

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

## **INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of  
Harn Engineering Solutions Public Company Limited

### **Opinion**

I have audited the consolidated financial statements of Harn Engineering Solutions Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Harn Engineering Solutions Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Harn Engineering Solutions Public Company Limited and its subsidiaries as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Harn Engineering Solutions Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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 and the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

\*\*\*\*\*/2

### **Key Audit Matters**

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

#### 1) Recognition of revenue from sales and service

##### Risk

The Group and the Company had revenue from sales and service derived from five main business segments which are fire protection and projects, sanitary and air-conditioning systems, cold storage devices digital printing system and building-IoT solutions, for the year ended December 31, 2020 amounting to Baht 1,152.33 million and Baht 1,124.96 million, respectively, which have different terms and pricing conditions, including revenue from services under the fire protection installation project and building-IoT solutions, amounting to Baht 81.17 million and Baht 78.73 million or 7.04% and 7.00% of the Group's and the Company's total revenue from sales and service, respectively. The estimate of a performance obligation under the project agreement has an effect on the revenue that the Group and the Company recognized over time, which it has to recognize by the measuring progress towards complete satisfaction of a performance obligation as at December 31, 2020. I have identified that accuracy and completeness of revenue recognition from sales and service carries significant risk and requires special attention in the audit. The Group and the Company had disclosed its accounting policy of revenue from sales and service recognition and detail of revenue from sales and service in the notes to the financial statement No. 3.16 and 28, respectively.

##### Risk response by auditor

My audit approach on such matter includes understanding the revenue recognition process and internal control related to the revenue recognition, reviewing the design and implementation of the internal control procedures for such matter, performing the operating effectiveness testing over the internal control procedures around revenue recognition process, and performing substantive testing which consists of examining terms and conditions of the sales and services agreements and examining the related supporting documents of those revenues, examining the supporting documents for the revenue from sales and services transactions that occurred during the year and near the end of the accounting period, examining credit notes issued after the end of the accounting period, and performing analytical review and test of detail relating to the revenue from sales and services.

#### 2) Testing for impairment of goodwill

##### Risk

The Group and the Company had goodwill of Baht 334.67 million and Baht 334.67 million or 20.19% and 20.24% of total assets as at December 31, 2020, respectively, which is the goodwill arising from the acquisition and transfer of the entire business, which is the cold storage devices segment and digital printing

system segment. The Group and the Company have to test goodwill for impairment annually in accordance with the Thai Financial Reporting Standards. The test of impairment is significant to the audit as the amount has materiality to the financial statements. In addition, the procedure of impairment testing by the management is complex and requires using considerable judgment as well as relying on assumptions, especially the estimates of future cash flows to be received and paid that are expected to generate from the continuing operation of the cash generating unit, and the use of appropriate discount rate in order to discount future cash flow which can change according to the economic conditions and market conditions in the future. The Group and the Company have disclosed goodwill in the notes to the financial statements No. 3.11 which describes the accounting policies and No.16 which describes the amount and key assumptions that may affect the impairment in the future.

#### Risk response by auditor

In my audit approach, I have considered the reasonableness of the assumptions and methods used by the management in calculating the estimates of future cash flows to be received and paid that are expected to be generated by auditing the supporting evidence which presents the best estimate of the management, especially on the revenue forecast and gross profit and profit from operation of the business segments of the Company, the use of appropriate discount rate to discount future cash flow, as well as testing the calculation of the recovery amount. In addition, I have paid attention on the adequacy of the information disclosure relating to the assumptions which are most sensitive that may affect the testing result of impairment and has significant effect on the measurement of recovery amount of goodwill.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

\*\*\*\*\*/4

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanawut Piboonsawat.

(Mr. Thanawut Piboonsawat)  
Certified Public Accountant  
Registration No. 6699

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 25, 2021

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

		<u>ASSETS</u>				
		Baht				
		Consolidated financial statements		Separate financial statements		
		2020	2019	2020	2019	
			(Reclassified		(Reclassified	
Note			Note 36)		Note 36)	
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<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	6	306,074,340	127,099,721	299,318,282	120,123,681
	Temporary investments	11	-	124,477,923	-	124,477,923
	Trade and other current receivables	5, 7	250,986,608	322,952,099	250,372,389	325,955,974
	Current contract assets	8	12,797,613	9,566,298	12,054,033	9,566,298
	Short-term loans to related subsidiary	5, 9	-	-	5,973,480	-
	Inventories	10	257,851,968	305,039,856	254,155,366	302,782,483
	Other current financial assets	11	6,957,944	-	6,957,944	-
	Other current assets		399,582	726,617	342,083	422,726
	<b>TOTAL CURRENT ASSETS</b>		<b>835,068,055</b>	<b>889,862,514</b>	<b>829,173,577</b>	<b>883,329,085</b>
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<b>NON-CURRENT ASSETS</b>						
	Other non-current financial assets		-	241,845	-	241,845
	Trade and other non-current receivables	7	11,251,986	7,990,909	11,251,986	7,990,909
	Investment in subsidiaries	12	-	-	2,357,444	1,057,444
	Investment property	13	154,591,332	229,967,576	154,591,332	229,967,576
	Property, plant and equipment	14	129,528,171	30,666,742	129,411,048	30,666,742
	Right-of-use assets	15	104,968,304	-	104,968,304	-
	Goodwill	16	334,672,061	334,672,061	334,672,061	334,672,061
	Customer relationship	17	40,332,654	58,279,813	40,332,654	58,279,813
	Intangible assets	18	18,015,510	20,947,073	18,015,510	20,947,073
	Deferred tax assets	19	3,843,042	-	3,826,408	-
	Other non-current assets		25,186,460	23,668,992	25,186,460	23,668,992
	<b>TOTAL NON-CURRENT ASSETS</b>		<b>822,389,520</b>	<b>706,435,011</b>	<b>824,613,207</b>	<b>707,492,455</b>
	<b>TOTAL ASSETS</b>		<b>1,657,457,575</b>	<b>1,596,297,525</b>	<b>1,653,786,784</b>	<b>1,590,821,540</b>

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2020**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Baht				
		Consolidated financial statements		Separate financial statements		
		2020	2019	2020	2019	
			(Reclassified		(Reclassified	
Note			Note 36)		Note 36)	
<b>CURRENT LIABILITIES</b>						
	Trade and other current payables	5, 20	167,659,996	199,838,320	164,045,038	193,303,574
	Current portion of lease liabilities	21	8,918,127	-	8,918,127	-
	Corporate income tax payable		11,101,390	21,183,499	11,096,112	21,183,499
	Other current provisions		1,750,320	1,455,735	1,750,320	1,455,735
	Other current liabilities		1,644,589	1,113,258	1,644,589	1,113,259
	<b>TOTAL CURRENT LIABILITIES</b>		<b>191,074,422</b>	<b>223,590,812</b>	<b>187,454,186</b>	<b>217,056,067</b>
<b>NON-CURRENT LIABILITIES</b>						
	Lease liabilities	21	96,052,606	-	96,052,606	-
	Deferred tax liabilities	19	-	2,166,298	-	2,166,298
	Non-current provisions for employee benefit	22	27,765,012	25,513,846	27,684,826	25,513,846
	Other non-current liabilities		24,937,360	23,364,196	24,937,360	23,364,196
	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>148,754,978</b>	<b>51,044,340</b>	<b>148,674,792</b>	<b>51,044,340</b>
	<b>TOTAL LIABILITIES</b>		<b>339,829,400</b>	<b>274,635,152</b>	<b>336,128,978</b>	<b>268,100,407</b>

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2020**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2020	2019	2020	2019
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Authorized share capital					
	584,500,000 ordinary shares of Baht 0.50 each	292,250,000	292,250,000	292,250,000	292,250,000
Issued and paid-up share capital					
	584,500,000 ordinary shares of Baht 0.50 each	292,250,000	292,250,000	292,250,000	292,250,000
	Share premium on ordinary shares	24	776,416,427	776,416,427	776,416,427
Retained earnings					
Appropriated					
	Legal reserve	25	29,225,000	29,225,000	29,225,000
	Unappropriated		219,584,380	223,824,610	219,766,379
	Other components of shareholders' equity		(453,897)	(53,664)	-
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF</b>					
<b>THE PARENT</b>					
		1,317,021,910	1,321,662,373	1,317,657,806	1,322,688,133
Non-controlling interest					
		606,265	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,317,628,175</b>	<b>1,321,662,373</b>	<b>1,317,657,806</b>	<b>1,322,688,133</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,657,457,575</b>	<b>1,596,297,525</b>	<b>1,653,786,784</b>	<b>1,590,788,540</b>

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Revenues</b>					
Revenues from sales	5	1,014,298,968	1,236,042,819	991,018,544	1,238,746,444
Revenue from rendering of services		138,026,608	130,840,381	133,939,773	130,840,381
Other income	5	17,100,899	27,090,896	16,930,894	27,089,584
Total revenues		<u>1,169,426,475</u>	<u>1,393,974,096</u>	<u>1,141,889,211</u>	<u>1,396,676,409</u>
<b>Expenses</b>					
Cost of sales		680,396,833	827,909,781	659,444,376	830,117,478
Cost of rendering of services		118,879,312	120,782,675	115,297,565	120,782,675
Distribution cost		107,327,727	117,556,045	106,083,849	117,457,878
Administrative expenses	5	137,288,080	140,780,321	136,213,901	140,401,008
Total expenses		<u>1,043,891,952</u>	<u>1,207,028,822</u>	<u>1,017,039,691</u>	<u>1,208,759,039</u>
Profit from operating activities		125,534,523	186,945,274	124,849,520	187,917,370
Finance cost	5	90,655	-	90,655	-
Profit before income tax expenses		125,443,868	186,945,274	124,758,865	187,917,370
Income tax expenses	30	24,568,265	37,325,871	24,579,624	37,325,871
Profit for the year		<u>100,875,603</u>	<u>149,619,403</u>	<u>100,179,241</u>	<u>150,591,499</u>
<b>Other comprehensive income</b>					
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translating financial statement		(400,233)	(53,664)	-	-
		<u>(400,233)</u>	<u>(53,664)</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on re-measurements of defined benefit plans, net of tax	22	-	(1,588,878)	-	(1,588,878)
		<u>-</u>	<u>(1,588,878)</u>	<u>-</u>	<u>(1,588,878)</u>
Other comprehensive income (expense) for the year, net of tax		<u>(400,233)</u>	<u>(1,642,542)</u>	<u>-</u>	<u>(1,588,878)</u>
Total comprehensive income for the year		<u>100,475,370</u>	<u>147,976,861</u>	<u>100,179,241</u>	<u>149,002,621</u>
<b>Profit attributable to</b>					
Owners of the parent		100,969,338	147,976,861	100,179,241	149,002,621
Non-controlling interest		(93,735)	-	-	-
		<u>100,875,603</u>	<u>147,976,861</u>	<u>100,179,241</u>	<u>149,002,621</u>
<b>Total comprehensive income attributable to</b>					
Owners of the parent		100,569,105	147,976,861	100,179,241	149,002,621
Non-controlling interest		(93,735)	-	-	-
		<u>100,475,370</u>	<u>147,976,861</u>	<u>100,179,241</u>	<u>149,002,621</u>
<b>Basic earnings per share</b>					
Profit attributable to owners of the parent	31	0.17	0.26	0.17	0.26
Weighted average number of ordinary shares (shares)		<u>584,500,000</u>	<u>584,500,000</u>	<u>584,500,000</u>	<u>584,500,000</u>

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

		Baht							
		Consolidated financial statements							
		Equity attributable to owners of the parent				Non-controlling	Total		
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total equity attributable to owners of the parent	interest	Total shareholders' equity
				Appropriated legal reserve	Unappropriated	Exchange differences on translating financial statements			
Note									
	Beginning balance as at January 1, 2019	292,250,000	776,416,427	27,068,831	171,470,190	-	1,267,205,448	-	1,267,205,448
	Appropriated to legal reserve	-	-	2,156,169	(2,156,169)	-	-	-	-
	Dividend	-	-	-	(93,519,936)	-	(93,519,936)	-	(93,519,936)
	Total comprehensive income for the year								
	Profit for the year	-	-	-	149,619,403	-	149,619,403	-	149,619,403
	Other comprehensive income (expense) for the year	-	-	-	(1,588,878)	(53,664)	(1,642,542)	-	(1,642,542)
	Ending balance as at December 31, 2019	292,250,000	776,416,427	29,225,000	223,824,610	(53,664)	1,321,662,373	-	1,321,662,373
	Changes in non-controlling interest								
	Acquisition on investment in subsidiary	-	-	-	-	-	-	700,000	700,000
	Dividend	-	-	-	(105,209,568)	-	(105,209,568)	-	(105,209,568)
	Total comprehensive income for the year								
	Profit for the year	-	-	-	100,969,338	-	100,969,338	(93,735)	100,875,603
	Other comprehensive income (expense) for the year	-	-	-	-	(400,233)	(400,233)	-	(400,233)
	Ending balance as at December 31, 2020	292,250,000	776,416,427	29,225,000	219,584,380	(453,897)	1,317,021,910	606,265	1,317,628,175

