133	150,036	42,562	6,258	2,029	190	206,208
Additions	518	450	172	-	-	-	1,140
Disposals/written off	-	-	-	(549)	-	(190)	(739)
31 December 2018	5,651	150,486	42,734	5,709	2,029	-	206,609
Additions	1,538	516	102	-	-	-	2,156
Disposals/written off	-	-	-	(1,040)	(466)	-	(1,506)
31 December 2019	7,189	151,002	42,836	4,669	1,563	-	207,259
Accumulated depreciation							
1 January 2018	2,738	117,080	41,012	5,487	1,030	-	167,347
Depreciation for the year	507	800	730	302	406	-	2,745
Depreciation of disposals/written off	-	-	-	(549)	-	-	(549)
31 December 2018	3,245	117,880	41,742	5,240	1,436	-	169,543
Depreciation for the year	616	559	701	301	370	-	2,547
Depreciation of disposals/written off	-	-	-	(1,040)	(450)	-	(1,490)
31 December 2019	3,861	118,439	42,443	4,501	1,356	-	170,600



(Unit: Thousand Baht)

Separate financial statements

	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Infrastructure	Assets under installation and under construction	Total
Provision for impairment							
31 December 2018	-	31,371	-	-	-	-	31,371
31 December 2019	-	31,371	-	-	-	-	31,371
Net book value							
31 December 2018	2,406	1,235	992	469	593	-	5,695
31 December 2019	3,328	1,192	393	168	207	-	5,288
Depreciation for the year							
2018 (Baht 1.7 million included in manufacturing cost, and the balance in selling and administrative expenses)							2,745
2019 (Baht 2.0 million included in manufacturing cost, and the balance in selling and administrative expenses)							2,547



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As at 31 December 2019, the subsidiaries had machinery and motor vehicles with net book value of Baht 12 million (2018: Baht 15 million) which were acquired under finance lease agreements.

As at 31 December 2019, the Group had certain items of plant and equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 534 million (2018: Baht 512 million) (Separate financial statements: Baht 170 million (2018: Baht 160 million)).

The subsidiaries have pledged their property, plant and equipment amounting to approximately Baht 16 million (2018: Baht 17 million) as collateral against credit facilities received from financial institutions.

18. Goodwill

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
Goodwill	12,047	12,047
Less: Provision for impairment of goodwill	<u>(12,047)</u>	<u>(12,047)</u>
Net	<u>-</u>	<u>-</u>

19. Bank overdrafts

		(Unit: Thousand Baht)			
		Consolidated		Separate	
	Interest rate	financial statements		financial statements	
	(% per annum)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bank overdrafts	MOR, MLR	<u>3,946</u>	<u>12,857</u>	<u>-</u>	<u>8,863</u>

Bank overdrafts of the Company are secured by the mortgage of land and construction thereon of the Company as described in Note 16 to the financial statements. Bank overdrafts of subsidiaries are secured by the guarantees of the Company, the pledge of machinery and bank deposit and the mortgage of land and construction thereon of subsidiaries as described in Notes 17 to the financial statements.



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20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade accounts payable - related parties	5,009	7,977	3,484	3,509
Trade accounts payable - unrelated parties	42,366	55,834	1,182	1,105
Other payables - related parties	5,810	5,810	15,002	15,002
Other payables - unrelated parties	1,785	1,126	366	390
Accrued expenses - related parties	4,266	6,462	1,601	1,330
Accrued expenses - unrelated parties	28,214	28,559	3,992	4,013
Unearned revenue - unrelated parties	1,764	2,128	44	44
Total	89,214	107,896	25,671	25,393

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Provision for long-term employee benefits at beginning of year	16,909	12,935	2,231	579
Increase from change in status of associate to be subsidiary	737	-	-	-
Included in profit or loss:				
Current service cost	1,588	1,094	157	4
Interest cost	433	332	47	1
Past service costs	4,340	-	577	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(937)	(391)	(44)	1,260
Financial assumptions changes	2,148	(10)	133	41
Experience adjustments	455	3,767	(209)	346
Transfer out	-	(482)	-	-
Benefits paid during the year	(153)	(336)	-	-
Provision for long-term employee benefits at end of year	25,520	16,909	2,892	2,231



