

**SNC Former Public Company Limited  
and its Subsidiaries**

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

## **Independent Auditor’s Report**

### **To the Shareholders of SNC Former Public Company Limited**

#### *Opinion*

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

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

#### *Basis for Opinion*

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

*Key Audit Matters*

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

<b>Valuation of investments in associate, subsidiaries and property, plant and equipment</b>	
Refer to notes 4, 10 11 and 15 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
Certain associate and subsidiaries of the Group have the operating loss and deficits indicating that the investments in associate, subsidiaries and property, plant and equipment of those subsidiaries may be impaired. The management considered the impairment at the reporting period by estimating the recoverable amount from the value in use, determined by discounting future cash flows from their operations which involved a significant level of judgment in determining the key assumptions of management. As a result, this is an area focus for my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding the process of identifying and considering the assessment of valuation on investments in associate, subsidiaries and property, plant and equipment of those subsidiaries;</li> <li>• assessing the reasonableness of the key assumptions use by management in the forecast of future profit and cash flows projection of associate, subsidiaries and property, plant and equipment of those subsidiaries by considering with the internal and external sources of information and considering the operation plan approved by management by comparing to the actual and the historical operating results, also evaluating the appropriateness of financial methodologies used in the calculating the estimates and discount rate;</li> <li>• evaluating the sensitivity of key assumptions used in future cash flows projection which affect to the recoverable amount of cash-generating unit;</li> <li>• evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.</li> </ul>

*Other Information*

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Marisa Tharathornbunpakul)  
Certified Public Accountant  
Registration No. 5752

KPMG Phoomchai Audit Ltd.  
Bangkok  
17 February 2021

## SNC Former Public Company Limited and its Subsidiaries

### Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,235,026,360	836,767,815	183,456,044	84,764,688
Trade accounts receivable	6, 27	1,003,328,393	850,014,067	51,230,013	59,702,654
Other receivables	6	96,563,076	39,261,935	5,890,898	14,865,975
Short-term loans to related parties	6	27,432,653	27,432,653	1,364,140,165	1,345,166,165
Inventories	8	1,408,244,049	546,918,129	14,066,208	9,377,108
Other current assets	9	116,587,386	134,278,524	355,060	268,098
<b>Total current assets</b>		<b>3,887,181,917</b>	<b>2,434,673,123</b>	<b>1,619,138,388</b>	<b>1,514,144,688</b>
<b>Non-current assets</b>					
Other non-current financial assets					
<i>(2019: Other long-term investments)</i>	3, 12, 27	28,486,872	26,500,000	28,486,872	26,500,000
Investments in subsidiaries	11	-	-	1,586,394,141	1,185,309,141
Investments in associate	10	-	4,217,669	-	-
Investment properties	14, 19	226,754,798	209,999,825	-	-
Property, plant and equipment	15, 19	3,174,361,176	2,630,924,784	184,331,147	188,494,274
Right-of-use assets	3, 16	294,403,238	-	48,322,132	-
Intangible assets	17	53,333,062	52,829,150	20,040,591	11,530,261
Deferred tax assets	25	50,765,113	24,844,246	6,345,992	5,575,003
Non-current non-cash financial assets pledged					
as collateral	19	5,000,000	-	-	-
Other non-current assets	18	49,458,078	12,891,952	8,501,500	8,501,500
<b>Total non-current assets</b>		<b>3,882,562,337</b>	<b>2,962,207,626</b>	<b>1,882,422,375</b>	<b>1,425,910,179</b>
<b>Total assets</b>		<b>7,769,744,254</b>	<b>5,396,880,749</b>	<b>3,501,560,763</b>	<b>2,940,054,867</b>

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

## SNC Former Public Company Limited and its Subsidiaries

### Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	19	710,000,000	169,000,000	710,000,000	154,000,000
Trade and other payables	6	2,249,933,896	1,290,696,122	77,207,045	90,283,750
Current portion of deferred income		2,187,810	10,480,350	-	-
Accounts payable - acquisition of assets		44,698,944	221,299,837	1,184,009	742,751
Current portion of long-term borrowings from financial institutions	19	202,179,383	45,066,667	-	-
Current portion of lease liabilities	3, 19, 27	28,355,938	-	4,594,062	-
Current income tax payable		28,697,151	84,126,489	8,147,993	80,757,748
Other current financial liability	27	925,555	-	-	-
Other current liabilities		10,575,903	13,283,871	1,112,222	2,655,402
<b>Total current liabilities</b>		<b>3,277,554,580</b>	<b>1,833,953,336</b>	<b>802,245,331</b>	<b>328,439,651</b>
<b>Non-current liabilities</b>					
Deferred income		45,944,018	48,131,829	-	-
Long-term borrowings from financial institutions	19	544,949,187	32,302,442	-	-
Lease liabilities	3, 19, 27	272,683,619	-	44,693,960	-
Deferred tax liabilities	25	-	1,795,726	-	-
Provisions for employee benefits	20	50,435,361	78,510,658	8,502,217	11,019,856
Other non-current liabilities		-	4,426,452	-	-
<b>Total non-current liabilities</b>		<b>914,012,185</b>	<b>165,167,107</b>	<b>53,196,177</b>	<b>11,019,856</b>
<b>Total liabilities</b>		<b>4,191,566,765</b>	<b>1,999,120,443</b>	<b>855,441,508</b>	<b>339,459,507</b>

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

# SNC Former Public Company Limited and its Subsidiaries

## Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Liabilities and equity</b>					
<b>Equity</b>					
Share capital:					
Authorised share capital					
<i>( 287,777 ordinary shares, par value at Baht 1 per share )</i>		<u>287,777,339</u>	<u>287,777,339</u>	<u>287,777,339</u>	<u>287,777,339</u>
Issued and paid-up share capital					
<i>( 287,777 ordinary shares, par value at Baht 1 per share )</i>		287,777,339	287,777,339	287,777,339	287,777,339
Share premium on ordinary shares		1,213,596,360	1,213,596,360	1,213,596,360	1,213,596,360
Retained earnings					
Appropriated					
Legal reserve	21	75,697,824	75,697,824	30,140,324	30,140,324
Unappropriated		1,910,012,112	1,648,576,306	1,119,015,734	1,069,081,337
Other components of equity		<u>(4,410,502)</u>	<u>-</u>	<u>(4,410,502)</u>	<u>-</u>
<b>Equity attributable to owners of the parent</b>		<b>3,482,673,133</b>	<b>3,225,647,829</b>	<b>2,646,119,255</b>	<b>2,600,595,360</b>
Non-controlling interests	13	<u>95,504,356</u>	<u>172,112,477</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<b><u>3,578,177,489</u></b>	<b><u>3,397,760,306</u></b>	<b><u>2,646,119,255</u></b>	<b><u>2,600,595,360</u></b>
<b>Total liabilities and equity</b>		<b><u>7,769,744,254</u></b>	<b><u>5,396,880,749</u></b>	<b><u>3,501,560,763</u></b>	<b><u>2,940,054,867</u></b>

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



# SNC Former Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Continuing operations</b>					
Revenue from sales of goods and rendering of services	22	8,960,518,324	6,625,584,941	349,934,410	437,279,817
Cost of sales of goods and rendering of services	8	<u>(8,166,207,388)</u>	<u>(5,968,219,152)</u>	<u>(287,724,749)</u>	<u>(384,862,231)</u>
<b>Gross profit</b>		<b>794,310,936</b>	<b>657,365,789</b>	<b>62,209,661</b>	<b>52,417,586</b>
Interest income		8,356,796	5,721,248	76,697,870	36,551,923
Gain on sale of assets held for sale	14	-	524,774,043	-	524,774,043
Other income		119,841,073	89,313,829	12,217,602	25,988,883
Dividend income from subsidiaries	11	-	-	171,962,667	201,310,933
Distribution costs		(158,110,728)	(119,012,557)	(11,138,120)	(13,095,858)
Administrative expenses		(257,770,319)	(255,788,437)	(25,005,573)	(32,343,882)
Direct expenses arising from investment properties		(1,616,792)	(20,355,642)	-	(16,026,969)
Directors and management benefit expenses	6	(28,794,755)	(27,706,304)	(1,180,378)	(2,820,476)
Reversal of impairment loss on investment in subsidiaries	11	-	-	-	86,999,400
Impairment loss on investment in associate	10	-	-	-	(27,300,000)
Loss on disposal of investment in subsidiaries	11	-	-	-	(171,747,766)
Gain (loss) on sale of investment in associate	10	-	2,308,740	-	(8,107,155)
<b>Profit from operating activities</b>		<b>476,216,211</b>	<b>856,620,709</b>	<b>285,763,729</b>	<b>656,600,662</b>
Finance costs		(48,700,905)	(10,629,025)	(21,549,071)	(4,312,494)
Share of loss of associate accounted for using equity method	10	<u>(4,217,669)</u>	<u>(18,148,547)</u>	<u>-</u>	<u>-</u>
<b>Profit before income tax expense</b>		<b>423,297,637</b>	<b>827,843,137</b>	<b>264,214,658</b>	<b>652,288,168</b>
Tax expense	25	<u>(10,679,255)</u>	<u>(101,543,331)</u>	<u>(11,251,999)</u>	<u>(85,302,174)</u>
<b>Profit for the year</b>		<b>412,618,382</b>	<b>726,299,806</b>	<b>252,962,659</b>	<b>566,985,994</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Loss on investments in equity instruments designated at FVOCI		(2,125,899)	-	(2,125,899)	-
Gain (loss) on remeasurements of defined benefit plans	20	2,194,819	10,876,039	(1,980,243)	9,350,721
Income tax relating to items that will not be reclassified	25	<u>(13,784)</u>	<u>(2,175,208)</u>	<u>821,228</u>	<u>(1,870,144)</u>
<b>Other comprehensive income for the year, net of tax</b>		<b>55,136</b>	<b>8,700,831</b>	<b>(3,284,914)</b>	<b>7,480,577</b>
<b>Total comprehensive income for the year</b>		<b>412,673,518</b>	<b>735,000,637</b>	<b>249,677,745</b>	<b>574,466,571</b>

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

## SNC Former Public Company Limited and its Subsidiaries

### Statement of comprehensive income

	Consolidated financial statements		Separate financial statements		
	Year ended 31 December		Year ended 31 December		
	Note	2020	2019	2020	2019
					<i>(in Baht)</i>
<b>Profit attributable to:</b>					
Owners of the parent		407,665,268	722,110,002	252,962,659	566,985,994
Non-controlling interests		4,953,114	4,189,804	-	-
<b>Profit for the year</b>		<b>412,618,382</b>	<b>726,299,806</b>	<b>252,962,659</b>	<b>566,985,994</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		407,714,317	730,784,393	249,677,745	574,466,571
Non-controlling interests	13	4,959,201	4,216,244	-	-
<b>Total comprehensive income for the year</b>		<b>412,673,518</b>	<b>735,000,637</b>	<b>249,677,745</b>	<b>574,466,571</b>
<b>Basic earnings per share</b>		<b>1.42</b>	<b>2.51</b>	<b>0.88</b>	<b>1.97</b>

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

**SNC Former Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

<b>Consolidated financial statements</b>							
Retained earnings							
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated <i>(in Baht)</i>	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<b>Year ended 31 December 2019</b>							
<b>Balance at 1 January 2019</b>							
	<b>287,777,339</b>	<b>1,213,596,360</b>	<b>75,822,824</b>	<b>1,211,767,073</b>	<b>2,788,963,596</b>	<b>170,974,327</b>	<b>2,959,937,923</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners of the parent</i>							
Dividends	26	-	-	(287,777,339)	(287,777,339)	(7,839,184)	(295,616,523)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	<b>(287,777,339)</b>	<b>(287,777,339)</b>	<b>(7,839,184)</b>	<b>(295,616,523)</b>
<i>Changes in ownership interests in subsidiaries</i>							
Acquisition of non-controlling interests without a change in control	11	-	-	(6,322,821)	(6,322,821)	6,322,821	-
Dissolution of subsidiary	11	-	-	-	-	(1,561,731)	(1,561,731)
<i>Total changes in ownership interests in subsidiaries</i>		-	-	<b>(6,322,821)</b>	<b>(6,322,821)</b>	<b>4,761,090</b>	<b>(1,561,731)</b>
<b>Total transactions with owners, recorded directly in equity</b>		-	-	<b>(294,100,160)</b>	<b>(294,100,160)</b>	<b>(3,078,094)</b>	<b>(297,178,254)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	722,110,002	722,110,002	4,189,804	726,299,806
Other comprehensive income		-	-	8,674,391	8,674,391	26,440	8,700,831
<b>Total comprehensive income for the year</b>		-	-	<b>730,784,393</b>	<b>730,784,393</b>	<b>4,216,244</b>	<b>735,000,637</b>
Transfer to legal reserve		-	(125,000)	125,000	-	-	-
<b>Balance at 31 December 2019</b>	<b>287,777,339</b>	<b>1,213,596,360</b>	<b>75,697,824</b>	<b>1,648,576,306</b>	<b>3,225,647,829</b>	<b>172,112,477</b>	<b>3,397,760,306</b>