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

		Baht				
		Separate financial statements				
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated legal reserve	Unappropriated	Total shareholders' equity
	Note					
Beginning balance as at January 1, 2019		292,250,000	776,416,427	27,068,831	171,470,190	1,267,205,448
Appropriated to legal reserve		-	-	2,156,169	(2,156,169)	-
Dividend	26	-	-	-	(93,519,936)	(93,519,936)
Total comprehensive income for the year						
Profit for the year		-	-	-	150,591,499	150,591,499
Other comprehensive income (expense) for the year		-	-	-	(1,588,878)	(1,588,878)
Beginning balance as at December 31, 2019		292,250,000	776,416,427	29,225,000	224,796,706	1,322,688,133
Dividend	26	-	-	-	(105,209,568)	(105,209,568)
Total comprehensive income for the year						
Profit for the year		-	-	-	100,179,241	100,179,241
Ending balance as at December 31, 2020		292,250,000	776,416,427	29,225,000	219,766,379	1,317,657,806

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Reclassified Note 36)		(Reclassified Note 36)
Cash flows from operating activities				
Profit for the year	100,875,603	149,619,403	100,179,241	150,591,499
Adjustment to reconcile profit for the year to net cash provided by (used in) operating activities :				
Bad debt and allowance for doubtful account (reversal)	4,253,118	1,811,036	4,250,132	1,811,036
Depreciation and amortization	17,050,943	16,721,518	17,038,325	16,721,518
Amortization of customer relationship	17,947,159	14,901,095	17,947,159	14,901,095
Loss on devaluation of inventories	5,673,101	8,256,642	5,673,101	8,256,642
(Gain) loss on disposals of equipment and right-of-use assets	1,255,393	(662,322)	1,255,393	(662,322)
Unrealized (gain) loss on exchange rate	(333,095)	210,302	(41,531)	210,302
(Gain) loss on disposals of investment	(3,380,909)	(902,711)	(3,380,909)	(902,711)
Unrealized (gain) loss on revaluation of other current financial assets	4,430,330	(1,654,472)	4,430,330	(1,654,472)
Loss on impairment of other non-current financial assets	241,845	-	241,845	-
Loss on impairment of equipments	50,654	-	50,654	-
Interest income	(959,594)	(436,931)	(1,255,502)	(436,931)
Employee's benefit expenses	2,651,166	7,485,849	2,570,980	7,485,849
Finance cost	90,655	-	90,655	-
Income tax expense	24,568,265	37,325,871	24,579,624	37,325,871
Profit from operating before changes in operating assets and liabilities	174,414,634	232,675,280	173,629,497	233,647,376
(Increase) decrease in operating assets				
Trade and other current receivables	67,964,781	(15,351,021)	68,360,442	(18,321,896)
Current contract assets	(3,256,681)	1,855,071	(2,513,101)	1,855,071
Inventories	20,744,512	(12,385,768)	22,183,741	(10,128,394)
Other current assets	327,034	(248,013)	80,643	55,877
Other non-current assets	(1,517,468)	(2,194,489)	(1,517,468)	(2,194,489)

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Reclassified Note 36)		(Reclassified Note 36)
Increase (decrease) in operating liabilities				
Trade and other current payables	(35,575,947)	(15,985,061)	(28,993,514)	(22,518,035)
Other current provisions	294,585	1,071,693	294,585	1,071,693
Other current liabilities	531,330	274,123	531,330	274,123
Non-current provisions for employee benefit	(400,000)	(629,000)	(400,000)	(629,000)
Other non-current liabilities	1,573,164	1,301,694	1,573,164	1,299,923
Cash generated (paid) from operating	225,099,944	190,384,509	233,229,319	184,412,249
Income tax paid	(40,659,717)	(39,388,096)	(40,659,717)	(39,388,096)
Net cash provided by (used in) operating activities	184,440,227	150,996,413	192,569,602	145,024,153
Cash flows from investing activities				
Cash payments for purchase of investment in debt instruments	-	(184,555,615)	-	(184,555,615)
Cash receipts from redemption of investment in debt instruments	116,885,007	230,299,806	116,885,007	230,299,806
Cash payments for short-term loans	-	-	(6,352,000)	-
Cash payment for acquisition of investment in subsidiary	-	-	(1,300,000)	(1,057,444)
Cash payments for purchases of equipment	(16,808,367)	(5,868,717)	(16,679,091)	(5,868,717)
Cash receipts from disposal of equipment	237,573	1,654,429	237,573	1,654,429
Cash payments for purchases of intangible assets	(763,437)	(1,370,553)	(763,437)	(1,370,553)
Interest received	545,145	206,995	545,145	206,995
Net cash provided by (used in) investing activities	100,095,921	40,366,345	92,573,197	39,308,901
Cash flows from financing activities				
Cash payments for lease liabilities	(738,630)	-	(738,630)	-
Cash receipts from investments in subsidiary of non-controlling interest	700,000	-	-	-
Dividend paid	(105,209,568)	(93,519,936)	(105,209,568)	(93,519,936)
Net cash provided by (used in) financing activities	(105,248,198)	(93,519,936)	(105,948,198)	(93,519,936)

Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS (CONT.)**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net increase (decrease) in cash and cash equivalents	179,287,950	97,842,822	179,194,601	90,813,118
Cash and cash equivalents at beginning of year	127,099,721	29,310,563	120,123,681	29,310,563
Effect of translation adjustment on foreign currency financial statements	(313,331)	(53,664)	-	-
Cash and cash equivalents at end of year	<u>306,074,340</u>	<u>127,099,721</u>	<u>299,318,282</u>	<u>120,123,681</u>

Supplemental disclosures of cash flows information :

Non-Cash transaction

1) Liabilities incurred from acquisition of equipment and intangible assets

Liabilities incurred from acquisition of equipment

and intangible assets - beginning of year

	475,280	426,371	475,280	426,371
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Inventories transferred to equipment	(20,770,275)	(3,748,221)	(20,770,275)	(3,748,221)
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Equipment transferred to expense	-	(219,646)	-	(219,646)
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<u>Add</u> Purchases of equipment and intangible assets	38,550,298	11,036,399	38,421,022	11,036,399
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<u>Less</u> Cash payments	(17,571,804)	(7,239,270)	(17,442,528)	(7,239,270)
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Liabilities incurred from acquisition of

fixed assets and intangible assets - ending of year	<u>683,499</u>	<u>255,633</u>	<u>683,499</u>	<u>255,633</u>
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2) Transfer investment property to be used as property, plant and equipment

Increase (decrease) in investment property	74,129,902	-	74,129,902	-
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Increase (decrease) in property, plant and equipment	(74,129,902)	-	(74,129,902)	-
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Notes to the financial statements form an integral part of these financial statements

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

1. GENERAL INFORMATION

(a) Legal status and address of the company group

Company

The Company was registered to be a limited company with the Ministry of Commerce on May 9, 2001.

The Company has changed its status to be public company limited for trading their shares on the Stock Exchange of Thailand on May 22, 2014.

The address of its registered head office are as follows:

Locate at: 559 Soi Soonvijai 4, Rama 9 Road, Bangkok, Huaykwang, Bangkok 10310, Thailand.

Subsidiaries

1) Harn Vietnam Company Limited is a company established in Vietnam on July 30, 2019.

The address of the subsidiary's head office is as follows:

5<sup>th</sup> floor, Vietcomreal Building, 68 Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

2) Aiyaraharn Company Limited is a company established in Thailand on July 8, 2020.

The address of the subsidiary's head office is as follows:

Locate at: 559 Soi Soonvijai 4, Rama 9 Road, Bangkok, Huaykwang, Bangkok 10310, Thailand.

(b) Nature of the Company's operations

The principal business is involved in wholesaling, retailing, and repairing, renting, leasing, contracting and installation services of fire protection system and fire suppression agent, trading cold storage devices, trading, repairing and renting of printing equipment.

The subsidiary 1 operates the main business related to the selling of printing equipment and subsidiary 2 operates in providing Smart Building Business Solution.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E. 2547 by complying with the Thai Financial Reporting Standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

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

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

## 2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Harn Engineering Solutions Public Company Limited and its subsidiaries as follows;

Company name	Type of business	Percentage of shareholding % of share capital		Country of establishment
		2020	2019	
<b>Direct shareholding</b>				
Harn Vietnam Co., Ltd.	Printing equipment	100.00	100.00	Vietnam
Aiyaraharn Co., Ltd.	Building-IoT Solutions	65.00	-	Thailand

### Year 2019

The Company had purchased the investment in Harn Vietnam Co., Ltd. at 100% of total number of shares issued from such company and the Company has consolidated the financial statements in the preparation of consolidated financial statements of the group of the company from July 30, 2019, onwards.

### Year 2020

The Company jointly invested in establishing “Aiyaraharn Co., Ltd.” The Company and joint investor hold 65 percent and 35 percent stake of the total shares issued in such company, respectively. Therefore, the Company has consolidated the financial statements of such in the preparation of consolidated financial statements of the group of the company from July 8, 2020 onwards.

- 2.2.2 The Company is deemed to have control over an investee or subsidiary 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.
- 2.2.3 Subsidiaries is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 2.2.4 The financial statements of an overseas subsidiaries is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of “Currency translation changes of the financial statements of foreign entity” in shareholders’ equity.
- 2.2.5 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.2.6 Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.

2.3 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 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 new standard involves changes to key principles, as summarized below:

**Financial reporting standards related to financial instruments:**

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

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
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 amortized 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 is cancelled.

The Company and its subsidiaries have adopted TFRS related to financial instruments the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to the interim financial statements.

**TFRS 16 Leases**

TFRS 16 Leases 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 recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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.

January 1, 2020, the Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 in its financial statements by applying modified retrospective approach. The impact from the first-time adoption has been disclosed in Note 4 to the financial statements.

#### 2.4 Financial reporting standards that become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards, which such adjustments are improve/ revise principles the financial reporting is as follows:

##### **Adjustment is reference to the conceptual framework in the financial reporting standards**

Several financial reporting standards are reference to “ IASC’ s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “ the conceptual framework” of which year.

##### **Conceptual Framework for Financial Reporting**

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

##### **Definition of Business**

Business definition revised in the financial reporting standard No. 3 “ Business Combination” describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as “business combination” or “purchase of assets” or not. Adjustments are as follows:

1. Describe clearly on the consideration of “business”, activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.

2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

### **Definition of significance**

The definition of significance resulted in revising the accounting standard No.1 “Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 - Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No. 1 “ Presentation of financial statements” in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

### **Reform of swap interest rate**

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

#### **2.5 Thai Financial Reporting Standard No.16 “Leases”**

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Business combinations

The Company and its subsidiaries applies the acquisition method for all business combinations except for the business combination under common control.

The Company's and its subsidiaries's control are achieved when the Company (1) has power over the investee (2) is exposed, or has rights, to variable returns from its involvement with the investee and (3) has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company and its subsidiaries to the previous owners of the acquiree, and equity interests issued by the Company and its subsidiaries. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

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

The Company and its subsidiaries measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

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

### 3.2 Foreign currencies

#### **Transactions in foreign currencies**

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

### 3.3 Financial instruments

Applicable from January 1, 2020

#### **Classification and measurement of financial assets**

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company and its subsidiaries classify its debt instruments in the following categories:

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

The Company and its subsidiaries reclassify debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

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

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

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

- Amortized cost: A financial assets will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/( losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognised in profit or loss when the Company and its subsidiaries's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Classification and measurement of financial liabilities**

Financial liabilities measured subsequently at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

### **Recognition and derecognition**

The Company and its subsidiaries shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company and its subsidiaries become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company and its subsidiaries commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and its subsidiaries have transferred substantially all the risks and rewards of ownership of the financial assets.

#### **Impairment of financial assets**

The Company and its subsidiaries recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company and its subsidiaries apply simplified approach to determine the lifetime expected credit losses.

Applicable prior to January 1, 2020

#### **Temporary investments**

Investments held for trading are stated at fair value, with any resultant gain or loss from revaluation recognized in profit or loss.

Investment in debt securities which the Company intent and able to hold investment to maturity. Investment in debt securities is stated at amortization cost net from impairment loss (if any). Interest income is recognized by using the effective interest rate method in statement of comprehensive income. Unit trust is stated at fair value which announced by the fund management company

Cost of investment sold during the year are calculated using the weighted average cost method.

### 3.4 Derivatives and hedging activities

Applicable from January 1, 2020

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Company and its subsidiaries designate certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognized firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

### **Derivative financial instruments**

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and product price risks arising from operational, financing and investment activities.

