

SVI Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of SVI Public Company Limited

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SVI Public Company Limited and its subsidiaries and of SVI Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Since the Group sells their goods to customers under a variety of commercial terms. In addition, the economic slowdown has directly resulted in more intense competition in the electronics manufacturing services industry. Revenues are the key performance indicator to which users of financial statements focus. I therefore determined as a key audit matter by focusing on the occurrence and timing of revenue recognition.

I examined the revenue recognition of the Group by

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

Allowance for diminution in value of inventories

Estimating the net realisable value of inventories, as disclosed in Note 6 and Note 11 to the consolidated financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle. Therefore, there is a risk that the amount of provision set aside for diminution in the value of inventories will be inadequate, causing the overstatement of the value of inventories of the Group.

I assessed the determination of the allowance for diminution in the value of inventories.

The procedures that I performed are as follows:

- Gaining an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories, and reviewing the consistency of the application of that basis.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventories for each product line.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Orawan Techawatanasirikul
Certified Public Accountant (Thailand) No. 4807

EY Office Limited
Bangkok: 19 February 2021

SVI Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	1,238,830,813	865,671,112	1,077,494,623	735,690,649
Current investments	9	-	1,763,860,620	-	1,763,860,620
Trade and other receivables	8, 10	3,007,439,254	3,097,168,143	2,313,958,444	2,588,853,783
Inventories	11	3,124,319,745	3,158,776,097	2,278,054,403	2,338,199,788
Advance payment for purchasing of materials and equipment		3,750,906	1,862,959	2,317,029	523,852
Other current financial assets	9	702,559,799	-	702,559,799	-
Derivative assets	40.1	10,438,435	-	10,438,435	-
Other current assets		79,917,462	67,528,271	22,653,172	34,232,217
Total current assets		8,167,256,414	8,954,867,202	6,407,475,905	7,461,360,909
Non-current assets					
Investments in associates	12	-	-	-	-
Investments in subsidiaries	13	-	-	212,133,955	212,133,955
Other long-term receivable	8	-	-	28,289,441	29,455,404
Long-term loans and interest receivables to subsidiary	8	-	-	462,987,173	629,510,700
Investment properties	14	185,601,070	189,545,936	185,601,070	189,545,936
Property, plant and equipment	15	1,970,075,645	1,911,975,721	1,345,120,373	1,483,211,146
Leasehold right to land	16	89,637,353	92,009,180	-	-
Right-of-use assets	17	60,562,357	-	22,429,586	-
Goodwill	18	59,699,256	68,774,387	-	-
Intangible assets	19	59,633,110	75,227,904	36,551,541	36,813,302
Deferred tax assets	32	51,355,243	36,171,498	14,038,198	-
Other non-current assets		1,647,200	4,811,480	917,046	780,612
Total non-current assets		2,478,211,234	2,378,516,106	2,308,068,383	2,581,451,055
Total assets		10,645,467,648	11,333,383,308	8,715,544,288	10,042,811,964

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

SVI Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	20	1,480,974,055	1,220,470,075	930,827,200	947,000,000
Trade and other payables	8, 21	3,064,473,254	2,953,692,585	2,493,414,792	2,523,417,140
Current portion of liabilities under					
financial lease/hire purchase agreements	17	-	15,095,175	-	5,888,671
Current portion of lease liabilities	17	21,080,624	-	6,772,956	-
Current portion of long-term loans from banks	23	694,525,215	571,936,874	675,349,635	571,936,874
Income tax payable		13,830,089	18,653,034	-	621,231
Advance receipt for purchasing materials					
and equipment for production		29,071,545	27,694,886	9,035,640	18,573,527
Other current liabilities	22	70,037,981	253,508,388	35,444,257	239,700,816
Total current liabilities		5,373,992,763	5,061,051,017	4,150,844,480	4,307,138,259
Non-current liabilities					
Liabilities under financial lease/hire purchase					
agreements - net of current portion	17	-	37,142,194	-	21,090,850
Lease liabilities - net of current portion	17	42,861,833	-	17,839,693	-
Long-term loans from banks - net of current portion	23	934,600,986	2,529,108,071	424,477,207	2,158,065,971
Deferred tax liabilities	32	300,327	528,758	-	124,459
Provision for long-term employee benefits	24	250,728,919	238,662,808	141,972,585	138,593,363
Other non-current financial liabilities	40.2	4,577,799	-	-	-
Total non-current liabilities		1,233,069,864	2,805,441,831	584,289,485	2,317,874,643
Total liabilities		6,607,062,627	7,866,492,848	4,735,133,965	6,625,012,902

