

Independent Auditor's Report and Financial Statements of

Sahamitr Pressure Container Public Company Limited

For the Year Ended 31 December 2020



INDEPENDENT AUDITOR'S REPORT

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To the Shareholders of Sahamitr Pressure Container Public Company Limited

Opinion

I have audited the financial statements of Sahamitr Pressure Container Public Company Limited (the "Company"), which comprise the statements of financial position as at 31 December 2020, the related statements of profit or loss and other comprehensive income, changes in shareholders' equity 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 financial statements present fairly, in all material respects, the financial position of Sahamitr Pressure Container Public Company Limited as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I determine that there are no key audit matters.

Other Matter

The financial statements of Sahamitr Pressure Container Public Company Limited as at 31 December 2019, presented as comparative information, were audited by another auditor who used to be in the same office as mine, who expressed an unmodified opinion on these statements according to the report dated 21 February 2020.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.



Miss Saranya Akharamahaphanit

Certified Public Accountant

Registration No. 9919

Grant Thornton Limited

Bangkok

15 February 2021

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

ASSETS

		Thousand Baht	
	Notes	31 December 2020	31 December 2019
CURRENT ASSETS			
Cash and cash equivalents	6	57,655	12,683
Short-term investment	7	517,090	157,165
Trade accounts receivable	8	403,172	456,560
Inventories	9	926,455	633,344
Refundable value added tax		11,930	10,546
Other current assets		20,499	22,800
Total Current Assets		1,936,801	1,293,098
NON-CURRENT ASSETS			
Restricted deposits with banks	10	36,694	36,502
Investment property	11	60,416	59,780
Property, plant and equipment	12, 14	1,173,084	1,070,820
Deferred tax assets	22	12,856	12,252
Other non-current assets		448	432
Total Non-Current Assets		1,283,498	1,179,786
TOTAL ASSETS		3,220,299	2,472,884

() Director

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
	Notes	31 December 2020	31 December 2019
CURRENT LIABILITIES			
Short-term loans from bank	13	371,590	141,603
Trade and other payables		372,817	312,485
Current portion of Lease liabilities	14	1,854	3,301
(2019 : Current portion of finance lease liabilities)			
Advances received from customers		59,660	6,360
Accrued commission expenses		37,016	28,882
Accrued transportation expenses		37,288	19,279
Accrued income tax		67,624	38,607
Other accrued expenses		47,596	29,262
Other current liabilities	17	8,639	6,990
Total Current Liabilities		1,004,084	586,769
NON-CURRENT LIABILITIES			
Lease liabilities (2019 : Finance lease liabilities)	14	3,108	-
Liabilities under post-employment benefits	15	57,576	54,350
Total Non-Current Liabilities		60,684	54,350
Total Liabilities		1,064,768	641,119

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		Thousand Baht	
	Notes	31 December 2020	31 December 2019
SHAREHOLDERS' EQUITY			
Share capital-ordinary shares, Baht 1 par value			
Authorized 535,506,333 shares	16	535,506	535,506
Issued and fully paid-up 535,506,333 shares	16	535,506	535,506
Premium on share capital		55,091	55,091
Retained earnings			
- Appropriated for legal reserve	18	53,641	53,641
- Unappropriated		1,511,293	1,187,527
TOTAL SHAREHOLDERS' EQUITY		2,155,531	1,831,765
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,220,299	2,472,884

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	Notes	Thousand Baht	
		2020	2019
Revenue from sales and services	20, 24	3,973,381	3,255,959
Costs of sales and services	24, 25	(3,003,300)	(2,588,868)
Gross profit		970,081	667,091
Other income	21	244,285	175,637
Profit before expense		1,214,366	842,728
Selling and distribution expenses	25	(243,402)	(179,091)
Administrative expenses	25	(197,016)	(172,152)
Past service cost	15	-	(14,054)
Profit from operating activities		773,948	477,431
Finance costs		(8,200)	(13,652)
Profit before income tax		765,748	463,779
Income tax	22	(147,037)	(88,580)
PROFIT FOR THE YEAR		618,711	375,199
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items not to be reclassified subsequently to profit or loss			
Actuarial loss - net of tax	15	(426)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		618,285	375,199
Basic earnings per share			
Profit (Baht per share)		1.16	0.70
Weighted average number of common shares (share)		535,506,333	535,506,333

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER

	Notes	Thousand Baht				
		Share Capital Issued and fully paid - up	Premium on share capital	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
Balance as at 1 January 2019		535,506	55,091	53,641	1,117,561	1,761,799
Dividend payment	17	-	-	-	(305,233)	(305,233)
Transactions with owners		-	-	-	(305,233)	(305,233)
Profit for the year		-	-	-	375,199	375,199
Total comprehensive income for the year		-	-	-	375,199	375,199
Balance as at 31 December 2019		535,506	55,091	53,641	1,187,527	1,831,765
Balance as at 1 January 2020		535,506	55,091	53,641	1,187,527	1,831,765
Dividend payment	17	-	-	-	(294,519)	(294,519)
Transactions with owners		-	-	-	(294,519)	(294,519)
Profit for the year		-	-	-	618,711	618,711
Other comprehensive income for the year	15	-	-	-	(426)	(426)
Total comprehensive income for the year		-	-	-	618,285	618,285
Balance as at 31 December 2020		535,506	55,091	53,641	1,511,293	2,155,531
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The accompanying notes form an integral part of these financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht	
	2020	2019
Cash flows from operating activities:		
Profit before income tax	765,748	463,779
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:		
Depreciation	64,406	60,196
Unrealized loss (gain) on exchange rate	(12,680)	872
Provision for post-employment benefits	3,696	17,612
Gain on fair value adjustment of investment property	(636)	-
Loss on disposal and written off assets	1,428	993
Reversal of liabilities	-	(934)
Unrealized loss (gain) on short-term investment	54	(48)
Gain on disposal of short-term investment	(1,079)	(1,430)
Interest expense	8,200	13,652
Cash provided from operations before changes in operating assets and liabilities	829,137	554,692
Decrease (increase) in operating assets:		
Trade accounts receivable	49,928	(26,178)
Inventories	(293,111)	247,027
Refundable value added tax	(1,384)	12,756
Other current assets	2,301	(5,429)
Other non-current assets	(16)	-
Increase (decrease) in operating liabilities:		
Trade and other payables	59,861	164,004
Advances received from customers	53,794	(7,126)
Accrued commission expenses	8,129	(36,646)
Accrued transportation expenses	18,009	2,893
Other accrued expenses	18,357	(9,868)
Other current liabilities	532	423
Employee benefit paid	(3,040)	(4,799)
Cash provided from operations	742,497	891,749