The Company and its subsidiary entered into forward foreign exchange contracts in asset and liability management activities to control exposure to fluctuations in foreign exchange rates.

Gains and losses on forward foreign exchange contracts designated as hedges of existing assets and liabilities without using hedge accounting are recognized as income or expense in the statement of profit or loss.

Amounts to be paid and received are offset in the statement of financial position and included in assets or liabilities category in the statement of financial position.

The Company and its subsidiary have no policy to speculate in or engage in the trading of any derivative financial instruments.

### **3.5 Cash and cash equivalents**

Cash and cash equivalents are cash on hand, cash at banks and bank deposits with a maturity date less than 3 months excluded deposits at bank used as collateral and short-term investments with high liquidity.

### **3.6 Trade and other current receivables / current contract assets**

#### Applicable from January 1, 2020

Trade other current receivables / current contract assets are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade other current receivables / current contract assets are stated at the amount expected to be collectible, The Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and its subsidiaries have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

#### Applicable prior to January 1, 2020

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

Allowance for doubtful accounts is an estimation of those amounts, which may prove to be uncollectible, based on historical collection experience and review of the current status of existing receivables. Bad debts are written off when incurred.

### 3.7 Inventories

Inventories are valued at the lower of cost or net realizable value.

Cost of inventories is calculated by weighted average method which comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overhead based on normal operating capacity.

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

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

### 3.8 Investments in subsidiaries

Subsidiaries is a company in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

Investment in subsidiaries is stated at cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss in the statement of comprehensive income.

### 3.9 Investment property

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Depreciation is charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

	Years
Factory building	40
Building improvements	10
Tool and equipment	5

Depreciation is included in determining income and no depreciation is provided for construction in progress.

### 3.10 Property, plant and equipment

### **Recognition and measurement**

Land is stated at cost, plant and equipment are stated at cost less accumulated depreciation and allowance on decline in value (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use as part of that property plant and equipment.

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

Gains or losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property plant and equipment, and are recognized net within other income or other expense in the statement of profit or loss and other comprehensive income.

### **Subsequent costs**

The cost of replacing a part of an item of property plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its subsidiaries, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized as an expense in statement of profit or loss and other comprehensive income as incurred.

### **Depreciation**

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

Depreciation is charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

	Years
Factory building	40
Building improvements	10
Tool and equipment	5
Furniture and office equipment	5
Vehicles	5 - 7
Assets for rental and demonstration	5

Depreciation is included in determining income and no depreciation is provided for construction in progress.

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

### 3.11 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described. Subsequent to the initial recognition, goodwill is measured at cost less impairment loss. The Company and its subsidiaries assess an impairment of goodwill annually, without consideration of indication that such goodwill may be impaired.

### 3.12 Intangible asset

#### **Other intangible assets**

Other intangible asset, which are acquired by the Company and its subsidiaries and have finite useful lives, are stated at cost less accumulated amortization and allowance for impairment (if any).

#### **Amortization**

Amortization is recognized as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use as follows:

	Years
Computer software	5 - 10
Customer relationship	7

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

### 3.13 Impairment of assets

The carrying amounts of the Company's and its subsidiaries's assets are reviewed at each the reporting period date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and customer relationship, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as expense in the statements of profit or loss and other comprehensive income unless it reverses a previous revaluation credited to equity and subsequently occurs impairment, in which case it is charged to statement of other comprehensive income.

#### **Calculation of recoverable amount**

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

### **Reversals of impairment**

An impairment loss in respect of financial assets is reversed if subsequent increase in recoverable amount and the recoverable amount can be related objectively to an event after the impairment loss was recognized as an expense in the statement of profit or loss and other comprehensive income.

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

## 3.14 Leases

### Applicable from January 1, 2020

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

### **Right-of-use assets-as a lessee**

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

### **Lease liabilities**

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### **Short-term leases and leases of low-value assets**

The Company and its subsidiaries apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

### Applicable prior to January 1, 2020

#### **Operating Lease**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

### **Financial lease**

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company and its subsidiary are accounted for as financial lease. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or finance charge and depreciation are recognized as expenses in the statements of profit or loss and other comprehensive income.

## 3.15 Employee benefits

### **Short-term benefits**

The Company and its subsidiaries are recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

### **Post-employment benefits - defined contribution plan**

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund and obligations under contribution plan are charged as an expense to the statement of comprehensive income in the period to which they relate.

### **Post-employment benefits - defined benefit plan**

The employee benefits liabilities for severance payment as the labor law is recognized as an expense over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company and its subsidiaries in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company and its subsidiaries recognizes all actuarial gains (losses) immediately in other comprehensive income.

## 3.16 Revenues

### **Revenue from sale of goods**

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on 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 and discounts.

For sale with warranties to assure that the goods comply with agree-upon specifications, the Company recognized the warranty as provisions, contingent liabilities and contingent assets.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.

#### **Revenue from rendering of services**

Revenue from project services is recognized over time in accordance with the measuring progress towards complete satisfaction of a performance obligation, based on the costs incurred to the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation. In some circumstances, the Company and its subsidiaries may not be able to reasonably measure the outcome of a performance obligation, but the Company and its subsidiaries expect to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company and its subsidiaries shall recognize revenue only to the extent of costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Revenue from providing maintenance service is recognized over time when services have been rendered considering the straight-line method over the term of the contracts.

Revenue from other service is recognized when services have been rendered.

The recognized revenue which is not yet due per the contracts has been presented as “Accrued service income /Unbilled receivables” in the statement of financial position, which is classified as trade receivables when the Company has right to receive without condition such as upon completion of services and acceptance by the customer.

#### **Revenue from rental**

Revenue from rental is recognized over time on a straight-line method over the term of the contracts.

#### **Deferred revenue**

The obligation to transfer goods or service to a customer for which the Company and its subsidiaries have received consideration or an amount of consideration is due from the customer is presented as “Deferred revenue” in the statement of financial position, which is classified as other payables under trade and other payable. Deferred revenue will be recognized as revenue when the Company completely perform the obligation stated in the contract.

#### **Interest income and other income**

Interest income is recognized in the statements of profit or loss and other comprehensive income on an accrual basis, based on the effective rate method.

Other income is recognized on an accrual basis.

### 3.17 Expenses

Expenses are recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

### 3.18 Borrowing costs

Finance costs comprise interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in statement of profit or loss and other comprehensive income using the effective interest method.

### 3.19 Income tax

Income tax expense for the year comprises current and deferred tax.

Current and deferred tax are recognized as income or expense in the statements of profit or loss and other comprehensive income except to the extent that they relate to a business combination, or items recognized directly in shareholders' equity or in other comprehensive income.

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

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

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

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

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.20 Basic earnings per share

The calculations of basic earnings per share for the year were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

### 3.21 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2019), leasing transactions that are within the scope of TAS 17 (Revised 2019), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in TAS 2 (Revised 2019) or value in use in TAS 36 (Revised 2019).

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.22 Use of management's critical judgements in applying accounting policies

#### (1) Use of management's critical judgements an applying accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company and its subsidiaries are management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying accounting policies are as follows:

#### **Impairment**

The Company and its subsidiaries shall assess the assets balance at the statement of financial position whether there is any indication that an asset may be impaired. If any such indication exists, the Company and its subsidiaries are shall estimate the recoverable amount of the asset.

#### **Allowance for doubtful accounts**

##### Applicable from January 1, 2020

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates the expected credit loss based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as GDP, the unemployment rate and the consumer price index.

##### Applicable prior to January 1, 2020

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 for declining in value of inventory**

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

### **Estimated construction project costs**

The Company and its subsidiaries estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### **Provision for losses on project services contract**

Management applies judgement in estimating the loss they expect to be realised on each installation, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of installation materials, labour and the current situation.

### **Provision for penalty from delay delivery**

The Company and its subsidiaries have provision incurred from delay delivery. The management applies judgement in estimating the penalty based on contract rate and the period of delay project work. The Company and its subsidiaries have recorded provision for penalty from delay delivery in the financial statements. However, actual results could differ from the estimates.

### **Determining the lease term of contracts with renewal and termination options**

#### Applicable from to January 1, 2020

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

### **Investment property/Depreciation**

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

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

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

### **Property, plant and equipment and right-of-use assets/Depreciation**

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

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

### **Intangible assets**

In recording the initial recognition and measurement of intangible assets as at the acquired date and subsequent impairment testing, the management is required to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Employee benefit obligations**

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Company and its subsidiaries determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company and its subsidiaries are considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 22.

### Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

#### (2) Key sources of estimation uncertainty

##### Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Company and its subsidiaries use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company and its subsidiaries engage qualified external values to perform the valuation to establish the appropriate valuation techniques and inputs to the model.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 33.

#### 4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3 to the interim financial statements, during the current year, the Company and its subsidiaries have adopted TFRS 9 and TFRS 16 using the modified retrospective method of adoption. The cumulative effect of the changes in accounting policies such financial reporting standards is recognized. Therefore, the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	Thousand Baht			
	Consolidated financial statements			
	As at December 31, 2019 (Reclassified Note 36)	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
<b>Statement of financial position</b>				
Current assets				
Temporary investments	124,478	(124,478)	-	-
Trade and other current receivables	322,952	29	-	322,981
Current contract assets	9,566	(20)	-	9,546
Other current financial asset	-	124,478	-	124,478
Non-current assets				
Trade and other non-current receivables	7,991	(9)	-	7,982
Right-of-use assets	-	-	2,815	2,815
Current liabilities				
Current portion of lease liabilities	-	-	891	891
Non-current liabilities				
Lease liabilities	-	-	1,924	1,924

	Thousand Baht			
	Separate financial statements			
	As at December 31, 2019 (Reclassified Note 36)	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
<b>Statement of financial position</b>				
Current assets				
Temporary investments	124,478	(124,478)	-	-
Trade and other current receivables	325,923	29	-	325,952
Current contract assets	9,566	(20)	-	9,546
Other current financial asset	-	124,478	-	124,478
Non-current assets				
Trade and other non-current receivables	7,991	(9)	-	7,982
Right-of-use assets	-	-	2,815	2,815
Current liabilities				
Current portion of lease liabilities	-	-	891	891
Non-current liabilities				
Lease liabilities	-	-	1,924	1,924

#### 4.1 Financial instruments

##### Classification and measurement

On January 1, 2020 (the date of initial application), the Company and its subsidiaries's management has assessed which business models applied to the financial assets and liabilities held by the Company and its subsidiaries and has classified the financial assets and liabilities as below.

	Thousand Baht		
	Consolidated financial statements		
	FVPL	Amortized cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	127,100	127,100
Trade and other current receivables	-	322,981	322,981
Current contract assets	-	9,546	9,546
Other current financial assets	124,478	-	124,478
Other non-current financial assets	242	-	242
Trade and other non-current receivables	-	7,982	7,982
Other non-current assets	-	23,669	23,669
	124,720	491,278	615,998

	Thousand Baht	
	Consolidated financial statements	
	Amortized cost	Total
Financial liabilities as at January 1, 2020		
Trade and other current payables	199,838	199,838
Lease liabilities	2,815	2,815
Other non-current liabilities	23,364	23,364
	226,017	226,017

	Thousand Baht		
	Separate financial statements		
	FVPL	Amortized cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	120,124	120,124
Trade and other current receivables	-	325,952	325,952
Current contract assets	-	9,546	9,546
Other current financial assets	124,478	-	124,478
Other non-current financial assets	242	-	242
Trade and other non-current receivables	-	7,982	7,982
Other non-current assets	-	23,669	23,669
	<u>124,720</u>	<u>487,273</u>	<u>611,993</u>

	Thousand Baht	
	Separate financial statements	
	Amortized cost	Total
Financial liabilities as at January 1, 2020		
Trade and other current payables	193,304	193,304
Lease liabilities	2,815	2,815
Other non-current liabilities	23,364	23,364
	<u>219,483</u>	<u>219,483</u>

### Impairment of financial assets

The Company and its subsidiaries have trade and other current receivables, lease receivables and current contract assets that are subject to the expected credit loss model. The Company and its subsidiaries have trade receivables, lease receivables and unbilled receivables that are subject to the expected credit loss model.