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

**SNC Former Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

		<b>Consolidated financial statements</b>							
		Retained earnings			Other components of equity				
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Note									
<i>(in Baht)</i>									
<b>Year ended 31 December 2020</b>									
	<b>Balance at 31 December 2019 - as reported</b>	<b>287,777,339</b>	<b>1,213,596,360</b>	<b>75,697,824</b>	<b>1,648,576,306</b>	<b>-</b>	<b>3,225,647,829</b>	<b>172,112,477</b>	<b>3,397,760,306</b>
	Impact of changes in accounting policies	3	-	-	-	(2,709,783)	(2,709,783)	-	(2,709,783)
	<b>Balance at 1 January 2020</b>	<b>287,777,339</b>	<b>1,213,596,360</b>	<b>75,697,824</b>	<b>1,648,576,306</b>	<b>(2,709,783)</b>	<b>3,222,938,046</b>	<b>172,112,477</b>	<b>3,395,050,523</b>
<b>Transactions with owners, recorded directly in equity</b>									
<i>Contributions by and distributions to owners of the parent</i>									
	Dividends	26	-	-	(201,444,067)	-	(201,444,067)	(12,987,333)	(214,431,400)
	<b>Total contributions by and distributions to owners of the parent</b>		<b>-</b>	<b>-</b>	<b>(201,444,067)</b>	<b>-</b>	<b>(201,444,067)</b>	<b>(12,987,333)</b>	<b>(214,431,400)</b>
<i>Changes in ownership interests in subsidiaries</i>									
	Acquisition of non-controlling interests without a change in control	11	-	-	53,464,837	-	53,464,837	(68,579,989)	(15,115,152)
	<b>Total changes in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>53,464,837</b>	<b>-</b>	<b>53,464,837</b>	<b>(68,579,989)</b>	<b>(15,115,152)</b>
	<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>(147,979,230)</b>	<b>-</b>	<b>(147,979,230)</b>	<b>(81,567,322)</b>	<b>(229,546,552)</b>
<b>Comprehensive income for the year</b>									
	Profit		-	-	407,665,268	-	407,665,268	4,953,114	412,618,382
	Other comprehensive income		-	-	1,749,768	(1,700,719)	49,049	6,087	55,136
	<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>409,415,036</b>	<b>(1,700,719)</b>	<b>407,714,317</b>	<b>4,959,201</b>	<b>412,673,518</b>
	<b>Balance at 31 December 2020</b>	<b>287,777,339</b>	<b>1,213,596,360</b>	<b>75,697,824</b>	<b>1,910,012,112</b>	<b>(4,410,502)</b>	<b>3,482,673,133</b>	<b>95,504,356</b>	<b>3,578,177,489</b>

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

## SNC Former Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
				Legal reserve (in Baht)	Retained earnings Unappropriated	
<b>Year ended 31 December 2019</b>						
<b>Balance at 1 January 2019</b>		<b>287,777,339</b>	<b>1,213,596,360</b>	<b>30,140,324</b>	<b>782,392,105</b>	<b>2,313,906,128</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Contributions by and distributions to owners</i>						
Dividends	26	-	-	-	(287,777,339)	(287,777,339)
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(287,777,339)</b>	<b>(287,777,339)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	566,985,994	566,985,994
Other comprehensive income		-	-	-	7,480,577	7,480,577
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>574,466,571</b>	<b>574,466,571</b>
<b>Balance at 31 December 2019</b>		<b>287,777,339</b>	<b>1,213,596,360</b>	<b>30,140,324</b>	<b>1,069,081,337</b>	<b>2,600,595,360</b>

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

## SNC Former Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated	Fair value reserve	
<i>(in Baht)</i>							
<b>Year ended 31 December 2020</b>							
<b>Balance at 31 December 2019 - as reported</b>		<b>287,777,339</b>	<b>1,213,596,360</b>	<b>30,140,324</b>	<b>1,069,081,337</b>	<b>-</b>	<b>2,600,595,360</b>
Impact of changes in accounting policies	3	-	-	-	-	(2,709,783)	(2,709,783)
<b>Balance at 1 January 2020</b>		<b>287,777,339</b>	<b>1,213,596,360</b>	<b>30,140,324</b>	<b>1,069,081,337</b>	<b>(2,709,783)</b>	<b>2,597,885,577</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners</i>							
Dividends	26	-	-	-	(201,444,067)	-	(201,444,067)
<i>Total contributions by and distributions to owners</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>(201,444,067)</i>	<i>-</i>	<i>(201,444,067)</i>
<b>Comprehensive income for the year</b>							
Profit		-	-	-	252,962,659	-	252,962,659
Other comprehensive income		-	-	-	(1,584,195)	(1,700,719)	(3,284,914)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>251,378,464</b>	<b>(1,700,719)</b>	<b>249,677,745</b>
<b>Balance at 31 December 2020</b>		<b>287,777,339</b>	<b>1,213,596,360</b>	<b>30,140,324</b>	<b>1,119,015,734</b>	<b>(4,410,502)</b>	<b>2,646,119,255</b>

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

# SNC Former Public Company Limited and its Subsidiaries

## Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
			<i>(in Baht)</i>		
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		412,618,382	726,299,806	252,962,659	566,985,994
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	25	10,679,255	101,543,331	11,251,999	85,302,174
Finance costs		48,700,905	10,629,025	21,549,071	4,312,494
Depreciation of investment properties	14	1,693,497	3,691,850	-	1,931,357
Depreciation of property, plant and equipment	15	377,731,059	289,729,930	26,876,752	32,960,850
Depreciation of right-of-use assets	16	32,219,773	-	5,369,126	
Amortisation of intangible assets	17	9,623,452	9,358,643	1,359,370	1,173,640
Impairment loss on investment in associate	10	-	-	-	27,300,000
Impairment loss on investment in subsidiaries	11	-	-	-	(86,999,400)
(Reversal of) provision for employee benefit	20	(15,868,378)	24,126,403	(1,705,429)	5,324,662
Unrealised gain on foreign exchange		(2,117,730)	(571,337)	-	-
Unrealised loss on forward exchange contract		925,555	-	-	-
Share of loss of associate accounted for using equity method, net of tax	10	4,217,669	18,148,547	-	-
Loss on disposal of investment in subsidiaries	11	-	-	-	171,747,766
(Gain) loss on disposal of investment in associate	10	-	(2,308,740)	-	8,107,155
Impairment loss recognised in profit or loss <i>(2019: reversal of bad and doubtful debts expenses)</i>		376,640	(1,861,382)	-	(3,656,587)
(Reversal of) losses on inventories devaluation	8	6,995,316	6,742,583	(421,129)	(69,812)
Loss on disposal of property, plant and equipment		137,564	1,247,877	603	156,234
Gain on sale of assets held for sale	14	-	(524,774,043)	-	(524,774,043)
Loss on written-off of property, plant and equipment		4,394,166	14,648,774	-	6,708,735
Loss on written-off of intangible assets		15,336	281,411	-	-
Gain on loss of control from dissolution of subsidiary	11	-	(1,561,731)	-	-
Difference arising from rent concession	5	162,492	-	-	-
Dividend income	11	-	-	(171,962,667)	(201,310,993)
Interest income		(8,356,796)	(5,721,248)	(76,697,870)	(36,551,923)
		<u>884,148,157</u>	<u>669,649,699</u>	<u>68,582,485</u>	<u>58,648,303</u>

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

## SNC Former Public Company Limited and its Subsidiaries

### Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(156,762,569)	17,368,977	8,472,641	13,211,564
Other receivables		(57,671,698)	(8,337,534)	9,789,498	40,602,852
Inventories		(868,321,236)	(291,690,128)	(4,267,971)	(1,544,514)
Other current assets		17,691,138	(60,548,739)	(86,962)	50,384
Current non-cash financial assets pledged as collateral		(5,000,000)	-	-	-
Other non-current assets		(36,566,126)	11,393,847	-	12,001,602
Trade and other payables		961,717,375	175,541,322	(14,557,143)	(12,483,041)
Employee benefits paid		(10,012,099)	-	(2,792,453)	-
Other current liabilities		(2,707,968)	142,116	(1,543,180)	228,923
Deferred income		(10,480,351)	(4,429,852)	-	-
Other non-current liabilities		(4,426,452)	235,944	-	-
Net cash generated from operating		711,608,171	509,325,652	63,596,915	110,716,073
Tax paid		(93,161,525)	(32,265,322)	(83,134,069)	(7,231,791)
<b>Net cash from (used in) operating activities</b>		<b>618,446,646</b>	<b>477,060,330</b>	<b>(19,537,154)</b>	<b>103,484,282</b>
<i>Cash flows from investing activities</i>					
Proceeds from disposal of subsidiaries	11	-	-	-	242,908,221
Proceeds from acquisition of a subsidiaries	11	-	-	(401,085,000)	(89,000,000)
Proceeds from sale of investments in associate	10	-	16,042,845	-	16,042,845
Acquisition of non-marketable equity securities (2019: acquisition of other long-term investment)	12, 27	(7,500,000)	(10,000,000)	(7,500,000)	(10,000,000)
Proceeds from sale of investment properties		-	583,428,734	-	583,428,734
Acquisition of investment properties		(148,658,250)	(65,580,000)	-	-
Proceeds from sale of property, plant and equipment		2,601,472	9,465,474	7,200	13,157,554
Acquisition of property, plant and equipment		(974,691,766)	(464,708,770)	(22,280,170)	(14,806,205)
Acquisition of intangible assets		(10,142,700)	(3,319,476)	(9,869,700)	(656,970)
Short-term loan to other		(63,000,000)	-	-	-
Proceeds from repayment of short-term loan to other		63,000,000	-	-	-
Proceeds from repayment of loans to related parties	6	8,000,000	27,838,921	715,006,000	278,682,334
Loans to related parties	6	(8,000,000)	-	(733,980,000)	(925,200,000)
Dividend income	11	-	-	171,962,667	201,310,993
Interest received		8,727,353	5,715,543	75,883,449	36,652,854
<b>Net cash from (used in) investing activities</b>		<b>(1,129,663,891)</b>	<b>98,883,271</b>	<b>(211,855,554)</b>	<b>332,520,360</b>

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



## SNC Former Public Company Limited and its Subsidiaries

### Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b><i>Cash flows from financing activities</i></b>					
Proceeds from change in ownership interest in subsidiaries without a change in control	11	(15,115,152)	-	-	-
Proceeds from borrowings from financial institutions		4,864,362,092	735,000,000	4,079,000,000	720,000,000
Repayment of borrowings from financial institutions		(3,654,226,667)	(1,036,672,640)	(3,523,000,000)	(876,124,640)
Payment of lease liabilities		(38,855,000)	-	(6,600,000)	-
Dividends paid to owners of the Company	26	(201,444,067)	(287,777,339)	(201,444,067)	(287,777,339)
Dividends paid to non-controlling interests		(12,987,333)	(18,252,184)	-	-
Interest paid		(33,446,683)	(10,902,350)	(17,871,869)	(4,502,622)
<b>Net cash from (used in) financing activities</b>		<b>908,287,190</b>	<b>(618,604,513)</b>	<b>330,084,064</b>	<b>(448,404,601)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes		397,069,945	(42,660,912)	98,691,356	(12,399,959)
Effect of exchange rate changes on cash and cash equivalents		1,188,600	(194,471)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>398,258,545</b>	<b>(42,855,383)</b>	<b>98,691,356</b>	<b>(12,399,959)</b>
Cash and cash equivalents at 1 January		836,767,815	879,623,198	84,764,688	97,164,647
<b>Cash and cash equivalents at 31 December</b>		<b>1,235,026,360</b>	<b>836,767,815</b>	<b>183,456,044</b>	<b>84,764,688</b>
<b><i>Non-cash transactions</i></b>					
Liabilities from construction of plant and purchase of equipment		29,828,815	216,741,931	-	2,621,101
Transfer investment properties to property, plant and equipment		130,209,780	17,294,067	-	-
Changes in right-of-use assets		327,337,999	-	53,691,258	-
Changes in lease liabilities		327,337,999	-	53,691,258	-

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

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**SNC Former Public Company Limited and its Subsidiaries**  
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 17 February 2021.

**1 General information**

SNC Former Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in October 2004. The Company’s registered office at 333/3 Moo 6, Bangphriang sub district, Bang bo district, Samutprakarn. The Company has 2 branches in Samutprakarn.

The Company’s major shareholder was SNC Holding Company Limited (31.62% shareholding), incorporated in Thailand.

The principal businesses of the Company and its subsidiaries (the Group) are engaged in the manufacturing of component parts for cooling machines, component parts for air conditioners for automobile, contract manufacturing and assembly of air conditioners for household use, manufacturing of heat pump for water heat pump and manufacturing of insulation copper price kit used for the installation of cooling machine and foam pipe insulation. Details of the Company’s subsidiaries and associates as at 31 December 2020 and 2019 are given in notes 10 and 11.

**2 Basis of preparation of the financial statements**

*(a) Statement of compliance*

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

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

*(b) Functional and presentation currency*

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

**SNC Former Public Company Limited and its Subsidiaries**  
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(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

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

Note 4(k) and 16	Leases:
	- whether an arrangement contains a lease;
	- whether the Group is reasonably certain to exercise extension options;
	- whether the Group exercise termination options;
	- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
Note 5	Impact of COVID-19 Outbreak.