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On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 4 million (The Company only: Baht 1 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The Group expect to pay Baht 1.3 million of long-term employee benefits during the next year (Separate financial statements: 0.2) (2018: Baht 0.2 million, separate financial statements: Nil).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 6 - 9 years (Separate financial statements: 6 years) (2018: 2 - 14 years, separate financial statements: 5 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	0.96 - 1.54	2.12 - 2.78	1.34	2.12
Salary increase rate	3.50	3.50	3.50	3.50
Turnover rate	10.00 - 47.00	10.00 - 40.00	10.00 - 47.00	10.00 - 40.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(846)	891	(61)	64
Salary increase rate	806	(775)	58	(56)
Turnover rate	(94)	105	(12)	7



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(Unit: Million Baht)

As at 31 December 2018

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(600)	633	(35)	36
Salary increase rate	585	(561)	33	(32)
Turnover rate	(65)	73	(6)	3

22. Provisions

(Unit: Thousand Baht)

Consolidated financial statements

	Provisions from	Provisions from	Total
	guarantee	litigation	
1 January 2018	241	12,967	13,208
Increase during the year	-	318	318
Reversal of provisions	-	(12,160)	(12,160)
31 December 2018	241	1,125	1,366
Increase during the year	-	683	683
Reversal of provisions	-	(192)	(192)
31 December 2019	241	1,616	1,857

(Unit: Thousand Baht)

Separate financial statements

	Provisions from	Provisions from	Total
	guarantee	litigation	
1 January 2018	241	11,842	12,083
Increase during the year	-	318	318
Reversal of provisions	-	(12,160)	(12,160)
31 December 2018	241	-	241
31 December 2019	241	-	241

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.



24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salaries, wages and other employees				
benefit expenses	283,749	281,880	20,909	14,708
Depreciation and amortisation	20,318	22,928	6,087	6,285
Raw materials and consumables used	391,280	402,145	5,005	3,523
Changes in inventories of finished goods				
and work in progress	28,266	11,768	3,374	2,712

25. Other income

During the year 2019, the Company received a letter from The Legal Execution Department regarding the right to receive reimbursement of Baht 67.4 million from Barnpan Engineering and Holding Co., Ltd. (BEHC), a related company. As the Company has sued BEHC as a guarantor with right of recourse, the Company recorded this transaction as other income in the statement of comprehensive income and the Company received the reimbursement in the year 2019.

26. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Current income tax charge	2,347	1,625	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	(1,693)	(743)	193	193
Income tax expenses reported in				
 profit or loss	<u>654</u>	<u>882</u>	<u>193</u>	<u>193</u>



The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax on actuarial loss	357	315	-	-
	<u>357</u>	<u>315</u>	<u>-</u>	<u>-</u>

Reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit (loss) before tax	48,342	61,588	43,239	(41,826)
Applicable tax rate of the Company	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	9,668	12,478	8,647	(8,365)
Deferred tax assets for which have not been recognised during the year because future taxable profits may not be sufficient	25,562	16,197	-	9,122
Utilisation of previously unrecognised deferred tax assets	(9,218)	(55)	(9,218)	-
Effects of preparing the consolidated financial statements	(3,651)	(1,439)	-	-
Effects of:				
Tax exempt revenue	(22,705)	(27,265)	(1,391)	(13,593)
Non-deductible expenses	4,840	3,686	2,852	13,843
Additional expense deductions allowed	(3,871)	(2,315)	(697)	(814)
Others	29	(244)	-	-
Total	<u>(21,707)</u>	<u>(26,138)</u>	<u>764</u>	<u>(564)</u>
Income tax expenses reported in profit or loss	<u>654</u>	<u>882</u>	<u>193</u>	<u>193</u>