#### Trade and other current receivables/ lease receivables/ current contract assets

The Company and its subsidiaries apply the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade and other current receivables, lease receivable and current contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

On that basis, the loss allowance for account receivables was as follows:

	Thousand Baht					
	Consolidated financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Trade and other current receivables	204,436	83,902	8,308	5,357	4,136	306,139
Lease receivables	17,729	603	19	-	-	18,351
Current contract assets	9,566	-	-	-	40	9,606
Loss allowance	458	478	702	885	4,176	6,699

  

	Thousand Baht					
	Separate financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Trade and other current receivables	204,252	87,093	8,308	5,357	4,136	309,146
Lease receivables	17,729	603	19	-	-	18,351
Current contract assets	9,566	-	-	-	40	9,606
Loss allowance	458	495	702	885	4,176	6,716

The loss allowance for account receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
<u>Loss allowance for trade receivables</u>		
As at December 31, 2019	7,286	7,286
The effect of the adoption of the financial reporting standard No.9	(587)	(570)
Opening loss allowance as at January 1, 2020	<u>6,699</u>	<u>6,716</u>

The adoption of such financial reporting standards insignificant effect on the financial statements of the Company and its subsidiaries. Therefore, the management considered not to adjust such effect on unappropriated retained earnings as at the beginning of the year.

#### 4.2 Leases

These liabilities were measured at the present value of the remaining lease payments, discounted using the Company and its subsidiary's incremental borrowing rates. The Company and its subsidiaries incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was ranged between 6.175 % per annum.

For leases previously classified as finance leases applying TAS 17, the Company and its subsidiaries reclassified the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	21,804	21,572
<u>Less:</u> Short-term leases recognized on a straight-line basis as expenses	(3,393)	(3,161)
<u>Less:</u> Termination options reasonably certain to be exercised	(12,580)	(12,580)
<u>Less:</u> Contracts reassessed as service agreements	(2,756)	(2,756)
	3,075	3,075
<u>Less:</u> Deferred interest expenses	(260)	(260)
Additional lease liabilities from TFRS 16 adoption	2,815	2,815
Finance lease liabilities as at December 31, 2019	-	-
Lease liabilities recognised as at January 1, 2020	<u>2,815</u>	<u>2,815</u>
Of which are:		
Current lease liabilities	891	891
Non-current lease liabilities	<u>1,924</u>	<u>1,924</u>
	<u>2,815</u>	<u>2,815</u>

The recognized right-of-use assets relate to the following types of assets:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2020		
Building and building improvements	<u>2,815</u>	<u>2,815</u>
Total right-of-use assets	<u>2,815</u>	<u>2,815</u>

## 5. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries had transactions with related parties. These parties were related through common shareholders and/or directorships or close member of family. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

Types of relationship of related parties were as follows:

Company/Person name	Country/		Relationship
	Nationality	Related	
Harn Vietnam Co., Ltd.	Vietnam	Subsidiary	Major shareholder
Aiyaraharn Co., Ltd.	Thailand	Subsidiary	Major shareholder
Harn Engineering Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders
Phraboriban Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders

Company/Person name	Country/ Nationality	Related	Relationship
Nutrix Plc.	Thailand	Related company	Directorships and/or common shareholders
Jannopsiri Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders
Throughwave (Thailand) Co.,Ltd.	Thailand	Related company	Close members of the director's family
Mr. Jain Charnnarong	Thai	Related person	Shareholder and close member of the director's family
Mrs. Sirima Iamsakulrat	Thai	Related person	Shareholder and close member of the director's family
Key management personnel	Thai	Related person	Authorized person and responsible in management

Bases of measurement for intercompany revenues and expenses

	Pricing Policy
Sale of goods	Market price
Purchase of goods	Market price
Purchase and sale of equipment and intangible asset	Contractually agreed prices
Other income	Contractually agreed prices
Rental and service expenses	Contractually agreed prices
Compensation to management	As approved by director and / or shareholder
Interest expenses	Market price

Significant agreements with related parties. The Company and its subsidiaries entered into office building rental agreement as follows:

	As at December 31, 2020		
	Lessor	Period	Rate per month (Baht)
Office rental agreement	Mr. Jain Charnnarong	4.4 year	45,947 - 53,100
	Harn Engineering Co., Ltd.	4.7 year	292,105 - 413,916
	Phraboriban Co., Ltd.	3 year	64,080

During the year ended December 31, 2020, there were rental agreements that were cancelled had been shown as follows:

	Lessor	Period	Rate per month (Baht)
Warehouse rental agreement	Phraboriban Co., Ltd.	0.7 year	195,490
	Phraboriban Co., Ltd.	3 year	85,410

Balances with the related parties as at December 31, 2020 and 2019 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other current receivables				
Subsidiaries				
Harn Vietnam Co., Ltd.	-	-	295,908	3,238,895
Aiyaraharn Co., Ltd.	-	-	57,933	-
Related company				
Harn Engineering Co., Ltd.	1,845,458	1,852,022	1,845,458	1,852,022
Nutrix Plc.	15,716	-	15,716	-
Jannopsiri Co., Ltd.	118,342	-	118,342	-
	<u>1,979,516</u>	<u>1,852,022</u>	<u>2,333,357</u>	<u>5,090,917</u>
Short-term loans to related parties				
Subsidiary				
Harn Vietnam Co., Ltd.	-	-	5,973,480	-
Payment deposit				
Related company				
Throughwave (Thailand) Co., Ltd.	-	5,229,668	-	5,229,668
Other current payable				
Related company				
Throughwave (Thailand) Co., Ltd.	-	2,988,382	-	2,988,382
Lease liabilities				
Related company				
Phraboriban Co., Ltd.	2,013,542	-	2,013,542	-
Jansopsiri Co., Ltd.	102,425,395	-	102,425,395	-
	<u>104,438,937</u>	<u>-</u>	<u>104,438,937</u>	<u>-</u>

Transactions for the years ended December 31, 2020 and 2019 with related parties were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Sale of goods				
Subsidiaries				
Harn Vietnam Co., Ltd.	-	-	322,085	3,190,895
Related companies				
Nutrix Plc.	117,384	-	117,384	-
Jannopsiri Co., Ltd.	248,607	-	248,607	-
	<u>365,991</u>	<u>-</u>	<u>688,076</u>	<u>3,190,895</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other income				
Subsidiaries				
Harn Vietnam Co., Ltd.	-	-	295,908	-
Aiyaraharn Co., Ltd.	-	-	157,933	-
Related company				
Phraboriban Co., Ltd.	28,137	-	28,137	-
	<u>28,137</u>	<u>-</u>	<u>481,978</u>	<u>-</u>
Purchase of equipment				
Related company				
Throughwave (Thailand) Co., Ltd.	-	484,000	-	484,000
Office rental and service expenses				
Related companies				
Harn Engineering Co., Ltd.	1,368,430	5,902,872	1,368,430	5,902,872
Phraboriban Co., Ltd.	1,432,510	3,370,800	1,432,510	3,370,800
Related person				
Mr. Jain Charnnarong	630,047	637,200	630,047	637,200
	<u>3,430,987</u>	<u>9,910,872</u>	<u>3,430,987</u>	<u>9,910,872</u>
Interest expenses from lease liabilities				
Related company				
Phraboriban Co., Ltd.	88,177	-	88,177	-
Directors remuneration				
Directors remuneration	3,585,000	3,955,000	3,585,000	3,955,000
Management benefit expenses				
Shot-term employee's benefits	10,790,267	10,184,187	10,490,267	10,184,187
Post-employment benefits	312,240	342,142	310,640	342,142
	<u>14,687,507</u>	<u>14,481,329</u>	<u>14,385,907</u>	<u>14,481,329</u>

Management benefit expenses represents the benefits paid to the Company and its subsidiaries are management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company and its subsidiaries are management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were consisted of:

		Consolidated financial statements			
		Foreign currencies		Baht	
		2020	2019	2020	2019
Cash on hand	- Baht			132,676	160,905
Cash at banks					
Current accounts	- Baht			37,480,163	21,491,132
Savings accounts	- Baht			263,247,654	98,471,644
	- Vietnamese Dong	4,035,484,667	5,391,066,665	5,213,847	6,976,040
				<u>306,074,340</u>	<u>127,099,721</u>
		Separate financial statement			
		Baht			
				2020	2019
Cash on hand				102,541	160,905
Cash at banks					
Current accounts				37,480,163	21,491,132
Savings accounts				261,735,578	98,471,644
				<u>299,318,282</u>	<u>120,123,681</u>

## 7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Reclassified Note 36)		(Reclassified Note 36)
<b>Trade receivable</b>				
Trade receivables - subsidiaries	-	-	-	3,238,895
Trade receivables - other companies	218,292,058	288,666,770	217,917,270	288,435,152
Total	218,292,058	288,666,770	217,917,270	291,674,047
<u>Less Allowance for doubtful accounts</u>	(11,455,792)	(7,286,049)	(11,454,371)	(7,286,049)
Net	206,836,266	281,380,721	206,462,899	284,387,998
<b>Other receivables</b>				
Other receivables - related parties	1,845,458	1,852,022	2,174,299	1,852,022
Other receivables - other companies	3,585,280	8,853,168	3,540,280	8,853,168
Accrued retentions	15,104,338	9,527,045	15,104,338	9,527,045
Deposit	6,557,432	8,762,613	6,550,384	8,746,087
Prepaid expenses	5,151,224	4,674,077	4,784,669	4,654,201
Accrued income	3,802,728	1,064,831	3,651,638	1,064,831
Total other receivables	36,046,460	34,733,756	35,805,608	34,697,354

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Reclassified Note 36)	2020	2019 (Reclassified Note 36)
<b>Lease receivables</b>				
Lease receivables - printing devices	19,412,311	14,828,531	19,412,311	14,828,531
<u>Less</u> Allowance for doubtful account	(56,443)	-	(56,443)	-
Total	19,355,868	14,828,531	19,355,868	14,828,531
<u>Less</u> due between over 1 year	(11,251,986)	(7,990,909)	(11,251,986)	(7,990,909)
Net	8,103,882	6,837,622	8,103,882	6,837,622
Total trade and other receivables - net	<u>250,986,608</u>	<u>322,952,099</u>	<u>250,372,389</u>	<u>325,922,974</u>

Trade receivables are classified by aging as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current	141,009,078	187,039,492	140,815,378	186,855,915
Overdue				
Less than 3 months	55,102,089	83,826,501	54,921,001	87,017,355
Over 3 months up to 6 months	14,096,467	8,308,446	14,096,467	8,308,446
Over 6 months up to 12 months	4,670,478	5,356,651	4,670,478	5,356,651
Over 12 months	3,413,946	4,135,680	3,413,946	4,135,680
Total	218,292,058	288,666,770	217,917,270	291,674,047
<u>Less</u> Allowance for doubtful account	(11,455,792)	(7,286,049)	(11,454,371)	(7,286,049)
Trade receivables, net	<u>206,836,266</u>	<u>281,380,721</u>	<u>206,462,899</u>	<u>284,387,998</u>

The minimum lease payments and present value of minimum lease payments which receivable will be paid under the lease agreements as at December 31, 2020 and 2019, are as follows:

	Baht			
	Consolidated financial statements/Separate financial statements			
	2020		2019	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Collection period				
Within 1 year	10,978,046	8,103,882	8,413,838	6,837,622
Over 1 year but less than 5 years	15,127,108	11,251,986	9,936,769	7,990,909
	26,105,154	19,355,868	18,350,607	14,828,531
<u>Less</u> Deferred interest	(6,749,286)	-	(3,522,076)	-
	<u>19,355,868</u>	<u>19,355,868</u>	<u>14,828,531</u>	<u>14,828,531</u>

The allowance for expected credit losses as at December 31, 2020 was as follows:

	Thousand Baht					
	Consolidated financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at December 31, 2020						
Trade and other current receivables	155,407	55,798	14,107	4,670	3,414	233,396
Lease receivables	25,948	204	10	-	-	26,162
Current contract assets	12,825	-	-	-	40	12,865
Loss allowance	413	313	4,172	3,101	3,580	11,579

  

	Thousand Baht					
	Separate financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at December 31, 2020						
Trade and other current receivables	155,214	55,616	14,107	4,671	3,414	233,022
Lease receivables	25,948	204	10	-	-	26,162
Current contract assets	12,080	-	-	-	40	12,120
Loss allowance	411	312	4,172	3,101	3,580	11,576

## 8. CURRENT CONTRACT ASSETS

Current contract assets were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current contract assets	12,864,676	9,606,429	12,119,531	9,606,429
Less Allowance for doubtful account	(67,063)	(40,131)	(65,498)	(40,131)
Net	12,797,613	9,566,298	12,054,033	9,566,298

## 9. SHORT-TERM LOANS TO SUBSIDIARY

Movements of short-term loans to subsidiary for the year ended December 31, 2020 were as follows:

	Separate financial statements	
	USD	Baht
<b>Harn Vietnam Co., Ltd.</b>		
Beginning balance	-	-
Additional during the year	200,000	6,352,000
Deduction during the year	-	-
Conversion of unrealized on exchange rate	-	(378,520)
Ending balance	200,000	5,973,480

As at March 12, 2020, the Company has short-term loans to a subsidiary amounted 200,000 of United States Dollars. The interest rate has been charged at 6.15% per annum in the term of year.