(ii) Assumptions and estimation uncertainties

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

Note 4(k)	Determining the incremental borrowing rate to measure lease liabilities;
Note 5	Impact of COVID-19;
Note 10, 11 and 15	Impairment test: key assumptions underlying recoverable amount;
Note 20	Measurement of defined benefit obligations: key actuarial assumptions;
Note 25	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
Note 27	Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate; and
Note 27	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

**3 Changes in accounting policies**

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

		<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
		Other components of equity	Other components of equity
	<i>Note</i>	<i>(in thousand Baht)</i>	
At 31 December 2019 - as reported		-	-
<i>Increase (decrease) due to:</i>			
Adoption of TFRS - Financial instruments standards			
Classification of financial instruments	<i>a</i>	(3,387)	(3,387)
Related tax		677	677
<b>At 1 January 2020 - restated</b>		<b>(2,710)</b>	<b>(2,710)</b>

**SNC Former Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2020**

**a. TFRS - Financial instruments standards**

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

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

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

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

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

<b>Consolidated financial statements</b>					
Classification under TAS 105 at 31 December 2019	Carrying amounts	Classification under TFRS 9 at 1 January 2020			
		FVTPL	FVOCI	Amortised cost - net	Total
		<i>(in thousand Baht)</i>			
<b>Financial assets</b>					
<b>Other long-term investments</b>					
- Other non-marketable equity securities	26,500	-	23,113	-	23,113
<b>Total</b>	<b>26,500</b>	<b>-</b>	<b>23,113</b>	<b>-</b>	<b>23,113</b>

**SNC Former Public Company Limited and its Subsidiaries**  
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Classification under TAS 105 at 31 December 2019	Separate financial statements				
	Carrying amounts	Classification under TFRS 9 at 1 January 2020			
		FVTPL	FVOCI (in thousand Baht)	Amortised cost - net	Total
<b>Financial assets</b>					
<b>Other long-term investments</b>					
Other non-marketable equity securities	26,500	-	23,113	-	23,113
<b>Total</b>	<b>26,500</b>	<b>-</b>	<b>23,113</b>	<b>-</b>	<b>23,113</b>

The Group and the Company intends to hold non-marketable equity securities amounted of Baht 26.5 million and Baht 26.5 million, respectively, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated loss on measurement of these investments will not be reclassified to profit or loss.

**b. TFRS 16 Leases**

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

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

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

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

<i>Impact from the adoption of TFRS 16</i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>At 1 January 2020</b>		
Increase in right-of-use assets	326,208	53,691
Increase in lease liabilities	326,208	53,691

**SNC Former Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	44,630	6,600
Extension and termination options reasonably certain to be exercised	356,530	59,400
	<b>401,160</b>	<b>66,000</b>
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	326,208	53,691
<b>Lease liabilities recognised at 1 January 2020</b>	<b>326,208</b>	<b>53,691</b>
Weighted-average incremental borrowing rate ( <i>% per annum</i> )	<b>4.25</b>	<b>4.25</b>

#### **4 Significant accounting policies**

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

##### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### *Non-controlling interests*

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

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

##### *Loss of control*

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

##### *Interests in equity-accounted investees*

The Group’s interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

**SNC Former Public Company Limited and its Subsidiaries**  
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Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) *Investments in subsidiaries and associates***

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

*Disposal of investments in the separate financial statements*

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

**(c) *Foreign currencies***

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

**(d) *Financial instruments***

***Accounting policies applicable from 1 January 2020***

***(d.1) Recognition and initial measurement***

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



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

*(d.2) Classification and subsequent measurement*

*Financial assets - classification*

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

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis and not cancelable.

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

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*Financial assets – business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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*Financial assets – subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Financial liabilities – classification, subsequent measurement and gains and losses*

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

*(d.3) Derecognition*

*Financial assets*

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

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

*Financial liabilities*

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

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

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*(d.4) Offsetting*

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

*(d.5) Derivatives*

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

***Accounting policies applicable before 1 January 2020***

*Forward exchange contracts*

Forward exchange contracts are used to manage exposure to foreign exchange arising from operating activities. Forward exchange contracts are not used for trading purposes. However, forward exchange contracts that do not qualify for hedge accounting are accounted for as trading instruments.

The Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to the functional currency at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains/losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

*Investments in other equity securities*

Equity securities which are not marketable are stated at cost less any impairment losses.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group 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.

**(e) *Cash and cash equivalents***

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

**(f) *Trade and other accounts receivable***

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

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

**(g) Inventories**

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

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

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

**(h) Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings	20 and 30 years
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No depreciation is provided on freehold land.

*Reclassification to property, plant and equipment*

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

**(i) Property, plant and equipment**

Recognition and measurement

Owned assets

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

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

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

Any gains and losses on disposal of 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 recognised in profit or loss.

*Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at book value.

*Subsequent costs*

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

*Depreciation*

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

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

Land improvement	5, 10, 20 and 30	years
Buildings	20 and 30	years
Building improvement	5, 10, 20 and 30	years
Machinery, tool and equipment	5, 10, 15, 18 and 20	years
Office equipment	5	years
Vehicles	5	years

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

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

**(j) *Intangible assets***

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

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*Amortisation*

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

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

Software licenses	5 and 10	years
Production licenses	10	years

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

**(k) Leases**

***Accounting policies applicable from 1 January 2020***

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

*As a lessee*

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

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

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

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

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

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

*As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception 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.

***Accounting policies applicable before 1 January 2020***

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

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

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**(l) *Impairment of financial assets***

***Accounting policies applicable from 1 January 2020***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.



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*Measurement of ECLs*

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

ECLs are measured on either of the following bases:

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

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

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

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*Write-off*

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

*Accounting policies applicable before 1 January 2020*

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

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

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

**(m) Impairment of non-financial assets**

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

*Calculation of recoverable amount*

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

*Reversal of impairment*

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

**(n) Deferred income**

Deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset over 25 years.

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**(o) Employee benefits**

*Defined contribution plans*

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

*Defined benefit plans*

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

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

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

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

*Short-term employee benefits*

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

**(p) Provisions**

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

**(q) Fair value measurement**

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

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

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

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

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

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

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

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

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

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

**(r) Revenue**

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

*Sale of goods and services*

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

Revenue for rendering of services is recognised over time when services are provided. The related costs are recognised in profit or loss when they are incurred.

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(s) ***Rental income***

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(t) ***Other income***

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

(u) ***Interest***

***Accounting policies applicable from 1 January 2020***

***Effective Interest Rate (EIR)***

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

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

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

***Accounting policies applicable before 1 January 2020***

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

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

(v) ***Income tax***

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

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

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

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

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

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

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

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

**(w) *Earnings per share***

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

**(x) *Related parties***

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

**(y) *Segment reporting***

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

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**5 Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

*(a) Impairment of assets*

The Group considered impairment of trade accounts receivables under provision matrix using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment, investment properties, intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of investments in subsidiaries, investments in associate and property, plant and equipment.

*(b) Lease modifications*

In July 2020, the Group was granted a partial rent concession for 6 months starting from July 2020 as a result of the COVID-19 situation. The Group has monthly deducted lease liabilities in proportion to the reduced rental, reversed depreciation of ROU assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences to profit or loss for the year ended 31 December 2020, amounting to Baht 0.16 million in the consolidated financial statements.

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**6 Related parties**

Relationships with subsidiaries and associate are described in notes 10 and 11.

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sales of goods	Cost and cost plus margin
Purchases of goods	Cost and cost plus margin
Rendering of services	Actual incurred cost
Receiving of services	Actual incurred cost
Rental income	Cost plus margin
Sales of property, plant and equipment	Net book value
Purchase of property, plant and equipment	Net book value
Interest income	Agreed rate based on market price
Interest expense	Agreed rate based on market price
Dividend income	Declared rate

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

<i>Year ended 31 December</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods	-	-	170	8,510
Purchases of goods	-	-	30,978	33,809
Receiving of services	-	-	103	1,822
Rendering services	-	-	28	-
Sales of machinery and equipment	-	-	-	3,821
Purchases of machinery and equipment	-	-	-	170
Interest income	-	-	72,093	34,361
Dividend income	-	-	171,963	201,311
<b>Associate</b>				
Sales of goods	2,459	8,464	-	-
Rendering of services	10,186	17,582	-	115
Receiving of services	3,030	1,100	-	-
Rental income	6,600	6,920	-	-
Sales of machinery and equipment	-	30	-	-
Interest income	1,338	1,728	1,338	1,728
<b>Directors and management</b>				
Directors and management benefit expenses				
Short-term benefits	28,226	23,971	951	1,427
Post-employment benefits	569	3,735	229	1,393
Total directors and management benefit expenses	<u>28,795</u>	<u>27,706</u>	<u>1,180</u>	<u>2,820</u>



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

<i>Trade accounts receivable</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	18	-
Associate	193	1,853	-	337
	<b>193</b>	<b>1,853</b>	<b>18</b>	<b>337</b>
<i>Less allowance for expected credit loss (2019: allowance for doubtful accounts)</i>	-	-	-	-
<b>Net</b>	<b>193</b>	<b>1,853</b>	<b>18</b>	<b>337</b>

<i>Other receivables</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	5,595	12,505
Associate	2,370	3,778	-	123
	2,370	3,778	5,595	12,628
<i>Less allowance for expected credit loss (2019: allowance for doubtful accounts)</i>	-	-	-	-
<b>Net</b>	<b>2,370</b>	<b>3,778</b>	<b>5,595</b>	<b>12,628</b>

<i>Loans to</i>	<b>Interest rate</b>	<b>Consolidated financial statements</b>			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
<b>2020</b>					
Associate	4.80	27,433	8,000	(8,000)	27,433
<b>Total</b>		<b>27,433</b>			<b>27,433</b>
<i>Less allowance for expected credit loss (2019: allowance for doubtful accounts)</i>		-			-
<b>Net</b>		<b>27,433</b>			<b>27,433</b>
<b>2019</b>					
Associate	4.80	51,700	-	(24,267)	27,433
Director	4.80	3,571	-	(3,571)	-
Other related party	4.80	-	3,571 <sup>(*)</sup>	(3,571)	-
<b>Total</b>		<b>55,271</b>			<b>27,433</b>
<i>Less allowance for doubtful accounts</i>		(3,571)			-
<b>Net</b>		<b>51,700</b>			<b>27,433</b>

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	Interest rate At 31 December (% per annum)	Separate financial statements			
		At 1 January	Increase (in thousand Baht)	Decrease	At 31 December
<b>2020</b>					
Subsidiaries	4.80	1,337,338	725,980	(707,006)	1,356,312
Associate	4.80	27,433	8,000	(8,000)	27,433
<b>Total</b>		<b>1,364,771</b>			<b>1,383,745</b>
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		(19,605)			(19,605)
<b>Net</b>		<b>1,345,166</b>			<b>1,364,140</b>
<b>2019</b>					
Subsidiaries	4.80	666,639	925,199	(254,500)	1,337,338
Associate	4.80	51,700	-	(24,267)	27,433
Director	4.80	3,571	-	(3,571)	-
Other related party	4.80	-	3,571 <sup>(*)</sup>	(3,571)	-
<b>Total</b>		<b>721,910</b>			<b>1,364,771</b>
Less allowance for doubtful accounts		23,176)			(19,605)
<b>Net</b>		<b>698,734</b>			<b>1,345,166</b>

(\*) A director of a subsidiary resigned from the director which is effective from 27 March 2019 but still remains as a shareholder of aforesaid subsidiary. Later, the director transferred shares for settlement the loan on 21 October 2019.

<i>Trade accounts payable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries	-	-	1,656	1,985
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,656</b>	<b>1,985</b>

<i>Other payables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries	-	-	511	185
Associate	302	362	-	-
<b>Total</b>	<b>302</b>	<b>362</b>	<b>511</b>	<b>185</b>

**SNC Former Public Company Limited and its Subsidiaries**  
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**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	433	532	12	36
Cash at banks - current accounts	49,511	1,373	4,878	2,625
Cash at banks - savings accounts	1,040,261	670,815	178,566	82,104
Highly liquid short-term investments	144,821	164,048	-	-
<b>Total</b>	<b><u>1,235,026</u></b>	<b><u>836,768</u></b>	<b><u>183,456</u></b>	<b><u>84,765</u></b>

**8 Inventories**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	298,542	120,824	7,365	2,762
Work in progress	146,235	137,454	646	3,714
Raw materials	339,255	245,236	6,032	3,460
Factory supplies	31,982	10,667	300	139
Goods in transit	621,989	55,500	-	-
	<u>1,438,003</u>	<u>569,681</u>	<u>14,343</u>	<u>10,075</u>
<i>Less : allowance for decline in value of inventories</i>	<i>(29,759)</i>	<i>(22,763)</i>	<i>(277)</i>	<i>(698)</i>
<b>Net</b>	<b><u>1,408,244</u></b>	<b><u>546,918</u></b>	<b><u>14,066</u></b>	<b><u>9,377</u></b>
Inventories recognised in 'cost of sales of goods':				
- Cost	8,159,211	5,961,477	288,146	384,931
- Write-down to net realisable value	6,996	6,742	-	-
- Reversal of write-down	-	-	(421)	(69)
<b>Net</b>	<b><u>8,166,207</u></b>	<b><u>5,968,219</u></b>	<b><u>287,725</u></b>	<b><u>384,862</u></b>

**9 Other current assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue department receivable	103,767	98,992	-	-
Withholding tax	2,245	18,922	-	-
Import customs clearance receivable	3,146	5,901	-	-
Others	7,429	10,464	355	268
<b>Total</b>	<b><u>116,587</u></b>	<b><u>134,279</u></b>	<b><u>355</u></b>	<b><u>268</u></b>

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**10 Investments in associate**

		<b>Consolidated financial statements</b>									
	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend Income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(%)		<i>(in thousand Baht)</i>							
<b>Associate</b>											
SNC Atlantic Water Heater Asia Co., Ltd.	Manufacturing and selling of air-to-water heat pump	26.00	26.00	105,000	105,000	<u>27,300</u>	<u>27,300</u>	<u>-</u>	<u>4,218</u>	<u>-</u>	<u>-</u>
<b>Total</b>						<b><u>27,300</u></b>	<b><u>27,300</u></b>	<b><u>-</u></b>	<b><u>4,218</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend Income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)						<i>(in thousand Baht)</i>					
<b>Associate</b>												
SNC Atlantic Water Heater Asia Co., Ltd.	26.00	26.00	105,000	105,000	<u>27,300</u>	<u>27,300</u>	<u>(27,300)</u>	<u>(27,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>					<b><u>27,300</u></b>	<b><u>27,300</u></b>	<b><u>(27,300)</u></b>	<b><u>(27,300)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

Associate was incorporated and operate in Thailand.

