

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

T H A I L A N D

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

AND

INDEPENDENT AUDITOR'S REPORT

EXPRESSED IN

THAI BAHT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Malee Group Public Company Limited

Opinion

I have audited the consolidated financial statements of Malee Group Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Malee Group Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2020, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and 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 consolidated and separate financial statements present fairly, in all material respects, the financial position of Malee Group Public Company Limited and its subsidiaries and of Malee Group Public Company Limited as of December 31, 2020, and financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Audit Procedures are as follows:

Presentation of inventory valuation (the consolidated and separate financial statements)

As describe in Note 3.3 and 9 to the financial statement, inventories which are stated at the lower of cost and net realizable value are significant amount. Most of inventory age is not long due to the Company and its subsidiaries are principally engaged in the manufacture and distribution of agriculture products such as canned fruit, fruit juices, milk and cereal drink and non - alcohol beverage. And the management used information from inventory aging analysis report and individual obsolete stock analysis report to consider the allowance for inventories declining value, therefore, I have identified that the valuation of inventories is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I assessed and tested the internal control related to the calculation of inventory cost, observed the inventory count, checked the aging report of inventories, inquired the management, and considered reasonableness of the policy regarding setup allowance for inventories declining value, and tested compliant of the allowance for inventories declining value to the policy. Including test the calculation of the allowance for inventories declining value by comparing cost of inventories and net realizable value. Additionally, I considered the adequacy of the information disclosure related to the measurement of inventories.

Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information 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 and the management of the Group.

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

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

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

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

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

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

As part of an audit in accordance with 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 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 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 financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Chaiyuth Angsuwithaya)
Certified Public Accountant
Registration No. 3885

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 22, 2021

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

ASSETS

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
CURRENT ASSETS					
Cash and cash equivalents	6	83,668,757	118,770,239	46,294,223	65,347,393
Trade receivables					
Subsidiaries	5	-	-	58,585,747	304,051,579
Related parties	5	11,423,549	30,111,438	-	281,269
Unrelated parties		471,541,694	713,581,118	207,790,360	347,447,120
Less : Allowance for doubtful accounts	7	(12,193,152)	(6,644,851)	(7,183,955)	(4,258,197)
Trade receivables, net	7	470,772,091	737,047,705	259,192,152	647,521,771
Other receivables	5 and 8	122,250,040	99,136,011	66,965,961	58,574,872
Current portion of lease receivable	19.1	-	-	1,959,075	-
Current portion of long - term loans to other	13	-	31,656,758	-	-
Inventories, net	9	543,646,215	523,276,799	361,255,299	327,331,747
Refundable income tax - current period		4,760,360	5,384,295	4,480,888	5,143,546
Other current assets		1,816,959	3,986,763	1,794,178	3,705,797
TOTAL CURRENT ASSETS		1,226,914,422	1,519,258,570	741,941,776	1,107,625,126
NON - CURRENT ASSETS					
Restricted bank deposits	4.1 and 29	-	21,001,047	-	21,001,047
Lease receivable, net	19.1	-	-	34,356,879	-
Investments in subsidiaries, net	10	-	-	532,125,535	532,125,535
Investments in joint ventures	11	21,117,979	72,144,642	99,372,066	114,274,305
Long - term loans to subsidiary	5 and 12	-	-	31,500,000	31,500,000
Property, plant and equipment, net	14, 20 and 29	1,669,898,560	1,993,113,324	1,487,912,000	1,774,243,776
Long - term loans to other, net	13	31,656,758	-	-	-
Right - of - use assets, net	15 and 20	477,537,443	-	334,405,821	-
Goodwill		48,332,779	48,428,706	-	-
Intangible asset, net	16	180,180,291	285,088,740	15,980,822	21,518,403
Deferred tax assets	25	284,407,151	213,308,982	250,047,430	173,556,388
Refundable income tax - perior period		12,085,823	6,951,756	10,211,300	5,077,527
Right to claim from the former shareholder		31,026,999	31,086,712	-	-
Other non - current assets					
Deposits	5	15,521,321	12,487,654	14,231,771	10,917,357
Others		3,957,484	5,464,328	2,264,670	4,546,758
TOTAL NON - CURRENT ASSETS		2,775,722,588	2,689,075,891	2,812,408,294	2,688,761,096
TOTAL ASSETS		4,002,637,010	4,208,334,461	3,554,350,070	3,796,386,222

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
CURRENT LIABILITIES					
Overdraft and short - term loans from financial institutions	17, 20 and 29	1,104,177,884	1,439,491,352	954,531,625	1,337,292,099
Trade payables					
Subsidiary	5	-	-	19,688	144,931
Related parties	5	25,472,106	17,599,123	25,472,106	17,184,591
Unrelated parties		317,202,046	349,851,631	254,666,388	283,027,274
Other payables	5 and 18	242,441,053	302,617,543	119,877,035	144,380,897
Current portion of long - term loans from financial institutions	20	224,482,174	142,999,202	224,482,174	142,999,202
Current portion of liabilities	19.2	63,553,343	38,493,736	55,541,840	38,493,736
Short - term loan from subsidiary	5	-	-	29,000,000	-
Corporate income tax payable		467,785	6,876,942	-	-
Other current liabilities					
Advances received for goods		25,896,538	14,393,394	22,736,170	12,445,582
Guarantee from customers		21,651,741	13,526,992	6,737,580	2,000,595
Others		9,225,343	7,293,223	377,350	381,940
TOTAL CURRENT LIABILITIES		2,034,570,013	2,333,143,138	1,693,441,956	1,978,350,847
NON - CURRENT LIABILITIES					
Long - term loans from financial institutions, net	20	608,187,529	541,416,444	602,342,029	535,224,645
Lease liabilities, net	19.2	262,086,035	42,502,921	256,313,858	42,502,921
Deferred tax liabilities	25	127,670,155	129,956,164	68,224,598	64,184,615
Provisions for employee benefits	21	99,466,152	100,605,531	79,594,869	80,915,295
Provision for tax - related liabilities		31,026,999	31,086,712	-	-
Other non - current liabilities		-	-	1,502,449	1,502,449
TOTAL NON - CURRENT LIABILITIES		1,128,436,870	845,567,772	1,007,977,803	724,329,925
TOTAL LIABILITIES		3,163,006,883	3,178,710,910	2,701,419,759	2,702,680,772

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
SHAREHOLDERS' EQUITY					
Share capital	22				
Authorized share capital					
280,000,000 ordinary shares of Baht 0.50 each as at 31 December 2019					
and 276,000,000 ordinary shares of Baht 0.50 each as at 31 December 2020		138,000,000	140,000,000	138,000,000	140,000,000
Issued and fully paid - up share capital					
280,000,000 ordinary shares of Baht 0.50 each as at 31 December 2019					
and 276,000,000 ordinary shares of Baht 0.50 each as at 31 December 2020		138,000,000	140,000,000	138,000,000	140,000,000
Share premium on issue of treasury shares	22	-	5,848,058	-	5,848,058
Retained earnings (deficit)					
Appropriated					
- Legal reserve	23	14,000,000	14,000,000	14,000,000	14,000,000
- Treasury shares reserve	22	-	114,335,425	-	114,335,425
Unappropriated		351,531,413	536,990,921	453,481,060	686,408,141
Other components of equity		230,587,746	225,118,292	247,449,251	247,449,251
<u>Less</u> Treasury shares	22	-	(114,335,425)	-	(114,335,425)
Total equity of parent Company's shareholders		734,119,159	921,957,271	852,930,311	1,093,705,450
Non - controlling interests		105,510,968	107,666,280	-	-
TOTAL SHAREHOLDERS' EQUITY		839,630,127	1,029,623,551	852,930,311	1,093,705,450
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,002,637,010	4,208,334,461	3,554,350,070	3,796,386,222

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Consolidated financial statements (Baht)															
Equity of parent Company's shareholders															
Note	Issued and fully paid - up share capital	Share premium on issue of treasury shares	Treasury shares	Retained earnings (deficit)			Other components of equity				Total equity of parent Company's shareholders	Non - controlling interests	Total shareholder's equity		
				Appropriated -			Other comprehensive income (loss)		Exchange differences on translating financial statement	Revaluation surplus				Actuarial gains (losses) on defined employee benefit plans	Total
				Legal reserve	Treasury shares reserve	Unappropriated									
	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	536,990,921	(28,076,488)	253,194,780	-	225,118,292	921,957,271	107,666,280	1,029,623,551		
22	(2,000,000)	(5,848,058)	114,335,425	-	(114,335,425)	7,848,058	-	-	-	-	-	-	-		
	-	-	-	-	-	7,594,973	-	-	(7,594,973)	(7,594,973)	-	-	-		
	-	-	-	-	-	(200,902,539)	5,469,454	-	7,594,973	13,064,427	(187,838,112)	(2,155,312)	(189,993,424)		
Ending balances as at December 31, 2020	138,000,000	-	-	14,000,000	-	351,531,413	(22,607,034)	253,194,780	-	230,587,746	734,119,159	105,510,968	839,630,127		
Balances as at January 1, 2019 - Before adjustment	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	737,180,213	(12,269,200)	201,338,780	-	189,069,580	1,086,097,851	119,334,145	1,205,431,996		
Cumulative effects of changes in accounting policies due to the adoption of TFRS 15	-	-	-	-	-	9,425,574	-	-	-	-	9,425,574	-	9,425,574		
Balances as at January 1, 2019 - After adjustment	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	746,605,787	(12,269,200)	201,338,780	-	189,069,580	1,095,523,425	119,334,145	1,214,857,570		
Total comprehensive income (loss) for the year	-	-	-	-	-	(209,614,866)	(15,807,288)	51,856,000	-	36,048,712	(173,566,154)	(11,667,865)	(185,234,019)		
Ending balances as at December 31, 2019	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	536,990,921	(28,076,488)	253,194,780	-	225,118,292	921,957,271	107,666,280	1,029,623,551		

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Separate financial statements (Baht)											
Notes	Issued and fully paid - up share capital	Share premium on issue of treasury shares	Treasury shares	Retained earnings (deficit)			Other components of equity			Total shareholder's equity	
				Appropriated -			Other comprehensive income (loss)				
				Legal reserve	Treasury shares reserve	Unappropriated	Revaluation surplus	Actuarial gains (losses) on defined			Total
								employee benefit plans			
Balances as at January 1, 2020	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	686,408,141	247,449,251	-	247,449,251	1,093,705,450	
Share capital reduction from treasury shares cancellation	22	(2,000,000)	(5,848,058)	114,335,425	-	(114,335,425)	7,848,058	-	-	-	
Transferred to retained earnings (deficit)	-	-	-	-	-	6,552,548	-	(6,552,548)	(6,552,548)	-	
Total comprehensive income (loss) for the year	-	-	-	-	-	(247,327,687)	-	6,552,548	6,552,548	(240,775,139)	
Ending balances as at December 31, 2020	138,000,000	-	-	14,000,000	-	453,481,060	247,449,251	-	247,449,251	852,930,311	
Balances as at January 1, 2019 - Before adjustment	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	873,657,216	196,569,251	-	196,569,251	1,230,074,525	
Cumulative effects of changes in accounting policies due to the adoption of TFRS 15	-	-	-	-	-	9,425,574	-	-	-	9,425,574	
Balances as at January 1, 2019 - After adjustment	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	883,082,790	196,569,251	-	196,569,251	1,239,500,099	
Total comprehensive income (loss) for the year	-	-	-	-	-	(196,674,649)	50,880,000	-	50,880,000	(145,794,649)	
Ending balances as at December 31, 2019	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	686,408,141	247,449,251	-	247,449,251	1,093,705,450	