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht	
	2020	2019
Cash provided from operations (continue)	742,497	891,749
Interest paid	(5,847)	(11,913)
Income tax deducted at sources paid	(719)	(572)
Income tax paid	(117,799)	(117,891)
Net cash provided from operating activities	618,132	761,373
Cash flows from investing activities:		
Purchase of short-term investment	(2,351,472)	(1,406,800)
Proceeds from disposal of short-term investment	1,992,572	1,341,837
Increase in restricted deposits with bank	(192)	(213)
Proceeds from disposal of assets	707	33
Purchase of property, plant and equipment	(161,550)	(55,497)
Net cash used in investing activities	(519,935)	(120,640)
Cash flows from financing activities:		
Increase (decrease) in short-term loans from bank	246,109	(401,384)
Repayment of lease liabilities	(5,932)	(1,367)
Dividend payment	(293,402)	(304,408)
Net cash used in financing activities	(53,225)	(707,159)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	44,972	(66,426)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,683	79,109
CASH AND CASH EQUIVALENTS AT END OF YEAR	57,655	12,683

Supplemental disclosures for cash flows information

Non-cash transactions :

- Purchase of vehicles under lease agreement	3,295	-
- Recognition of right-of-use assets	3,959	-

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2020

1. NATURE OF BUSINESS

Sahamitr Pressure Container Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 92, Soi Thientalay 7, 4th intersection, Bangkhunthien - Chaitalay Road, Samaedam, Bangkhunthien, Bangkok, Thailand.

The Company was incorporated as a limited public company in Thailand, and was listed on the Stock Exchange of Thailand on 3 December 1991.

The Company's major shareholders during the financial year were Mrs. Patama Laowong (19.60% shareholding) and Mr. Thamik Ekahitanond (10.15% shareholding).

The Company is engaged in the manufacturing of LPG and other pressure cylinders for both domestic and export sales. In addition, the Company also provides services for container repairs and quality testing for each country's standards.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use of certain critical accounting estimates and to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to financial statements.

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2.2 Financial Reporting Standards, interpretations and guidance which effective from 1 January 2020

2.2.1 Thai Financial Reporting Standards related to “Financial instruments”

TFRS 9	Financial instruments
TFRS 7	Financial instruments: Disclosure
TAS 32	Financial instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

In which present the new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments that have been effective.

The Company's management has assessed the potential impact on the financial statement of Thai Financial Reporting Standards related to “Financial instruments” as follow:

1. Classification and measurement of financial assets and financial liabilities

Financial assets

Financial assets for debt instrument contain three principal classification categories: measured at (1) amortized cost, (2) fair value through profit or loss, and (3) fair value through other comprehensive income based on the business model of the Company in which they are managed and based on the cash flow characteristics of the financial assets.

Financial assets measured at amortized cost shall be calculated using effective interest rate and recognized as revenue in statement of profit or loss.

Financial assets for equity instrument are measured at fair value through profit or loss. The Company considered to recognize financial assets at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss.

Financial liabilities

Financial liabilities which classified and measured at amortized cost. Interest expenses is calculated by using effective interest rate and recognized as expenses in statement of profit or loss.

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Derivative liabilities are classified and measured at fair value through profit or loss except for derivatives contracts which applied hedge accounting are measured at fair value through other comprehensive income.

The classification and measurement under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Company's financial assets and financial liabilities as at 1 January 2020 are as follow:

Thousand Baht			
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020	
Transactions	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial assets			
Cash and cash equivalents	12,683	-	12,683
Short-term investment	157,165	157,165	-
Trade accounts receivable	456,560	-	456,560
Restricted deposits with banks	36,502	-	36,502
Total	662,910	157,165	505,745
Financial liabilities			
Short-term loans from bank	141,603	-	141,603
Trade accounts payable	312,485	-	312,485
Lease liabilities	3,301	-	3,301
Total	457,389	-	457,389

Financial assets and financial liabilities which measured at amortized cost is closed to fair value.

2. Impairment - Financial assets and contract assets

The Company has assessed the impairment of financial assets and contract assets by forward-looking 'expected credit loss' (ECL) model. It is no longer necessary for a credit event to have occurred before credit losses are recognizes and judgement about how changes in economic factors affect expected credit loss and probability - weighted basis. However, the new assessment applies to financial assets measured at amortized cost and fair value through other comprehensive income.

The Company has determined the application of TFRS 9 as follows:

- Trade receivables applied simplified approach for impairment losses measurement by using expected credit loss for the receivable.

However, the adoption of these new Financial Reporting Standards has no significant impact on the financial statements of the Company as at 1 January 2020.

2.2.2 Thai Financial Reporting Standard No.16 "Leases" (TFRS 16)

TFRS 16, that describes the new principles for the recognition of leases, replacing Thai Accounting Standard No. 17 "Leases", and several leases-related Interpretations. The new standard defines the requirements for leases will be recorded in the statement of financial position in the form of right-of-use asset and a lease liability except short-term leases agreement which period less than 12 months or low value of asset and provides additional guidance in many areas.

Under the Thai Financial Reporting Standard No. 16 "Leases", no significant changes to the accounting for lessors.

The Company recognized the right-of-use assets and lease liabilities that effect to change in nature of expenses related to those leases by the Company recognized depreciation expenses from the right-of-use assets and interest expense of lease liabilities instead of expenses from lease agreements.

For payments of short-term lease or leases of low-value assets will be recognized as expenses in profit or loss on a straight-line basis over the lease term.

The Company used the Temporary Relief Measures approach and recognized the right-of-use assets and lease liabilities at the first adoption date in which this method will have no effect to the retained earnings as at 1 January 2020 and no restatement to the comparative information.