None of the Group and the Company's associate is publicly listed and consequently do not have published price quotations.

In May 2019, the Company sold 23% of its 49% interest of investments in Atlantic Water Heater Asia Co., Ltd., an associated company, for a consideration of Baht 16.04 million. SNC Atlantic Water Heater Asia Co., Ltd remained an associated company of the Group as at 31 December 2019. The Group and the Company recognised a gain on the sale of investment amounting to Baht 2.31 million and loss on the sale of investment amounting to Baht 8.11 million in the consolidated and separate statements of comprehensive income for the year ended 31 December 2019, respectively.

The Group has not recognised losses relating to certain investments accounted for using the equity method where its share of losses exceeds the carrying amount of that investments. As at 31 December 2020, the Group's cumulative share of unrecognised losses was Baht 10.10 million (*31 December 2019: nil*), of which Baht 14.32 million were the Group's share of losses for the year (*2019: Baht 4.22 million*). The Group has no obligation in respect of these losses.

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*Impairment of investment in associate*

Management reviewed and tested impairment in an associate in which impairment indicator existed by determining recoverable amount of investment from the value in use of the factories which are cash-generating unit. The discounted cash flow projections (“DCF”) have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 8.23% discount rate.

The recoverable amount of cash-generating unit was less than carrying amount of investment in associate. The Company therefore recognised an impairment loss in the separate statements of comprehensive income for the year ended 31 December 2019 of Baht 27.30 million.

The following table summarises the financial information of the associates as included in their own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group’s interest in these companies.

	SNC Atlantic Water Heater Asia Co., Ltd.	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	144,351	251,356
Loss from continuing operations	<u>(55,070)</u>	<u>(58,197)</u>
Total comprehensive income (100%)	<u>(55,070)</u>	<u>(58,197)</u>
<b>Group’s share of total comprehensive income</b>	<b><u>(14,318)</u></b>	<b><u>(18,149)</u></b>
Current assets	113,572	135,386
Non-current assets	178,791	198,413
Current liabilities	(304,452)	(285,821)
Non-current liabilities	<u>(27,320)</u>	<u>(33,341)</u>
Net assets (100%)	<u>(39,409)</u>	<u>14,637</u>
<b>Carrying amount of interest in associate</b>	<b><u>-</u></b>	<b><u>4,218</u></b>

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**11 Investments in subsidiaries**

		<b>Separate financial statements</b>											
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(%)						(in thousand Baht)					
<b>Direct subsidiaries</b>													
SNC Pyongsan Evolution Co., Ltd.	Manufacturing of cooling parts and manufacturing and assembly of cooling machines	99.99	99.99	220,000	220,000	212,010	212,010	-	-	212,010	212,010	-	-
SNC Santec Co., Ltd.	Under liquidation process	80.00	80.00	20,000	20,000	16,000	16,000	(16,000)	(16,000)	-	-	-	-
SNC Cooling Supply Co., Ltd.	Manufacturing automotive air conditioner parts	99.99	99.99	30,000	30,000	30,000	30,000	-	-	30,000	30,000	-	105,000
Immortal Parts Co., Ltd.	Production of cooling parts	99.99	99.99	70,000	70,000	70,000	70,000	-	-	70,000	70,000	45,000	74,000
Paradise Plastic Co., Ltd.	Manufacturing plastic parts for electric appliance and automobile	99.99	99.99	30,000	30,000	29,999	29,999	-	-	29,999	29,999	90,000	-
SNC Creativity Anthology Co., Ltd.	Manufacturing household and automotive air conditioner parts	99.99	99.99	834,756	700,000	1,092,006	700,000	-	-	1,092,006	700,000	-	-
SNC Atlantic Heat Pump Co., Ltd.	Manufacturing of heat pump for water heat pump	74.00	74.00	45,000	45,000	33,300	33,300	-	-	33,300	33,300	36,963	22,311
Odin Power Co., Ltd.	Investing in alternative power plant	60.00	55.00	200,000	200,000	119,079	110,000	-	-	119,079	110,000	-	-
<b>Total</b>						<u>1,602,394</u>	<u>1,201,309</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>1,586,394</u>	<u>1,185,309</u>	<u>171,963</u>	<u>201,311</u>

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		<b>Separate financial statements</b>											
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(%)						(in thousand Baht)					
<b>Indirect subsidiaries</b>													
Ultimate Parts Co., Ltd.	Manufacturing of cooling parts	99.99	99.99	40,000	40,000	-	-	-	-	-	-	-	-
Infinity Parts Co., Ltd.	Manufacturing of cooling parts	99.99	99.99	20,000	20,000	-	-	-	-	-	-	-	-
Meisou SNC Precision Co., Ltd.	Manufacturing of mold used for manufacturing tools	99.99	99.99 <sup>(*)</sup>	100,000	100,000	-	-	-	-	-	-	-	-
SSM Automation Co., Ltd.	Manufacturing of tools for equipment	99.99	77.50 <sup>(*)</sup>	360,000	360,000	-	-	-	-	-	-	-	-
Yalafahsaard Co., Ltd.	Generating biomass electric plant garbage	60.00	55.00	150,000	150,000	-	-	-	-	-	-	-	-
Odin Myanmar Co., Ltd.	Investing in alternative power plant	36.00	33.00	1,000	1,000	-	-	-	-	-	-	-	-
<b>Total</b>						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

All subsidiaries were incorporated and operate in Thailand.

(\*) Be indirect subsidiary as at 20 November 2019.



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*Acquisition of subsidiaries*

On 9 March 2020, The Group acquired non-controlling interest in Odin Power Co., Ltd. from a shareholder, ordinary shares 100,000 shares with a value of Baht 90.79 per share, totalling Baht 9.08 million, increasing its ownership from 55% to 60%. The Group recognised a decrease in non-controlling interests of Baht 8.27 million and decrease in retained earnings of Baht 0.81 million.

On 21 April 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 300,000 shares, with a par value of Baht 100 per shares. The Company had invested in these additional shares, amounting to Baht 30 million. The proportion of ownership remain unchanged.

On 22 May 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 50,000 shares, with a par value of Baht 100 per shares. The Company had invested in these additional shares, amounting to Baht 5 million. The proportion of ownership remain unchanged.

On 27 October 2020 of SNC Creativity Anthology Co., Ltd., reduced the registered share capital from Baht 735 million (7,350,000 ordinary shares of Baht 100 per share) to Baht 477.75 million (7,350,000 ordinary shares of Baht 65 per share) by reducing a par value of Baht 35 per share, and compensate such reduced registered share capital for an unappropriated deficit for the year 2019. The proportion of ownership remain unchanged.

On 28 October 2020, The Group acquired non-controlling interest in SSM Automation Co., Ltd. from three shareholders, ordinary shares 810,000 shares with a value of Baht 7.46 per share, totalling Baht 6.04 million, increasing its ownership from 77.50% to 99.99%. The Group recognised a decrease in non-controlling interests of Baht 60.31 million and increase in retained earnings of Baht 54.27 million.

On 11 November 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 2,800,000 shares, with a par value of Baht 65 per shares. The Company had invested in these additional shares, amounting to Baht 182 million. The proportion of ownership remain unchanged.

On 24 December 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 2,692,400 shares, with a par value of Baht 65 per shares. The Company had invested in these additional shares, amounting to Baht 175 million. The proportion of ownership remain unchanged.

On 2 April 2019, SSM Automation Co., Ltd. registered additional ordinary shares of 440,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 44 million. The proportion of ownership is increasing from 74.37% to 77.50%. The Group recognised an increase in non-controlling interest of Baht 2.30 million and a decrease in retained earnings of Baht 2.30 million.

On 10 June 2019, Meisou SNC Precision Anthology Co., Ltd. registered additional ordinary shares of 450,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 45 million. The proportion of ownership is increasing from 94.55% to 97%. The Group recognised an increase in non-controlling interest of Baht 1.78 million and a decrease in retained earnings of Baht 1.78 million.

On 21 October 2019, Meisou Co., Ltd. and Mr. Seiji Kinoshita had transferred all investments in Meisou SNC Precision Co., Ltd. of 30,000 shares, with a value of Baht 100 per share, amounting to Baht 3 million to the Company for settlement the loan and other payables. The proportion of ownership is increasing from 97.00% to 99.99%. The Group recognised an increase in non-controlling interest of Baht 6.26 million and a decrease in retained earnings of Baht 2.24 million.

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Disposal of subsidiaries*

On 20 November 2019, the Company sold all investments in SSM Automation Co., Ltd., a subsidiary to SNC Pyongsan Evolution Co., Ltd, another subsidiary, amounting to Baht 218.74 million and sold all investments in Meisou SNC Precision Co., Ltd., a subsidiary, to SNC Cooling Supply Co., Ltd., another subsidiary, amounting to Baht 23.68 million. The Company had loss on disposal of investments in the separate statements of comprehensive income net of reversal of impairment loss on investment in aforesaid subsidiaries amounting to Baht 60.26 million and Baht 24.98 million, respectively. The Company received consideration from disposal of aforesaid investments in whole amount.

*Dissolution of subsidiaries*

At the extraordinary meeting of the shareholders of SNC Fukui Holy Insulation Co., Ltd, the subsidiary, held on 28 November 2019, the shareholders unanimously approved the dissolution of SNC Fukui Holy Insulation Co., Ltd. The subsidiary registered its dissolution with the Ministry of Commerce on 3 December 2019 and the liquidation was completed on 20 February 2020.

*Partial business transfer between SSM Automation Co., Ltd. and Infinity Parts Co., Ltd.*

At the extraordinary meeting of the shareholders of SSM Automation Co., Ltd, the subsidiary, held on 2 November 2020, the meeting approved a resolution to transfer production line of manufacturing steel and parts for steel of the company to Infinity Parts Co., Ltd., another subsidiary. Therefore, on 20 December 2020, the business transferrer company transferred net assets in amount of Baht 233.69 million. The business transferee company will pay the compensation in amount of Bath 233.69 million.

*Impairment testing for investment in subsidiaries.*

Management reviewed and tested impairment in subsidiaries in which impairment indicator existed by determining recoverable amount of investment from the value in use of the factories which are cash-generating unit. The discounted cash flow projections (“DCF”) have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 8.20% discount rate.

The recoverable amount of cash-generating unit was higher than carrying amount of investment in subsidiaries. The Company therefore had not recognised an impairment loss in the separate statements of comprehensive income for the year ended 31 December 2020.

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**12 Other long-term investments**

Company	Type of business	Ownership interest		Paid-up capital		Consolidated / Separate financial statements							
		2020	2019	2020	2019	Cost		Impairment		At cost - net of impairment		Dividend income for the year	
		2020		2019		2020	2019	2020	2019	2020	2019	2020	2019
Forth Vending Co., Ltd.	Managing vending machines	- <sup>(*)</sup>	5.00	-	620,000	-	26,000	-	-	-	26,000	-	-
Pracharath Rak Samakkee Sumut Prakan (Social Enterprise) Co., Ltd.	Advise business relating to commercial and industrial management	- <sup>(*)</sup>	12.50	-	4,000	-	500	-	-	-	500	-	-
<b>Total</b>						<u>-</u>	<u>26,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,500</u>	<u>-</u>	<u>-</u>

(\*) Classified as financial assets as at 1 January 2020 (Note 3).