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2020	2019	2020	2019
REVENUES					
Revenues from sales		3,870,374,745	4,920,999,981	2,808,657,229	3,800,702,205
Other incomes					
- Gain on exchange rate		2,460,883	1,644,892	746,512	2,824,670
- Reversal allowance for investment in the subsidiaries		-	-	-	12,647,047
- Others		41,777,991	77,373,910	152,575,023	116,046,805
TOTAL REVENUES	5	<u>3,914,613,619</u>	<u>5,000,018,783</u>	<u>2,961,978,764</u>	<u>3,932,220,727</u>
EXPENSES					
Cost of sales	9	3,168,839,179	4,100,642,087	2,786,011,346	3,643,209,467
Selling expenses		422,611,898	534,522,814	22,706,547	59,721,152
Administrative expenses		486,394,688	548,152,394	394,762,379	433,279,536
Other expense					
- Loss on sales of assets		-	14,144,400	-	14,144,400
- Loss on impairment of assets	14	1,420,037	-	1,420,037	-
- Loss on disposal of investments	11	-	-	14,833,251	-
TOTAL EXPENSES	5	<u>4,079,265,802</u>	<u>5,197,461,695</u>	<u>3,219,733,560</u>	<u>4,150,354,555</u>
PROFIT (LOSS) FROM OPERATING ACTIVITIES		(164,652,183)	(197,442,912)	(257,754,796)	(218,133,828)
FINANCE COSTS		(70,863,253)	(66,332,142)	(60,736,330)	(60,257,385)
REVERSAL OF IMPAIRMENT LOSS (IMPAIRMENT LOSS)					
DETERMINED IN ACCORDANCE WITH TFRS 9	7	(5,548,301)	(1,795,224)	(2,925,758)	(283,898)
SHARE OF PROFIT (LOSS) FROM INVESTMENTS					
IN JOINT VENTURES	11	(27,485,012)	(11,572,821)	-	-
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		(268,548,749)	(277,143,099)	(321,416,884)	(278,675,111)
TAX INCOME (EXPENSES)	25	65,648,861	66,018,565	74,089,197	82,000,462
PROFIT (LOSS) FOR THE YEARS		<u>(202,899,888)</u>	<u>(211,124,534)</u>	<u>(247,327,687)</u>	<u>(196,674,649)</u>
PROFIT (LOSS) FOR THE PERIODS ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		(200,902,539)	(209,614,866)	(247,327,687)	(196,674,649)
NON - CONTROLLING INTERESTS		(1,997,349)	(1,509,668)	-	-
		<u>(202,899,888)</u>	<u>(211,124,534)</u>	<u>(247,327,687)</u>	<u>(196,674,649)</u>
BASIC EARNINGS (LOSS) PER SHARE (BAHT)					
Profit (loss) attributable to equity holders of the parent		(0.73)	(0.76)	(0.90)	(0.71)
The weighted average number of ordinary shares (shares)	27	276,000,000	276,000,000	276,000,000	276,000,000

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2020	2019	2020	2019
PROFIT (LOSS) FOR THE YEARS		(202,899,888)	(211,124,534)	(247,327,687)	(196,674,649)
OTHER COMPREHENSIVE INCOME (LOSS):					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statement		5,311,491	(25,965,485)	-	-
Total item that will be reclassified subsequently to profit or loss		5,311,491	(25,965,485)	-	-
Items that will not be reclassified subsequently to profit or loss:					
Surplus on revaluation of assets	14	-	64,820,000	-	63,600,000
Actuarial gains (losses) on defined employee benefit plans	21	9,493,716	-	8,190,684	-
Deferred tax relating to other components of equity	25	(1,898,743)	(12,964,000)	(1,638,137)	(12,720,000)
Total items that will not be reclassified subsequently to profit or loss		7,594,973	51,856,000	6,552,547	50,880,000
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		12,906,464	25,890,515	6,552,547	50,880,000
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		(189,993,424)	(185,234,019)	(240,775,140)	(145,794,649)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS					
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE PARENT		(187,838,112)	(173,566,154)	(240,775,140)	(145,794,649)
NON - CONTROLLING INTERESTS		(2,155,312)	(11,667,865)	-	-
		(189,993,424)	(185,234,019)	(240,775,140)	(145,794,649)

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note	Baht			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2020	2019	2020	2019
Cash flows from (used in) operating activities				
Profit (loss) for the years	(202,899,888)	(211,124,534)	(247,327,687)	(196,674,649)
Adjustments to reconcile profit (loss) to net cash provided by (paid from) operating activities:				
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	5,548,301	1,795,224	2,925,758	283,898
Loss on destroy inventories	58,408,375	59,596,157	49,505,645	49,195,565
Allowance for obsolete inventories (reversal)	(735,135)	21,910,669	7,357,053	28,765,948
Allowance for impairment of assets (reversal)	1,420,036	(17,460,753)	1,420,036	(17,460,753)
Loss (gain) on disposal of investments	(682,164)	-	14,833,251	-
Allowance for investment in subsidiaries (reversal)	-	-	-	(12,647,047)
Depreciation	276,659,487	245,288,705	224,752,601	208,555,417
Amortization	9,092,889	23,165,082	7,726,223	17,190,710
Written off withholding income tax	180,818	2,681,237	-	1,781,319
Loss (gain) on sales of property, plant and equipment	(70,208)	14,144,400	(80,665)	14,144,400
Unrealised loss (gain) on exchange rate	(1,008,954)	(1,093,421)	(16,737)	(929,936)
Shares of (profit) loss of investments in joint ventures	27,485,012	11,572,821	-	-
Provisions for employee benefits	10,205,403	11,176,666	7,883,325	7,806,255
Interest income	(1,965,222)	(1,825,538)	(1,855,655)	(1,700,863)
Finance cost	70,863,253	66,332,142	60,736,330	60,257,385
Tax expense (income)	(65,648,861)	(66,018,565)	(74,089,197)	(82,000,462)
Profit (loss) from operating activities before changes in operating assets and liabilities	186,853,142	160,140,292	53,770,281	76,567,187
Operating assets decrease (increase)				
Trade receivables	261,736,267	71,942,432	385,403,861	167,961,336
Other receivables	(23,114,029)	70,073,572	(8,391,089)	61,364,058
Loan to subsidiary	-	-	-	(12,500,000)
Inventories	(78,042,656)	193,148,833	(90,786,250)	170,513,831
Other current assets	2,169,804	(4,739,081)	1,911,619	3,260,044
Other non - current assets	(1,526,823)	(3,233,360)	(1,032,326)	471,799
Operating liabilities increase (decrease)				
Trade payables	(24,776,602)	(38,244,229)	(20,181,877)	(25,681,988)
Other payables	(62,005,047)	(43,832,409)	(26,332,419)	(12,436,231)
Other current liabilities	21,560,013	(24,370,094)	15,022,983	(18,281,468)
Employee benefit obligation paid	(1,851,066)	(6,894,726)	(1,013,067)	(6,551,144)
Cash received (paid) from operating activities	281,003,003	373,991,230	308,371,716	404,687,424
Net cash received (paid) for income tax	(20,614,418)	(17,893,344)	(4,471,113)	(5,140,703)
Net cash flows from (used in) operating activities	260,388,585	356,097,886	303,900,603	399,546,721

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2020	2019	2020	2019
Cash flows from (used in) investing activities					
Decrease (increase) in restricted bank deposits		21,001,047	(4)	21,001,047	(4)
Cash received from lease receivable		-	-	1,996,884	-
Cash payment for increased investments in joint venture		(15,008,700)	(54,049,435)	-	(54,049,435)
Cash received from Capital distribution		44,952,817	-	68,988	-
Proceeds from sales of property, plant and equipment		5,661,057	62,990,714	2,768,177	53,973,694
Purchase of property, plant and equipment		(21,550,462)	(86,406,183)	(18,780,972)	(74,358,940)
Decrease (increase) in intangible assets		(2,188,642)	(1,337,570)	(2,188,642)	(1,337,570)
Interest received		1,965,222	1,825,538	1,855,655	1,700,863
Net cash flows from (used in) investing activities		<u>34,832,339</u>	<u>(76,976,940)</u>	<u>6,721,137</u>	<u>(74,071,392)</u>
Cash flows from (used in) financing activities					
Increase (decrease) in bank overdraft and short - term loans					
from financial institutions		(335,313,468)	(96,673,334)	(382,760,474)	(130,039,646)
Increase (decrease) in long - term loans from financial institutions		148,254,057	(104,258,008)	148,600,356	(89,458,485)
Increase (decrease) in short - term loan from subsidiary		-	-	29,000,000	-
Repayment of liabilities		(72,776,972)	(10,125,368)	(63,778,462)	(10,125,368)
Finance cost paid		(70,863,253)	(66,332,142)	(60,736,330)	(60,257,385)
Net cash flows from (used in) financing activities		<u>(330,699,636)</u>	<u>(277,388,852)</u>	<u>(329,674,910)</u>	<u>(289,880,884)</u>
Exchange differences on translating financial statement		377,230	13,881,413	-	-
Net increase (decrease) in cash and cash equivalents		(35,101,482)	15,613,507	(19,053,170)	35,594,445
Cash and cash equivalents at beginning of the year		118,770,239	103,156,732	65,347,393	29,752,948
Cash and cash equivalents at ending of the year	6	<u>83,668,757</u>	<u>118,770,239</u>	<u>46,294,223</u>	<u>65,347,393</u>
Supplemental disclosures of cash flow information :					
Activities not effecting cash :					
Increase in other payable from purchase asset		1,828,557	19,447,220	1,828,557	19,447,220
Lease liabilities increase from purchase of assets		1,520,658	-	1,520,658	-
Surplus on revaluation of assets		-	64,820,000	-	64,820,000
Effect from adoption of TFRS 16					
Increase in lease receivables		-	-	(38,312,838)	-
Decrease in property, plant and equipment		129,653,687	-	129,653,687	-
Increase of the right - of - use assets		(543,267,814)	-	(384,457,694)	-
Decrease in intangible assets		97,715,092	-	-	-
Increase in lease liabilities		315,899,035	-	293,116,845	-

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

1.1 Corporate information

Malee Group Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in the manufacture and distribution of agriculture products such as canned fruit, fruit juices, milk and cereal drink and non - alcohol beverage and its registered address is 401/1, Moo 8, Phaholyothin Road, Kookod, Lumlookka, Pathumthani, Thailand 12130.

1.2 Expenses by nature

The significant expenses classified by nature for the years ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in inventories of finished goods				
decrease (increase)	(8,944,006)	230,190,237	(21,605,148)	204,480,012
Purchase finished goods	79,290,699	101,047,916	3,992,186	13,474,854
Raw materials and consumables used	2,295,390,450	3,069,399,389	2,084,979,760	2,746,317,939
Employee benefits expenses	498,494,691	653,262,347	339,370,887	422,297,994
Directors and management benefit expenses	66,763,788	67,979,084	65,215,684	66,311,927
Depreciation and amortization expenses	285,752,376	268,453,787	232,478,825	225,746,127
Rental and warehouse management fee	41,832,330	41,507,648	14,400,000	16,200,000
Loss on sales of assets	-	14,144,400	-	14,144,400
Loss from defective and obsolete inventories	57,673,240	81,506,826	56,862,698	77,961,513

1.3 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Basis for preparation of financial statements

These financial statements have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting profession.

These financial statements are presented in Thai Baht, which is the functional currency of the Company and its subsidiaries.

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

2.2 Adoption of new financial reporting standards

2.2.1 Financial Reporting Standards which are effective for the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

(1) Financial reporting standards related to financial instruments

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

Accounting Standard

TAS 32 Financial Instruments: Presentation

Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.1 to the financial statements.

(2) TFRS 16 Leases

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

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

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.2 to the financial statements.

(3) Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives as follows:

Accounting Standards No 12 Income tax

- Not to consider the COVID-19 situation as uncertainty information which likely impact in evaluating whether it will have sufficient taxable profit in future periods to utilise deferred tax assets.

Accounting Standards No 36 Impairment of Assets

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36

Financial Reporting Standards No 9 Financial Instrument

- Not to take into forward-looking information using in measurement of expected credit loss for a simplified approach.

2.2.2 Financial reporting standards which are not effective for the current year

The Federation of Accounting Professions has issued the new accounting standard, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2021 is as follows:

Accounting Standard

- TAS 1 Presentation of Financial Statements
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- TAS 10 Events after the Reporting Period
- TAS 34 Interim Financial Reporting
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets
- TAS 38 Intangible Assets

Financial Reporting Standard

- TFRS 2 Share - based Payment
- TFRS 3 Business Combinations
- TFRS 6 Exploration for and Evaluation of Mineral Resources
- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments

Accounting Standard Interpretations

- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

- TFRIC12 Service Concession Arrangements
- TFRIC19 Extinguishing Financial Liabilities with Equity Instruments
- TFRIC20 Stripping Costs in the Production Phase of a Surface Mine
- TFRIC22 Foreign Currency Transactions and Advance Consideration

The management of the Group has assessed that TAS 1, TAS 8, TAS 10, TAS 34, TAS 37, TAS 38, TFRS 7, TFRS 9 and TFRIC 22 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Group's business, therefore they do not have impact on the financial statement when they are applied.