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

(Unit: Thousand Baht)

	Statements of financial position as at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets				
Provision for long-term employee benefits	4,526	3,032	-	-
Total	<u>4,526</u>	<u>3,032</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Accumulated depreciation - building	(2,054)	(2,013)	(1,214)	(1,021)
Accumulated depreciation - machinery and equipment	(2,375)	(2,769)	-	-
Total	<u>(4,429)</u>	<u>(4,782)</u>	<u>(1,214)</u>	<u>(1,021)</u>

As at 31 December 2019, the Group has deductible temporary differences and unused tax losses totaling Baht 962 million (2018: Baht 961 million) (Separate financial statements: Baht 449 million (2018: Baht 503 million)) will expire by 2024. No deferred tax assets have been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

27. Earnings (loss) per share

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

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Directors and Executive Board of the Group.



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The Group has business operation involve 4 principal segments:

- the manufacture and distribution of footwear and bag
- the manufacture of soles and parts for footwear
- Production support business such as the manufacture and distribution of plastic parts and injection, manufacture and repair and maintenance of mold, dyeing of fabric, manufacture of polypropylene cutting boards and eyelet.
- the organic farming business and others

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

For the year 2019, the Group has revenue from 2 major customers in amount of Baht 301 million (2018: Baht 301 million derived from 2 major customers).



The following tables present revenue and profit or loss information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2019 and 2018, respectively

(Unit: Million Baht)

For the year ended 31 December

	The manufacture and distribution of footwear and bag		The manufacture of soles and parts for footwear		Production support business		The organic farming business and others		Elimination		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	53	52	519	533	164	159	23	13	-	-	759	757
Inter-segment revenue	1	-	68	56	3	15	-	-	(72)	(71)	-	-
Total revenue	54	52	587	589	167	174	23	13	(72)	(71)	759	757
Cost of sale and services	(49)	(52)	(549)	(550)	(133)	(151)	(26)	(22)	72	75	(685)	(700)
Segment operating profit (loss)	5	-	38	39	34	23	(3)	(9)	-	4	74	57
Gain on disposal of fixed assets											-	18
Other income											104	64
Selling expenses and distribution expenses											(19)	(17)
Administrative expenses											(98)	(98)
Reversal of allowance for doubtful accounts											-	54
Impairment loss on investments											(6)	(1)
Impairment loss on fixed assets											(1)	(15)
Gain (loss) arising from change in fair value of biological assets											1	(1)
Share of loss from investments in associates											-	(1)
Finance cost											(6)	(8)
Income tax expenses											(1)	(1)
Profit for the year											48	61



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29. Provident fund

The subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The subsidiaries and their employees contribute to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Krung Thai Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2019 amounting to approximately Baht 2 million (2018: Baht 2 million) were recognised as expenses.

30. Commitments and contingent liabilities

30.1 Operating lease commitments

The Group have entered into several lease agreements in respect of the lease of land, office building space, plant, machinery and motor vehicles and service contracts. The terms of the agreements are generally between 1 and 5 years. These operating lease contracts are non-cancellable contracts.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable:				
In up to 1 year	18	15	-	-
In over 1 and up to 5 years	2	2	-	-

30.2 Guarantees

- a) As at 31 December 2019, the Group have obligations under its guarantees of loans and credit facilities provided to their related parties by banks and financial institutions totaling Baht 97 million (2018: Baht 101 million) (Separate financial statements: Baht 97 million (2018: Baht 97 million)).
- b) As at 31 December 2019, the Group have outstanding bank guarantees as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Guarantee electricity use	8	8	1	1

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31. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets measured at fair value								
Biological assets	-	-	-	-	7	5	7	5
Assets for which fair are disclosed								
Investment properties	-	-	-	-	524	524	524	524

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets measured at fair value								
Biological assets	-	-	-	-	3	2	3	2
Assets for which fair are disclosed								
Investment properties	-	-	-	-	402	402	402	402

32. Financial instruments

32.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade accounts receivable, loans, restricted bank deposits, short-term and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade, other receivable and loans. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.