## 10. INVENTORIES

Inventories were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	247,098,155	285,842,722	245,120,206	283,585,349
Goods in transit	40,820,856	43,591,076	39,102,203	43,591,076
Total	287,919,011	329,433,798	284,222,409	327,176,425
Less Allowance for loss on devaluation of inventories	(30,067,043)	(24,393,942)	(30,067,043)	(24,393,942)
Net	<u>257,851,968</u>	<u>305,039,856</u>	<u>254,155,366</u>	<u>302,782,483</u>

Decline in value of inventory recognized as cost of goods sold for the years ended December 31, 2020 and 2019 were Baht 5.67 million and Baht 8.27 million, respectively (for the Company's only amounting to Baht 5.67 million and Baht 8.27 million, respectively).

## 11. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets were consisted of:

	Baht		
	Consolidated financial statements/ Separate financial statements		
	2020		
	Cost value	Unrealized gain (loss) on revaluation of investments	Fair value
Investment in debt instruments			
- Investment in unit trusts	9,625,255	(2,667,311)	6,957,944
Total	<u>9,625,255</u>	<u>(2,667,311)</u>	<u>6,957,944</u>
	Baht		
	Consolidated financial statements/ Separate financial statements		
	2019		
	Cost value	Unrealized gain (loss) on revaluation of investments	Fair value
Investment in debt instruments			
- Investment in Bond			
Bank of Thailand	59,585,551	35,204	59,620,755
- Investment in unit trusts	63,129,353	1,727,815	64,857,168
Total	<u>122,714,904</u>	<u>1,763,019</u>	<u>124,477,923</u>

## 12. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

Subsidiaries	Paid-up capital	Percentage of shareholding		Baht	
		(%)		Separate financial statements	
		2020	2019	Cost method	
				2020	2019
Harn Vietnam Co., Ltd.	Vietnamese Dong 800 million	100.00	100.00	1,057,444	1,057,444
Aiyaraharn Co., Ltd.	Baht 2 million	65.00	-	1,300,000	-
Total				2,357,444	1,057,444

The company registered Harn Vietnam Co.,Ltd. “subsidiary” in Vietnam on July 30, 2019 with the registered capital of Vietnamese Dong 800 million (Baht 1.06 million). The company held shares in the subsidiary at 100 percent of the registered capital. The principal business is sale of printing equipment with the objective to enhance competitive capacity and enhance customer service by starting from a business unit “digital printing system” as the first business unit.

On July 8, 2020, The Company joined invest in developing the digital business with Aiyarafun Group by establishment of company under the name “Aiyaraharn Company Limited” with the registered capital of Baht 2 million. The Company and the joint investor in Aiyarafun Group hold the shares in such company at 65 percent and 35 percent of the registered capital, respectively. The establishment of such company was in accordance with the resolution of the Board of Directors’ Meeting No. 4/2020, held on May 14, 2020. The new registered company will have status as the company’s subsidiary. Such investment has an objective to develop IT Products and Solutions system. The operation plan will focus in rendering Smart Building service, in order to extending the existing business of Aiyarafun Group and expending the business for further growth.

## 13. INVESTMENT PROPERTY

Investment property were consisted of:

	Baht				
	Consolidated financial statements/Separate financial statements				
	Balance	Transactions during the year			Balance
	Dec. 31, 2019	Additions	Decrease	Transfer in/out	Dec. 31, 2020
<u>Cost</u>					
Land	172,645,421	-	-	(37,358,915)	135,286,506
Factory building	55,675,068	-	-	(36,325,512)	19,349,556
Building improvements	2,671,760	-	-	(1,723,333)	948,427
Tool and equipment	957,751	-	-	(607,401)	350,350
Total	231,950,000	-	-	(76,015,161)	155,934,839
<u>Accumulated depreciation</u>					
Factory building	(1,491,024)	(935,327)	-	1,424,415	(1,001,936)
Building improvements	(286,208)	(180,538)	-	270,305	(196,441)
Tool and equipment	(205,192)	(130,477)	-	190,539	(145,130)
Total	(1,982,424)	(1,246,342)	-	1,885,259	(1,343,507)
Investment property-net	229,967,576				154,591,332

	Baht				Balance Dec. 31, 2019
	Consolidated financial statements/Separate financial statements				
	Balance Dec. 31, 2018	Transactions during the year			
		Additions	Decrease	Transfer in/out	
<u>Cost</u>					
Land	172,645,421	-	-	-	172,645,421
Factory building	55,675,068	-	-	-	55,675,068
Building improvements	2,671,760	-	-	-	2,671,760
Tool and equipment	957,751	-	-	-	957,751
Total	<u>231,950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,950,000</u>
<u>Accumulated depreciation</u>					
Factory building	(99,147)	(1,391,877)	-	-	(1,491,024)
Building improvements	(19,032)	(267,176)	-	-	(286,208)
Tool and equipment	(13,645)	(191,547)	-	-	(205,192)
Total	<u>(131,824)</u>	<u>(1,850,600)</u>	<u>-</u>	<u>-</u>	<u>(1,982,424)</u>
Investment property-net	<u>231,818,176</u>				<u>229,967,576</u>

	Baht			
	Consolidate financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation for the year				
- Selling and administrative expenses	<u>1,246,342</u>	<u>1,850,600</u>	<u>1,246,342</u>	<u>1,850,600</u>

During the year 2018, the Company has changed its objective for land holding from previously determined future use to be as held for capital appreciation. Therefore, the Company transferred such owner-occupied land as investment property with the cost at Baht 114.95 million. Moreover, the Company was appraised by an independent appraiser by applying the market price approach in the valuation. According to the report dated September 17, 2018, investment property had its fair value in the amount of Baht 117.04 million.

According to the Board of Directors' Meeting No. 5/2018 held on November 9, 2018, the Board of Directors had a resolution to approve entering into the to buy/to sell land and building agreement for the purpose to use as a single warehouse in the future. Later, the Company has entered into to buy/to sell land and building agreement at the amount of Baht 117.00 million. However, currently such land and building have two renters. The lease agreements end on March 15, 2020 (the lessee can extend the agreement period for another 1 year with the same rate. The lessee shall notify at least the months before the agreement expires) and April 30, 2020. During the year 2020, the Company has changed its objective for land holding for rent to be used as a warehouse. Therefore, the Company transferred such investment property as owner-occupied property with the cost at Baht 74.13 million.

During the year 2020, the Company was appraised by 2 independent appraisers by applying the market price approach for land and the replacement cost approach for building and its construction in the valuation in according to the report, had its fair value in the amount of Baht 159.51 million.

The Company and its subsidiaries had rental incomes of investment property for the year ended December 31, 2020 and 2019 in total amounting of Baht 6,098,772 and Baht 11,300,180, respectively (for the Company's only amounting to 6,098,772 Baht and Baht 11,300,180, respectively) and recognized as operating expenses amounting to Baht 973,699 and Baht 2,567,033, respectively (for the Company's only amounting to Baht 973,699 and Baht 2,567,033, respectively), which was recognized in the statement of comprehensive income.

#### 14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment were consisted of:

	Baht						
	Consolidated financial statements						
	Balance	Transactions during the year				Balance	
Dec. 31, 2019	Additions	Decrease	Transfer in/out	Transfer classified transactions	Exchange difference on transactions financial statements	Dec. 31, 2020	
<u>Cost</u>							
Land	-	-	-	-	37,358,915	-	37,358,915
Buildings and structures	-	-	-	-	36,325,512	-	36,325,512
Tool and equipment	5,406,733	580,890	(107,038)	2,462,819	607,401	-	8,950,805
Furniture and office equipment	26,682,463	1,126,968	(3,255,943)	6,926,356	1,723,333	(2,372)	33,200,805
Vehicles	24,503,724	834,743	(168,224)	-	-	-	25,170,243
Assets for rent and demonstration	40,071,980	2,810,072	(9,742,429)	-	-	-	33,139,623
Assets in progress	-	32,072,560	(52,982)	(9,389,175)	-	-	22,630,403
Total	96,664,900	37,425,233	(13,326,616)	-	76,015,161	(2,372)	196,776,306
<u>Accumulated depreciation</u>							
Building and structures	-	(456,550)	-	-	(1,424,415)	-	(1,880,965)
Tool and equipment	(3,381,209)	(713,377)	78,834	-	(190,539)	-	(4,206,291)
Furniture and office equipment	(20,981,630)	(3,502,736)	3,058,883	-	(270,305)	464	(21,695,324)
Vehicles	(12,535,942)	(2,322,665)	114,287	-	-	-	(14,744,320)
Assets for rental and demonstration	(29,099,377)	(4,071,734)	8,500,530	-	-	-	(24,670,581)
Total	(65,998,158)	(11,067,062)	11,752,534	-	(1,885,259)	464	(67,197,481)
Less allowance for impairment	-	(50,654)	-	-	-	-	(50,654)
Property, plant and equipment-net	30,666,742						129,578,826

	Baht					Balance Dec. 31, 2020
	Separate financial statements					
	Balance	Transactions during the year				
	Dec. 31, 2019	Additions	Decrease	Transfer in/out	Transfer classified transactions	
<u>Cost</u>						
Land	-	-	-	-	37,358,915	37,358,915
Buildings and structures	-	-	-	-	36,325,512	36,325,512
Tool and equipment	5,406,733	578,480	(107,038)	2,462,819	607,401	8,948,395
Furniture and office equipment	26,682,463	997,730	(3,255,943)	6,926,356	1,723,333	33,073,939
Vehicles	24,503,724	834,743	(168,224)	-	-	25,170,243
Assets for rent and demonstration	40,071,980	2,810,072	(9,742,429)	-	-	33,139,623
Assets in progress	-	32,072,560	(52,982)	(9,389,175)	-	22,630,403
Total	<u>96,664,900</u>	<u>37,293,585</u>	<u>(13,326,616)</u>	<u>-</u>	<u>76,015,161</u>	<u>196,647,030</u>
<u>Accumulated depreciation</u>						
Buildings and structures	-	(456,550)	-	-	(1,424,415)	(1,880,965)
Tool and equipment	(3,381,209)	(713,291)	78,834	-	(190,539)	(4,206,205)
Furniture and office equipment	(20,981,630)	(3,490,204)	3,058,882	-	(270,305)	(21,683,257)
Vehicles	(12,535,942)	(2,322,665)	114,287	-	-	(14,744,320)
Assets for rental and demonstration	(29,099,377)	(4,071,734)	8,500,530	-	-	(24,670,581)
Total	<u>(65,998,158)</u>	<u>(11,054,444)</u>	<u>11,752,533</u>	<u>-</u>	<u>(1,885,259)</u>	<u>(67,185,328)</u>
<u>Less</u> Equipment allowance	-	(50,654)	-	-	-	(50,654)
Property, plant and equipment-net	<u>30,666,742</u>					<u>129,411,048</u>

	Baht				
	Consolidated financial statements/Separate financial statements				
	Balance	Transactions during the year			Balance
	Dec. 31, 2018	Additions	Decrease	Transfer in/out	Dec. 31, 2019
<u>Cost</u>					
Land	4,180,434	1,307,299	(81,000)	-	5,406,733
Tool and equipment	25,645,470	982,782	(452,219)	506,430	26,682,463
Furniture and office equipment	25,432,035	3,163,849	(4,092,160)	-	24,503,724
Vehicles	37,678,779	3,812,274	(1,438,715)	19,642	40,071,980
Assets in progress	22,430	503,642	-	(526,072)	-
Total	<u>92,959,148</u>	<u>9,769,846</u>	<u>(6,064,094)</u>	<u>-</u>	<u>96,664,900</u>
<u>Accumulated depreciation</u>					
Tool and equipment	(3,005,043)	(457,165)	80,999	-	(3,381,209)
Furniture and office equipment	(17,707,097)	(3,721,711)	447,178	-	(20,981,630)
Vehicles	(13,447,522)	(2,220,282)	3,131,862	-	(12,535,942)
Assets for rental and demonstration	(26,118,741)	(4,172,938)	1,192,302	-	(29,099,377)
Total	<u>(60,278,403)</u>	<u>(10,572,096)</u>	<u>4,852,341</u>	<u>-</u>	<u>(65,998,158)</u>
Property, plant and equipment-net	<u>32,680,745</u>				<u>30,666,742</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation for the years				
- cost of sale	3,833,232	3,777,903	3,833,145	3,777,903
- Distribution cost and administrative expenses	7,233,830	6,794,193	7,221,299	6,794,193
Total	<u>11,067,062</u>	<u>10,572,096</u>	<u>11,054,444</u>	<u>10,572,096</u>

As at December 31, 2020 and 2019, the Company and its subsidiaries had equipment which were fully depreciated but still in use with the cost price of Baht 36.52 million and Baht 34.60 million, respectively (for the Company's only amounting to Baht 36.52 million and Baht 34.60 million, respectively).