2.3 Basis of consolidation

2.3.1 These consolidated financial statements include the financial statements of Malee Group Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2019 are as follow:

Company's name	Nature of business	Percentage of shareholding		Country of incorporation	Assets as a percentage to the consolidated total assets		Revenues as a percentage to the consolidated total revenues	
		2020	2019		2020	2019	2020	2019
<u>Held by the Company</u>								
<u>Subsidiaries</u>								
Malee Enterprise Company Limited	Distributor	99.99	99.99	Thailand	10.98	12.71	34.64	33.16
Icon Foods, LLC.	Distributor (Dormant)	99.00	99.00	USA	-	-	-	-
Malee Capital Company Limited	Investment	99.99	99.99	Thailand	9.92	9.50	-	-
Malee International Company Limited	Importer, exporter, distribution of canned agriculture products, fruit juices and non - alcohol beverage	100.00	100.00	Thailand	4.13	4.25	17.08	13.60
Malee Applied Sciences Company Limited	Research and development of scientifically, transformation, agriculture	100.00	100.00	Thailand	0.87	0.70	0.48	0.38
<u>Joint ventures</u>								
PT Kino Malee Indonesia (A)	Importing, manufacturing, selling, marketing and distribution of MALEE product	-	49.00	Indonesia	-	-	-	-
Monde Malee Beverage Corporation	Importing, marketing promotion and sale of the Company's food and beverage in Philippine market	49.00	49.00	Philippine	-	-	-	-
Mega Malee Company Limited (B)	Research and development of food and beverage	-	49.00	Thailand	-	-	-	-
Malee Kino (Thailand) Company Limited (C)	Importing, selling, marketing and distribution of KINO products	51.00	51.00	Thailand	-	-	-	-
PT Kino Malee Trading (registered in Indonesia)	Importer of food and beverage for sale in Indonesia	49.00	-	Indonesia	-	-	-	-
<u>Held by a subsidiary</u>								
<u>Subsidiaries</u>								
Long Quan Safe Food JSC (Its subsidiary is TAN QUANG MINH MANUFACTURE AND TRADING Company Limited (100% owned))	Distributor consumer product for Vietnam and neighboring countries	65.00	65.00	Vietnam	4.43	6.60	10.67	9.91

- (A) Informed the Ministry of Commerce to liquidate its business on June 15, 2020 and its liquidation has been completed in November 3, 2020.
- (B) Informed the Ministry of Commerce to liquidate its business on July 13, 2020 and its liquidation has been completed in October 20, 2020.
- (C) Informed the Ministry of Commerce to liquidate its business on June 16, 2020. At present, the Company is on the process of liquidation.

- 2.3.2 The financial statements of an overseas subsidiaries, associate and joint venture are translated into Thai Baht at the average closing exchange rate as to assets and liabilities, and at average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of “Exchange difference on translating financial statement” in other components of equity.
- 2.3.3 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.3.4 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control is lost.
- 2.3.5 Investments in joint ventures is accounted for using the equity method and is recognized initially at cost. The consolidated financial statements include the Group’s share of the income and expenses and equity movements of equity accounted investee from the date that significant influence until the date that significant influence ceases.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Revenues from sale are recognized as revenue at the point in time when control of goods is transferred to the customer, generally by delivery of the goods, except for revenue from sale related to “Contract for special product” which are recognized as revenue by reference of the stage of completion.

Revenue from services are recognized by reference to the stage of completion.

Other incomes are recognised base on accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cheque in hand, cash at bank and all short - term highly liquid investments and not subject to withdrawal restrictions.

3.3 Inventories

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

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost by weighted average method). Standard cost includes all production costs and appropriate share of production overheads base on normal operating capacity.

Trading finished goods are state at cost (weighted average method).

Raw materials, packing materials, spare parts and factory supplies are value at the lower of cost (weighted average method) and charged to production costs whenever consumed.

Allowance for stock obsolescence is set up for old, obsolete, slow - moving or deteriorated inventories.

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

3.4 Investments

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statement is accounted for using the equity method.

3.5 Export incentive receivable

Export incentive, in the form of tax coupons, is recognized as revenue when the relevant export shipment is made. Export incentive is calculated by multiplying of the determined percentage and invoicing value based on F.O.B. basis.

3.6 Property, plant and equipment and depreciation

Measurement of land, plant and equipment

Land is stated at revalued amount. The others except land are stated at cost less accumulated depreciation and impairment loss (if any).

Recognition method of land on revaluation cost

Land is initially recorded at cost and subsequently revalued by an independent appraiser to its fair value. Revaluations are to be made regularly every five years to ensure that the carrying amount does not differ materially from the fair value at the statements of financial position date.

The differences arising from land revaluation are dealt in the financial statements as follows:

- When the carrying amount of land is increased as a result of the revaluation, such increase is credited directly to equity under "Revaluation surplus". However, a revaluation increase will be recognized as income only to the extent that it reverses a revaluation decrease of the same land previously recognized as an expense.
- When the carrying amount of land is decreased as a result of the revaluation, such decrease is recognized as an expense. However, a revaluation decrease will be charged directly against the related "Revaluation surplus" if the decrease does not exceed any credit balance existing in the revaluation surplus in respect of that land. If not, the excess will be recognized as an expense in the statements of income.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

Depreciation of plants and equipment are calculated by the estimated useful lives of each part of an item of plants, machineries and equipment. The estimated useful lives are as follows:

	Year
Land improvement	5
Buildings improvement	25
Building	20 and 40
Machinery	15 and 20
Equipment and furniture	5 and 10
Motor vehicles	5

No depreciation is provided for land and construction in progress.

3.7 Goodwill

The Group records the initial value of goodwill at cost, representing the excess of the acquisition costs over the fair value of the net assets acquired. Where the fair value of the net assets exceeds the cost of acquisition at the acquisition date, the difference is recognized as a gain in the statements of income immediately.

The Group recognizes goodwill at cost less accumulated impairment losses. The Group will carry out a test for impairment of goodwill at least once a year or when there are factors indicating that an investment might be impaired.

To test for impairment, the Group allocates goodwill from business combinations to each cash-generating unit (or group of cash - generating units) that is expected to benefit from the synergies of the combination. The Group evaluates the recoverable amount of each cash - generating unit (or group of cash - generating units) and if it is lower than the carrying amount of the unit, the Group recognizes impairment losses in the statements of income. Allowance for impairment of goodwill will not be reversed.

3.8 Intangible assets

Trademarks are stated at cost less accumulated impairment losses (if any)

Other intangible assets are stated at cost net of accumulated amortization. Amortization is calculated on the straight - line method over a period as follow:

	Years
Computer software	10
Customer relationship	7
Trademarks	Indefinite useful life

No amortization is provided for trademarks due to indefinite useful life. However, the Group is required to test for impairment annually and whenever there is an indication that the intangible asset may be impaired.

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

3.9 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non - controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed

When the excess is negative, a gain on business acquisition is recognized immediately in the statements of income.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination is expensed as incurred.

3.10 Borrowing cost

Borrowing costs comprise interest and other costs associated with the borrowings. Borrowing costs incurred on qualifying assets are capitalized as a cost of the qualifying property until all the activities necessary to prepare the property for its intended use are substantially completed. When funds are specifically borrowed for the construction or the production of asset, the amount of borrowing costs capitalized is determined from the actual borrowing costs during the year less any income on the temporary investment of those borrowings. When funds are borrowed for general purpose, the Group multiplies the capitalization rate by the capital expenditure in allocating borrowing costs to costs of assets.

All other borrowing costs are expensed in the period they incurred.

3.11 Amortization

Pallets and packages are stated at cost less accumulated amortization. Amortization of pallets and packages is calculated on the straight - line method over periods of 1 - 3 years.

3.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statements of income. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the lower of its recoverable amount (if determinable) and the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

3.13 Related party transactions

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

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

3.14 Leases

For the year ended December 31,2020

At inception of contact, the Group assesses whether a 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 Group as lessee

Right-of-use assets

The Group recognises right-of-use assets 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 recognised through initial measurement, 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.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Group recognizes interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in - substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

The Group as lessor

The Group classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight - line basis over the lease term.

Sub lease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short-term lease to which the Group apply the exemption described in “Short-term leases and leases of low - value asset, then it classifies the sub-lease as an operating lease.

The Group as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Group derecognise the right-of-use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

Initial adoption

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.2 to the financial statements.

For the year ended December 31,2019

- Finance lease agreement

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased property or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long - term payables, while the interest element is charged to the statements of income over the lease period. If there is no reasonable certainty that the lessees will obtain ownership by the end of the lease term, the asset acquired under finance lease shall be fully depreciated over the shorter of the useful life of the asset or the lease term.

- Operating Lease

Lease of assets under which all the risks and reward of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight - line basis over the lease term.

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 recognised as an expense in the year in which termination takes place.

3.15 Provisions

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

3.16 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law are recognized as expenses in the income statement along the service period of employees. The Group' post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Group recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

The Group recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the income statement when the Group' plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

3.17 Income tax

Income tax for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of income except to the extent that they relate to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date.

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

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 each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.18 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities dominated in foreign currencies outstanding at the statements of financial position date are translated into Baht at the exchange rates ruling on the statements of financial position date.

Gains and losses on exchange are included in determining earnings.

Foreign entity's assets and liabilities are translated into Thai Baht at average bank buying and selling rate at the end of year, income and expense are translated into Thai Baht at average exchange rate during the year. Currency translation differences are presented in statement of comprehensive income in according to the percentage of shareholding.

3.19 Use of estimates and judgments

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgment and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant areas of estimation uncertainty and critical judgment related to allowance for doubtful accounts, allowance for devaluation of inventories, allowance for impairment of investment, depreciation, allowance for impairment of assets and provisions for employee benefit.

3.20 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. If the selling price of treasury shares is greater than the purchase price of treasury shares, the Company recognizes the difference under the caption of "Premium on treasury shares". If the selling price of treasury shares is less than the purchase price of treasury shares, the difference is initially deducted from premium on treasury shares, with the remainder deducted against retained earnings.

3.21 Fair value measurement

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

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

- Level 1 - 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 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at amortised cost except investment units are measured at fair value through profit or loss.

Financial assets which are the equity in trading securities are measured at fair value through profit or loss. For equity instruments for other purposes are measured at fair value through profit or loss or through other comprehensive income. In the case, the equity securities are measured at fair value through other comprehensive income, the accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group assesses on a forward - looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Group applies general or simplified approach for credit - impaired consideration which depends on the significant of credit risk.

Initial adoption

Since January 1, 2020, the Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.1 to the financial statements.

3.23 Basic Earnings (loss) per share

Basic earnings (loss) per share is determined by dividing profit (loss) attributable to equity holders of the parent for the year by the weighted average number of ordinary shares outstanding.

4. EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 2.2.1 to the financial statements, during the current period, the Group has adopted financial reporting standard related to financial instruments and TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as of January 1, 2020. Therefore, the comparative information was not restated. The impacts on the financial statement from changes in accounting policies due to the adoption of these standards are presented as follows:

4.1 Group of Financial Instruments Standards

The Group has adopted financial reporting standard related to financial instruments as described in Note 2.2.1 (1) to the financial statements which have the material impact for the classification of financial assets as follows:

Consolidated and separate financial statements					
Baht					
	Classification under Previous standards as of December 31, 2019		Classification under TFRS 9 as of January 1, 2020		Category
		Reclassifications			
Assets					
Non current					
Restricted bank deposits	21,001,047	(21,001,047)	-		
Other non-current financial assets					
- Restricted fixed deposits	-	21,001,047	21,001,047		Financial asset measured at amortized cost

Besides, other financial assets and liabilities of the Group are measured at amortized cost.