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Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at financial institutions, bank overdrafts, short-term borrowings and liabilities under finance lease agreements. Most financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

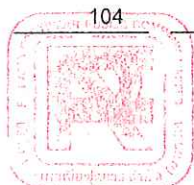
Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2019						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	21	24	45	0.22 - 0.38
Trade and other receivables	-	-	-	164	164	-
Short-term loans to related parties	5	-	-	-	5	7.5 - 10.0
Restricted bank deposits	4	9	1	-	14	0.25 - 1.25
	<u>9</u>	<u>9</u>	<u>22</u>	<u>188</u>	<u>228</u>	
Financial liabilities						
Bank overdrafts	-	-	4	-	4	MOR, MLR
Trade and other payables	-	-	-	89	89	-
Short-term loans from related parties	-	60	-	-	60	4.90
Liabilities under finance lease agreements	4	3	-	-	7	3.81 - 8.32
	<u>4</u>	<u>63</u>	<u>4</u>	<u>89</u>	<u>160</u>	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2018						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	29	31	60	0.37 - 0.75
Trade and other receivables	-	-	-	133	133	-
Restricted bank deposits	4	2	1	-	7	0.25 - 1.25
	<u>4</u>	<u>2</u>	<u>30</u>	<u>164</u>	<u>200</u>	
Financial liabilities						
Bank overdrafts	-	-	13	-	13	MOR, MLR
Trade and other payables	-	-	-	108	108	-
Short-term loans from related parties	100	-	-	-	100	4.90
Liabilities under finance lease agreements	4	4	-	-	8	4.76 - 8.32
	<u>104</u>	<u>4</u>	<u>13</u>	<u>108</u>	<u>229</u>	



Wibuyitkul

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2019					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	6	-	6	0.37 - 0.38
Trade and other receivables	-	-	7	7	-
Short-term loan to related parties	4	-	-	4	2.5 - 7.5
Restricted bank deposits	-	1	-	1	0.38
	<u>4</u>	<u>7</u>	<u>7</u>	<u>18</u>	
Financial liabilities					
Trade and other payables	-	-	26	26	-
Short-term loan from related parties	133	-	-	133	1.50 - 4.90
	<u>133</u>	<u>-</u>	<u>26</u>	<u>159</u>	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2018					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	1	-	1	0.38 - 0.50
Trade and other receivables	-	-	5	5	-
Short-term loan to related parties	2	-	-	2	7.5
Restricted bank deposits	-	1	-	1	0.38
	<u>2</u>	<u>2</u>	<u>5</u>	<u>9</u>	
Financial liabilities					
Bank overdrafts	-	9	-	9	MLR
Trade and other payables	-	-	25	25	-
Short-term loan from related parties	166	-	-	166	2.50 - 4.90
	<u>166</u>	<u>9</u>	<u>25</u>	<u>200</u>	

Foreign currency risk

The Group's exposure to foreign currency risk arise mainly from trading transactions. The outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies which were unhedged are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2019 (Million)	2018 (Million)	2019 (Million)	2018 (Million)	2019 (Baht per 1 foreign currency unit)	2018
USD	0.4	0.5	0.1	0.5	30.1540	32.4498



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32.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature and loan to and borrowings carry interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

33. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 0.36:1 (2018: 0.52:1) and the Company's was 0.47:1 (2018: 0.66:1).

34. Events after the reporting period

On 26 February 2020, the Board of Directors' Meeting passed the resolution to approve to pay a dividend of Baht 0.0102 per share, or a total of Baht 5.5 million, to the shareholders in respect of the profit for the year 2019.

The above resolution will be proposed to the Annual General Meeting of shareholders for the year 2019 for approval.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2020.



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