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The measurement of lease liabilities at the 1 January 2020 are as follow:

	Thousand Baht
Operating lease commitments disclosed as at 31 December 2019	900
<u>Add:</u> Right of purchase or extension options reasonably certain to be exercised	3,600
Total	4,500
<u>Less:</u> Deferred interest expenses	(541)
Additional lease liabilities from TFRS 16 adoption	3,959
Finance lease liabilities as at 31 December 2019	3,301
Lease liabilities as at 1 January 2020	7,260
Comprised of;	
- Current portion of lease liabilities	4,364
- Lease liabilities - net	2,896
Total	7,260

2.2.3 Impact on the financial information

The adoption of Thai Financial Reporting Standard No. 16 has impact to the Company's statement of financial position as of 1 January 2020 are as follows:

	Thousand Baht		
	The previous accounting policies	Adjustment from Thai Financial Reporting Standard No. 16	After adjustment
Statement of financial position			
<u>Non-current assets</u>			
Property, plant and equipment	1,070,820	3,959	1,074,779
<u>Current liabilities</u>			
Current portion of lease liabilities	3,301	1,063	4,364
<u>Non-current liabilities</u>			
Lease liabilities	-	2,896	2,896

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2.3 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

2.3.1 Thai Accounting Standard No.1 "Presentation of financial statements" and Thai Accounting Standard No. 8 "Accounting policies, Changes in Accounting Estimates and Errors"

The amendment definition of "Materiality" to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarified the materiality application to Thai Financial Reporting Standard No.1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

2.3.2 Thai Financial Reporting Standard No.3 "Business combinations"

- Provide an option for the entity to use "Concentration Test" that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.
- The amendment definition of "Business" that define the business combination must include, at a minimum, an input and a substantive process that are collective significantly contribute to the ability to create outputs. Furthermore, amendment definition of "Outputs" which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

2.3.3 Thai Financial Reporting Standard No.9 "Financial instruments" and Thai Financial Reporting Standard No.7 "Disclosure of Financial instruments"

Change in specific hedge accounting requirements for relief the uncertainties arising from impact of interest rate benchmark reform such as Interbank offer rates - IBORs. In addition, the amendment requires the entity to provide information of all hedging relationships directly affected by such uncertainty.

2.3.4 Conceptual Framework for Financial Reporting

The amendment conceptual framework in definition of assets and liabilities and criteria for recognizing assets and liabilities in financial statements. The principles and practices are as following:

- Measurement including factors to be considered when selecting a benchmark basis
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes responsibilities, conservatism, and measurement uncertainty in preparation of financial reporting. The revised in conceptual framework that effect to revised in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and all cash at banks (which do not have restriction of usage) and highly liquid investments maturing within 3 months that are readily convertible to cash on maturity date with insignificant risk of change in value.

Related parties

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 directing the Company's operations.

Inventory

Inventories are valued at the lower of cost or net realizable value, by the following methods:

Finished goods and work in process	At cost (average method)
Raw materials and others	At cost (specific and first - in, first - out method)

Net realizable value is the estimated selling price in the ordinary course of the business less the marginal cost to complete (for work in process) and other estimated costs necessary to make the sale.

Cost of purchase consists of purchasing price and other related direct cost, net of discounts and others (if any).

Costs of finished goods and work in process consist of raw materials, direct labour, other direct expenses and overhead which are allocated based on the production process.

The Company sets up allowance for decline value of inventories (if any), based on their current status such as slow-moving and defective.

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Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Cost is measured by the cash or cash equivalent price of obtaining the asset that bring it to the location and condition necessary for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Subsequent costs

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

Depreciation

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

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

	Years
Land improvements	10
Buildings and improvements	20 - 40
Machinery and equipment	3 - 20
Furniture, fixtures and office equipment	3 - 10
Vehicles	5

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

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

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Impairment

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

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

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property where the future use has not been determined.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at its fair value estimated by an independent appraiser, and recognize changes in the fair value in profit or loss.

Subsequent expenditure is capitalised to the asset carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Right-of-use assets

Policies applicable after 1 January 2020

Leases - where the Company is the lessee

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

The Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Company is reasonably certain to terminate early.

To apply a cost model, the Company measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the ROU asset reflects that the Company will exercise a purchase option, the Company depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments
- a change in the Company's estimate of the amount expected to be payable under a residual value guarantee
- the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Company recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policies applicable before 1 January 2020

Long-term leases - Company as lessee

Leases of vehicle where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets under finance leases are capitalized at the fair value or estimated present value of the underlying lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the outstanding finance balance. Future lease payments, net of financial charges, are recognized as liabilities under finance lease agreements. The financial charge is recognized in the statement of profit or loss over the lease period. Assets acquired under finance lease agreements are depreciated over their useful lives.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease period. When an operating lease is terminated before the expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and other rebates.

Sale of goods and services rendered

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

Freight income is recognized over time. The related costs are recognized in profit or loss when they are incurred.

Interest income

Interest income is recognized in profit or loss on an accrual basis.

Foreign currencies

Foreign currency transactions are translated into the functional currency (Thai Baht), using the exchange rate prevailing at the dates of the transactions (spot exchange rate).

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

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

Foreign currency differences are recognized in profit or loss as incurred.

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Income tax

The computation of corporate income tax in compliance with the Revenue Code, is based on the taxable profit for the year after adding back expenses that are not deductible in determining taxable profit and the deduction of exempted income, according to the Revenue Code.

Current income tax

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the corresponding amounts used for income tax computation purposes. Deferred tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that the related tax benefit will be realized.

Employee benefits

Salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a contributory provident fund plan whereby monthly contributions are made by employees and by the Company. The fund assets are held in a separate trust fund. The Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments for employees upon retirement under the Labour Law.

The obligation under the defined benefit plan is determined by actuary, using the projected unit credit method.

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Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Basic earnings per share

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

Dividend payment

Dividend payment is recorded in the financial statements in the period in which they are approved by the Shareholders or Board of Directors of the Company.

Segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment information is presented by geography as primary format.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Financial instruments

Policies applicable after 1 January 2020

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expires.

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Classification and initial measurement of financial assets

The Company classified financial assets into the categorized (1) amortised cost (2) fair value through other comprehensive income (FVOCI) or (3) fair value through profit or loss (FVTPL) based on 2 criteria as follow;

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

At initial recognition, the financial assets (in the case of a financial asset not at FVTPL) are initial recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Company does not have any financial assets categorized and measured by FVOCI.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- the Company held such financial assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest method and are subjected to impairment which recognized in the profit or loss as separate item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI (if any). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Classification and initial measurement of financial liabilities

The Company classifies the financial instruments issued by the Company as financial liabilities or equity securities by considering contractual obligations.