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**13 Non-controlling interests**

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2020			Total
	SNC Atlantic Heat Pump Co., Ltd.	Odin Power Co., Ltd. <i>(in thousand Baht)</i>	Yalafahsaard Co., Ltd.	
Non-controlling interest percentage	26	40	40	
Current assets	113,415	19,623	143,139	
Non-current assets	6,712	159,561	10,090	
Current liabilities	(59,328)	(1,290)	(50)	
Non-current liabilities	(125)	-	-	
<b>Net assets</b>	<b>60,674</b>	<b>177,894</b>	<b>153,179</b>	
Carrying amount of non-controlling interest	15,775	71,158	61,272	<b>148,205</b>
Other individually immaterial subsidiaries				547
Intra-group eliminations				(53,248)
<b>Total</b>				<b>95,504</b>
Revenue	372,141	149	572	
Profit	35,154	(3,693)	152	
Other comprehensive income	(23)	-	-	
<b>Total comprehensive income</b>	<b>35,131</b>	<b>(3,693)</b>	<b>152</b>	
Profit allocated to non-controlling interest	9,134	(1,477)	61	<b>7,718</b>
Other individually immaterial subsidiaries				(2,592)
Intra-group eliminations				(167)
<b>Total</b>				<b>4,959</b>
Other comprehensive income allocated to non-controlling interest	(6)	-	-	<b>(6)</b>
Other individually immaterial subsidiaries				-
<b>Total</b>				<b>(6)</b>
Cash flows from operating activities	43,344	(1,156)	(1,965)	
Cash flows from investing activities	(125)	149	(9,480)	
Cash flows from financing activities				
(Dividends to non-controlling interest amounted to Baht 12.99 million)	(49,950)	-	-	
<b>Net decrease in cash and cash equivalents</b>	<b>(6,731)</b>	<b>(1,007)</b>	<b>(11,445)</b>	

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	31 December 2019				<b>Total</b>
	SNC Atlantic Heat Pump Co., Ltd.	SSM Automation Co., Ltd.	Odin Power Co., Ltd.	Yalafahsaard Co., Ltd.	
	<i>(in thousand Baht)</i>				
Non-controlling interest percentage	26	22.5	45	45	
Current assets	147,457	115,486	20,856	153,197	
Non-current assets	8,392	264,358	161,890	28	
Current liabilities	(80,240)	(98,020)	(1,159)	(198)	
Non-current liabilities	(78)	(6,096)	-	-	
<b>Net assets</b>	<b>75,531</b>	<b>275,728</b>	<b>181,587</b>	<b>153,027</b>	
Carrying amount of non-controlling interest	19,638	62,039	81,714	68,862	<b>232,253</b>
Other individually immaterial subsidiaries					538
Intra-group eliminations					(60,679)
<b>Total</b>					<b>172,112</b>
Revenue	383,687	442,152	202	1,874	
Profit	32,671	(4,405)	(6,637)	1,451	
Other comprehensive income	41	70	-	-	
<b>Total comprehensive income</b>	<b>32,712</b>	<b>(4,335)</b>	<b>(6,637)</b>	<b>1,451</b>	
Profit allocated to non-controlling interest	8,505	(914)	(2,987)	653	<b>5,257</b>
Other individually immaterial subsidiaries					(139)
Intra-group eliminations					(902)
<b>Total</b>					<b>4,216</b>
Other comprehensive income allocated to non-controlling interest	11	16	-	-	<b>27</b>
Other individually immaterial subsidiaries					(1)
<b>Total</b>					<b>26</b>
Cash flows from operating activities	25,153	57,177	(1,092)	(454)	
Cash flows from investing activities	1,810	(48,616)	(37)	1,874	
Cash flows from financing activities					
(Dividends to non-controlling interest amounted to Baht 7.84 million)	(70,200)	(11,746)	-	-	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(43,237)</b>	<b>(3,185)</b>	<b>(1,129)</b>	<b>1,420</b>	

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**14 Investment properties**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<b>Cost</b>					
At 1 January		219,595	327,508	-	152,196
Additions		148,658	65,580	-	-
Transfer to property, plant and equipment	15	(131,899)	(21,297)	-	-
Disposals		-	(152,196)	-	(152,196)
<b>At 31 December</b>		<b>236,354</b>	<b>219,595</b>	<b>-</b>	<b>-</b>
<b>Depreciation and impairment losses</b>					
At 1 January		9,595	95,375	-	83,538
Depreciation charge for the year		1,693	3,692	-	1,931
Transfer to property, plant and equipment	15	(1,689)	(4,003)	-	-
Disposals		-	(85,469)	-	(85,469)
<b>At 31 December</b>		<b>9,599</b>	<b>9,595</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
<b>At 31 December</b>		<b>226,755</b>	<b>210,000</b>	<b>-</b>	<b>-</b>

*Transfer to property, plant and equipment*

During the year 2020, the Group transferred investment property to property, plant and equipment with the carrying amount of Baht 130.21 million as the Group used some area of land for the Group's internal usage.

*Pledge*

The subsidiary has pledged land with carrying amount is Baht 30.71 million (2019: nil) as collateral for long-term borrowings from a commercial bank (Note 19).

Information relating to leases are disclosed in note 16.

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<b>Amounts recognised in profit or loss</b>				
Rental income	6,600	25,136	-	18,216
Repair and maintenance expense:				
- property that generated rental income	-	564	-	564

**SNC Former Public Company Limited and its Subsidiaries**  
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Investment properties comprise of land, building and factories lease out to an associate and the third party. Each of the leases contains an initial non-cancellable period of 1 year (2019: 1 year and 3 years). Renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of land and factory lease out to an associate had fair value of Baht 67.26 million, which comprised of fair value of the factory of Baht 57.99 million and land of Baht 9.28 million, determined by independent professional valuers at open market values on an existing use basis for land and discounted cash flow using risk-adjusted discount rates for factory. The fair value of investment property has been categorised as Level 2 and 3 fair value, respectively.

Another investment property was land held for a currently undetermined future use which had total fair value of Baht 291.28 million. The fair value was determined by the independent valuer using open market value on an existing use basis. The fair value of investment property has been categorised as Level 2 fair value.

<p style="text-align: center;"><b>Valuation technique</b></p> <p><i>Discounted cash flows</i>; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.</p>	<p><b>Significant unobservable inputs</b></p> <ul style="list-style-type: none"> <li>• Discount rates 12%</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Inter-relationship between key unobservable inputs and fair value measurement</b></li> </ul> <p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• The discount rate were lower (higher).</li> </ul>
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At the Board of the Executive Committee meeting no. 3/2019 held on 13 March 2019, the Committee unanimously approved the disposal of building and a factory to Fujitsu General (Thailand) Co., Ltd. On 1 April 2019, the Company entered into the memorandum of agreement on transfer the ownership of building and assign the leasehold right of land totalling Baht 606.5 million. The due date of collection shall be in May and September 2019 amounting to Baht 300 million and Baht 306.5 million, respectively. Under the term of agreement, the Company is responsible for maintenance expense of the factory before transferring ownership in September 2019. Therefore, the Company has classified investment properties amounting to Baht 66.73 million and property, plant and equipment amounting to Baht 1.04 million to non-current assets classified as held for sale since that date. Then, the Company had transferred the control over aforesaid building and assign the leasehold right of land to Fujitsu General (Thailand) Co., Ltd. The Group and the Company recognised gain on sale of assets held for sale after net of related selling expenses in the consolidated and separate statements of comprehensive income for the period ended 31 December 2019, amounting to Baht 524.77 million.

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**15 Property, plant and equipment**

<b>Consolidated financial statements</b>									
	<i>Note</i>	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
<b><i>Cost</i></b>									
At 1 January 2019		251,279	1,053,004	2,431,365	489,648	89,527	19,183	38,993	4,372,999
Additions		8,173	131,469	230,456	27,852	8,506	5,854	249,944	662,254
Transfers from investment properties	14	11,353	9,944	-	-	-	-	-	21,297
Transfers		478	143	17,013	3,110	-	-	(20,744)	-
Disposals		-	(19,861)	(12,325)	(22,247)	(13,972)	-	(62)	(68,467)
<b>At 31 December 2019 and 1 January 2020</b>		<b>271,283</b>	<b>1,174,699</b>	<b>2,666,509</b>	<b>498,363</b>	<b>84,061</b>	<b>25,037</b>	<b>268,131</b>	<b>4,988,083</b>
Additions		55,642	178,978	184,388	48,341	13,605	6,534	310,601	798,089
Transfers from investment properties	14	131,899	-	-	-	-	-	-	131,899
Transfers		-	49,771	173,595	2,457	-	-	(225,823)	-
Disposals		-	(4,936)	(203)	(4,554)	-	-	(2,431)	(12,124)
<b>At 31 December 2020</b>		<b>458,824</b>	<b>1,398,512</b>	<b>3,024,289</b>	<b>544,607</b>	<b>97,666</b>	<b>31,571</b>	<b>350,478</b>	<b>5,905,947</b>



**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<b>Consolidated financial statements</b>									
	<i>Note</i>	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
<b><i>Depreciation and impairment losses</i></b>									
At 1 January 2019		17,143	228,248	1,387,175	393,427	74,144	13,729	-	2,113,866
Depreciation charge for the year		8,179	45,047	183,561	44,350	5,929	2,664	-	289,730
Transfers from investment properties	<i>14</i>	-	4,003	-	-	-	-	-	4,003
Disposals		-	(5,009)	(11,234)	(22,512)	(11,686)	-	-	(50,441)
<b>At 31 December 2019 and 1 January 2020</b>		<b>25,322</b>	<b>272,289</b>	<b>1,559,502</b>	<b>415,265</b>	<b>68,387</b>	<b>16,393</b>	<b>-</b>	<b>2,357,158</b>
Depreciation charge for the year		12,967	58,084	247,310	49,218	7,145	3,006	-	377,730
Transfers from investment properties	<i>14</i>	1,689	-	-	-	-	-	-	1,689
Disposals		-	(349)	(147)	(4,495)	-	-	-	(4,991)
<b>At 31 December 2020</b>		<b>39,978</b>	<b>330,024</b>	<b>1,806,665</b>	<b>459,988</b>	<b>75,532</b>	<b>19,399</b>	<b>-</b>	<b>2,731,586</b>
<b><i>Net book value</i></b>									
<b>At 31 December 2019</b>									
Owned assets		245,961	902,410	1,107,007	83,098	15,674	8,644	268,131	2,630,925
		<b>245,961</b>	<b>902,410</b>	<b>1,107,007</b>	<b>83,098</b>	<b>15,674</b>	<b>8,644</b>	<b>268,131</b>	<b>2,630,925</b>
<b>At 31 December 2020</b>									
Owned assets		418,846	1,068,488	1,217,624	84,619	22,134	12,172	350,478	3,174,361
		<b>418,846</b>	<b>1,068,488</b>	<b>1,217,624</b>	<b>84,619</b>	<b>22,134</b>	<b>12,172</b>	<b>350,478</b>	<b>3,174,361</b>

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 374.84 million (2019: Baht 353.81 million).

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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*Restriction under loan agreements with bank*

The Group entered into loan agreements with several local banks. The agreements specified that the Group committed to the banks that the Group will make no commitment with third parties related to the Group's machineries for these aforesaid loan agreements (*Note 19*).

*Pledge*

The subsidiary has pledged land with the carrying amount is Baht 117.95 million (*2019: nil*) as collateral for long-term borrowings from a commercial bank (*Note 19*).

*Impairment testing for property, plant and equipment*

Management reviewed and tested impairment in property, plant and equipment of a subsidiary in which impairment indicator existed by determining recoverable amount of property, plant and equipment from the value in use of the factories which are cash-generating unit. The discounted cash flow projections ("DCF") have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 8.20% discount rate.

The recoverable amount of cash-generating unit was higher than carrying amount of property, plant and equipment. The Group therefore had not recognised an impairment loss in the consolidated statements of comprehensive income for the year ended 31 December 2020.

**SNC Former Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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	Separate financial statements							Total
	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	
<b>Cost</b>								
At 1 January 2019	31,103	130,172	265,224	28,275	16,664	3,859	62	475,359
Additions	-	-	9,073	482	2,665	-	1,972	14,192
Disposals	-	(11,279)	(21,114)	(3,745)	(3,228)	-	(62)	(39,428)
<b>At 31 December 2019 and 1 January 2020</b>	<b>31,103</b>	<b>118,893</b>	<b>253,183</b>	<b>25,012</b>	<b>16,101</b>	<b>3,859</b>	<b>1,972</b>	<b>450,123</b>
Additions	-	145	10,739	1,707	1,185	330	8,616	22,722
Transfers	-	-	1,934	38	-	-	(1,972)	-
Disposals	-	-	-	(864)	-	-	-	(864)
<b>At 31 December 2020</b>	<b>31,103</b>	<b>119,038</b>	<b>265,856</b>	<b>25,893</b>	<b>17,286</b>	<b>4,189</b>	<b>8,616</b>	<b>471,981</b>
<b>Depreciation and impairment losses</b>								
At 1 January 2019	606	39,000	179,372	22,387	13,750	1,030	-	256,145
Depreciation charge for the year	110	4,931	24,173	2,121	1,085	541	-	32,961
Disposals	-	(4,206)	(16,574)	(3,533)	(3,164)	-	-	(27,477)
<b>At 31 December 2019 and 1 January 2020</b>	<b>716</b>	<b>39,725</b>	<b>186,971</b>	<b>20,975</b>	<b>11,671</b>	<b>1,571</b>	<b>-</b>	<b>261,629</b>
Depreciation charge for the year	109	4,113	18,753	1,839	1,487	576	-	26,877
Disposals	-	-	-	(856)	-	-	-	(856)
<b>At 31 December 2020</b>	<b>825</b>	<b>43,838</b>	<b>205,724</b>	<b>21,958</b>	<b>13,158</b>	<b>2,147</b>	<b>-</b>	<b>287,650</b>

**SNC Former Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2020**

	Land and land improvement	Buildings and building improvement	Machinery	Separate financial statements			Assets under construction and installation	Total
				Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles		
<i>Net book value</i>								
<b>At 31 December 2019</b>								
Owned assets	30,387	79,168	66,212	4,037	4,430	2,288	1,972	188,494
	<b>30,387</b>	<b>79,168</b>	<b>66,212</b>	<b>4,037</b>	<b>4,430</b>	<b>2,288</b>	<b>1,972</b>	<b>188,494</b>
<b>At 31 December 2020</b>								
Owned assets	30,278	75,200	60,132	3,935	4,128	2,042	8,616	184,331
	<b>30,278</b>	<b>75,200</b>	<b>60,132</b>	<b>3,935</b>	<b>4,128</b>	<b>2,042</b>	<b>8,616</b>	<b>184,331</b>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 39.56 million (2019: Baht 48.62 million).