4.2 TFRS 16 Leases

The Group has adopted TFRS16 “Leases” as described in Note 2.2.1 (2) to the financial statements as follows:

The Group recognised a right-of-use and a lease liability previously classified as an operating lease at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate at the date of initial application (as of January 1, 2020). Therefore, the comparative information, which presented based on TAS 17, was not restated. The Group recognised the carrying amount of the right - of - use assets and lease liabilities, previously classified as financial leases, based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

Therefore the impacts from adoption of this standard at the date of initial application (as of January 1, 2020) are

	Baht	
	Consolidated financial statements	Separate financial statements
<u>Assets</u>		
Increase in lease receivables	-	48,137,415
Increase deferred interest income	-	(9,824,577)
Decrease in property, plant and equipment	(129,653,687)	(129,653,687)
Increase of the right - of - use assets	543,267,814	384,457,694
Decrease in intangible assets	(97,715,092)	-
	315,899,035	293,116,845
<u>Liabilities</u>		
Increase in lease liabilities	328,407,600	304,768,540
Increase deferred interest expenses	(12,508,565)	(11,651,695)
	315,899,035	293,116,845

5. RELATED PARTY TRANSACTIONS

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties are these parties linked to companies in the Group are as follow:

Related Companies	Business Type	Relationship
Direct subsidiaries		
Malee Enterprise Company Limited	Distributor	Shareholders/Co - directors
Icon Foods LLC	Distributor (dormant)	Shareholders/Co - directors
Malee Capital Company Limited	Investment	Shareholders/Co - directors
Malee International Company Limited	Importer, exporter, distribution of canned agriculture products, fruit juices and non - alcohol beverage	Shareholders/Co - directors
Malee Applied Sciences Company Limited	Research and development of scientifically, transformation, agriculture	Shareholders/Co - directors
Indirect subsidiaries		
Long Quan Safe Food JSC (held by Malee Capital Company Limited 65%)	Distributor consumer product for Vietnam and neighboring countries	Shareholders/Co - directors
Tan Quang Minh Manufacture and Trading Company Limited (held by Long Quan Safe Food JSC 100%)	Manufacturing and distributor consumer product for Vietnam and neighboring countries	Shareholders/Co - directors
Joint ventures		
PT Kino Malee Indonesia (registered in Indonesia) (A)	Importing, manufacturing, selling, marketing and distribution of MALEE products in Indonesia market	Shareholders/Co - directors
Monde Malee Beverage Corporation (registered in Philippine)	Importer of food and beverage for sale in Philippine	Shareholders/Co - directors
Mega Malee Company Limited (B)	Research and development of food and beverage	Shareholders/Co - directors
Malee Kino (Thailand) Company Limited (C)	Importing, selling, marketing and distribution of KINO products	Shareholders/Co - directors
PT Kino Malee Trading (registered in Indonesia)	Importer of food and beverage for sale in Indonesia	Shareholders/Co - directors

Related Companies	Business Type	Relationship
Related parties		
Abico Holding Public Company Limited	Holding company (investment)	Company's shareholder/ Co - directors
Abico Land Company Limited	Real estate developer	Co - directors
Abico Dairy Farm Company Limited	Produce service of ready to drink milk and fruit juices	Co - directors
PPO Farm Company Limited	Agriculture and dairy farm	Co - directors
Spicy Disc Company Limited	Music and entertainment	Co - directors
Central Trading Company Limited	Department store	Co - directors
Central World Company Limited	Department store	Co - directors
MONDE NISSIN CORPORATION	Manufacture and distributor for noodle and biscuits	Partnership
PT KINO INDONESIA TBK	Manufacture and distribution of consumer products in Indonesia	Partnership
KINO INTERNATIONAL PTE LTD.	Holding company (investment)	Partnership
Mega Lifesciences Public Company Limited	Manufacture and distributor of health food supplements and branded prescription pharmaceutical products	Partnership
(A)	Informed the Ministry of Commerce to liquidate its business on June 15, 2020 and its liquidation has been completed in November 3, 2020.	
(B)	Informed the Ministry of Commerce to liquidate its business on July 13, 2020 and its liquidation has been completed in October 20, 2020.	
(C)	Informed the Ministry of Commerce to liquidate its business on June 16, 2020. At present, the Company is on the process of liquidation.	

During the year the Company had significant trading transactions with its subsidiaries and related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

	Transfer Pricing policy	Baht			
		For the year ended December 31,			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<u>Transactions with subsidiaries</u>					
Sales of goods	At the rate agreed upon	-	-	1,359,046,220	1,694,709,165
Sales of raw materials and others	At the rate agreed upon	-	-	277,669	209,915
Revenues from management	Contract price	-	-	115,800,000	38,985,000
Revenues from service	Contract price	-	-	1,320,000	1,320,000
Guarantee fee	2.50% and 3.36% of the guarantee amount	-	-	4,172,131	2,190,444
Interest income	Contract price	-	-	1,747,615	1,437,469
Purchase of goods	At the rate agreed upon	-	-	2,168,312	2,185,473
Research and development service	Contract price	-	-	15,993,008	15,554,325
Warehouse rental expenses	Contract price	-	-	5,400,000	7,200,000
Guarantee fee expenses	2.50% of the guarantee amount	-	-	19,219,655	-
Interest expenses	Contract price	-	-	43,897	-
<u>Transactions with indirect subsidiary</u>					
Purchase of goods	At the rate agreed upon	-	-	36,505	3,450,292
<u>Transactions with joint venture</u>					
Sales of goods	At the rate agreed upon	37,761,996	49,346,329	308,733	916,618
Revenues from management	Contract price	1,320,000	2,640,000	1,320,000	2,640,000
Revenues from marketing support	Contract price	10,797,170	-	-	-

		Baht			
		For the year ended December 31,			
		Consolidated financial statements		Separate financial statements	
Transfer Pricing policy		2020	2019	2020	2019
<u>Transactions with related parties</u>					
Sales of goods	At the rate agreed upon	-	2,599,965	-	-
Sales of raw materials and others	At the rate agreed upon	316,020	795,682	316,020	795,682
Revenues from service	Contract price	1,200,000	1,200,000	1,200,000	1,200,000
Purchase of goods	At the rate agreed upon	422,924	-	-	-
Purchase of raw materials and others	At the rate agreed upon	30,054,517	29,891,303	30,054,517	29,891,303
Produce service	At the rate agreed upon	97,714,228	102,622,055	97,714,228	102,622,055
Building rental and service expenses	Contract price	15,004,030	16,538,801	15,004,030	16,502,801

The balances of the accounts as at December 31, 2020 and 2019 between the Company and its subsidiaries and those related companies are as follows:

		Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<u>Trade receivables</u>					
<u>Subsidiaries</u>					
	Malee Enterprise Co., Ltd.	-	-	38,849,608	257,116,420
	Malee International Co., Ltd.	-	-	19,736,139	46,935,159
	Total	-	-	58,585,747	304,051,579
<u>Joint venture</u>					
	Monde Malee Beverage Corporation	11,423,549	28,983,421	-	-
	Mega Malee Co., Ltd.	-	542,262	-	281,269
	PT Kino Malee Indonesia	-	585,755	-	-
	Total	11,423,549	30,111,438	-	281,269
<u>Other receivables</u>					
<u>Subsidiaries</u>					
	Malee Enterprise Co., Ltd.	-	-	16,368,526	10,232,046
	Malee International Co., Ltd.	-	-	-	11,804,590
	Malee Applied Science Co., Ltd.	-	-	13,771,397	4,714,790
	Total	-	-	30,139,923	26,751,426
<u>Joint venture</u>					
	Malee Kino (Thailand) Co., Ltd.	1,883,806	444,860	1,883,806	444,153
<u>Related party</u>					
	Abico Dairy Farm Co., Ltd.	1,347,061	531,223	1,314,987	531,223
<u>Long - term loans</u>					
<u>Subsidiary</u>					
	Malee Applied Science Co., Ltd.	-	-	31,500,000	31,500,000
<u>Deposits</u>					
<u>Related party</u>					
	Abico Land Co., Ltd.	8,124,800	8,124,800	8,124,800	8,124,800

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade payables</u>				
Subsidiary				
Malee Enterprise Co., Ltd.	-	-	19,688	144,931
Joint venture				
Mega malee Co., Ltd.	-	400,622	-	-
Related party				
Abico Dairy Farm Co., Ltd.	25,472,106	17,198,501	25,472,106	17,184,591
<u>Other payables</u>				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	1,075,820	2,568,000
Malee Capital Co., Ltd.	-	-	29,360,264	12,316,428
Malee International Co., Ltd.	-	-	3,174,704	-
Malee Applied Sciences Co., Ltd.	-	-	3,551,272	10,041,397
Total	-	-	37,162,060	24,925,825
<u>Other payables</u>				
Related party				
Abico Land Co., Ltd.	137,902	-	134,902	-
<u>Loans</u>				
Subsidiary				
Malee Capital Co., Ltd.	-	-	29,000,000	-

Loan

During the year 2020, the Company had entered into a loan agreement with a subsidiary in the amount of Baht 29 million with interest rate agreed upon. The principal and interest are repayable with in December 14, 2021.

Directors and management benefit expenses

Directors and management benefit expenses represent the benefits paid to the directors and the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange.

Directors and management benefit expenses for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short - term employee benefits	64,865,008	66,166,694	63,316,904	64,499,537
Post - employment benefits	1,898,780	1,812,390	1,898,780	1,812,390
Total	66,763,788	67,979,084	65,215,684	66,311,927

Guarantee obligations with related party

The Company has outstanding guarantee obligations with a subsidiary and its subsidiaries has outstanding guarantee obligation with the Company, as described in note 30.3 to the financial statements.

Service agreements

The Company entered into a service agreement with 3 subsidiaries and a joint venture to manage in each function specified in the agreement by receiving fees amount of Baht 0.22 - 5.50 million per month for a period of 1 year including a renewal option. The Company has to comply with certain conditions contained in the agreements.

The joint venture has terminated a service agreement since April 2020.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	629,371	2,362,523	37,448	86,592
Cash at banks - current accounts	19,252,348	18,048,336	4,848,907	1,367,721
- saving accounts	55,914,291	95,779,605	34,298,865	57,686,397
Cheque in hand	7,872,747	2,579,775	7,109,003	6,206,683
Total	83,668,757	118,770,239	46,294,223	65,347,393

7. TRADE RECEIVABLES, NET

The outstanding balances of trade receivables as at December 31, 2020 and 2019 are aged, based on due date, are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Not yet due	358,743,773	580,139,906	212,599,877	438,944,061
Past due				
Up to 3 months	113,924,935	153,405,903	46,237,304	207,814,857
3 - 6 months	516,611	-	-	386,958
6 - 9 months	1,095,408	1,016,161	940,401	312,423
Longer than 9 months	8,684,516	9,130,586	6,598,525	4,321,669
Total	482,965,243	743,692,556	266,376,107	651,779,968
Less: Allowance for doubtful accounts	(12,193,152)	(6,644,851)	(7,183,955)	(4,258,197)
Trade receivables, net	470,772,091	737,047,705	259,192,152	647,521,771

The changes of allowance doubtful accounts during the year are as follows:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	(6,644,851)	(4,849,627)	(4,258,197)	(3,974,299)
Decreased (Increased) during the years	(5,548,301)	(1,795,224)	(2,925,758)	(283,898)
Ending balance	(12,193,152)	(6,644,851)	(7,183,955)	(4,258,197)

8. OTHER RECEIVABLES

Other receivables are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2019	2020
Accrued other income	17,421,748	28,308,632	43,135,794	48,835,716
Advance payment	2,094,830	1,293,412	234,666	837,999
Prepaid expense	14,515,012	11,821,052	8,303,093	2,492,029
Advance payment for goods	22,929,277	16,518,690	11,471,636	4,640,429
Revenue department receivable	65,289,173	41,194,225	3,820,772	1,768,699
Total	122,250,040	99,136,011	66,965,961	58,574,872

9. INVENTORIES, NET

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	293,155,463	284,211,457	158,150,741	136,545,593
Raw materials	164,709,682	141,928,389	132,153,131	103,574,428
Packing materials	124,386,255	123,622,713	112,352,828	106,942,437
Spare parts and factory supplies	26,406,667	30,290,985	24,527,550	29,870,946
Goods in transit	3,924,483	12,894,725	3,924,484	12,894,725
Total	612,582,550	592,948,269	431,108,734	389,828,129
<u>Less: Allowance for stock obsolescence</u>	<u>(68,936,335)</u>	<u>(69,671,470)</u>	<u>(69,853,435)</u>	<u>(62,496,382)</u>
Inventories, net	543,646,215	523,276,799	361,255,299	327,331,747

Inventories recognized as an expense in cost of sales for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of goods sold	3,111,165,939	4,019,135,261	2,729,148,648	3,565,247,954
Loss on destroy inventories	58,408,375	59,596,157	49,505,645	49,195,565
Increase (decrease) in provision for obsolete inventories	(735,135)	21,910,669	7,357,053	28,765,948
	3,168,839,179	4,100,642,087	2,786,011,346	3,643,209,467

The changes of allowance for obsolete stock during the year as follows:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	(69,671,470)	(47,760,801)	(62,496,382)	(33,730,434)
Decreased (increased) during the year	735,135	(21,910,669)	(7,357,053)	(28,765,948)
Ending balance	(68,936,335)	(69,671,470)	(69,853,435)	(62,496,382)

10. INVESTMENTS IN SUBSIDIARIES, NET

These represent investments in ordinary shares of the following subsidiary companies.