The Company initially recognized the financial liabilities at fair value and adjusted with transaction costs that are directly attributable to the acquisition of the financial liabilities.

Subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method and are expensed in the profit or loss except derivative liabilities are measured at fair value through profit or loss.

Policies applicable before 1 January 2020

Short-term investment

Marketable securities held-for-trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

The fair value of investments is based on the net asset value of the mutual fund at the reporting date.

Disposal of investments

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

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest rate.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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

Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Revenue

The Company exercises critical judgments consideration the agreements between two or more parties to assess rights of parties and performance obligations of each party in the part of goods and services that have been promised to the customer. The Company separates revenue from sales LPG and other pressure cylinders by recognized at point in time and the Company also has revenue from services for container repairs and freight income required from customers by recognized at overtime.

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4.1.2 Impairment of receivables

Impairment of trade receivables are measured at an amount equal to lifetime expected credit losses (ECLs). ECLs are estimated using Simplified approach which a provision matrix developing based on the Company's historical credit loss experiences, adjusted with factors that are specific to the debtors together with an assessment of both current and future forecast of general economic conditions at the reporting date.

4.1.3 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

4.1.4 Allowance for decline in value of inventories

The Company estimates an allowance for slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on the consideration of inventory turnover and deterioration of each inventory category.

4.1.5 Property, plant and equipment and computer software

Management regularly determines the estimated useful lives and residual values of building, plant and equipment and computer software, and will revise the depreciation and the amortization charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if asset is no longer in used.

4.1.6 Investment property

The fair value of investment property is determined by an independent valuer using the market approach. The valuation involves certain assumptions and estimates.

4.1.7 Impairment of assets

The company consider asset as impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires management judgement.

4.1.8 Post-employment benefits

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.

4.1.9 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4.1.10 Leases

Determining the lease term

The Company exercises judgement in determining whether it is reasonably certain to exercise option to terminate or extend a lease in determining the lease term which considered all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease or not to exercise the option to terminate the lease.

Determining of discount rate

The discount rate, which was used to calculate the lease liability, is the rate implicit in the leases if it can be readily determined, or the lessee's incremental borrowing rate if not. The Company used the rate implicit in the lease for hire purchase leases and incremental borrowing rate for other leases. The Company estimated interest rate closely to incremental borrowing rate.

4.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

5. TRANSACTIONS WITH RELATED PARTIES

The Company has certain accounting transactions with related parties that are related to it through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Significant transactions with related parties for the years ended 31 December 2020 and 2019 consist of:

	Pricing Policy	Thousand Baht	
		2020	2019
Land rental - related party	Contract rate	-	1,200
<u>Key management personnel compensation</u>			
Current employment benefits		86,941	73,863
Provision for post-employment benefits			
- Service cost		478	476
- Finance cost		425	399
- Past service cost		-	2,985
- Actuarial gain		(906)	-
Total		86,938	77,723

As at 31 December 2020 and 2019, the Company has the following significant outstanding balances with related parties as follows:

	Thousand Baht	
	2020	2019
Lease liabilities	2,896	-
<u>Less</u> Portion due within 1 year	(1,507)	-
Net	1,389	-
Liabilities under post-employment benefits	19,888	19,891

6. CASH AND CASH EQUIVALENTS

	Thousand Baht	
	2020	2019
Cash	165	177
Saving accounts with banks	28,264	5,589
Current accounts with banks	9,226	6,917
Bill of Exchange	20,000	-
Total	57,655	12,683

Bill of Exchange ages not more than 3 months with carry effective interest at the rate 2.00% per annum.

7. SHORT-TERM INVESTMENT

Movements in the short-term investment for the years ended 31 December 2020 and 2019 are summarized below.

	Thousand Baht	
	2020	2019
Balance as at 1 January	157,165	90,724
<u>Add</u> Addition	2,351,472	1,406,800
<u>Less</u> Disposals	(1,991,493)	(1,340,407)
Unrealized gain (loss) on short-term investment	(54)	48
Balance as at 31 December	517,090	157,165

The Company has invested in an open-end mutual fund which yields return more than general savings deposits. The investment does not have any restriction for redemption and is classified as financial assets measured at fair value through profit or loss.

Measurement of fair value

The fair market value is based on the price quoted by the fund manager which is based on the fair value of the underlying investments held by the fund (Level 2).

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8. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2020 and 2019, the aged trade accounts receivable are as follows:

	Thousand Baht	
	2020	2019
Not yet due	321,854	350,352
Over due		
Less than 3 months	57,469	106,208
More than 3 months, not over 6 months	23,840	-
More than 6 months, not over 12 months	9	-
Total	403,172	456,560

The normal credit term is between 0 - 90 days.

9. INVENTORIES

	Thousand Baht	
	2020	2019
Raw materials and others	594,228	340,557
Raw materials in transits	164,999	188,887
Work in process	59,311	50,730
Finished goods	108,573	53,826
Total	927,111	634,000
<u>Less</u> Allowance for decline in value of inventories	(656)	(656)
Net	926,455	633,344

10. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2020 and 2019, the Company's fixed and saving deposits totalling Baht 36.69 million and Baht 36.50 million, respectively, are restricted for usage as they have been pledged as collaterals for letters of guarantee issued by a local bank for utilities usage, performance bond, and for loan from bank.

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11. INVESTMENT PROPERTY

As at 31 December 2020 and 2019, the outstanding balances of investment property are as follows:

	Thousand Baht	
	2020	2019
Land	36,040	35,200
Land and construction	24,376	24,580
Total	60,416	59,780

Investment property comprises of land and construction which have not used in the Company's operations, and property where the future usage has not been determined.

During the years ended 31 December 2020 and 2019, movement of the investment property are as follows:

	Thousand Baht	
	2020	2019
Net book value as at 1 January	59,780	59,780
Gain on fair value adjustment for the year	636	-
Net book value as at 31 December	60,416	59,780

Measurement of fair value

The fair value of investment property is determined by external independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued and have been approved by The Securities and Exchange Commission. An independent valuation is performed at least every three years, or when management determines that there is a material change in the fair value. During the year 2020, fair value of properties was revalued resulting in a gain of Baht 0.64 million. The independent appraisers applied a market approach by comparing the value to market price of other property in the nearby location (Level 2). The Company recognized changes in the fair value of investment property in profit or loss for the year.