**SNC Former Public Company Limited and its Subsidiaries**  
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**16 Leases**

*As a lessee*

<i>At 31 December 2020</i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Right-of-use assets</i></b>		
Building	293,587	48,322
Vehicle	816	-
<b>Total</b>	<b><u>294,403</u></b>	<b><u>48,322</u></b>

In 2020, additions to the right-of-use assets of the Group were Baht 1.13 million.

The Group leases a number of warehouses and plants for 1-3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

*Extension options*

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

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Depreciation of right-of-use assets:				
- Buildings	31,906	-	5,369	-
- Vehicles	314	-	-	-
Interest on lease liabilities	13,397	-	2,197	-
Expenses relating to short-term leases	25,169	-	4,584	-
Expenses relating to leases of low-value assets	1,053	-	156	-
Lease expense	-	52,744	-	6,993

In 2020, total cash outflow for leases of the Group and the Company were Baht 38.9 million and Baht 6.6 million, respectively.

*As a lessor*

The leases of investment properties comprise a number of property and plant that are leased to associates under operating leases. Each of the leases contains an initial non-cancellable period of 1 year which will start from 1 January 2021 until 31 December 2021. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed under the contracts.

**SNC Former Public Company Limited and its Subsidiaries**  
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<b>Minimum lease payments under non-cancellable operating lease are receivable</b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<i>At 31 December 2019</i>		
Within 1 year	6,050	-
<b>Total</b>	<b>6,050</b>	<b>-</b>

**17 Intangible assets**

	<b>Consolidated financial statements</b>			
	Software licenses	Production licenses	Software under installation	Total
	<i>(in thousand Baht)</i>			
<i>Cost</i>				
At 1 January 2019	47,100	52,887	11,606	111,593
Additions	2,204	-	1,115	3,319
Transfers	1,337	-	(1,337)	-
Disposals	(441)	-	-	(441)
<b>At 31 December 2019 and 1 January 2020</b>	<b>50,200</b>	<b>52,887</b>	<b>11,384</b>	<b>114,471</b>
Additions	9,399	-	744	10,143
Transfers	5,349	-	(5,349)	-
Disposals	(167)	-	-	(167)
<b>At 31 December 2020</b>	<b>64,781</b>	<b>52,887</b>	<b>6,779</b>	<b>124,447</b>
<i>Amortisation and impairment losses</i>				
At 1 January 2019	21,395	31,048	-	52,443
Amortisation for the year	4,205	5,154	-	9,359
Disposals	(160)	-	-	(160)
<b>At 31 December 2019 and 1 January 2020</b>	<b>25,440</b>	<b>36,202</b>	<b>-</b>	<b>61,642</b>
Amortisation for the year	4,895	4,729	-	9,624
Disposals	(152)	-	-	(152)
<b>At 31 December 2020</b>	<b>30,183</b>	<b>40,931</b>	<b>-</b>	<b>71,114</b>
<i>Net book value</i>				
<b>At 31 December 2019</b>	<b>24,760</b>	<b>16,685</b>	<b>11,384</b>	<b>52,829</b>
<b>At 31 December 2020</b>	<b>34,598</b>	<b>11,956</b>	<b>6,779</b>	<b>53,333</b>

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	Separate financial statements		
	Software licenses	Software under installation (in thousand Baht)	Total
<i>Cost</i>			
At 1 January 2019	11,760	3,350	15,110
Additions	90	567	657
<b>At 31 December 2019 and 1 January 2020</b>	<b>11,850</b>	<b>3,917</b>	<b>15,767</b>
Additions	9,126	744	9,870
Transfers	3,917	(3,917)	-
<b>At 31 December 2020</b>	<b>24,893</b>	<b>744</b>	<b>25,637</b>
<i>Amortisation and impairment losses</i>			
At 1 January 2019	3,063	-	3,063
Amortisation for the year	1,174	-	1,174
<b>At 31 December 2019 and 1 January 2020</b>	<b>4,237</b>	<b>-</b>	<b>4,237</b>
Amortisation for the year	1,359	-	1,359
<b>At 31 December 2020</b>	<b>5,596</b>	<b>-</b>	<b>5,596</b>
<i>Net book value</i>			
<b>At 31 December 2019</b>	<b>7,613</b>	<b>3,917</b>	<b>11,530</b>
<b>At 31 December 2020</b>	<b>19,297</b>	<b>744</b>	<b>20,041</b>

The amortisation of production licenses is allocated to the cost of inventory and is recognised as cost of sales as inventory is sold; the amortisation of other intangible assets is included in administrative expenses.

**18 Other non-current assets**

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Land and factory rental deposit	8,712	9,772	8,502	8,502
Revenue department receivable	24,826	819	-	-
Advance payments for equipment	14,704	615	-	-
Others	1,216	1,686	-	-
<b>Total</b>	<b>49,458</b>	<b>12,892</b>	<b>8,502</b>	<b>8,502</b>

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**19 Interest-bearing liabilities**

<b>Consolidated financial statements</b>				
2020				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	<b>Total</b>
Short-term borrowings from financial institutions	2.70 - 3.16	-	710,000	710,000
Current portion of long-term borrowings from financial institutions	2.65 - 3.61	202,179	-	202,179
Long-term borrowings from financial institutions	2.65 - 3.61	544,949	-	544,949
Current portion of lease liabilities	4.25	-	28,356	28,356
Lease liabilities	4.25	-	272,684	272,684
<b>Total interest-bearing liabilities</b>		<b><u>747,128</u></b>	<b><u>1,011,040</u></b>	<b><u>1,758,168</u></b>

<b>Consolidated financial statements</b>				
2019				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	<b>Total</b>
Short-term borrowings from financial institutions	2.95	-	169,000	169,000
Current portion of long-term borrowings from financial institutions	3.85 - 4.78	25,500	19,567	45,067
Long-term borrowings from financial institutions	4.50 - 4.78	-	32,302	32,302
<b>Total interest-bearing liabilities</b>		<b><u>25,500</u></b>	<b><u>220,869</u></b>	<b><u>246,369</u></b>

<b>Separate financial statements</b>				
2020				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	<b>Total</b>
Short-term borrowings from financial institutions	2.70 - 3.16	-	710,000	710,000
Current portion of lease liabilities	4.25	-	4,594	4,594
Lease liabilities	4.25	-	44,694	44,694
<b>Total interest-bearing liabilities</b>		<b><u>-</u></b>	<b><u>759,288</u></b>	<b><u>759,288</u></b>

<b>Separate financial statements</b>				
2019				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	<b>Total</b>
Short-term borrowings from financial institutions	2.95	-	154,000	154,000
<b>Total interest-bearing liabilities</b>		<b><u>-</u></b>	<b><u>154,000</u></b>	<b><u>154,000</u></b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
<i>Assets pledged as security for liabilities as at 31 December</i>	<i>(in thousand Baht)</i>			
Property	148,658	-	-	-
Non-current non-cash financial assets pledged as collateral	5,000	-	-	-
<b>Total</b>	<b><u>153,658</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>



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As at 31 December 2020 the Group had unutilised credit facilities totalling Baht 504 million and the Company had fully utilised credit facilities (2019: Baht 215 million and Baht 30 million, respectively).

***Short-term borrowings from financial institutions***

The Group and the Company have short-term borrowings from commercial banks under promissory notes, amounting to Baht 710 million and Baht 710 million, respectively (2019: Baht 169 million and Baht 154 million, respectively) at an interest rate of 2.70% - 3.16% per annum (2019: 2.95 % per annum), which will become due during January until March 2021.

***Long-term borrowings from financial institutions***

On 12 March 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 440 million at an interest rate of MLR - 2% and MLR - 1.75% per annum, which will be paid in monthly instalment start from April 2020 until March 2025.

Long-term borrowings of the aforesaid subsidiary was pledged by the Company and another subsidiary and also committed to the bank that there will no commitment made by the subsidiary with third parties related to the subsidiary's land and plant (notes 14 and 15).

On 7 August 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 100 million at an interest rate of 3.1% and MLR - 3.5% per annum, which will be paid in monthly instalment start from September 2020 until August 2025.

Long-term borrowings of the aforesaid subsidiary was pledged by the Company and also committed to the bank that there will no commitment made by the subsidiary with third parties related to the subsidiary's machines (note 15).

On 7 August 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 50 million at an interest rate of 2% and Prime - 2% per annum, which will be paid in monthly instalment start from March 2021 until February 2026.

Long-term borrowings of the aforesaid subsidiary was pledged by the Company, savings deposit account of the subsidiary and also committed to the bank that there will no commitment made by the subsidiary with third parties related to the subsidiary's machines (note 15).

On 19 November 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 620 million at an interest rate of MLR - 2.3% and MLR - 2.0% per annum, which will be paid in monthly instalment start from January 2021 until December 2027. The aforesaid subsidiary drew down the borrowing amounting to Baht 150 million.

Long-term borrowings of the aforesaid subsidiary was pledged by another subsidiary's land (note 14 and 15).

On 8 December 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 40 million at an interest rate of 3.15% and MLR - 3.5% per annum, which will be paid in monthly instalment start from January 2021 until December 2025. The aforesaid subsidiary drew down the borrowing amounting to Baht 37.31 million.

On 8 December 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 24 million at an interest rate of 3.15% and MLR - 3.5% per annum, which will be paid in monthly instalment start from January 2021 until December 2025. The aforesaid subsidiary drew down the borrowing amounting to Baht 8.05 million.

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Long-term borrowings of the aforesaid subsidiaries were pledged by the Company and also committed to the bank that there will no commitment made by the subsidiaries with third parties related to the subsidiaries' machines (*note 15*).

In addition, the Company and subsidiaries must maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio and leverage ratio.

As at 31 December 2020, certain subsidiaries failed to maintain the financial ratio as defined in the loan agreements. Breach of the terms of these agreements may cause the bank to immediately recall all outstanding payables under such agreements. However, on 28 December 2020 and 29 December 2020, these subsidiaries received the waiver of the breach of covenant. Therefore, long-term loan of the subsidiaries as at 31 December 2020 was not classified as current liabilities.

**20 Provision for employee benefit**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Retirement benefits</b>	<b>50,435</b>	<b>78,511</b>	<b>8,502</b>	<b>11,020</b>

***Defined benefit plan***

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

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<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	78,511	65,260	11,020	15,046
<b>Include in profit or loss:</b>				
Current service cost	5,376	6,562	493	1,513
Past service cost	-	15,986	-	3,482
Interest on obligation	1,256	1,579	391	330
Reversal	(22,501)	-	(2,590)	-
	<b>(15,869)</b>	<b>24,127</b>	<b>(1,706)</b>	<b>5,325</b>
<b>Included in other comprehensive income</b>				
Actuarial (gain) loss				
- Demographic assumptions	-	(6,989)	-	(2,107)
- Financial assumptions	949	6,616	158	776
- Experience adjustment	(3,144)	(10,503)	1,822	(8,020)
	<b>(2,195)</b>	<b>(10,876)</b>	<b>1,980</b>	<b>(9,351)</b>
Benefit paid	(10,012)	-	(2,792)	-
<b>At 31 December</b>	<b>50,435</b>	<b>78,511</b>	<b>8,502</b>	<b>11,020</b>

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

<i>The principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
			(%)	
Discount rate	1.05 - 1.92	1.14 - 2.1	1.13 - 1.26	1.14 - 1.59
Future salary growth	4.25	4.25	4.25	4.25
Employee turnover	0 - 27	0 - 27	0 - 27	0 - 27

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

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 11 - 23 years (2019: 10 - 24 years).

***Sensitivity analysis***

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

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<i>Affect to defined benefit obligation</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>(in thousand Baht)</i>			
	Increase	Decrease	Increase	Decrease
<b>As 31 December 2020</b>				
Discount rate (0.5% movement)	(2,684)	2,900	(400)	427
Future salary growth (1% movement)	5,549	(4,874)	818	(736)
Employee turnover (10% movement)	(1,928)	2,173	(183)	206
<b>As 31 December 2019</b>				
Discount rate (0.5% movement)	(3,844)	4,151	(471)	507
Future salary growth (1% movement)	7,357	(6,900)	912	(858)
Employee turnover (10% movement)	(2,718)	3,054	(302)	336

## 21 Reserve

### *Appropriations of profit and/or retained earnings*

#### **Legal reserve**

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

#### *Other components of equity*

#### **Fair value reserve of 2020**

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI.

## 22 Segment information and disaggregation of revenue

Management determined that the Group has three reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1 Manufacturing of component parts for automobile use.
- Segment 2 Manufacturing and assembly of electric appliances.
- Segment 3 Manufacturing of component parts of electric appliances.

None of other operations meets the quantitative thresholds for determining reportable segments in 2020 or 2019.