Company's name	Separate financial statements							
	Paid - up capital		Shareholding percentage		Cost method (Baht)		Dividend received (Baht)	
	2020	2019	2020	2019	2020	2019	For the year ended December 31,	
							2020	2019
<u>Investments in subsidiary companies</u>								
Malee Enterprise Company Limited	Baht 100 million	Baht 100 million	99.99	99.99	99,988,000	99,988,000	-	-
Icon Foods Company Limited	USD 50,500	USD 50,500	99.00	99.00	1,291,000	1,291,000	-	-
Malee Capital Company Limited	Baht 385 million	Baht 385 million	99.99	99.99	385,000,000	385,000,000	-	-
Malee International Company Limited	Baht 40 million	Baht 40 million	100.00	100.00	37,137,535	37,137,535	-	-
Malee Applied Science Company Limited	Baht 10 million	Baht 10 million	99.99	99.99	10,000,000	10,000,000	-	-
					533,416,535	533,416,535		
<u>Less</u> Impairment loss on investment					(1,291,000)	(1,291,000)		
Investments in subsidiaries, net					532,125,535	532,125,535		

In year 2019, the management found that the recoverable amount of a subsidiary which recognized impairment loss in prior years is higher than investment cost. Then the Company has reverse the impairment of investment in the subsidiary in the statement of income in separate financial statements in year 2019 amounted to Baht 12.65 million.

11. INVESTMENTS IN JOINT VENTURES

Company's name	Nature of business	Paid - up capital		Shareholding percentage		Baht	
						Consolidated financial statement	
		2020	2019	2020	2019	Equity method	
		2020	2019	2020	2019	2020	2019
Joint ventures							
Malee Kino (Thailand) Company Limited (D)	Importing, selling, marketing and distribution of KINO products	Baht 25 million	Baht 25 million	51.00	51.00	841,309	5,644,597
PT KINO Malee Indonesia (registered in Indonesia) (C)	Importing, manufacturing, marketing and distribution of MALEE products in Indonesia market	-	Rupiah 40,000 million	-	49.00	-	45,018,495
Monde Malee Beverage Corporation (registered in Philippine) (B)	Importation, marketing promotion and sale of the Company's food and beverage in Philippine market	Philippine Peso 300 million	Philippine Peso 300 million	49.00	49.00	5,578,245	18,521,922
Mega Malee Co., Ltd. (A)	Research and development of food and beverage	-	Baht 30 million	-	49.00	-	2,959,628
PT Kino Malee Trading (registered in Indonesia)	Importer of food and beverage for sale in Indonesia	Rupiah 15,000 million	-	49.00	-	14,698,425	-
Investments in Joint Venture						21,117,979	72,144,642

Company's name	Nature of business	Paid - up capital		Shareholding percentage		Baht	
						Separate financial statement	
		2020	2019	2020	2019	Cost method	
		2020	2019	2020	2019	2020	2019
Joint ventures							
Monde Malee Beverage Corporation (registered in Philippine) (B)	Importation, marketing promotion and sale of the Company's food and beverage in Philippine market	Philippine Peso 300 million	Philippine Peso 300 million	49.00	49.00	99,372,066	99,372,066
Mega Malee Co., Ltd. (A)	Research and development of food and beverage	-	Baht 30 million	-	49.00	-	14,902,239
Investments in Joint Venture						99,372,066	114,274,305

(A) In March, 2019, Mega Malee Co., Ltd. approved to call for additional paid - up capital amount of Baht 20.00 million with the same portion, effecting on share capital and paid - up capital of Mega Malee Co., Ltd. amounting to Baht 30.00 million.

The company had informed the Ministry of Commerce to liquidate its business on July 13, 2020 and its liquidation has been completed in October 20, 2020.

- (B) In July 2019, Monde Malee Beverage Corporation approved to call for additional paid - up capital amount of Philippine Peso 150 million with the same portion, effecting on share capital and paid - up capital of Monde Malee Beverage Corporation amounting to Philippine Peso 300 million.
- (C) Informed the Ministry of Commerce to liquidate its business on June 15, 2020 and its liquidation has been completed in November 3, 2020.
- (D) Informed the Ministry of Commerce to liquidate its business on June 16, 2020. The Company is on the process of liquidation.

Movements of investments in associate and joint ventures for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Investment in joint ventures				
at beginning of years	72,144,642	32,267,936	114,274,305	60,224,870
Acquisitions	15,008,700	54,049,435	-	54,049,435
Share of profits (loss) under equity method	(27,485,012)	(11,572,821)	-	-
Exchange differences on translating financial statement	5,720,302	(2,599,908)	-	-
Disposals of investments	(44,270,653)	-	(14,902,239)	-
Investment in joint ventures at ending of the years	<u>21,117,979</u>	<u>72,144,642</u>	<u>99,372,066</u>	<u>114,274,305</u>

Summarized financial information of joint ventures are as follows:

Name	Million Baht									
	Paid - up capital		Total assets		Total liabilities		Total revenues		Profit (loss)	
	As at December 31,		As at December 31,		As at December 31,		for the years ended		for the years ended	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Joint ventures										
Malee Kino (Thailand)										
Company Limited	Baht 25 million	Baht 25 million	7.18	14.81	5.53	3.75	1.13	5.53	(9.42)	(10.84)
PT Kino Malee Indonesia	-	Rupiah 40,000 million	-	94.79	-	2.88	-	5.34	(1.93)	3.37
Monde Malee Beverage Corporation	Philippine Peso 300 million	Philippine Peso 300 million	65.22	90.21	53.83	42.04	46.99	62.18	(40.13)	(2.39)
Mega Malee Company Limited	-	Baht 30 million	-	7.63	-	2.00	-	2.68	-	(13.32)
PT Kino Malee Trading	Rupiah 15,000 million	-	36.44	-	0.54	-	5.66	-	(2.08)	-

12. LONG - TERM LOANS TO SUBSIDIARY, NET

	Baht			
	Separate financial statements			
	2019	Increase	Decrease	2020
Loans	<u>31,500,000</u>	<u>10,000,000</u>	<u>(10,000,000)</u>	<u>31,500,000</u>

On the 4th quarter of year 2018, the Company had entered into a loan agreement with a subsidiary no. 1 in the amount Baht 2 million with interest at the rate MLR% p.a.. The principal and interest are repayable with in year 2020 and interest are repayable in quarterly.

Later, in year 2019, the Company and subsidiary have entered into the additional memorandum for the loan agreement in the amount Baht 12 million by extended payment term of principal and interest to be within December 31, 2021, instead.

During the year 2019, the Company had entered into 9 loan agreements with a subsidiary in the amount of Baht 17.50 million with interest is at the rate MLR% p.a.. The interest are repayable in quarterly and total principal which will be repayable within the year 2021.

During the year 2020, the company has entered into additional loan agreement with the same subsidiary at Baht 20 million with interest at 3.50% p.a. (the subsidiary would make a withdrawal due to its necessity). The interest are repayable in quarterly and total principal are repayable within February 2022.

Loans to a subsidiary which is unsecured.

13. LONG - TERM LOANS TO OTHER, NET

	Baht			
	Consolidated financial statements			
	2019	Increase	Decrease	2020
Loans	31,656,758			31,656,758
<u>Less</u> Current portion	(31,656,758)	-	-	-
Loan to other, net	-			31,656,758

During the year 2014 - 2016, Malee International Company Limited (“MIC”) had entered into various loan agreements with Lanchang Farm Company Limited (“LCF”) (formerly is subsidiary of “MIC” and commencing on March 31, 2017, “LCF” has not been a subsidiary of “MIC”). As of December 31, 2016, the loan balance was Baht 33.52 million with interest at the rate MLR% p.a. and payment conditions on principal and interest as identify in each agreement.

On February 1, 2017, “LCF” has executed a letter of acknowledgement of debt as of January 31, 2017 with “MIC” and amended payment conditions on principal and accrued interest as follows:

- Grace period for all principal and accrued interest until September 2017 and start to make quarterly repayment from October 2017 as described in the agreement and the whole amount will be fully paid within January 2022.
- Starting from February 2017, the loan will be subject to interest rate of 6.275% p.a. monthly payable.

Since Lanchang Farm Company Limited has some liquidity concerns where it cannot meet the obligation to repay its debt and interest for certain period during the past and on December 12, 2018, Lanchang Farm Company Limited has issued the letter requesting to delay debt payments and suggest the approach to comply such obligation. On January 8, 2019, Board of Directors of Malee International Company Limited agreed and approved reduction of the unpaid interest from July 2018 to December 2018 at the amount of Baht 0.82 to Lanchang Farm Company Limited and stopping charging interest expenses commencing from January 1, 2019 onward. Directors of Malee International Company Limited also allow Lanchang Farm Company Limited to sell its land and property under the mortgage, then repay the debt to Malee International Company Limited within December 30, 2020.

On November 30, 2020, Lanchang Farm Company Limited has issued the letter requesting an extension of the repayment period on December 17, 2020, Board of Director of Malee International Company Limited agreed and approved extension of the repayment period within December 30, 2022.

Lanchang Farm Co., Ltd. is currently under sale proposal process which has been postponed due to the Coronavirus disease 2019 Pandemic.

Loans to other is secured by the mortgage of land and construction. The fair value are reference by an independent appraiser, as of December 13, 2017, amount of Baht 52.80 million.

14. PROPERTY, PLANT AND EQUIPMENT, NET

		Baht						
		Consolidated financial statements						
	Land	Plant and equipment	Land improvement	Machineries and equipment	Motor vehicles	Furniture, Fixtures and office equipment	Construction In progress	Total
Cost :								
As at December 31, 2019	111,862,629	595,080,319	25,100,352	2,311,368,991	71,199,691	115,038,758	205,012,296	3,434,663,036
Reclassification to right - of - use assets	-	-	-	(181,645,011)	(4,050,538)	(8,127,756)	-	(193,823,305)
As at January 1, 2020	111,862,629	595,080,319	25,100,352	2,129,723,980	67,149,153	106,911,002	205,012,296	3,240,839,731
Acquisition	-	1,249,800	-	13,329,251	146,902	2,189,035	6,464,032	23,379,020
Disposals/Write - off	-	-	-	(3,356,457)	-	(162,590)	-	(3,519,047)
Transfer in (out)	-	23,262,097	-	136,716,286	-	(157,850)	(159,820,533)	-
Exchange differences on translating translating financial statement	-	(104,928)	-	(797,065)	(101,997)	(8,497)	(1,846)	(1,014,333)
As at December 31, 2020	111,862,629	619,487,288	25,100,352	2,275,615,995	67,194,058	108,771,100	51,653,949	3,259,685,371
Accumulated amortization :								
As at December 31, 2019	-	(301,342,164)	(17,773,857)	(1,296,657,456)	(50,136,172)	(75,804,832)	-	(1,741,714,481)
Reclassification to right - of - use assets	-	-	-	57,284,295	1,649,154	5,236,169	-	64,169,618
As at January 1, 2020	-	(301,342,164)	(17,773,857)	(1,239,373,161)	(48,487,018)	(70,568,663)	-	(1,677,544,863)
Depreciation for the year	-	(30,607,713)	(2,668,288)	(162,693,209)	(4,604,378)	(11,952,654)	-	(212,526,242)
Disposals/Write - off	-	-	-	162,058	-	146,702	-	308,760
Transfer in (out)	-	-	-	-	-	-	-	-
Exchange differences on translating financial statement	-	144,016	-	845,647	226,821	14,318	-	1,230,802
As at December 31, 2020	-	(331,805,861)	(20,442,145)	(1,401,058,665)	(52,864,575)	(82,360,297)	-	(1,888,531,543)
Allowance for impairment loss :								
As at December 31, 2019	-	(13,317,340)	-	(1,475,262)	-	-	-	(14,792,602)
Increase	-	-	-	(1,420,037)	-	-	-	(1,420,037)
Disposals/Write - off	-	-	-	-	-	-	-	-
As at December 31, 2020	-	(13,317,340)	-	(2,895,299)	-	-	-	(16,212,639)
Netbook value :								
As at December 31, 2019	111,862,629	280,420,815	7,326,495	1,013,236,273	21,063,519	39,233,926	205,012,296	1,678,155,953
As at December 31, 2020	111,862,629	274,364,087	4,658,207	871,662,031	14,329,483	26,410,803	51,653,949	1,354,941,189
Incremental amount :								
As at December 31, 2019	314,957,371	-	-	-	-	-	-	314,957,371
Increase (Decrease)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Write - off	-	-	-	-	-	-	-	-
As at December 31, 2020	314,957,371	-	-	-	-	-	-	314,957,371
Revaluation basis assets, net :								
As at December 31, 2019	426,820,000	280,420,815	7,326,495	1,013,236,273	21,063,519	39,233,926	205,012,296	1,993,113,324
As at December 31, 2020	426,820,000	274,364,087	4,658,207	871,662,031	14,329,483	26,410,803	51,653,949	1,669,898,560
Depreciation for the years ended December 31 :								
2019								245,288,705
2020								212,526,242