During the year 2020, the Company has transferred investment property to property, plant and equipment with book value of Baht 74.13 million, due to change in holding objective (Note 13).

#### 15. RIGHT-OF-USE ASSETS

The net book value of right-of-use assets and the movement for the year ended December 31, 2020 are presented below.

	Baht
	Consolidated financial statements/ Separate financial statements
<b>Cost</b>	
As at December 31, 2019	-
Effects of the adoption of TFRS16 as at January 1, 2020	2,814,619
As at January 1, 2020	2,814,619
Addition	105,099,557
Write-off	(2,814,619)
As at December 31, 2020	<u>105,099,557</u>
<b>Accumulated depreciation</b>	
As at December 31, 2019	-
Effects of the adoption of TFRS16 as at January 1, 2020	-
As at January 1, 2020	-
Depreciation for the year	(678,541)
Write-off	547,288
As at December 31, 2020	<u>(131,253)</u>

	Baht
	Consolidated financial statements/ Separate financial statements
<b>Net book value</b>	
As at December 31, 2019	-
As at January 1, 2020	2,814,619
As at December 31, 2020	104,968,304

## 16. GOODWILL

On November 29, 2016, Chillmatch Co., Ltd. and Q II S Co., Ltd. were transferred their entire business into the Company by issuing capital increase shares for Baht 675.36 million to exchange for the identifiable net assets of both companies for Baht 340.69 million, resulting in a goodwill of Baht 334.67 million.

### Testing for impairment of goodwill

During the year ended December 31, 2020 and 2019, the Company has tested for impairment of goodwill that arises from the acquisition of Chillmatch Co., Ltd. and Q II S Co., Ltd. which were the subsidiaries under Entire Business Transfer (EBT) process and allocation of Cash Generating Unit (“CGU”) which consists of Refrigeration System Unit and Digital Printing System Unit by comparing the carrying amount of the unit includes the goodwill, with the recoverable amount. The recovery amount was based on its value in use, determined by future cash flows to be generated from the continuing use of the unit. The cash flows were projected over a period of 5 years before a terminal growth rate.

After consideration, management believed that goodwill is not impaired.

The key assumptions used in estimating the value in use are as follows:

Key assumption	Value		Approach used to determine the value
	2020	2019	
- Discount rate	6.12% (Weighted Average Cost of Capital: WACC)	4.47% (Weighted Average Cost of Capital: WACC)	The discount rate which is a pre-tax rate that reflects the specific risk of the particular business unit
- Terminal Value Growth Rate	0%	0%	Appropriate estimated rate

## 17. CUSTOMER RELATIONSHIP

Customer relationship were consisted of:

	Baht			
	Consolidated financial statements / Separate financial statements			
	Balance	Transactions during the year		Balance
	Dec. 31, 2019	Addition	Decrease	Dec. 31, 2020
<u>Cost</u>				
Customer relationship	104,307,663	-	-	104,307,663
<u>Less accumulated amortization</u>	(46,027,850)	(17,947,159)	-	(63,975,009)
Customer relationship - net	58,279,813			40,332,654

	Baht			
	Consolidated financial statements / Separate financial statements			
	Balance	Transactions during the year		Balance
	Dec. 31, 2018	Addition	Decrease	Dec. 31, 2019
<u>Cost</u>				
Customer relationship	104,307,663	-	-	104,307,663
<u>Less accumulated amortization</u>	<u>(31,126,755)</u>	<u>(14,901,095)</u>	<u>-</u>	<u>(46,027,850)</u>
Customer relationship - net	<u>73,180,908</u>			<u>58,279,813</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation for the years				
- Administrative expenses	<u>17,947,159</u>	<u>14,901,095</u>	<u>17,947,159</u>	<u>14,901,095</u>

## 18. INTANGIBLE ASSET

Intangible asset were consisted of:

	Baht				
	Consolidated financial statements / Separate financial statements				
	Balance	Transactions during the year			Balance
	Dec. 31, 2019	Addition	Decrease	Transfer In / out	Dec. 31, 2020
<u>Cost</u>					
Software licenses	38,035,264	364,000	(168,298)	1,670,389	39,901,355
Software in progress	906,952	763,437	-	(1,670,389)	-
Total	<u>38,942,216</u>	<u>1,127,437</u>	<u>(168,298)</u>	<u>-</u>	<u>39,901,355</u>
<u>Less Accumulated amortization</u>					
Software licenses	(17,995,143)	(4,058,998)	168,296	-	(21,885,845)
Total	<u>(17,995,143)</u>	<u>(4,058,998)</u>	<u>168,296</u>	<u>-</u>	<u>(21,885,845)</u>
Intangible asset-net	<u>20,947,073</u>				<u>18,015,510</u>

	Baht				
	Consolidated financial statements / Separate financial statements				
	Balance	Transactions during the year			Balance
	Dec. 31, 2018	Addition	Decrease	Transfer In / out	Dec. 31, 2019
<u>Cost</u>					
Software licenses	37,571,664	463,600	-	-	38,035,264
Software in progress	104,000	802,952	-	-	906,952
Total	<u>37,675,664</u>	<u>1,266,552</u>	<u>-</u>	<u>-</u>	<u>38,942,216</u>
<u>Less Accumulated amortization</u>					
Software licenses	(13,696,321)	(4,298,822)	-	-	(17,995,143)
Total	<u>(13,696,321)</u>	<u>(4,298,822)</u>	<u>-</u>	<u>-</u>	<u>(17,995,143)</u>
Intangible asset-net	<u>23,979,343</u>				<u>20,947,073</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation for the years				
- cost of rendering of services	881,186	832,181	881,186	832,181
- Administrative expenses	3,177,812	3,466,641	3,177,812	3,466,641
<b>Total</b>	<b>4,058,998</b>	<b>4,298,822</b>	<b>4,058,998</b>	<b>4,298,822</b>

As at December 31, 2020 and 2019, the Company and its subsidiaries had intangible assets which were fully depreciated but still in use with the cost price of Baht 3.42 million and Baht 1.96 million, respectively (for the Company's only amounting to Baht 3.42 million and Baht 1.96 million, respectively).

#### 19. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2020 and 2019 were summarized as follows:

	Baht			
	Consolidated financial statements			Balance as at Dec. 31, 2020
	Balance as at Dec. 31, 2019	Income (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for doubtful accounts	1,465,236	850,623	-	2,315,859
Allowance for devaluation of inventories	4,878,788	1,134,620	-	6,013,408
Allowance for impairment of investment	1,195	48,369	-	49,564
Allowance for impairment of equipment	-	10,131	-	10,131
Lease agreements	-	486	-	486
Non-current provisions for employee benefit	4,732,365	451,546	-	5,183,911
Derivatives liabilities	129,613	(46,236)	-	83,377
<b>Total</b>	<b>11,207,197</b>	<b>2,449,539</b>	<b>-</b>	<b>13,656,736</b>
Deferred tax liabilities:				
Inventories (from fair value adjustment of business combination)	110,138	16,780	-	93,358
Equipment (from fair value adjustment of business combination)	204,113	149,952	-	54,161
Unrealized gain (loss) on temporary investments	650,411	650,411	-	-
Customer relationship (from fair value adjustment of business combination)	11,655,963	3,589,432	-	8,066,531
Depreciation of equipment	188,805	(42,546)	-	231,351
Finance lease assets	564,065	(804,228)	-	1,368,293
<b>Total</b>	<b>13,373,495</b>	<b>3,559,801</b>	<b>-</b>	<b>9,813,694</b>
Deferred tax assets (liabilities) - net	(2,166,298)			3,843,042
Deferred tax income (expenses) - net		6,009,340	-	

	Baht			
	Separate financial statements			
	Balance as at Dec. 31, 2019	Income (expenses) during the year		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Allowance for doubtful accounts	1,465,236	850,026	-	2,315,262
Allowance for devaluation of inventories	4,878,788	1,134,620	-	6,013,408
Allowance for impairment of investment	1,195	48,369	-	49,564
Allowance for impairment of equipment	-	10,131	-	10,131
Lease agreements	-	486	-	486
Non-current provisions for employee benefit	4,732,365	435,509	-	5,167,874
Derivatives liabilities	129,613	(46,236)	-	83,377
Total	<u>11,207,197</u>	<u>2,432,905</u>	<u>-</u>	<u>13,640,102</u>
Deferred tax liabilities:				
Inventories (from fair value adjustment of business combination)	110,138	16,780	-	93,358
Equipment (from fair value adjustment of business combination)	204,113	149,952	-	54,161
Unrealized gain (loss) on temporary investments	650,411	650,411	-	-
Customer relationship (from fair value adjustment of business combination)	11,655,963	3,589,432	-	8,066,531
Depreciation of equipment	188,805	(42,546)	-	231,351
Finance lease assets	564,065	(804,228)	-	1,368,293
Total	<u>13,373,495</u>	<u>3,559,801</u>	<u>-</u>	<u>9,813,694</u>
Deferred tax assets (liabilities) - net	<u>(2,166,298)</u>			<u>3,826,408</u>
Deferred tax income (expenses) - net		<u>5,992,706</u>	<u>-</u>	

	Baht				
	Consolidated financial statements/Separate financial statements				
	Balance as at	Income (expenses) during the year			Balance as at
	Dec. 31, 2018	In profit or loss	In other comprehensive income		Dec. 31, 2019
Deferred tax assets:					
Allowance for doubtful accounts	1,115,423	349,813	-	1,465,236	
Allowance for devaluation of inventories	3,227,460	1,651,328	-	4,878,788	
Allowance for impairment of investment	1,195	-	-	1,195	
Non-current provisions for employee benefit	2,866,936	1,468,209	397,220	4,732,365	
Derivatives liabilities	95,029	34,584	-	129,613	
Total	<u>7,306,043</u>	<u>3,503,934</u>	<u>397,220</u>	<u>11,207,197</u>	
Deferred tax liabilities:					
Inventories (from fair value adjustment of business combination)	160,355	50,217	-	110,138	
Equipment (from fair value adjustment of business combination)	466,447	262,334	-	204,113	
Unrealized gain (loss) on temporary investments	257,061	(393,350)	-	650,411	
Customer relationship (from fair value adjustment of business combination)	14,636,181	2,980,218	-	11,655,963	
Depreciation of equipment	206,135	17,330	-	188,805	
Finance lease assets	1,324,826	760,761	-	564,065	
Total	<u>17,051,005</u>	<u>3,677,510</u>	<u>-</u>	<u>13,373,495</u>	
Deferred tax assets (liabilities) - net	<u>(9,744,962)</u>			<u>(2,166,298)</u>	
Deferred tax income (expenses) - net		<u>7,181,444</u>	<u>397,220</u>		

## 20. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Reclassified Note 36)	2020	2019 (Reclassified Note 36)
Trade payables				
Trade payables - other companies	93,625,735	104,648,825	90,604,594	104,648,825
Other current payables				
Accrued commission expenses	13,891,115	16,746,476	13,891,115	16,746,476
Accrued bonus	13,957,340	18,568,265	13,849,556	18,568,265
Advance from customers for goods and services	20,832,788	34,517,307	20,533,687	28,141,860
Other accrued expenses	14,228,808	16,005,979	14,105,711	15,848,452
Account payable - Revenue department	4,330,726	3,942,216	4,266,891	3,940,444
Other deposit	1,094,940	1,491,920	1,094,940	1,491,920
Other	5,698,544	3,917,332	5,698,544	3,917,332
Total	<u>74,034,261</u>	<u>95,189,495</u>	<u>73,440,444</u>	<u>88,654,749</u>
Total trade and other current payables	<u>167,659,996</u>	<u>199,838,320</u>	<u>164,045,038</u>	<u>193,303,574</u>

## 21. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2020 are presented below.

	Baht	
	Consolidated financial statements	Separate financial statements
As at December 31, 2019	-	-
Effects of the adoption of TFRS16	<u>2,814,619</u>	<u>2,814,619</u>
As at January 1, 2020	2,814,619	2,814,619
Addition	105,099,557	105,099,557
Accretion of interest	90,655	90,655
Payments	(738,630)	(738,630)
Decrease from contract cancellation	<u>(2,295,468)</u>	<u>(2,295,468)</u>
As at December 31, 2020	104,970,733	104,970,733
<u>Less: current portion</u>	<u>(8,918,127)</u>	<u>(8,918,127)</u>
Lease liabilities - net of current portion	<u>96,052,606</u>	<u>96,052,606</u>

The following are the amounts recognized in profit or loss for the year periods ended December 31, 2020

	Baht	
	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	678,541	678,541
Interest expense on lease liabilities	90,655	90,655
Expense relating to short-term lease	8,987,586	8,836,786
Leases of low-value assets	511,399	508,950
Total	<u>10,268,181</u>	<u>10,114,932</u>

For the year ended December 31, 2020, the Company and its subsidiaries had rental income from investment property in the amount of Baht 10,237,615 (for the Company's only amounting to Baht 10,084,366) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 105,099,557 the Company's only amounting to Baht 105,099,557).