As at 31 December 2020, an investment property amounting to Baht 58.82 million (2019: Bath 58.18 million) has been mortgaged as collateral for credit facility as discussed in Notes 13, 26 and 27 to financial statements.

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12. PROPERTY, PLANT AND EQUIPMENT

	Thousand Baht						
	Land and improvement	Building and improvement	Machinery and equipment	Furniture fixtures and office Equipment	Vehicles	Machinery under installation and construction in progress	Total
Cost							
1 January 2019	308,374	491,551	897,991	39,784	53,889	25,715	1,817,304
Acquisitions	-	17	5,900	790	-	48,790	55,497
Disposals / write-off	-	-	(1,821)	-	-	-	(1,821)
Transfer in / (out)	6,932	6,752	38,419	-	-	(52,103)	-
31 December 2019	315,306	498,320	940,489	40,574	53,889	22,402	1,870,980
Acquisitions	-	2,586	20,807	1,625	3,641	136,186	164,845
Adjustment from TFRS 16 adoption (Note 2)	3,959	-	-	-	-	-	3,959
Disposals / write-off	-	-	(26,904)	(374)	(154)	-	(27,432)
Transfer in / (out)	8,905	34,109	35,991	57	-	(79,062)	-
31 December 2020	328,170	535,015	970,383	41,882	57,376	79,526	2,012,352
Accumulated depreciation							
1 January 2019	33,463	217,389	407,139	34,965	47,803	-	740,759
Depreciation for the year	1,133	12,868	42,121	1,502	2,572	-	60,196
Accumulate depreciation for Disposals / write-off	-	-	(795)	-	-	-	(795)
31 December 2019	34,596	230,257	448,465	36,467	50,375	-	800,160
Depreciation for the year	2,954	13,280	43,730	1,441	3,001	-	64,406
Accumulate depreciation for Disposals / write-off	-	-	(24,770)	(374)	(154)	-	(25,298)
31 December 2020	37,550	243,537	467,425	37,534	53,222	-	839,268
Net book value							
31 December 2019	280,710	268,063	492,024	4,107	3,514	22,402	1,070,820
31 December 2020	290,620	291,478	502,958	4,348	4,154	79,526	1,173,084
Depreciation for the year 2019							
Costs of sales							52,874
Administrative expenses							7,322
Total							60,196
Depreciation for the year 2020							
Costs of sales							55,809
Administrative expenses							8,597
Total							64,406

The Company's land and buildings and a part of machinery have been mortgaged as collateral for credit facilities as discussed in Notes 13, 26 and 27 to financial statements.

As at 31 December 2020 and 2019, the cost of fully depreciated assets which remain in use amounted to Baht 261.07 million and Baht 259.06 million, respectively.

13. SHORT-TERM LOANS FROM BANK

	Thousand Baht	
	2020	2019
Liabilities under trust receipts	371,590	141,603
Total	371,590	141,603

As at 31 December 2020, the Company has credit facilities from bank totaling Baht 5,181 million (2019 : Baht 5,181 million). The liabilities under trust receipts bear interest at the rates of 1.00% - 2.40% per annum (2019 : 1.55% - 2.66% per annum). These loans are collateralized by the mortgage of the Company's land, buildings thereon and machinery, investment property, bank deposit, the pledge of the Company's shares belonging to the Company's shareholders and the personal guarantees of certain Company's directors.

14. LEASE LIABILITIES

Right-of-use

The Company has classified right-of-use by asset category into property, plant, and equipment which are summarized as follow:

	Thousand Baht		
	Land	Vehicles	Total
Net book value as at 1 January 2020	3,959	3,301	7,260
Additions	-	3,296	3,296
Depreciation	(1,053)	(2,319)	(3,372)
Net book value as at 31 December 2020	2,906	4,278	7,184

Lease liabilities

As at 31 December 2020 and 2019, the Company has lease agreements for vehicles and land that are being used in the operations with instalment periods of 36 - 48 months. The present value of lease liabilities are as follows:

	Thousand Baht	
	2020	2019
Lease liabilities	4,962	3,301
<u>Less</u> current portion	(1,854)	(3,301)
Net	3,108	-

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The analysis for maturity of lease liabilities are as follows:

	Thousand Baht	
	2020	2019
Not later than one year	2,121	3,408
Later than 1 year but not later than 5 years	3,442	-
Total	5,563	3,408

The Company recognized financial cost which related to leases of Baht 0.34 million (2019: Baht 0.30 million).

15. LIABILITIES UNDER POST-EMPLOYMENT BENEFITS

	Thousand Baht	
	2020	2019
Statement of financial position obligations for:		
Post-employment benefits	57,576	54,350
Statements of profit or loss and other comprehensive income:		
<i>Recognized in profit or loss:</i>		
Post-employment benefits	6,266	19,601
<i>Recognized in other comprehensive income:</i>		
Actuarial loss	533	-

The Company has an obligation under the Thai Labour Law to provide retirement benefits to employees based on pensionable remuneration and length of service.

During the years ended 31 December 2020 and 2019, movements in employee benefits obligation are as follows:

	Thousand Baht	
	2020	2019
Balance as at 1 January	54,350	39,547
Recognized in profit or loss:		
- Current service costs	3,696	3,558
- Interest on obligation	2,037	1,989
- Past service cost	-	14,054
Actuarial losses	533	-
Benefits paid	(3,040)	(4,798)
Balance as at 31 December	57,576	54,350

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On 5 April 2019, the National Legislative Assembly published Labor Protection Act No.7 B.E. 2019 in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. The revised legislation was effective from 5 May 2019, and resulted in an increase in the employment benefit obligation of Baht 14.05 million, with a corresponding amount included in the statement of profit or loss for year 2019 in respect of the past service cost.