Baht

	Separate financial statements							Total
	Land	Plant and equipment	Land improvement	Machineries and equipment	Motor vehicles	Furniture, Fixtures and	Construction In progress	
						office equipment		
Cost :								
As at December 31, 2019	99,288,436	478,514,138	25,100,352	2,043,765,131	18,343,834	92,263,868	204,051,093	2,961,326,852
Reclassification to right - of - use assets	-	-	-	(181,645,011)	(4,050,538)	(8,127,756)	-	(193,823,305)
As at January 1, 2020	99,288,436	478,514,138	25,100,352	1,862,120,120	14,293,296	84,136,112	204,051,093	2,767,503,547
Acquisition	-	1,249,800	-	10,758,263	-	2,137,435	6,464,032	20,609,530
Disposals/Write - off	-	-	-	(651,905)	-	(53,690)	-	(705,595)
Transfer in (out)	-	23,262,097	-	136,716,286	-	(157,850)	(159,820,533)	-
As at December 31, 2020	99,288,436	503,026,035	25,100,352	2,008,942,764	14,293,296	86,062,007	50,694,592	2,787,407,482
Accumulated amortization :								
As at December 31, 2019	-	(256,829,970)	(17,773,857)	(1,147,309,570)	(12,918,206)	(55,986,950)	-	(1,490,818,553)
Reclassification to right - of - use assets	-	-	-	57,284,295	1,649,154	5,236,169	-	64,169,618
As at January 1, 2020	-	(256,829,970)	(17,773,857)	(1,090,025,275)	(11,269,052)	(50,750,781)	-	(1,426,648,935)
Depreciation for the year	-	(23,796,158)	(2,668,288)	(138,184,152)	(73,737)	(10,653,709)	-	(175,376,044)
Disposals/Write - off	-	-	-	162,058	-	51,999	-	214,057
As at December 31, 2020	-	(280,626,128)	(20,442,145)	(1,228,047,369)	(11,342,789)	(61,352,491)	-	(1,601,810,922)
Allowance for impairment loss :								
As at December 31, 2019	-	(4,100,825)	-	(1,475,262)	-	-	-	(5,576,087)
Increase	-	-	-	(1,420,037)	-	-	-	(1,420,037)
As at December 31, 2020	-	(4,100,825)	-	(2,895,299)	-	-	-	(6,996,124)
Netbook value :								
As at December 31, 2019	99,288,436	217,583,343	7,326,495	894,980,299	5,425,628	36,276,918	204,051,093	1,464,932,212
As at December 31, 2020	99,288,436	218,299,082	4,658,207	778,000,096	2,950,507	24,709,516	50,694,592	1,178,600,436
Incremental amount :								
As at December 31, 2019	309,311,564	-	-	-	-	-	-	309,311,564
Increase (Decrease)	-	-	-	-	-	-	-	-
As at December 31, 2020	309,311,564	-	-	-	-	-	-	309,311,564
Revaluation basis assets, net :								
As at December 31, 2019	408,600,000	217,583,343	7,326,495	894,980,299	5,425,628	36,276,918	204,051,093	1,774,243,776
As at December 31, 2020	408,600,000	218,299,082	4,658,207	778,000,096	2,950,507	24,709,516	50,694,592	1,487,912,000
Depreciation for the years ended December 31 :								
2019								208,555,417
2020								175,376,044

As at December 31, 2020 and 2019, the Company's land including building and construction and certain machineries are mortgaged to a local bank as security against credit facilities in long - term loan of Baht 618.40 million and Baht 442.40 million, respectively, derivatives, letter of credit and letter of guarantees.

As at December 31, 2020 and 2019, the Group have certain buildings, vehicles and equipment items of the Group have been fully depreciated but they are still in use. The original cost in those assets amounted to approximately Baht 1,054.74 million and Baht 912.78 million, respectively (the Company only: amounted to approximately Baht 921.66 million and Baht 809.77 million, respectively).

For the year ended December 31, 2019, the Company has capitalized borrowing costs relating to the acquisition of construction of building improvement and machineries amounted to Baht 6.67 million, with a capitalization rate of 3.05% to 3.44%.

15. RIGHT - OF - USE ASSETS, NET

The net book value of right - of - use assets related to land, building and equipment lease contracts and the movement for the year ended December 31, 2020 are presented below.

	Baht					Total
	Consolidated financial statements					
	Machineries and equipment	Office equipment	Motor vehicles	Leasehold right on assets	Financial leases	
Cost :						
As at December 31, 2019	-	-	-	-	-	-
Effects of the adoption of TFRS 16 :						
- Reclassification from property, plant and equipment	181,645,011	8,127,756	4,050,538	-	-	193,823,305
- Reclassification from intangible assets	-	-	-	103,679,219	-	103,679,219
- Recognized from operating leases	-	-	-	-	354,211,873	354,211,873
- Recognition to sub lease	-	-	-	-	(38,312,838)	(38,312,838)
As at January 1, 2020	181,645,011	8,127,756	4,050,538	103,679,219	315,899,035	613,401,559
Acquisition	-	-	-	-	1,520,658	1,520,658
Disposals/Write - off	-	-	(4,050,538)	-	(369,177)	(4,419,715)
Exchange differences on translating translating financial statement	-	-	-	(592,108)	-	(592,108)
As at December 31, 2020	181,645,011	8,127,756	-	103,087,111	317,050,516	609,910,394
Accumulated amortization :						
As at December 31, 2019	-	-	-	-	-	-
Effects of the adoption of TFRS 16 :						
- Reclassification from property, plant and equipment	(57,284,295)	(5,236,169)	(1,649,154)	-	-	(64,169,618)
- Reclassification from intangible assets	-	-	-	(5,964,127)	-	(5,964,127)
As at January 1, 2020	(57,284,295)	(5,236,169)	(1,649,154)	(5,964,127)	-	(70,133,745)
Depreciation for the year	(15,986,283)	(2,196,073)	(205,410)	(3,389,201)	(42,356,278)	(64,133,245)
Disposals/Write - off	-	-	1,854,564	-	184,589	2,039,153
Exchange differences on translating translating financial statement	-	-	-	(145,114)	-	(145,114)
As at December 31, 2020	(73,270,578)	(7,432,242)	-	(9,498,442)	(42,171,689)	(132,372,951)
Netbook value :						
As at December 31, 2019	-	-	-	-	-	-
As at December 31, 2020	108,374,433	695,514	-	93,588,669	274,878,827	477,537,443

	Baht				
	Separate financial statements				
	Machineries and equipment	Office equipment	Motor vehicles	Financial leases	Total
Cost					
As at December 31, 2019	-	-	-	-	-
Effects of the adoption of TFRS 16 :					
- Reclassification from property, plant and equipment	181,645,011	8,127,756	4,050,538	-	193,823,305
- Recognized from operating leases	-	-	-	293,116,845	293,116,845
- Recognition to sub lease	-	-	-	(38,312,838)	(38,312,838)
As at January 1, 2020	181,645,011	8,127,756	4,050,538	254,804,007	448,627,312
Acquisition	-	-	-	1,520,658	1,520,658
Disposals/Write - off	-	-	(4,050,538)	-	(4,050,538)
Transfer in (out)	-	-	-	-	-
As at December 31, 2020	181,645,011	8,127,756	-	256,324,665	446,097,432
Accumulated amortization					
As at December 31, 2019	-	-	-	-	-
Effects of the adoption of TFRS 16 :					
- Reclassification from property, plant and equipment	(57,284,295)	(5,236,169)	(1,649,154)	-	(64,169,618)
- Recognized from operating leases	-	-	-	-	-
- Recognition to sub lease	-	-	-	-	-
As at January 1, 2020	(57,284,295)	(5,236,169)	(1,649,154)	-	(64,169,618)
Depreciation for the year	(15,986,283)	(2,196,073)	(205,410)	(30,988,791)	(49,376,557)
Disposals/Write - off	-	-	1,854,564	-	1,854,564
As at December 31, 2020	(73,270,578)	(7,432,242)	-	(30,988,791)	(111,691,611)
Netbook value					
As at December 31, 2019	-	-	-	-	-
As at December 31, 2020	108,374,433	695,514	-	225,335,874	334,405,821

The following are the amounts recognised in profit or loss for the year ended December 31, 2020 is as follows:

	Baht	
	For the year ended December 31, 2020	
	Consolidated financial statements	Separate financial statements
Depreciation of right of use assets	64,133,245	49,376,557
Interest expense on lease liabilities	5,125,526	4,690,416
Reduction in lease payments	(493,727)	-
Expense relating to short - term lease	-	-
Expense relating to leases of low - value assets	3,577,632	3,474,840
Total	72,342,676	57,541,813

16. INTANGIBLE ASSETS, NET

Baht					
Consolidated financial statements					
	Leasehold right on land	Customer relationship	Trademark	Computer software	Total
<u>Cost</u>					
As at December 31, 2019	103,679,219	699,386	163,481,463	74,628,846	342,488,914
Reclassification to right - of - use assets	(103,679,219)	-	-	-	(103,679,219)
As at January 1, 2020	-	699,386	163,481,463	74,628,846	238,809,695
Acquisition	-	-	-	2,188,642	2,188,642
Exchange differences on translating financial statement	-	(1,344)	(287,766)	-	(289,110)
As at December 31, 2020	-	698,042	163,193,697	76,817,488	240,709,227
<u>Accumulated amortization</u>					
As at December 31, 2019	(5,964,127)	-	-	(51,436,047)	(57,400,174)
Reclassification to right - of - use assets	5,964,127	-	-	-	5,964,127
As at January 1, 2020	-	-	-	(51,436,047)	(51,436,047)
Depreciation for the year	-	-	-	(9,092,889)	(9,092,889)
As at December 31, 2020	-	-	-	(60,528,936)	(60,528,936)
<u>Net book value</u>					
As at December 31, 2019	97,715,092	699,386	163,481,463	23,192,799	285,088,740
As at December 31, 2020	-	698,042	163,193,697	16,288,552	180,180,291

Baht	
Separate financial statements	
Computer Software	
<u>Cost</u>	
As at December 31, 2019	69,020,094
Increase	2,188,642
Decrease	-
As at December 31, 2020	71,208,736
<u>Accumulated amortization</u>	
As at December 31, 2019	(47,501,691)
Increase	(7,726,223)
Decrease	-
As at December 31, 2020	(55,227,914)
<u>Net book value</u>	
As at December 31, 2019	21,518,403
As at December 31, 2020	15,980,822

17. OVERDRAFT AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2020 and 2019, overdraft and short - term loans from financial institutions were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Overdraft	9,968,444	25,594,946	9,968,444	20,632,710
Promissory notes				
(Interest rate of MMR% p.a.)	927,462,500	1,328,714,400	888,135,000	1,288,844,900
Trust receipts	35,443,215	57,367,517	-	-
International Trade Finance Solutions	9,299,328	27,814,489	9,299,328	27,814,489
Discounted promissory notes				
(interest rate of MRR% p.a.)	122,004,397	-	47,128,853	-
Total	1,104,177,884	1,439,491,352	954,531,625	1,337,292,099

Bank overdrafts and loans from several local banks are secured by the mortgage of land, building and construction.