Each segment’s performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### *Disaggregation of revenue*

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

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	Consolidated financial statements											
	Manufacturing of component parts for automobile use		Electric appliances				Other segments		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>											
<b>Information about reportable segment</b>												
Revenue from external customers	771,993	1,082,048	5,605,826	2,556,283	2,579,733	2,983,622	2,966	3,632	-	-	8,960,518	6,625,585
Inter-segment revenue	3,030	2,589	1,073	17,354	276,234	203,646	16,975	14,123	(297,312)	(237,712)	-	-
<b>Total revenues</b>	<b>775,023</b>	<b>1,084,637</b>	<b>5,606,899</b>	<b>2,573,637</b>	<b>2,855,967</b>	<b>3,187,268</b>	<b>19,941</b>	<b>17,755</b>	<b>(297,312)</b>	<b>(237,712)</b>	<b>8,960,518</b>	<b>6,625,585</b>
<b>Segment results</b>	<b>69,498</b>	<b>97,239</b>	<b>144,082</b>	<b>29,791</b>	<b>276,476</b>	<b>222,449</b>	<b>(13,840)</b>	<b>(19,941)</b>	<b>-</b>	<b>-</b>	<b>476,216</b>	<b>329,538</b>
Unallocated amounts:												
Gain on sale of assets held for sale											-	524,774
Gain on sale of investment in associate											-	2,309
Finance costs											(48,701)	(10,629)
Share of loss of associate accounted for using equity method											(4,218)	(18,149)
Tax expense											(10,679)	(101,543)
<b>Profit for the year</b>											<b>412,618</b>	<b>726,300</b>
<b>Disaggregation of revenue</b>												
<b>Primary geographical markets</b>												
Thailand	682,551	1,002,199	1,264,611	1,063,331	2,579,257	2,978,456	2,966	3,632	-	-	4,529,385	5,047,618
Other countries	89,442	79,849	4,341,215	1,492,952	476	5,166	-	-	-	-	4,431,133	1,577,967
<b>Total</b>	<b>771,993</b>	<b>1,082,048</b>	<b>5,605,826</b>	<b>2,556,283</b>	<b>2,579,733</b>	<b>2,983,622</b>	<b>2,966</b>	<b>3,632</b>	<b>-</b>	<b>-</b>	<b>8,960,518</b>	<b>6,625,585</b>
<b>Timing of revenue recognition</b>												
At a point in time	771,993	1,082,048	5,605,826	2,556,283	2,579,733	2,983,622	2,966	3,632	-	-	8,960,518	6,625,585

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	Separate financial statements											
	Manufacturing of component parts for automobile use		Electric appliances				Other segments		Eliminations		Total	
	2020	2019	Manufacturing and assembly		Manufacturing of component parts		2020	2019	2020	20189	2020	2019
			2020	2019	2020	2019	2020	2019	2020	20189	2020	2019
	<i>(in thousand Baht)</i>											
<b>Information about reportable segment</b>												
Revenue from external customers	<u>26,549</u>	<u>37,235</u>	<u>-</u>	<u>-</u>	<u>323,385</u>	<u>399,311</u>	<u>-</u>	<u>734</u>	<u>-</u>	<u>-</u>	<u>349,934</u>	<u>437,280</u>
<b>Segment results</b>	<u>2,727</u>	<u>1,968</u>	<u>-</u>	<u>-</u>	<u>33,214</u>	<u>19,030</u>	<u>77,860</u>	<u>29,673</u>	<u>-</u>	<u>-</u>	<u>113,801</u>	<u>50,671</u>
Unallocated amounts:												
Gain on sale of assets held for sale											-	524,774
Dividend income											171,963	201,311
Impairment loss on investment in associate											-	(27,300)
Reversal of Impairment (loss) on investments in subsidiaries											-	86,999
Loss on disposal of investment in subsidiaries											-	(171,748)
Loss on sale of investment in associate											-	(8,107)
Finance costs											(21,549)	(4,312)
Tax expense											(11,252)	(85,302)
<b>Profit for the year</b>											<u>252,963</u>	<u>566,986</u>
<b>Disaggregation of revenue</b>												
<b>Primary geographical markets</b>												
Thailand	26,549	37,235	-	-	323,385	399,311	-	734	-	-	349,934	437,280
<b>Timing of revenue recognition</b>												
At a point in time	26,549	37,235	-	-	323,385	399,311	-	734	-	-	349,934	437,280

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*Major customer*

In 2020, revenues from 3 major customers of the Group's manufacturing and assembly of electric appliances segment and manufacturing of component parts of electric appliances segment represent approximately Baht 2,360 million, Baht 1,284 million and Baht 1,021 million, respectively (*2019: Baht 1,170 and Baht 897 million*) of the Group's total revenues.

*Promotional privileges*

The Group has been granted promotional certificates by the Office of the Board of Investment as the following table. The Group has been granted several privileges including exemption from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
<b>SNC Pyongsan Evolution Co., Ltd.</b>				
60-0456-1-04-1-0	Manufacturing of steel for cooling machines, plastic parts	21 April 2017	3 years	5 years
<b>SNC Cooling Supply Co., Ltd.</b>				
62-0639-1-05-1-0	Manufacturing of steel products and steel parts	1 July 2019	3 years	5 years
<b>Immortal Parts Co., Ltd.</b>				
1993(2)/2557	Manufacturing of parts for electrical appliances	2 March 2015	5 years	5 years
60-0915-0-00-1-2	Manufacturing of parts or equipment for electrical appliances	Not use privileges	5 years	5 years
63-0890-1-05-1-0	Manufacturing of parts for electrical appliances	18 May 2020	3 years	5 years
<b>Paradise Plastic Co., Ltd.</b>				
1326(5)/2555	Manufacturing of plastic and plastic enamel products	1 September 2012	8 years	5 years



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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
<b>S S M Automation Co., Ltd.</b>				
62-0743-0-00-1-2	Manufacturing of steel and parts for steel	3 August 2016	100% of net profit of the first 3 years and 50% of net profit of the year 4 <sup>th</sup> to 8 <sup>th</sup>	5 years
<b>Infinity Parts Co., Ltd.</b>				
1295(5)/2555	Manufacturing of steel and parts for steel	2 May 2012	8 years	5 years
1296(5)/2555	Manufacturing of parts for electrical appliances	6 April 2012	8 years	5 years

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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
<b>SNC Creativity Anthology Co., Ltd.</b>				
2103(2)/2556	Manufacturing of parts for electrical appliances	15 July 2014	6 years	5 years
2167(1)/2556	Research and development	Not commenced operations	8 years	5 years
60-0147-1-00-1-0	Manufacturing of air conditioner, refrigerator, freezer, washing machine, clothes dryers	24 February 2017	3 years	5 years
60-0046-0-00-0-2	Manufacturing of electrical appliances and part of electrical appliances	-	-	-
63-0527-1-00-0-0	Manufacturing of electrical appliances and audio-visual product	-	-	-
63-0590-1-00-1-0	Manufacturing of Smart Electrical Appliances	7 June 2020	5 years	5 years
63-1306-1-00-1-0	Manufacturing of steel and parts for steel	3 December 2020	3 years	5 years

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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
<b>SNC Atlantic Heat Pump Co., Ltd.</b>				
1719(5)/2557	Manufacturing of parts for electrical appliances	17 December 2014	6 years	5 years
<b>Meisou SNC Precision Co., Ltd.</b>				
58-2218-0-00-1-0	Manufacturing of machinery, equipment, and parts	12 October 2015	8 years	5 years

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Summary of revenue from promoted and non-promoted businesses:

<b>Consolidated financial statements</b>						
<i>Year ended</i> <b>31 December</b>	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	512,673	3,918,460	4,431,133	454,524	1,123,443	1,577,967
Local sales	763,262	3,766,123	4,529,385	2,241,140	2,806,478	5,047,618
<b>Total revenues</b>	<b>1,275,935</b>	<b>7,684,583</b>	<b>8,960,518</b>	<b>2,695,664</b>	<b>3,929,921</b>	<b>6,625,585</b>

<b>Separate financial statements</b>						
<i>Year ended</i> <b>31 December</b>	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Local sales	-	349,934	349,934	-	437,280	437,280
<b>Total revenues</b>	<b>-</b>	<b>349,934</b>	<b>349,934</b>	<b>-</b>	<b>437,280</b>	<b>437,280</b>

**23 Employee benefit expenses**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Wages and salaries		457,098	476,585	38,705	45,190
Overtime		144,682	109,138	11,948	15,087
Welfare		96,958	81,461	7,729	10,851
Bonus		-	89,284	-	11,504
Defined contribution plans		7,374	9,756	1,099	1,532
Retirement benefits	20	6,632	24,127	884	5,325
Termination benefits		64,697	15,050	7,401	500
Others		12,614	12,745	1,371	1,439
<b>Total</b>		<b>790,055</b>	<b>818,146</b>	<b>69,137</b>	<b>91,428</b>

*Defined contribution plans*

The defined contribution plans comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 3% - 7% of their basic salaries and by the Group at rates 3% - 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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**24 Expenses by nature**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in finished goods and work in progress		172,474	56,612	25,414	32,076
Raw materials and consumables used		7,279,075	5,254,472	172,346	234,026
Employee benefit expenses	23	790,055	818,146	69,137	91,428
Depreciation	14, 15, 16	411,644	293,422	32,250	34,892
Amortisation of intangible assets	17	9,624	9,359	1,359	1,174
Lease-related expenses <i>(2019: Lease payment)</i>		51,261	93,887	4,068	17,480

**25 Income tax**

<i>Income tax recognised in profit or loss</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current period	39,488	103,329	10,264	84,906
Under (over) provided in prior years	(1,756)	1,230	261	(397)
<b>Deferred tax expense</b>				
Movements in temporary differences	(27,053)	(3,016)	727	793
<b>Total income tax expense</b>	<b>10,679</b>	<b>101,543</b>	<b>11,252</b>	<b>85,302</b>

	<b>Consolidated financial statements</b>					
	2020	2019	Net of	2020	2019	Net of
<i>Income tax</i>	Before tax	Tax benefit	tax	Before tax	Tax benefit	tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Financial assets at FVOCI	(2,126)	425	(1,701)	-	-	-
Defined benefit plan actuarial gains	2,195	(439)	1,756	10,876	(2,175)	8,701
<b>Total</b>	<b>69</b>	<b>(14)</b>	<b>55</b>	<b>10,876</b>	<b>(2,175)</b>	<b>8,701</b>

	<b>Separate financial statements</b>					
	2020	2019	Net of	2020	2019	Net of
<i>Income tax</i>	Before tax	Tax benefit	tax	Before tax	Tax benefit	tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Financial assets at FVOCI	(2,126)	425	(1,701)	-	-	-
Defined benefit plan actuarial gains (losses)	(1,980)	396	(1,584)	9,351	(1,870)	7,481
<b>Total</b>	<b>(4,106)</b>	<b>821</b>	<b>(3,285)</b>	<b>9,351</b>	<b>(1,870)</b>	<b>7,481</b>

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<i>Reconciliation of effective tax rate</i>	<b>Consolidated financial statements</b>				
		2020		2019	
	<i>Rate</i> <i>(%)</i>	<i>(in</i> <i>thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in</i> <i>thousand</i> <i>Baht)</i>	
Profit before income tax expense		423,297		827,843	
Income tax using the Thai corporation tax rate	20	84,659	20	165,569	
Income not subject to tax		(64,382)		(75,844)	
Expenses not deductible for tax purposes		1,922		10,797	
Recognition of previously unrecognised tax losses		(22,642)		(4,217)	
Current year losses for which no deferred tax asset was recognised		12,878		4,008	
Under (over) provided in prior years		(1,756)		1,230	
<b>Total</b>	<b>3</b>	<b>10,679</b>	<b>12</b>	<b>101,543</b>	

<i>Reconciliation of effective tax rate</i>	<b>Separate financial statements</b>				
		2020		2019	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	
Profit before income tax expense		264,215		652,288	
Income tax using the Thai corporation tax rate	20	52,843	20	130,458	
Income not subject to tax		(42,017)		(52,577)	
Expenses not deductible for tax purposes		165		7,818	
Under (over) provided in prior years		261		(397)	
<b>Total</b>	<b>4</b>	<b>11,252</b>	<b>13</b>	<b>85,302</b>	

<i>Deferred tax</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>		<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Total	73,310	43,901	(22,545)	(20,852)	11,517	11,004	(5,171)	(5,429)
Set off of tax	(22,545)	(19,057)	22,545	19,057	(5,171)	(5,429)	5,171	5,429
<b>Net deferred tax assets (liabilities)</b>	<b>50,765</b>	<b>24,844</b>	<b>-</b>	<b>(1,795)</b>	<b>6,346</b>	<b>5,575</b>	<b>-</b>	<b>-</b>

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	Consolidated financial statements (Charged) / Credited to:			Consolidated financial statements (Charged) / Credited to:				
	At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019	At 1 January 2020	Profit or loss	Other comprehensive income	At 31 December 2020
		(in thousand Baht)				(in thousand Baht)		
<b><i>Deferred tax</i></b>								
<b><i>Deferred tax assets</i></b>								
Trade and other receivables (doubtful accounts)	-	-	-	-	-	75	-	75
Inventories (allowance for decline in value)	3,204	1,328	-	4,532	4,532	1,420	-	5,952
Investments in subsidiaries (impairment losses)	10,264	(1,604)	-	8,660	8,660	-	-	8,660
Property, plant and equipment (impairment losses)	2,603	-	-	2,603	2,603	(2,180)	-	423
Financial assets measured at FVOCI (decrease in fair value)	-	-	-	-	677	-	425	1,102
Provision employee benefit	13,052	5,507	(2,175)	16,384	16,384	(5,858)	(439)	10,087
Deferred income	12,608	(886)	-	11,722	11,722	(2,096)	-	9,626
Loss carry forward	-	-	-	-	-	37,385	-	37,385
<b>Total</b>	<b>41,731</b>	<b>4,345</b>	<b>(2,175)</b>	<b>43,901</b>	<b>44,578</b>	<b>28,746</b>	<b>(14)</b>	<b>73,310</b>
<b><i>Deferred tax liabilities</i></b>								
Property, plant and equipment (the difference of useful life and increase in revaluation)	(19,523)	(1,329)	-	(20,852)	(20,852)	(366)	-	(21,218)
Right-of-use assets	-	-	-	-	-	(1,327)	-	(1,327)
<b>Total</b>	<b>(19,523)</b>	<b>(1,329)</b>	<b>-</b>	<b>(20,852)</b>	<b>(20,852)</b>	<b>(1,693)</b>	<b>-</b>	<b>(22,545)</b>
<b>Net</b>	<b>22,208</b>	<b>3,016</b>	<b>(2,175)</b>	<b>23,049</b>	<b>23,726</b>	<b>27,053</b>	<b>(14)</b>	<b>50,765</b>