Principal actuarial assumptions are as follows:

	2020	2019
Discount rate	3.48 percent per annum	3.48 percent per annum
Future salary increment rate	5.0 percent per annum	6.0 percent per annum
Normal retirement age	60 years	60 years
Number of employees	414 persons	414 persons

Amount recognized in other comprehensive income related to employee benefits obligation are as follow:

	Thousand Baht	
	2020	2019
Actuarial (gain) loss from changes in		
- Demographic assumption	(656)	-
- Financial assumptions	1,189	-
Total recognized in other comprehensive income	533	-

Sensitivity analysis

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

	Thousand Baht	
	Effect to the defined benefit obligation	
	2020	2019
Discount rate (1% increment)	(5,779)	(5,778)
Discount rate (1% decrement)	6,713	6,726
Future salary growth (1% increment)	6,889	7,388
Future salary growth (1% decrement)	(6,015)	(6,398)
Employee turnover (1% increment)	(6,800)	(7,311)
Employee turnover (1% decrement)	7,881	8,560

16. SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

At the 2019 Annual General Meeting of Shareholders held on 29 March 2019, the shareholders approved the reduction of the Company's registered share capital amounting to Baht 898,972 from the existing registered capital of Baht 536,405,305 to Baht 535,506,333 by cancelling the Company's authorized but unissued shares relating to 898,972 expired warrants. An amendment to the Company's Memorandum of Association to the registered capital reduction was also made. The Company registered the change in share capital with the Department of Business Development on 9 April 2019.

17. DIVIDEND PAYMENT

At the Board of Directors' Meeting No. 4/2020 held on 10 August 2020, the Board of Director passed the resolution to appropriate an interim dividend payment on 9 September 2020 from the operating profit for the six-month period ended 30 June 2020 of Baht 0.37 per share for 535,506,333 common shares, totally Baht 198.13 million.

At the 2020 Annual General Meeting of Shareholders held on 31 March 2020, the shareholders passed a resolution to pay a dividend from operating income for the year ended 31 December 2019 of Baht 0.42 per share. On 6 September 2019, the Company paid interim dividend for the six-month period ended 30 June 2019 of Baht 0.24 per share for 535,506,333 common shares, totalling Baht 128.52 million. On 30 April 2020, the Company paid the remaining dividend for the period from 1 July 2019 to 31 December 2019 of Baht 0.18 per share amounting to Baht 96.39 million.

At the Board of Directors' meeting No. 4/2019 held on 8 August 2019, the Board of Director passed a resolution to appropriate an interim dividend payment from the operating profit for the six-month period ended 30 June 2019 of Baht 0.24 per share for 535,506,333 shares, totalling Baht 129 million. The dividend was paid on 6 September 2019.

At the 2019 Annual General Meeting of Shareholders held on 29 March 2019, the shareholders passed a resolution to pay a dividend from the profit for the year ended 31 December 2018 of Baht 0.63 per share. An approved interim dividend payment for the six-month period ended 30 June 2018 had already been paid of Baht 0.30 per share for 535,506,333 shares, totaling Baht 161 million, on 7 September 2018. The remaining dividend payment for the period from 1 July 2018 to 31 December 2018 of Baht 0.33 per share, totaling Baht 177 million, was paid on 26 April 2019.

As at 31 December 2020, the Company has an accrual for dividends payable amounting to Baht 5.28 million (2019 : Baht 4.16 million) which is presented under other current liabilities.

18. LEGAL RESERVE

Under the provision of the Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit, after deduction of the deficit brought forward (if any), as reserve fund until the reserve reaches not less than 10% of the registered share capital. This reserve is not available for dividend distribution.

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19. PROVIDENT FUND

The Company and employee have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, employee has to contribute to the fund at the specific rate and will be entitled to receive the fund when employee is no longer member in accordance with regulation of the fund. The Company's contribution to the Fund for the year 2020, amounted to Baht 3.43 million (2019: Baht 3.45 million).

20. REVENUE

The Company has revenue from sales both domestic and export which consist of LPG and other pressure cylinders. In addition, the Company also provides services for container repairs and freight income required from customers.

The Company disclosed the revenue disaggregated by primary geographical areas and classified by pattern of revenue recognition for the years ended 31 December 2020 and 2019 are as follows:

	Thousand Baht							
	Sale of goods		Freight income		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Asia	968,915	1,039,440	33,143	34,929	16,927	18,615	1,018,985	1,092,984
Africa	1,174,415	947,457	55,836	48,387	-	-	1,230,251	995,844
America	1,036,292	737,324	7,712	3,644	-	-	1,044,004	740,968
Others	666,731	422,625	13,410	3,538	-	-	680,141	426,163
Total	3,846,353	3,146,846	110,101	90,498	16,927	18,615	3,973,381	3,255,959
Revenue classified by revenue recognition								
- At point in time	3,846,353	3,146,846	-	-	16,927	18,615	3,863,280	3,165,461
- Overtime	-	-	110,101	90,498	-	-	110,101	90,498
Total	3,846,353	3,146,846	110,101	90,498	16,927	18,615	3,973,381	3,255,959

21. OTHER INCOME

Other income for the years ended 31 December 2020 and 2019 are as follows:

	Thousand Baht	
	2020	2019
Revenue from scrap sales	170,410	140,735
Gain on exchange rate	62,789	24,390
Revenue from product quality test	3,123	3,525
Gain on fair value adjustment of investment property	636	-
Others	7,327	6,987
Total	244,285	175,637

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22. INCOME TAX

Deferred tax

Deferred tax assets and liabilities are consisted of:

	Thousand Baht	
	2020	2019
Deferred tax assets	14,198	13,101
Deferred tax liabilities	(1,342)	(849)
Deferred tax	12,856	12,252

The movements in deferred tax assets / liabilities for the years ended 31 December 2020 and 2019 are as follows:

	Thousand Baht			
	Recognised as income/(expense)			
	1 January 2020	Statement of profit or loss	Shareholder's equity	31 December 2020
Deferred tax assets				
From adjustment the fair value of investment property	2,231	(127)	-	2,104
From lease liabilities	-	579	-	579
From provision for employee benefits obligation	10,870	538	107	11,515
Total	13,101	990	107	14,198
Deferred tax liabilities				
From property, plant and equipment	(849)	88	-	(761)
From right-of-use assets	-	(581)	-	(581)
Total	(849)	(493)	-	(1,342)
Deferred tax - net	12,252	497	107	12,856

	Thousand Baht		
	Recognised as		
	1 January 2019	income / (expense) in profit or loss	31 December 2019
Deferred tax assets			
From adjustment the fair value of investment property	2,231	-	2,231
From provision for employee benefits obligation	7,910	2,960	10,870
Total	10,141	2,960	13,101
Deferred tax liability			
From property, plant and equipment	(937)	88	(849)
Deferred tax - net	9,204	3,048	12,252