As at December 31, 2020, as a guarantee for repayment of loans, the Group had transferred the right to collect trade receivables to several local financial institutions of Baht 122.00 million (the Company only, amounted to Baht 47.13 million).

In the 2nd quarter of year 2020, the Company had entered into a debt conversion contract from promissory note to long-term loan with a local bank as mentioned in the Note 20 to the financial statement.

18. OTHER PAYABLES

Other payables, are as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Other Payable	71,194,462	88,972,721	73,646,368	77,256,327
Accrued expenses	155,749,991	189,880,659	30,734,067	43,360,407
Account payable on purchase of assets	15,496,600	23,764,163	15,496,600	23,764,163
Total	242,441,053	302,617,543	119,877,035	144,380,897

19. LEASE RECEIVABLE / LEASE LIABILITIES

19.1 Lease receivable

The net book value of lease receivable for the year ended December 31, 2020 is as follows:

	Baht
	Separate financial statements
Lease receivables as at December 31, 2019	-
Effects of the adoption of TFRS16 :	
Lease receivable	48,137,415
<u>Less</u> Deferred interest income	(9,824,577)
Lease receivable as of January 1, 2020	38,312,838
<u>Add</u> Recognition of deferred interest income	1,027,456
<u>Less</u> Recognition payments	(3,024,340)
Lease receivable as at December 31, 2020	36,315,954
<u>Less</u> Current portion	(1,959,075)
Lease receivables, net	34,356,879

19.2 Lease liabilities

The net book value of lease liabilities for the year ended December 31, 2020 is as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
Lease liabilities	87,806,833	87,806,833
<u>Less:</u> Deferred interest expenses	(6,810,176)	(6,810,176)
Lease liabilities as at December 31, 2019	80,996,657	80,996,657
Effects of the adoption of TFRS16 :		
Lease liabilities	328,407,600	304,768,540
<u>Less</u> Deferred interest expenses	(12,508,565)	(11,651,695)
Lease liabilities as at January 1, 2020	396,895,692	374,113,502
Increase (Decrease) during the year :		
<u>Add</u> Lease payments at the commencement date	1,520,658	1,520,658
<u>Add</u> Recognition of deferred interest expenses	5,125,526	4,690,416
<u>Less</u> Payments	(75,569,264)	(66,998,549)
<u>Less</u> Reduction in lease payments	(493,727)	-
<u>Less</u> Transferred out during the year	(1,839,507)	(1,470,329)
Lease liabilities as at December 31, 2020	325,639,378	311,855,698
<u>Less:</u> Current portion	(63,553,343)	(55,541,840)
Lease liabilities, net	262,086,035	256,313,858

As at December 31, 2020 and 2019, the Group have committed to pay the lease under the lease agreements is as follows:

	Baht		
	Consolidated financial statements		
	As at December 31, 2020		
	Principal	Deferred Interest	Total
Current portion	63,553,343	3,121,824	66,675,167
1 - 5 years	95,258,739	4,630,162	99,888,901
Over 5 years	166,827,296	6,568,479	173,395,775
Total	325,639,378	14,320,465	339,959,843

		Baht		
		Separate financial statements		
		As at December 31, 2020		
		Principal	Deferred Interest	Total
Current portion		55,541,840	2,820,641	58,362,481
1 - 5 years		89,486,562	4,518,407	94,004,969
Over 5 years		166,827,296	6,568,479	173,395,775
Total		311,855,698	13,907,527	325,763,225

		Baht		
		Consolidated and separate financial statements		
		As at December 31, 2019		
		Principal	Deferred Interest	Total
Current portion		38,493,738	3,851,509	42,345,247
1 - 5 years		42,502,919	2,959,224	45,462,143
Over 5 years		-	-	-
Total		80,996,657	6,810,733	87,807,390

20. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS

		Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<u>Loans of the Company</u>					
Loan from a local bank no. 1		350,400,000	392,400,000	350,400,000	392,400,000
Loan from a local bank no. 2		5,299,949	15,507,766	5,299,949	15,507,766
Loan from a local bank no. 3		203,124,254	270,316,081	203,124,254	270,316,081
Loan from a local bank no. 4		268,000,000	-	268,000,000	-
<u>Loan of the Subsidiary in Vietnam</u>					
Loan from a foreign bank		5,845,500	6,191,799	-	-
		832,669,703	684,415,646	826,824,203	678,223,847
<u>Less</u> current portion		(224,482,174)	(142,999,202)	(224,482,174)	(142,999,202)
Long - term loans, net		608,187,529	541,416,444	602,342,029	535,224,645

The Company:

Loan from a local bank no.1

On May 8, 2017, the Company had entered into a loan agreement with a local bank in the amount of Baht 1,000.00 million being used to renovate factory, office, production area and machines. The Company is able to drawdown the loan in installment when necessary with interest at the special rate agreed upon. The loan withdrawal 24 periods on each drawdown date. The principal is repayable in 3 tranches according to the type of payment required by the bank. The principals are repayable equally in 10 six - month installments according to the drawdown principal on September 2017 and the interest are payable in every month.

Later March 8, 2019, the Company has changed the repayment of the outstanding principal to be 61 monthly repayment from March 2019 onwards.

- The 1st - 22th installment: Each installment will be repayable at Baht 5 million
- The 23rd - 34th installment: Each installment will be repayable at Baht 7 million
- The 35th - 58th installment: Each installment will be repayable at Baht 9 million
- The 59th - 60th installment: Each installment will be repayable at Baht 11 million
- The 61st installment: Each installment will be repayable at Baht 10.40 million or the remaining total amount

Later April 23, 2020, the Company has changed the repayment of the outstanding principal to be 48 monthly repayment from April 2020 onwards.

The 1st - 9th installment: Each installment will be repayable at Baht 3 million
The 10th - 21st installment: Each installment will be repayable at Baht 7 million
The 22nd - 45th installment: Each installment will be repayable at Baht 9 million
The 46th - 47th installment: Each installment will be repayable at Baht 11 million
The 48th installment: Each installment will be repayable at Baht 28.40 million or the remaining total amount

Loan from a local bank is secured by the mortgage of land, building and machineries.

Loan from a local bank no.2

On June 4, 2018, the Company had entered into a loan agreement with a local bank in the amount of Baht 30.00 million being used to funding for the Company, at the special rate agreed upon.

The principals and interest are repayable amount minimum Baht 0.89 million in monthly commencing from the date of the first installment on June 2018.

Loan from a local bank is unsecured.

Loan from a local bank no.3

On August 1, 2018, the Company had entered into a loan agreement with a local bank in the amount of Baht 300.00 million being used to funding for the Company and its subsidiaries. The Company is able to drawdown the loan in installment when necessary with interest at the rate of at the special rate agreed upon the principal is repayable on each drawdown date (on August 2018) as follow:

The 1st - 12th installment grace period for all principle, which interest is repayable in monthly
The 13th - 60th installment, the principal and interest are repayable amount Baht 6.70 million in monthly

Loan from a local bank is secured by a subsidiary in Thailand.

Loan from a local bank no.4

On August 26, 2020, the Company had entered into a debt conversion contract from promissory note to long - term loan with a local bank in the amount of Baht 298.00 million with interest at the special rate agreed upon. The principal are repayable the repayment of the outstanding principal to be 60 monthly repayment from July 2020 onwards as follow:

The 1st - 59th installment, the principal and interest are repayable not less than Baht 5.00 million in monthly.

The 60th installment, complete the repayment of principal, interest and other expenses to the bank.

Loan from a local bank is secured by the mortgage of land and building.

Subsidiary :

Subsidiary in Vietnam :

On November 7, 2013 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 4,500.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of November, 2013).

Later, on August 19, 2015 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 2,400.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of August, 2015).

Later, on October 16, 2015 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 4,100.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of October, 2015).

Later, on October 25, 2017 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 20,700.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of October, 2017).

These loans are secured by the leasehold right on land and mortgage for construction.

The Company has applied the project “DR BIZ Program” with financial institutions and proposed a debt restructuring plan in November 2020 for adjusting the terms of installments to repay the principal and the interest rate.

However, this plan is still being considered and would be approved by each financial institutions.

21. PROVISIONS FOR EMPLOYEE BENEFITS

Movement in the present value of the provisions for employee benefits for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provisions for employee benefits at beginning of the year	100,605,531	96,323,591	80,915,295	81,162,633
Current service cost and interest	10,205,403	11,176,666	7,883,325	7,806,255
Benefits paid	(1,851,066)	(6,894,726)	(1,013,067)	(5,608,992)
Transfer Parent Company’s employees to subsidiary	-	-	-	(2,444,601)
Gains (Loss) arising from defined benefit plan	(9,493,716)	-	(8,190,684)	-
Provisions for employee benefits at ending of the year	99,466,152	100,605,531	79,594,869	80,915,295

Expenses recognized in the income statement for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current service costs	7,683,757	9,136,465	5,870,780	5,992,604
Interest cost	2,521,646	2,040,201	2,012,545	1,813,651
Total	10,205,403	11,176,666	7,883,325	7,806,255

Principal actuarial assumptions as at December 31, 2020 and 2019 are as follows:

	Percent			
	Consolidate financial statement		Separate financial statement	
	2020	2019	2020	2019
Discount rate	0.78 - 1.93	2.36 - 3.14	1.30	2.36
Salary increase rate	2.50 - 4.00	2.50 - 4.00	2.50 - 4.00	2.50 - 4.00
Employee turnover rate	0 - 70.00*	0 - 50.00*	0 - 70.00*	0 - 19.00*
Mortality rate	TMO2017**	TMO2017**	TMO2017**	TMO2017**

* Based on the weighted average by age group of employees

** Reference from TMO2017: Thai Mortality Ordinary Table 2017

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and employee turnover rate, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as December 31, 2020 is as follows:

- If the discount rate increases (decreases) by 0.5%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 4.99 million (increase Baht 5.36 million) and Separate financial statements would decrease Baht 3.89 million (increase Baht 4.17 million).
- If the salary increase rate increases (decreases) by 0.5%, the provisions for employee benefits in Consolidated financial statements would increase Baht 4.66 million (decrease Baht 4.40 million) and Separate financial statements would increase Baht 3.69 million (decrease Baht 3.48 million).
- If the employee turnover rate increases (decreases) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 3.41 million (increase Baht 3.72 million) and Separate financial statements would decrease Baht 2.63 million (increase Baht 2.85 million).

In presenting the above sensitivity analysis, the present value of the provisions for employee benefits has been calculated by using the same method that applied in calculating the provisions for employee benefits recognized in the statement of financial position.

22. TREASURY STOCK

On August 10, 2017, the Board of Directors has approved to undertake a treasury stock program for financial management purposes with the maximum amount of not exceeding Baht 500 million for the repurchase of not exceeding 15,000,000 shares at the par value of Baht 0.50 per share or equal to not exceeding 5.36% of the total of paid - up shares. The procedure used for the repurchasing of shares is on the Stock Exchange of Thailand. The repurchase period covers the duration of 6 months, starting from August 25, 2017 to February 23, 2018.

The period of the resale of share is 6 months after the completion date of share repurchase and not later than 3 years from this time which the Board of Directors will consider fixing the schedule of the share resale later on.

During the 1st quarter of year 2018, the Company had purchased back 4.00 million ordinary shares (par value of Baht 0.50 each), or 1.43% of the total number of issued and fully shares, for a total of Baht 114.34 million (excluded cost of repurchase treasury shares).

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated February 14, 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduced its paid - up share capital by an amount equal to the value of the treasury shares which it could not sell. As at 31 March 2018, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares amounting to Baht 114.34 million.

On November 13, 2020, the Board of Directors has approved the resale of repurchased shares. The repurchased shares will be resold on the Stock Exchange of Thailand from November 30, 2020 to December 4, 2020 and resale price of the repurchased shares shall not be less than 85% of the average closing price of the latest 5 trading days of such average closing price.

The Board of Directors Meeting approved the decrease in issued and paid-up share capital of the Company by writing off the unsold amount of the repurchased shares, totaling 4,000,000 shares at a total cost of Baht 2 million. Also, the Company has registered the decrease in issued and paid-up share capital with the Ministry of Commerce at December 15, 2020, resulting in a decline in the issued and paid-up share capital from Baht 140 million to Baht 138 million and adjust treasury shares reserve with retained earnings at Baht 5.85 million.