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	Separate financial statements (Charged) / Credited to:			Separate financial statements (Charged) / Credited to:				
	At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019	At 1 January 2020	Profit or loss	Other comprehensive income	At 31 December 2020
	<i>(in thousand Baht)</i>			<i>(in thousand Baht)</i>				
<i>Deferred tax</i>								
<i>Deferred tax assets</i>								
Inventories (allowance for decline in value)	154	(14)	-	140	140	(85)	-	55
Investments in subsidiaries (impairment losses)	10,264	(7,064)	-	3,200	3,200	-	-	3,200
Investments in associate (impairment losses)	-	5,460	-	5,460	5,460	-	-	5,460
Financial assets measured at FVOCI (decrease in fair value)	-	-	-	-	677	-	425	1,102
Provision for employee benefit	3,009	1,065	(1,870)	2,204	2,204	(900)	396	1,700
<b>Total</b>	<b>13,427</b>	<b>(533)</b>	<b>(1,870)</b>	<b>11,004</b>	<b>11,681</b>	<b>(985)</b>	<b>821</b>	<b>11,517</b>
<i>Deferred tax liabilities</i>								
Property, plant and equipment (the difference of useful life)	(5,189)	(240)	-	(5,429)	(5,429)	451	-	(4,978)
Right-of-use assets	-	-	-	-	-	(193)	-	(193)
<b>Total</b>	<b>(5,189)</b>	<b>(240)</b>	<b>-</b>	<b>(5,429)</b>	<b>(5,429)</b>	<b>258</b>	<b>-</b>	<b>(5,171)</b>
<b>Net</b>	<b>8,238</b>	<b>(793)</b>	<b>(1,870)</b>	<b>5,575</b>	<b>6,252</b>	<b>(727)</b>	<b>821</b>	<b>6,346</b>



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<i>Unrecognised deferred tax assets</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Tax losses	34,251	85,232	-	-
<b>Total</b>	<b>34,251</b>	<b>85,232</b>	<b>-</b>	<b>-</b>

The tax losses expire in 2020-2026. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

## 26 Dividends

The dividends paid by the Group to the shareholders are as follows:

<u>Dividend</u>	<u>Approved by</u>	<u>Dividend paid</u>	<u>Dividend rate per share</u>	<u>Dividend payment date</u>
		<i>(in thousand Baht)</i>	<i>(in Baht)</i>	
<b>SNC Former Public Company Limited</b>				
Interim dividend paid from the profit of first six months of 2020	Board of Director's Meeting on 3 August 2020	<u>100,722</u>	0.35	28 August 2020
Annual dividend paid from the profit of last six months of 2019	Annual General Meeting of shareholders on 27 March 2020	<u>100,722</u>	0.35	27 April 2020
Interim dividend paid from the profit of first six months of 2019	Board of Director's Meeting on 5 August 2019	<u>143,889</u>	0.50	30 August 2019
Annual dividend paid from the profit of last six months of 2018	Annual General Meeting of shareholders on 27 March 2019	<u>143,889</u>	0.50	26 April 2019
<b>SNC Atlantic Heat Pump Co., Ltd.</b>				
Dividend paid from Retain earnings as at 31 October 2020	Board of Directors' Meeting on 16 November 2020	<u>49,950</u>	111.00	29 November 2020
Dividend paid from Retain earnings as at 31 October 2019	Board of Directors' Meeting on 15 November 2019	<u>30,150</u>	67.00	27 November 2019
Dividend paid from Retain earnings as at 30 November 2018	Board of Directors' Meeting on 17 December 2018	<u>40,050</u>	89.00	15 January 2019

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**27 Financial instruments**

*(a) Carrying amounts and fair values*

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

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	Carrying amount		Consolidated financial statements				Total
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	
<i>At 31 December 2020</i>			<i>(in thousand Baht)</i>				
<b>Financial asset</b>							
Other financial asset:							
Non-marketable equity instruments	-	28,487	28,487	-	-	28,487	28,487
<b>Total other financial asset</b>	<b>-</b>	<b>28,487</b>	<b>28,487</b>				
<b>Financial liability</b>							
Other financial liability:							
Forward exchange contracts	(926)	-	(926)	-	(926)	-	(926)
<b>Total other financial liability</b>	<b>(926)</b>	<b>-</b>	<b>(926)</b>				
<b>Separate financial statements</b>							
	Carrying amount		Fair value				Total
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	
<i>At 31 December 2020</i>			<i>(in thousand Baht)</i>				
<b>Financial asset</b>							
Other financial asset:							
Non-marketable equity instruments	-	28,487	28,487	-	-	28,487	28,487
<b>Total other financial asset</b>	<b>-</b>	<b>28,487</b>	<b>28,487</b>				

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	<b>Consolidated financial statements/ Separate financial statements</b>				At 31 December
	At 1 January	Purchase	Disposal	Fair value adjustment	
<i>(in thousand Baht)</i>					
<b>2020</b>					
<b>Non-current financial asset</b>					
Non-marketable equity instruments	23,113	7,500	-	(2,126)	28,487
<b>Total</b>	<b>23,113</b>	<b>7,500</b>	<b>-</b>	<b>(2,126)</b>	<b>28,487</b>

**Financial instruments measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non-marketable equity instruments	The adjusted net asset value as of the reporting date

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

**(b) Financial risk management policies**

**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**(b.1) Credit risk**

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

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(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 22.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of five months.

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Trade accounts receivables	Allowance for expected credit loss	Trade accounts receivables	Allowance for expected credit loss
<i>At 31 December 2020</i>				
Within credit terms	990,030	-	51,126	-
Overdue:				
1-30 days	5,021	-	-	-
31-60 days	11	-	-	-
61-90 days	48	-	-	-
More than 90 days	8,594	(376)	104	-
<b>Total</b>	<b>1,003,704</b>	<b>(376)</b>	<b>51,230</b>	<b>-</b>
Less allowance for expected credit loss	(376)		-	
<b>Net</b>	<b>1,003,328</b>		<b>51,230</b>	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<i>Trade accounts receivable</i>		
	<i>(in thousand Baht)</i>	
<i>At 31 December 2019</i>		
Within credit terms *	844,284	59,703
Overdue: **		
Less than 3 months	5,730	-
	850,014	59,703
Less allowance for doubtful accounts	-	-
<b>Net</b>	<b>850,014</b>	<b>59,703</b>

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The normal credit term granted by the Group ranges from 30 days to 150 days.

\* Within credit terms means that it was not over the date that the Company and the customer agreed to receive payment.

\*\* Overdue means that the payment

(b.1.2) Cash and cash equivalent and derivatives

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

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Group has issued a guarantee to certain bank in respect of credit facilities granted to a subsidiary (see note 19).

**(b.2) Liquidity risk**

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

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

<i>At 31 December 2020</i>	Carrying amount	Consolidated financial statements			Total
		Contractual cash flows			
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
		<i>(in thousand Baht)</i>			
<b>Non-derivative financial liabilities</b>					
Short-term borrowings					
from financial institutions	710,000	713,121	-	-	713,121
Trade and other payables	2,249,934	2,249,934	-	-	2,249,934
Accounts payable					
- acquisition of assets	44,699	44,699	-	-	44,699
Current portion of long-term borrowings					
from financial institutions	202,179	224,155	-	-	224,155
Long-term borrowings from financial institutions	544,949	-	573,313	-	573,313
Current portion of lease liabilities	28,356	40,602	-	-	40,602
Lease liabilities	272,684	-	161,269	160,800	322,069
	<b>4,052,801</b>	<b>3,272,511</b>	<b>734,582</b>	<b>160,800</b>	<b>4,167,893</b>

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<i>At 31 December 2020</i>	Carrying amount	Separate financial statements Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
<b>Non-derivative financial liabilities</b>					
Short-term borrowings from financial institutions	710,000	713,121	-	-	713,121
Trade and other payables	77,207	77,207	-	-	77,207
Accounts payable					
- acquisition of assets	1,184	1,184	-	-	1,184
Current portion of lease liabilities	4,594	6,600	-	-	6,600
Lease liabilities	44,694	-	26,400	26,400	52,800
	<b>837,679</b>	<b>798,112</b>	<b>26,400</b>	<b>26,400</b>	<b>850,912</b>

<i>At 31 December</i>	Effective interest rate (% per annum)	Consolidated financial statements Maturity period			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in thousand Baht)</i>					
<b>2019</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	0.22-1.30	834,863	-	-	834,863
Short-term loans to related parties	4.80	27,433	-	-	27,433
<b>Total</b>		<b>862,296</b>	<b>-</b>	<b>-</b>	<b>862,296</b>
<b>Financial Liabilities</b>					
Short-term loans from financial institutions	2.95	169,000	-	-	169,000
Current portion of long-term loans from financial institution	3.85-4.78	45,067	-	-	45,067
Long-term loans from financial institution	4.50-4.78	-	32,302	-	32,302
<b>Total</b>		<b>214,067</b>	<b>32,302</b>	<b>-</b>	<b>246,369</b>

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	Effective interest rate (% per annum)	Separate financial statements			Total
		Maturity period			
<i>At 31 December</i>		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2019</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	0.22-0.25	82,104	-	-	82,104
Short-term loans to related parties	4.80	1,345,166	-	-	1,345,166
<b>Total</b>		<b>1,427,270</b>	<b>-</b>	<b>-</b>	<b>1,427,270</b>

**(b.3) Market risk**

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

**(b.3.1) Foreign currency risk**

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



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<i>Assets and liabilities denominated in the foreign currencies as at 31 December</i>	<b>Consolidated financial statements</b>					
	2020		2019			
	United States Dollars	Total	United States Dollars <i>(in thousand Baht)</i>	Euro	Swedish Krona	Total
Cash and cash equivalents	63,450	63,450	102,770	-	-	102,770
Trade and other receivables	350,352	350,352	170,307	163	-	170,470
Trade and other payables	(1,169,272)	(1,169,272)	(236,106)	-	(225)	(236,331)
<b>Gross balance sheet exposure</b>	<b>(755,470)</b>	<b>(755,470)</b>	<b>36,971</b>	<b>163</b>	<b>(225)</b>	<b>36,909</b>
Currency forwards purchase	143,576	143,576	7,045	-	222	7,267
Currency forwards sales	(64,559)	(64,559)	(41,927)	-	-	(41,927)
<b>Net exposure</b>	<b>(676,453)</b>	<b>(676,453)</b>	<b>2,089</b>	<b>163</b>	<b>(3)</b>	<b>(2,249)</b>

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(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly adjust in accordance to market rate or are fixed which is close to current market rate. The Group is primarily exposed to interest rate risk from its borrowings (see note 19).

**28 Capital management**

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

**29 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Buildings and other constructions	231,726	324	262	-
Machinery and equipment	47,646	24,948	2,778	848
<b>Total</b>	<b><u>279,372</u></b>	<b><u>25,272</u></b>	<b><u>3,040</u></b>	<b><u>848</u></b>
<b>Other commitments</b>				
Short-term lease commitments	9,063	-	3,970	-
Unused letters of credit to guarantee payments due to creditors	1,322,604	352,650	-	-
Bank guarantees for land rental, electricity used and others	22,038	18,029	5,748	5,748
<b>Total</b>	<b><u>1,353,705</u></b>	<b><u>370,679</u></b>	<b><u>9,718</u></b>	<b><u>5,748</u></b>

**30 Events after the reporting period**

At the extraordinary shareholders meeting of the Company No. 1/2021 held on 26 January 2021, the shareholders approved the additional registered shares from Baht 287 million to Baht 400 million by issuing ordinary shares of 112,222,661 shares, with a par value of Baht 1 per shares.

On 17 February 2021, the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of the shareholders to be held on 31 March 2021 adopt a resolution to pay a year-end dividend of Baht 0.40 per share in respect of the operating result of 2020, or a total of Baht 115.11 million. The dividend payment is scheduled for 27 April 2021 and represented a total dividend payment of Baht 0.35 per share, inclusive of the interim dividend of Baht 0.75 per share.

**SNC Former Public Company Limited and its Subsidiaries**  
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**31 Reclassification of accounts**

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

	<b>2019</b>					
	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>					
<b>Statement of financial position as at 31 December 2019</b>						
Trade and other accounts receivable	889,276	(889,276)	-	74,569	(74,569)	-
Trade accounts receivable	-	850,014	850,014	-	59,703	59,703
Other receivables	-	39,262	39,262	-	14,866	14,866
		<u>-</u>			<u>-</u>	

	<b>2019 Consolidated financial statements</b>		
	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>		
<b>Statement of Comprehensive income period year ended 31 December 2019</b>			
Cost of sales and rendering of services		(5,936,916)	(5,968,219)
Administrative expenses		(287,091)	(255,788)
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business