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Income tax expense for the years ended 31 December 2020 and 2019 are as follows:

	Thousand Baht	
	2020	2019
Current tax expense		
Current year	147,641	91,628
Deferred tax expense		
Movements in temporary differences	(604)	(3,048)
Total income tax expense	<u>147,037</u>	<u>88,580</u>
Income tax recognized in other comprehensive income		
Actuarial loss	<u>(107)</u>	<u>-</u>

	2020		2019	
	Rate (Percentage)	Thousand Baht	Rate (Percentage)	Thousand Baht
Profit before income tax		765,748		463,778
Income tax at tax rate	20	153,150	20	92,756
Income tax expense from non-deductible expense for tax purpose		326		325
Income tax benefit from additional deduction of expenses for tax purpose		(6,384)		(4,420)
Adjustment for tax in prior years		(55)		(81)
Net		<u>147,037</u>		<u>88,580</u>
Effective tax rate	19.20		19.09	

23. PROMOTIONAL PRIVILEGES

The Company has been granted for promotional privileges certificate (No. 63-0026-1-04-1-0) by the Office of Board of Investment for Machinery and equipment use in the manufacturing of steel products, including steel parts on 10 January 2020 subjected to certain terms and conditions.

The privileges include

1. An exemption from corporate income tax for the period of 3 years from the first date of promoted operations commence generating revenues (currently, it has not yet started for tax privileges) which corporate income tax exemption is not exceeded 50% of the investment for production efficiency improvement exclude land and working capital investment.
2. An Exemption from import duty on imported machinery which must be imported within 10 January 2023. At present, those machineries are under construction.
3. Exemption from income tax on dividends paid to the shareholders from the profit of the promoted operations for the BOI promotion period.

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24. SEGMENT REPORTING

Significant segment reporting for the years ended 31 December 2020 and 2019 are as follows:

	Thousand Baht					
	For the years ended 31 December					
	2020			2019		
	Domestic	Export	Total	Domestic	Export	Total
Revenue from sales and services	97,285	3,876,096	3,973,381	309,420	2,946,539	3,255,959
Costs of sales and services	(59,265)	(2,944,035)	(3,003,300)	(185,225)	(2,403,643)	(2,588,868)
Gross profit	38,020	932,061	970,081	124,195	542,896	667,091

Segment reporting is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Company reported its operations by domestic and export. Segment performance is measured based on gross profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Gross profit for domestic and export sales derived from the deduction of related costs of sales, which are calculated by the weighted average standard cost of each product.

Major Customer

For the year ended 31 December 2020 and 2019 no major private customers.

25. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2020 and 2019 are as follows:

	Thousand Baht	
	2020	2019
Raw materials and consumable supplies used	2,381,467	2,029,587
Salaries, wages and other employee benefits	379,840	324,024
Transportation expenses	170,451	123,886
Depreciation	64,406	60,196
Changes in finished goods and work in process	63,329	26,386
Commission	41,284	19,010

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26. COMMITMENTS

As at 31 December 2020, the Company has the following commitments:

- 26.1 An obligation under a domestic bank guarantee amounting to Baht 0.44 million for the issuance of letters of guarantee to the Customs Department to exempt the Company from paying anti-dumping duties for materials imported for manufacturing and re-export within one-year.
- 26.2 Obligations under domestic bank guarantees for electricity usage and other matters totalling Baht 73.17 million.
- 26.3 Obligations under construction agreement including purchase of assets, the Company will pay for the remaining amount of Baht 42.28 million when the construction or assets ready for use.

For the issuance of letters of guarantee in 26.1 and 26.2, the Company has mortgaged partial of land, buildings and machinery together with the certain personal guarantee of the Company's director as an entire guarantee as described in Notes 11 and 12 to financial statements.

27. FINANCIAL RISK MANAGEMENT

The carrying amounts and classification of financial assets and financial liabilities as at 31 December 2020 are as follows:

Thousand Baht			
Transaction	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial assets			
Cash and cash equivalents	57,655	-	57,655
Short-term investment	517,090	517,090	-
Trade accounts receivable	403,172	-	403,172
Restricted deposits with banks	36,694	-	36,694
Total	1,014,611	517,090	497,521
Financial liabilities			
Short-term loans from bank	371,590	-	371,590
Trade accounts payable	372,817	-	372,817
Lease liabilities	4,962	-	4,962
Total	749,369	-	749,369

Financial risk management policies

The important financial risks of the Company comprise of credit risk, liquidity risk, market risk including credit risk, exchange rate risk and interest rate risk. The Company does not have any policy to trade financial assets for speculative purposes or commercial use. The Company has significant financial risk management policies as follow.

27.1 Credit Risk

The Company's credit risk is related with trade account receivable in which the Company provides credit term to customer on normal trade transactions. The Company manages its exposure to credit risk by closely monitoring of accounts receivable collection and focuses on each overdue accounts. Moreover, the Company has no significant concentrations of credit risk. The Company, therefore, does not expect to incur material financial losses from credit risk. The maximum financial losses to credit risk is limited to the carrying amounts of trade receivables as presented in the statement of financial position.

27.2 Liquidity Risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in 30-day projection. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis.

In addition, the Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its existing cash resources and trade receivables (Note 8 to financial statements) significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within three months.

As of 31 December 2020 and 2019, the Company's financial assets and liabilities classified by the maturity dates subsequent from the statement of financial position date are as follows:

	Thousand Baht			
	2020			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	37,655	20,000	-	57,655
Trade accounts receivable	403,172	-	-	403,172
Restricted deposits with banks	-	-	36,694	36,694
Short-term loans from bank	-	371,590	-	371,590
Trade and other payables	372,817	-	-	372,817
Lease liabilities	-	1,854	3,108	4,962

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	Thousand Baht			
	2019			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	12,683	-	-	12,683
Trade accounts receivable	456,560	-	-	456,560
Restricted deposits with banks	-	-	36,502	36,502
Short-term loans from bank	-	141,603	-	141,603
Trade and other payables	312,485	-	-	312,485
Lease liabilities	-	3,301	-	3,301

27.3 Market risk

Foreign currency risk

Since most of business transactions of the Company are from overseas, hence the Company is subjected to foreign currency risk relevant to purchases and sales transactions dominated in foreign currencies. The Company manages this risk by entering into forward contracts as appropriated. Forward contracts are made to manage exposure from foreign currencies fluctuation on specific transactions.