## 22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movements of non-current provisions for employee benefit for the years ended December 31, 2020 and 2019 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance defined benefit obligations	25,513,846	16,670,899	25,513,846	16,670,899
Past service costs and interest				
- change a post-employment plan amendment	-	3,900,264	-	3,900,264
Current service costs and interest	2,651,166	3,585,585	2,570,980	3,585,585
Actuarial (gain) loss	-	1,986,098	-	1,986,098
Benefits paid by the plan	(400,000)	(629,000)	(400,000)	(629,000)
Ending balance defined benefit obligations	<u>27,765,012</u>	<u>25,513,846</u>	<u>27,684,826</u>	<u>25,513,846</u>

The statements of comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Past service costs	-	3,900,264	-	3,900,264
Current service costs				
Cost of sales	410,182	639,553	379,291	639,553
Distribution cost	852,641	1,685,793	852,641	1,685,793
Administrative expenses	964,055	712,468	914,760	712,468
Interest on obligation	424,288	547,771	424,288	547,771
	<u>2,651,166</u>	<u>3,585,585</u>	<u>2,570,980</u>	<u>3,585,585</u>
<b>Total</b>	<u><u>2,651,166</u></u>	<u><u>7,485,849</u></u>	<u><u>2,570,980</u></u>	<u><u>7,485,849</u></u>

Principal actuarial assumptions at the reporting date for the years ended December 31, 2020 and 2019 are as follow:

	Percentage			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.50 - 1.80	1.50 - 1.80	1.50 - 1.80	1.50 - 1.80
Salary increase rate	4.50	4.50	4.50	4.50
Employee turnover rate	4.78 - 28.65	4.78 - 28.65	4.78 - 28.65	4.78 - 28.65
Mortality rate	Thai	Thai	Thai	Thai
	Mortality	Mortality	Mortality	Mortality
	Ordinary	Ordinary	Ordinary	Ordinary
	Table 2017	Table 2017	Table 2017	Table 2017

#### Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 and 2019 are summarized below:

	2020			
	Consolidated financial statements/Separate financial statements			
	%		Baht	
	increase	decrease	increase	decrease
Discount rate	1	(1)	(2,507,936)	2,929,634
Salary increase rate	1	(1)	2,645,897	(2,292,562)
Turnover rate	20	(20)	(3,346,202)	4,149,202
Mortality rate	20	(20)	(316,605)	321,329

	2019			
	Consolidated financial statements/Separate financial statements			
	%		Baht	
	increase	decrease	increase	decrease
Discount rate	1	(1)	(2,441,549)	2,860,592
Salary increase rate	1	(1)	2,351,558	(2,043,907)
Turnover rate	20	(20)	(2,937,513)	3,609,038
Mortality rate	20	(20)	(284,311)	288,500

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The Company recognized the increase in the employee benefit obligations approximately Baht 3.90 million, resulting in the decrease in profit approximately Baht 3.90 million in profit or loss for the year ended December 31, 2019.

#### 23. THE EMPLOYEE JOINT INVESTMENT PROGRAM (EJIP)

On May 22, 2015, the Securities and Exchange Commission approved the Employee Joint Investment Program (EJIP). The details of the program are as follows;

The period of EJIP	May 1, 2015 to April 30, 2020, with a total duration of 5 years.
Eligible employees under EJIP	The employees has over one year working experience or employees at director on the voluntary basis.
EJIP arrangement	The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate 5% of each month and director at the rate 5-25% of each month. The Company will contribute 100% of the amount contributed by EJIP participants on a monthly basis.
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	During the 1 <sup>st</sup> year - 2 <sup>st</sup> year, cannot sell any shares After the 2 <sup>nd</sup> year, can sell 25% of accumulated shares After the 3 <sup>rd</sup> year, can sell 50% of accumulated shares After the 4 <sup>th</sup> year, can sell 75% of accumulated shares After the 5 <sup>th</sup> year, can sell all shares
EJIP program manager	Philip Securities (Thailand) Public Company Limited

During the years 2020 and 2019, the Company and its subsidiaries contributed Bah 4.36 million and Baht 4.22 million, respectively (for the Company's only amounting to Baht 4.36 million and Baht 4.22 million, respectively), to the program.

24. PREMIUM ON ORDINARY SHARES

According to the Public Companies Act B.E. 2535, under the provision of section 51, the Company is required to set aside share subscription received in excess of the par value of the shares issued to a reserve account (“premium on ordinary shares”). The premium on ordinary shares is not available for dividend distribution.

25. LEGAL RESERVE

According to the Public Companies Act B.E. 2535, under provision of section 115, the Company is required to set aside a statutory reserve of at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

26. APPROPRIATION OF RETAINED EARNINGS

According to the Annual General Meeting of shareholders for the year 2020, held on August 3, 2020, the shareholders approved the appropriation of legal reserve at 5% of annual net profit in the amount of Baht 2.16 million and considered the acknowledgement the interim dividend payment approved by the Board of directors’ meeting No.3/2020 held on April 16, 2020, the directors approved the interim dividend payment at the rate of 0.18 baht per share for the issued and paid-up shares of 584,500,000 shares, amounting to Baht 105,209,568. The dividend was paid on May 15, 2020.

According to the Annual General Meeting of Shareholders No. 1/2019, held on April 25, 2019, the shareholders approved the appropriation of legal reserve at 5% of annual net profit in the amount of Baht 6,717,937 on and approve the dividend payment at the rate of 0.16 baht per share for the issued and paid-up shares of 584,500,000 shares, amounting to Baht 93,519,936. The dividend was paid on May 17, 2019.

27. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by UOB Asset Management (Thailand) Company Limited. This Fund is registered under the conditions of Ministry of Finance and the Fund is managed by the approved fund manager.

For the years ended December 31, 2020 and 2019, the Company and its subsidiaries paid contributions to provident fund and recognized as expenses amounting to Baht 4.23 million and Baht 3.82 million, respectively (for the Company’s only amounting to Baht 4.23 million and Baht 3.82 million, respectively).

28. OPERATING SEGMENT

Segment information is presented in respect of the business segments. The primary format in segment information report is based on the management and internal reporting structure.

The Company and its subsidiaries comprises the following main business segments:

- Segment 1 Fire Protection Products and Project
- Segment 2 Sanitary and Air-Conditioning System
- Segment 3 Refrigeration System
- Segment 4 Digital Printing System
- Segment 5 Building-IoT Solutions

Operating segment by business in the consolidated statement of comprehensive income for the ended December 31, 2020 and 2019 were as follows:

	Thousand Baht										
	Consolidated financial statements										
	2020						2019				
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sale of goods	438,907	63,816	202,828	308,747	-	1,014,298	547,642	81,097	262,005	345,299	1,236,043
Revenue from rendering of											
services	95,275	-	-	40,317	2,435	138,027	96,479	-	-	34,361	130,840
Cost of sale of goods	(313,761)	(43,868)	(138,122)	(184,646)	-	(680,397)	(398,254)	(58,695)	(174,115)	(196,846)	(827,910)
Cost of rendering of services	(83,513)	-	-	(33,294)	(2,072)	(118,879)	(88,807)	-	-	(31,976)	(120,783)
Gross profit	<u>136,908</u>	<u>19,948</u>	<u>64,706</u>	<u>131,124</u>	<u>363</u>	353,049	<u>157,060</u>	<u>22,402</u>	<u>87,890</u>	<u>150,838</u>	418,190
Other income						17,101					27,091
Distribution cost						(107,328)					(117,556)
Administrative expenses						(137,288)					(140,780)
Profit from operation						125,534					186,945
Finance cost						(91)					-
Income tax expense						(24,568)					(37,326)
Profit for the year						100,875					149,619
Other comprehensive income (expense)						(400)					(1,642)
Total comprehensive income for											
the year						<u>100,475</u>					<u>147,977</u>

	Separate financial statements									
	2020					2019				
	Segment 1	Segment 2	Segment 3	Segment 4	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sale of goods	438,907	63,816	202,828	285,467	991,018	547,642	81,097	262,005	348,002	1,238,746
Revenue from rendering of services	95,275	-	-	38,665	133,940	96,479	-	-	34,361	130,840
Cost of sale of goods	(313,761)	(43,868)	(138,122)	(163,693)	(659,444)	(398,254)	(58,695)	(174,115)	(199,053)	(830,117)
Cost of rendering of services	(83,513)	-	-	(31,784)	(115,297)	(88,807)	-	-	(31,976)	(120,783)
Gross profit	<u>136,908</u>	<u>19,948</u>	<u>64,706</u>	<u>128,655</u>	<u>350,217</u>	<u>157,060</u>	<u>22,402</u>	<u>87,890</u>	<u>151,334</u>	<u>418,686</u>
Other income					16,931					27,089
Distribution cost					(106,084)					(117,457)
Administrative expenses					(136,214)					(140,401)
Profit from operation					124,850					187,917
Finance cost					(91)					-
Income tax expense					(24,580)					(37,326)
Profit for the years					100,179					150,591
Other comprehensive income (expense)					-					(1,589)
Total comprehensive income for the years					<u>100,179</u>					<u>149,002</u>

Operating segment by business in the statement of financial position as at December 31, 2020 and 2019 were as follows:

	Thousand Baht										
	Consolidated financial statements										
	2020					2019					
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Assets for reportable segments											
Trade receivables - other companies	119,907	16,737	35,533	46,115	-	218,292	144,452	21,196	61,169	61,850	288,667
Inventories	127,853	6,282	58,918	64,799	-	257,852	144,012	9,518	73,452	78,058	305,040
Goodwill	-	-	200,066	134,606	-	334,672	-	-	200,066	134,606	334,672
Customer relationship	-	-	29,318	11,015	-	40,333	-	-	42,092	16,188	58,280
Assets under common use											
- Investment property	-	-	-	-	-	154,591	-	-	-	-	229,967
- Property, plant and equipment	-	-	-	-	-	129,528	-	-	-	-	30,667
- Right-of-use assets	-	-	-	-	-	104,968	-	-	-	-	-
- Intangible assets	-	-	-	-	-	18,016	-	-	-	-	20,947
- Others	-	-	-	-	-	399,206	-	-	-	-	328,057
Total assets for reportable segments	<u>247,760</u>	<u>23,019</u>	<u>323,835</u>	<u>256,535</u>	<u>-</u>	<u>1,657,458</u>	<u>288,464</u>	<u>30,714</u>	<u>376,779</u>	<u>290,702</u>	<u>1,596,297</u>
Total liabilities for reportable segments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,635</u>

Thousand Baht

	Separate financial statements									
	2020					2019				
	Segment 1	Segment 2	Segment 3	Segment 4	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Assets for reportable segments										
Trade receivables -										
other companies	119,907	16,737	35,533	45,741	217,918	144,452	21,196	61,169	64,857	291,674
Inventories	127,853	6,282	58,918	61,103	254,156	144,012	9,518	73,452	75,800	302,782
Goodwill	-	-	200,066	134,606	334,672	-	-	200,066	134,606	334,672
Customer relationship	-	-	29,318	11,015	40,333	-	-	42,092	16,188	58,280
Assets under common use										
- Investment property	-	-	-	-	154,591	-	-	-	-	229,967
- Property, plant and equipment	-	-	-	-	129,411	-	-	-	-	30,667
- Right-of-use assets	-	-	-	-	104,968	-	-	-	-	-
- Intangible assets	-	-	-	-	18,016	-	-	-	-	20,947
- Others	-	-	-	-	399,723	-	-	-	-	321,799
Total assets for reportable segments	<u>247,760</u>	<u>23,019</u>	<u>323,835</u>	<u>252,465</u>	<u>1,653,788</u>	<u>288,464</u>	<u>30,714</u>	<u>376,779</u>	<u>291,451</u>	<u>1,590,788</u>
Total liabilities for reportable segments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,100</u>

For the years ended December 31, 2020 and 2019, there was no revenue from sales and service with a single external customers contributed 10% or more to the total revenue.