23. LEGAL RESERVE

Under the Public Limited Companies Act., the Company is required to set aside to a legal reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The legal reserve is not available for dividend payment.

24. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3.0 percent of their basic salaries, and by the Company and its subsidiaries at the same rate, and will be paid to employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Asset Management Company Limited.

The Company and its subsidiaries contributed to the fund for the year ended December 31, 2020 and 2019 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provident fund contribution	6,613,024	9,971,303	5,090,288	5,750,462

25. TAX INCOME (EXPENSE)

Tax income (expense) for the year ended December 31, 2020 and 2019, consisted of:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current tax income (expense)	(9,514,311)	(13,070,944)	-	-
Deferred tax income (expenses) of temporary differences	71,309,900	80,953,996	74,089,197	82,000,462
Adjustments recognized in the years for current tax of prior year	3,853,272	(1,864,487)	-	-
Tax income (expense) reported in statement of income	65,648,861	66,018,565	74,089,197	82,000,462

Income tax relating to each component of other comprehensive income for the year ended December 31, 2020 and 2019, consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax income (expenses) relating to:				
- Gain loss on revaluation asset	-	12,964,000	-	12,720,000
- Exchange differences on translating financial statement	119,750	-	-	-
- Actuarial losses (gains) on defined employee benefits plans	(1,898,743)	-	(1,638,137)	-
Deferred tax income (expenses) reported in statement of comprehensive income	(1,778,993)	12,964,000	(1,638,137)	12,720,000

Reconciliation between tax income (expense) and the product of accounting profit multiplied by the applicable tax rates for year ended December 31, 2020 and 2019, are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	(301,130,531)	(231,913,625)	(321,416,884)	(278,675,111)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	60,226,106	46,382,725	64,283,376	55,735,023
Tax effect of:				
- Losses of current year which no deferred tax assets was recognized	(4,070,555)	(2,699,320)	-	-
- Share of profit (loss) from investments under equity method	(5,497,002)	(2,314,564)	-	-
- Items treated as revenues under the Revenue Code	(397,292)	-	-	-
- Adjustment deferred tax assets of unused tax benefit recognized in previous years	3,155,687	3,478,601	(697,585)	1,883,122
- Non - deductible expenses	(12,439,092)	(3,549,400)	(14,167,603)	(318,398)
- Added deductible expenses	24,671,009	24,720,523	24,671,009	24,700,715
Tax income (expense) reported in statement of income	<u>65,648,861</u>	<u>66,018,565</u>	<u>74,089,197</u>	<u>82,000,462</u>

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for doubtful accounts	2,508,486	1,328,970	1,436,791	851,639
Allowance for diminution in value of inventories	14,765,201	13,682,295	13,970,687	12,499,276
Allowance for impairment of investments	2,665,080	258,200	258,200	258,200
Loss on accumulated impairment	3,242,528	2,958,520	1,399,225	1,115,217
Provisions for employee benefits	19,744,069	20,121,106	15,918,974	16,183,059
Unused tax benefits on loss carry forward	241,481,787	174,959,891	216,763,063	142,348,507
Transfer parent Company's employees to subsidiary	-	-	300,490	300,490
Total	<u>284,407,151</u>	<u>213,308,982</u>	<u>250,047,430</u>	<u>173,556,388</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax liabilities				
Revaluation of land	62,991,474	63,299,474	61,862,313	61,862,313
Accumulated depreciation resulting from change in the estimated useful lives of assets	4,675,491	4,130,055	4,445,530	563,785
Effect of changes in accounting policy From revenue recognition	1,788,319	1,758,517	1,788,318	1,758,517
Effect from business combination adjustments	58,162,246	60,768,118	-	-
Right - of - use - assets	52,625	-	128,437	-
Total	<u>127,670,155</u>	<u>129,956,164</u>	<u>68,224,598</u>	<u>64,184,615</u>

As at December 31, 2020 and 2019, there was unused tax loss amount Baht 33.85 million and Baht 13.50 million from two subsidiaries and a subsidiary, respectively, which no deferred tax assets are recognized due to the managements considered that it is not probable its subsidiary's future taxable profit will be available against which the unused tax losses can be utilized.

26. PROMOTIONAL PRIVILEGES

Malee Applied Sciences Company Limited ("subsidiary") has received promotional privileges from the Board of Investment for research and development of food industry and energy, pursuant to the promotion certificate No. 60-1384-1-00-2-0 at 50 percent deduction of corporate income tax on income derived from the promoted operations for a period of 8 years starting from November 16, 2017.

For the year ended December 31, 2020 and 2019, the subsidiary had loss before income tax amounted Baht 15.58 million and Baht 16.00 million, respectively.

27. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

The weighted average number of ordinary shares is calculated as follows:

	Note	Shares	
		Consolidated and separate financial statements	
		2020	2019
Number of ordinary shares		280,000,000	280,000,000
<u>Less</u> Treasury shares			
- Beginning	22	-	(4,000,000)
- During the periods		-	-
Treasury shares transferred for share reduction	22	(4,000,000)	-
Weighted average number of ordinary shares during the year		<u>276,000,000</u>	<u>276,000,000</u>

28. FINANCIAL INFORMATION BY SEGMENT

The Group's operations involve the manufacturing and distribution of canned agriculture products, fruit juices and non - alcohol beverage which are carried on in both Thailand and foreign countries. Financial information of the Group for the year ended December 31, 2020 and 2019 and as at December 31, 2020 and 2019, broken down by geographic segment, are as follows:

Business segment information 2020

	Thousand Baht			
	Consolidated financial statements			
	For the year ended December 31, 2020			
	Segment			
	Agriculture products	Others	Eliminated	Total
Revenues from sales	5,055,324	178,994	(1,363,943)	3,870,375
Gross profit	620,954	69,176	11,406	701,536
Other incomes				44,238
Selling expenses				(422,612)
Administrative expenses				(486,395)
Other expenses - Loss on impairment of assets				(1,420)
Finance costs				(70,863)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9				(5,548)
Shares of profit (loss) from investments in joint ventures				(27,485)
Tax income (expenses)				65,649
Profit (loss) for the year				(202,900)

Geographic segment information

	Thousand Baht			
	Consolidated financial statements			
	For the year ended December 31, 2020			
	Sales - domestic	Sales - export	Eliminated	Total
Revenues from sale	3,316,056	1,918,262	(1,363,943)	3,870,375
Segment operating profit	497,837	192,293	11,406	701,536

Business segment information 2019

	Thousand Baht			
	Consolidated financial statements			
	For the year ended December 31, 2019			
	Segment			
	Agriculture products	Others	Eliminated	Total
Revenues from sales	6,415,714	199,701	(1,694,415)	4,921,000
Gross profit	759,584	65,053	(4,279)	820,358
Other incomes				79,019
Selling expenses				(534,523)
Administrative expenses				(548,152)
Other expenses - Loss on sales of assets				(14,144)
Finance costs				(66,332)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9				(1,795)
Shares of profit (loss) from investments in joint ventures				(11,573)
Tax income (expenses)				66,018
Profit (loss) for the year				(211,124)

Geographic segment information

	Thousand Baht			
	Consolidated financial statements			
	For the year ended December 31, 2019			
	Sales - domestic	Sales - export	Eliminated	Total
Revenues from sale	4,463,292	2,152,123	(1,694,415)	4,921,000
Segment operating profit	635,137	189,500	(4,279)	820,358

Information about major customers

For the year ended December 31, 2020, the Group' revenues from

- 1) export sales amounted Baht 449.66 million from one customer.
- 2) domestic sales amounted Baht 668.07 million from one customer.

For the year ended December 31, 2019, the Group' revenues from

- 1) export sales amounted Baht 839.57 million from one customer.
- 2) domestic sales amounted Baht 691.04 million from one customer.

	Million Baht					
	Consolidated financial statements					
	Domestic		Foreign		Total	
	2020	2019	2020	2019	2020	2019
Trade receivables, net	298.48	666.05	172.29	71.00	470.77	737.05
Property, plant and equipment, net					1,669.90	1,993.11
Other assets					1,861.97	1,478.17
Total assets					4,002.64	4,208.33

29. CREDIT FACILITIES

Credit facilities granted to the Group by financial institutions are secured by the mortgage/pledge of deposits at financial institutions, certain plots of its lands, buildings and some machineries o the Group.

In addition, credit facilities granted to the subsidiary by financial institutions are secured by the guarantee provided by the Company.

As at December 31, 2020, restricted bank deposit has no longer been used for guarantee.

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Commitments

- a) As at December 31, 2020, the Group have commitments relating to the lease agreements for head office buildings, warehouses, machineries, office equipment, vehicles and service fees whereby for the expiration dates range from 2021 - 2035. Future minimum payments under the leases are as follows:

Agreement type	Periods (Million Baht)					
	Consolidated financial statements			Separate financial statements		
	Not later than one year	Later than one year and not later than five years	More than five years	Not later than one years	Later than one year and not later than five years	More than five years
Lease agreement						
Office buildings	19.89	69.23	173.40	15.06	63.60	173.40
Warehouses	23.36	26.88	-	7.20	-	-
Machineries	7.69	5.10	-	7.49	4.85	-
Office equipments	1.59	1.48	-	1.45	1.48	-
Vehicles	1.57	1.16	-	1.32	1.07	-
Service agreement						
Other service contracts	8.54	0.89	-	7.55	0.89	-

- b) As at December 31, 2020, the Group has recognized lease liabilities as described in Note 30.1 (a) to the financial statement due to the adoption of TFRS 16 as at January 1, 2020, the Group recognises lease liabilities are ever classifies under operating lease measured at the present value of the lease payments discounted by using the incremental borrowing rate, is described in Note 19.2 to the financial statements.
- c) The Company has commitments under the various business advisory agreements, it must pay fees at the rate and condition stipulated in the agreements.

30.2 Bank guarantees

As at December 31, 2020 and 2019, there were outstanding bank guarantees of approximately Baht 10.94 million and Baht 14.08 million, respectively issued by banks on behalf of the Group (the Company only: amounted to Baht 9.43 million and Baht 11.83 million, respectively) in respect of certain performance obligations as required in the ordinary course of its business.

30.3 Guarantee

As at December 31, 2020 and 2019, the Company had guaranteed Baht 185 million and Baht 55 million of loans obtained by a subsidiary from financial institutions. A Subsidiary had guaranteed Baht 350 million and Baht 300 million of loans obtained by the Company from financial institutions These guarantees are effective for as long as the underlying obligations have not been discharged by the Company or its subsidiary.

Guarantee fees have been charged at 2.50 and 3.36 percent per of the guarantee amount.

31. FINANCIAL INSTRUMENTS

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivables and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdraft, short-term and long-term loans. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies.

As at December 31, 2020 and 2019, the Group is exposed to foreign currency risk primarily to foreign currency denominated financial assets and liabilities as follows:

Consolidated financial statements			
Foreign currency	Financial assets	Financial liabilities	Asset / liability exchange rate As at December 31, 2020 (Baht per foreign currency unit)
US dollar	1,276,929	779,924	29.87/30.21
Euro	-	41,958	36.49/37.26
VND (Per 100 VND)	-	13,615,750	0.13/0.13
GBP	-	206	40.20/41.08
As at December 31, 2019 (Baht per foreign currency unit)			
US dollar	1,937,899	1,238,070	29.98/30.33
Euro	-	360,791	33.38/34.08
VND (Per 100 VND)	-	903,306,472	0.13/0.13
Separate financial statements			
Foreign currency	Financial assets	Financial liabilities	Asset / liability exchange rate As at December 31, 2020 (Baht per foreign currency unit)
US dollar	243,391	779,924	29.87/30.21
Euro	-	41,958	36.49/37.26
GBP	-	206	40.20/41.08
As at December 31, 2019 (Baht per foreign currency unit)			
US dollar	887,617	1,255,670	29.98/30.33
Euro	-	141,359	33.38/34.08

As at December 31, 2020 and 2019, the Group have not the outstanding foreign currency sales and purchase agreement.

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at December 31, 2020 and 2019, the Group does not hedge such exposures to foreign movement risk as it is minimal.

Fair values of financial instruments

Since the majority of the Company's financial instruments are short - term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

32. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statements of financial position as at December 31, 2020, the Group's debt to equity ratio was 3.77 : 1 (as at December 31, 2019 : 3.09 : 1) and the Company's was 3.17 : 1 (as at December 31, 2019 : 2.47 : 1).

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 22, 2021.