As at 31 December 2020 and 2019, the Company has foreign currency risk exposure relating to sales and purchases denominated in foreign currencies as follows:

	2020		
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Cash and cash equivalent in foreign currency</u>			
USD	81	29.8674	2,422
<u>Trade accounts receivable in foreign currencies</u>			
USD	10,435	29.8674	311,673
EUR	1,976	36.4949	72,118
GBP	129	40.2035	5,199
<u>Trade accounts payable in foreign currencies</u>			
USD	5,367	30.2068	162,116
EUR	1	36.4949	36
<u>Short-term loans from bank in foreign currency</u>			
USD	12,302	30.2068	371,590

2020			
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Accrued commission expenses in foreign currencies</u>			
USD	797	30.2068	24,085
EUR	347	36.4949	12,666
2019			
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Cash and cash equivalent in foreign currency</u>			
USD	81	29.9767	2,428
<u>Trade accounts receivable in foreign currencies</u>			
USD	14,131	29.9767	423,606
EUR	53	33.3775	1,766
KWD	143	98.8026	14,139
<u>Trade accounts payable in foreign currency</u>			
USD	3,307	30.3313	100,311
<u>Short-term loans from bank in foreign currency</u>			
USD	4,411	30.3313	133,791
<u>Accrued commission expenses in foreign currencies</u>			
USD	746	30.3313	22,630
EUR	183	34.0846	6,252

As at 31 December 2020, the Company has credit limit of forward contracts for collection of payment from trade accounts receivable and repayment of accounts payable amount of Baht 288 million (Credit limit guarantee by mortgaged partial of land, buildings and machinery together with the certain personal guarantee of the Company's director as an entire guarantee as described in Notes 11 and 12 to financial statements).

For which the derivatives contract does not fall into the hedge accounting, derivatives contract are accounted for at fair value through profit or loss and are presented as current assets or liabilities once their maturity is within 12 months subsequent to the accounting period. However, the Company does not have outstanding of derivative contract as at 31 December 2020 since the Company currently uses natural hedges for sales and purchases dominated in foreign currencies.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The interest rate risk is the future movements in market interest rates. The Company's exposure to interest rate risk relates primarily to its deposits with banks and loans from bank.

Major financial assets and liabilities of the Company bear floating interest rates or fixed interest rates which are close to the market rate. However, the Company has not entered into interest rate swap agreements.

All financial assets and liabilities of the Company, matured within 1 year, classified by type of interest rates are summarized in the table below.

	Thousand Baht				
	2020				
	Floating rate	Fixed rate	No interest	Total	Interest rate
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	28,264	20,000	9,391	57,655	0.05% - 2.00%
Trade accounts receivable	-	-	403,172	403,172	-
Short-term investment	-	517,090	-	517,090	0.05% - 0.53%
Restricted deposits with banks	-	36,694	-	36,694	0.10% - 0.75%
Short-term loans from bank	371,590	-	-	371,590	1.00% - 2.40%
Trade and other current payables	-	-	372,817	372,817	-
Lease liabilities	-	4,962	-	4,962	3.48% - 7.30%

Thousand Baht					
2019					
	Floating rate	Fixed rate	No interest	Total	Interest rate
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	5,589	-	7,094	12,683	0.10% - 0.38%
Trade accounts receivable	-	-	456,560	456,560	-
Short-term investment	-	157,165	-	157,165	0.27% - 0.34%
Restricted deposits with banks	-	36,502	-	36,502	0.65% - 1.00%
Short-term loans from bank	141,603	-	-	141,603	1.55% - 1.66%
Trade and other payables	-	-	312,485	312,485	-
Lease liabilities	-	3,301	-	3,301	4.73% - 6.94%

28. FAIR VALUE HIERARCHY

The fair value of financial assets and liabilities approximate to the carrying value in the financial statements.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

- Cash and cash equivalents, restricted deposits with banks and accounts receivable - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.
- Loans from bank, trade accounts payable and lease liabilities the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity.

As at 31 December 2020 and 2019, the Company has the financial assets measured at fair value in the statement of financial position which are grouped into levels of a fair value hierarchy as follows:

(Unit: Thousand Baht)				
2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Short-term investment	-	517,090	-	517,090
Investment property	-	60,416	-	60,416
(Unit: Thousand Baht)				
2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Short-term investment	-	157,165	-	157,165
Investment property	-	59,780	-	59,780

During the year, there was no transfer within the fair value hierarchy.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Thousand Baht		
	Lease liabilities	Short-term loans	Total
1 January 2019	4,668	543,371	548,039
Repayment	(1,367)	(1,546,916)	(1,548,283)
Proceeds	-	1,145,532	1,145,532
Non-cash:			
Exchange rate	-	(384)	(384)
31 December 2019	3,301	141,603	144,904
Repayment	(5,932)	(1,605,915)	(1,611,847)
Proceeds	-	1,852,024	1,852,024
Non-cash:			
Exchange rate	-	(16,122)	(16,122)
Increase	7,593	-	7,593
31 December 2020	4,962	371,590	376,552

30. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on 15 February 2021, the Board of Director passed a resolution to propose to the Annual Shareholders' Meeting to approve dividend payment from the profit for the year ended 31 December 2020 of Baht 0.80 per share, of which an interim dividend payment for the six-month period ended 30 June 2020 had been paid of Baht 0.37 per share for 535,506,333 shares, totaling Baht 198.13 million on 9 September 2020. Therefore, the remaining dividend payment for approval for the period from 1 July 2020 to 31 December 2020 are Baht 0.43 per share, totaling not exceed of Baht 231 million.

31. OTHER MATTERS

At the Board of Directors' meeting No. 5/2019 held on 29 October 2019, the Board of Director passed a resolution to appropriate for the establishing of new overseas subsidiaries for the Company's business expansion purposes. At the Board of Directors' meeting No. 7/2019 held on 20 December 2019, the Board of Director passed a resolution to appropriate authorized the Executive committee to consider and complete the operations within the appropriate time.

Because of Coronavirus Pandemic (Covid-19), currently, the Company cannot complete such matter as the resolution of the Board.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Board of Directors on 15 February 2021.

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