## 29. EXPENSE BY NATURE

Expenses by nature for the years ended December 31, 2020 and 2019 consist of the significant expenses were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Purchases of finished goods	634,274,550	832,948,759	611,319,681	832,899,082
Other changes in finished goods and work in process	47,187,888	1,656,821	48,627,117	1,656,821
Employee expenses	186,127,043	200,061,724	182,988,355	199,950,186
Office rental and service expenses	10,429,235	14,156,410	10,227,436	14,138,804
Depreciation and amortization	34,998,103	31,622,613	34,985,483	31,622,613
Others	130,875,133	126,582,495	128,891,619	128,491,533
Total	<u>1,043,891,952</u>	<u>1,207,028,822</u>	<u>1,017,039,691</u>	<u>1,208,759,039</u>

## 30. INCOME TAX EXPENSE (TAX INCOME)

30.1 Major components of income tax expense (tax income)

For the years ended December 31, 2020 and 2019 consisted of:

	บาท			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Income tax expense shown in profit or loss :				
Current tax expense:				
Income tax expense for the years	30,577,605	44,507,315	30,572,330	44,507,315
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(6,009,340)	(7,181,444)	(5,992,706)	(7,181,444)
Total	<u>24,568,265</u>	<u>37,325,871</u>	<u>24,579,624</u>	<u>37,325,871</u>
Income tax relating to components of other comprehensive income:				
Deferred tax expenses (income) relating to Gain (loss) on re-measurements of defined benefits plans	-	(397,219)	-	(397,219)
Total	<u>-</u>	<u>(397,219)</u>	<u>-</u>	<u>(397,219)</u>

30.2 A numerical reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate.

For the years ended December 31, 2020 and 2019, which were summarized as follows:

	บาท			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit for the years	125,443,868	186,945,274	124,758,865	187,917,370
The applicable tax rate (%)	20%	20%	20%	20%
Income tax expense at the applicable tax rate	<u>25,088,774</u>	<u>37,389,055</u>	<u>24,951,773</u>	<u>37,583,474</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	184,927	185,860	122,762	185,860
Addition expenses deductible for tax purpose	(498,287)	(443,463)	(494,911)	(443,463)
Other	(207,149)	194,419	-	-
Total reconciliation items	<u>(520,509)</u>	<u>(63,184)</u>	<u>(372,149)</u>	<u>(257,603)</u>
Total tax expense (income)	<u>24,568,265</u>	<u>37,325,871</u>	<u>24,579,624</u>	<u>37,325,871</u>

30.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate.

For the years ended December 31, 2020 and 2019 were summarized as follows:

	Consolidated financial statements			
	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the years	125,443,868		186,945,274	
Income tax expense at the applicable tax rate	25,088,774	20.00	37,389,055	20.00
Reconciliation items	(520,509)	(0.41)	(63,184)	(0.03)
Income tax expense at the average effective tax rate	24,568,265	19.59	37,325,871	19.97

  

	Separate financial statements			
	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the years	124,758,865		187,917,370	
Income tax expense at the applicable tax rate	24,951,773	20.00	37,583,474	20.00
Reconciliation items	(372,149)	(0.30)	(257,603)	(0.14)
Income tax expense at the average effective tax rate	24,579,624	19.70	37,325,871	19.86

### 31. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the years by the weighted average number of ordinary shares in issue during the years.

	Consolidated financial Statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the years of parent company (Baht)	100,969,338	149,619,403	100,179,241	150,591,499
Weighted average number of ordinary shares (Shares)	584,500,000	584,500,000	584,500,000	584,500,000
Basic earnings per share (Baht per share)	0.17	0.26	0.17	0.26

### 32. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020 and 2019, the Company and its subsidiaries had commitments and contingent liabilities as follows :

32.1 As at December 31, 2020 and 2019, the Company and its subsidiaries have letters of guarantee issued by banks for goods and work under system installation service agreement of:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Million Baht	21.04	26.98	21.04	26.98
Million US dollars	0.27	0.27	0.27	0.27

32.2 The credit facilities with financial institutions as at December 31, 2020 and 2019 consisted of :

Type of credit	Consolidated financial statements/Separate financial statements			
	Facilities (Million Baht)		Referred interest rate (% per annum)	
	2020	2019	2020	2019
Bank overdrafts	10.00	11.00	MOR, MOR-0.50	MOR
Letter of credit/trust receipt	150.00	160.00	MLR-1, MMR	MLR-1, MMR
Letter of guarantee	74.00	54.00	1.25 - 2%	1.25 - 2%
Forward exchange contracts	560.00	562.39	-	-
Promissory notes	-	5.00	-	MLR
Total	<u>794.00</u>	<u>792.39</u>		
Forward foreign exchange contracts (Million US dollars)	<u>7.00</u>	<u>7.00</u>		

32.3 Minimum lease and service payments are as follows :

Payment periods	Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Due not later than 1 year	0.84	10.10	0.81	9.86
Due later than 1 year but not later than 5 years	1.38	11.71	1.37	11.71

During the year, the Company and its subsidiaries recognized right-of-use assets from lease agreements as illustrated in Note 15 to the interim financial statements.

Rental and service expenses for the years ended December 31, 2020 and 2019 are Baht 10.43 million and Baht 14.14 million, respectively (for the Company's only to Baht 10.23 million and Baht 14.14 million, respectively).

32.4 Guarantee

As at January 7, 2020, The Company has guaranteed the product cost to Harn Vietnam Co., Ltd. "subsidiary" in Vietnam under the product sale agreement in the full amount of 472,586 Pound Sterling.

### 33. FAIR VALUE MEASUREMENT

The Company and its subsidiaries uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant TFRS, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable 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.

As at December 31, 2020 and 2019, the Company and its subsidiaries had the following financial assets and liabilities that were measured at fair value on which the fair value hierarchy is classified as follows :

	Baht			
	Consolidated financial statements/Separate financial statements			
	2020			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in unit trusts	-	6,957,944	-	6,957,944
Foreign currency forward contracts	-	(361,039)	-	(361,039)

	Baht			
	Consolidated financial statements/Separate financial statement			
	2019			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in bond	-	59,620,756	-	59,620,756
Investments in unit trusts	-	64,857,167	-	64,857,167
Foreign currency forward contracts	-	135,819	-	135,819

#### Fair valuation techniques and inputs to Level 2 fair valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, forward rate of the respective currencies, and interest rate yield curves.

During the year, there were no transfers within the fair value hierarchy.

Certain financial assets and financial liabilities is measured at fair value

The following table gives information about how the fair values of these financial assets and financial liabilities are measured at fair value on fair value hierarchy as at December 31, 2020 and 2019.

Financial assets and financial liabilities	Fair value (Baht)		Fair value Hierarchy	Valuation techniques and key inputs for fair value measurement
	Consolidated financial statements/Separate financial statements			
	2020	2019		
<b>Financial assets (liabilities)</b>				
Foreign currency forward contracts	(361,039)	135,819	Level 2	Discounted cash flow The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

These financial assets and financial liabilities are presented as a part of other current assets and other current liabilities in the statement of financial position.

Valuation technique for financial instruments not measured at fair value of the Company and its subsidiaries are as follows:

Cash and cash equivalents, trade and other receivables, current portion of financial lease receivable had carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

General investment had not significantly different from the carrying values stated in the reporting date.

Trade and other payables, short-term provisions and other current liabilities - the carrying amounts stated in the reporting date of these financial liabilities approximate their fair values because of the short-term period to maturity of these financial instruments.

### 34. FINANCIAL INSTRUMENTS

#### **Financial risk management policies**

The Company and its subsidiaries are exposed to normal business risks from changes in interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiaries do not hold or use derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company and its subsidiaries. The Company and its subsidiaries have a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company and its subsidiaries are risk management process to ensure that an appropriate balance between risk and control is achieved.

#### **Capital management**

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

### Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Company and its subsidiaries primarily utilize forward foreign exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward foreign exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

As at December 31, 2020 and 2019, the Company and its subsidiaries have financial liabilities in foreign currencies as follows;

	Foreign Currencies			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Not hedged				
US dollar	-	119,663	-	119,663
EURO	178,477	35,902	178,477	35,902
GBP	234,891	-	234,891	-
SGD	1,250	-	1,250	-

### Derivatives

Derivatives are forward foreign exchange contracts used for economic hedging purposes and not as speculative investments. However, derivatives do not meet the hedge accounting criteria, therefore they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be realized within 12 months after the end of the reporting period.

As at December 31, 2020, the Company had loss from changes in fair value of derivatives in the amount of Baht 0.36 million.

### Net foreign exchange gains (losses)

For the years ended December 31, 2020 and 2019, the aggregate net foreign exchange gains (losses) recognized in profit or loss are as follow:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Unrealized gain (loss) on exchange rates	333,095	(210,302)	41,531	(210,302)
Gain (loss) on exchange rates				
- Sales	<u>1,604,608</u>	<u>4,843,700</u>	<u>1,296,854</u>	<u>4,843,700</u>
Total net gain (loss) on exchange rate				
recognized in profit before income tax	<u><u>1,937,703</u></u>	<u><u>4,633,398</u></u>	<u><u>1,338,385</u></u>	<u><u>4,633,398</u></u>

### **Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company and its subsidiaries are customer base, management does not anticipate material losses from its debt collection.

### **Liquidity risk**

The Company and its subsidiaries monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's and its subsidiaries's operations and to mitigate the effects of fluctuations in cash flows.

### **Classification and measurement of financial asset and financial liabilities**

On January 1, 2020 (the date of initial application of new financial reporting standards), the Company and its subsidiaries's management have assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities balances as at December 31, 2020 are as follows;

	Baht		
	Consolidated financial statements		
	FVPL	Amortized cost	Total
Financial assets as at December 31, 2020			
Cash and cash equivalents	-	306,074,340	306,074,340
Trade and other current receivables	-	250,986,608	250,986,608
Current contract assets	-	12,797,613	12,797,613
Other current financial assets		-	-
Other non-current financial assets	6,957,944	-	6,957,944
Trade and other non-current receivables	-	11,251,986	11,251,986
Other non-current assets	-	25,186,460	25,186,460
	<u>6,957,944</u>	<u>606,297,007</u>	<u>613,254,951</u>

	Baht	
	Consolidated financial statements	
	Amortized cost	Total
Financial liabilities as at December 31, 2020		
Trade and other current payables	167,659,996	167,659,996
Current portion for lease liabilities	8,918,127	8,918,127
Lease liabilities	96,052,606	96,052,606
Other non-current liabilities	24,937,360	24,937,360
	<u>297,568,089</u>	<u>297,568,089</u>

	Baht		
	Separate financial statements		
	FVPL	Amortized cost	Total
Financial assets as at December 31, 2020			
Cash and cash equivalents	-	299,318,282	299,318,282
Trade and other current receivables	-	250,372,389	250,372,389
Current contract assets	-	12,054,033	12,054,033
Other current financial assets	6,957,944	-	6,957,944
Other non-current financial assets	-	-	-
Trade and other non-current receivables	-	11,251,986	11,251,986
Other non-current assets	-	25,186,460	25,186,460
	<u>6,957,944</u>	<u>598,183,150</u>	<u>605,141,094</u>

Baht

	Separate financial statements	
	Amortized cost	Total
Financial liabilities as at December 31, 2020		
Trade and other current payables	164,045,038	164,045,038
Current portion of lease liabilities	8,918,127	8,918,127
Lease liabilities	96,052,606	96,052,606
Other non-current liabilities	24,937,360	24,937,360
	<u>293,953,131</u>	<u>293,953,131</u>

### 35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 is as follows:

	Baht			
	Consolidated financial statements			
	Balance as at January 1, 2020 (Note 4, 21)	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2020
Lease liabilities	2,814,619	(738,630)	102,894,744	104,970,733
Total	<u>2,814,619</u>	<u>(738,630)</u>	<u>102,894,744</u>	<u>104,970,733</u>

  

	Baht			
	Separate financial statements			
	Balance as at January 1, 2020 (Note 4, 21)	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2020
Lease liabilities	2,814,619	(738,630)	102,894,744	104,970,733
Total	<u>2,814,619</u>	<u>(738,630)</u>	<u>102,894,744</u>	<u>104,970,733</u>

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

### 36. RECLASSIFICATION

Certain amounts in the statement of financial position as at December 31, 2020 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications were as follow:

	Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	As previously reported	Reclassified increase (decrease)	As reclassified	As previously reported	Reclassified increase (decrease)	As reclassified
Trade and other current receivables	316,114	6,838	322,952	319,085	6,838	325,923
Current portion of lease receivables	6,838	(6,838)	-	6,838	(6,838)	-
Trade and other non-current receivables	-	7,991	7,991	-	7,991	7,991
Lease receivables	7,991	(7,991)	-	7,991	(7,991)	-
Trade and other current payables	194,404	5,434	199,838	187,871	5,432	193,303
Other current liabilities	6,547	(5,434)	1,113	6,545	(5,432)	1,113

### 37. EVENT AFTER THE REPORTING PERIOD

#### Dividend payment

According to the resolution of the Board of Directors' Meeting No. 1/2021 held on February 25, 2021, the Board of Directors approved dividend payment at Baht 0.13 per share for 584,500,000 issued and paid up ordinary shares, in total amount of Baht 75,985,000. The dividend declaration will be proposed to the next Annual General Shareholders' Meeting for approval.

### 38. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

### 39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 25, 2021.