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

SVI Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital	25				
Registered					
2,312,043,381 ordinary shares of Baht 1 each					
(2019: 2,296,749,381 ordinary shares of Baht 1 each)		<u>2,312,043,381</u>	<u>2,296,749,381</u>	<u>2,312,043,381</u>	<u>2,296,749,381</u>
Issued and paid-up					
2,266,749,426 ordinary shares of Baht 1 each					
(2019: 2,266,749,381 ordinary shares of Baht 1 each)		2,266,749,426	2,266,749,381	2,266,749,426	2,266,749,381
Premium on ordinary shares		90,203,946	90,203,859	90,203,946	90,203,859
Capital reserve for share-based payment transactions	26	29,802,760	29,802,760	29,802,760	29,802,760
Treasury stocks	27	(499,448,896)	(499,448,896)	(499,448,896)	(499,448,896)
Retained earnings					
Appropriated					
Statutory reserve	28	231,204,338	229,674,938	231,204,338	229,674,938
Reserve for treasury stocks	27	499,448,896	499,448,896	499,448,896	499,448,896
Unappropriated		1,491,597,291	888,996,603	1,423,755,017	805,065,807
Other components of shareholders' equity		(71,152,740)	(38,537,081)	(61,305,164)	(3,697,683)
Total shareholders' equity		<u>4,038,405,021</u>	<u>3,466,890,460</u>	<u>3,980,410,323</u>	<u>3,417,799,062</u>
Total liabilities and shareholders' equity		<u>10,645,467,648</u>	<u>11,333,383,308</u>	<u>8,715,544,288</u>	<u>10,042,811,964</u>
		-	-	-	-

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

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Directors
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SVI Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Sales	33	15,282,440,285	14,961,544,042	11,580,300,425	11,511,264,644
Other income					
Gain on exchange	40.1	168,274,750	-	171,281,386	-
Reversal of consigned stock and equipment					
for production payable	21	-	63,537,862	-	63,537,862
Gain on sales of current investments	9	-	74,995,216	-	74,995,216
Others		77,840,462	114,246,431	53,427,310	84,645,915
Total revenues		15,528,555,497	15,214,323,551	11,805,009,121	11,734,443,637
Expenses					
Cost of sales		14,000,555,846	14,013,146,615	10,624,134,909	11,016,893,300
Selling and distribution expenses		196,697,669	200,782,381	128,833,016	134,050,441
Administrative expenses		476,076,517	505,362,004	248,872,419	220,040,261
Loss on exchange		-	45,408,409	-	28,477,088
Total expenses		14,673,330,032	14,764,699,409	11,001,840,344	11,399,461,090
Profit from operating activities		855,225,465	449,624,142	803,168,777	334,982,547
Finance income	29	9,817,575	27,842,604	27,676,717	38,201,384
Finance cost	30	(153,489,854)	(31,861,551)	(131,898,067)	(11,482,377)
Profit before income tax expense		711,553,186	445,605,195	698,947,427	361,701,554
Income tax expense	32	(25,064,746)	(73,914,844)	(272,384)	(39,502,990)
Profit for the year		686,488,440	371,690,351	698,675,043	322,198,564
Earnings per share					
34					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.32	0.17	0.32	0.15
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.32	0.17	0.32	0.15

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

SVI Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the year	686,488,440	371,690,351	698,675,043	322,198,564
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies	28,425,171	(15,078,854)	-	-
Loss on change in value of available-for-sale investments	-	(34,949,503)	-	(34,949,503)
Less: Income tax effect	-	6,989,900	-	6,989,900
	-	(27,959,603)	-	(27,959,603)
Loss on changes in value of debt instruments at fair value through other comprehensive income	(455,558)	-	(455,558)	-
Less: Income tax effect	91,112	-	91,112	-
	(364,446)	-	(364,446)	-
Loss on cash flow hedges	(4,577,799)	-	-	-
Less: Income tax effect	1,144,450	-	-	-
	(3,433,349)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	24,627,376	(43,038,457)	(364,446)	(27,959,603)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Loss on changes in value of equity investments designated at fair value through other comprehensive income	(71,553,794)	-	(71,553,794)	-
Less: Income tax effect	14,310,759	-	14,310,759	-
	(57,243,035)	-	(57,243,035)	-
Actuarial losses	(5,202,559)	(44,490,572)	-	(35,983,210)
Less: Income tax effect	1,300,640	2,138,362	-	11,515
	(3,901,919)	(42,352,210)	-	(35,971,695)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(61,144,954)	(42,352,210)	(57,243,035)	(35,971,695)
Other comprehensive income for the year	(36,517,578)	(85,390,667)	(57,607,481)	(63,931,298)
Total comprehensive income for the year	649,970,862	286,299,684	641,067,562	258,267,266

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

SVI Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements											
								Other components of equity				
								Other comprehensive income			Total other components of shareholders' equity	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based transactions payment	Treasury stocks	Retained earnings			Exchange differences on translation of financial statements in foreign currencies	Gain (loss) on investments designated at fair value through other comprehensive income	Loss on cash flow hedges		
Statutory reserve					Reserve for treasury stocks	Unappropriated						
Balance as at 1 January 2019	2,265,749,381	86,763,859	28,610,650	(424,383,644)	229,674,938	424,383,644	5,025,200,989	(19,760,544)	24,261,920	-	4,501,376	7,640,501,193
Profit for the year	-	-	-	-	-	-	371,690,351	-	-	-	-	371,690,351
Other comprehensive income for the year	-	-	-	-	-	-	(42,352,210)	(15,078,854)	(27,959,603)	-	(43,038,457)	(85,390,667)
Total comprehensive income for the year	-	-	-	-	-	-	329,338,141	(15,078,854)	(27,959,603)	-	(43,038,457)	286,299,684
Increase in capital from exercise of warrants (Note 25)	1,000,000	3,440,000	-	-	-	-	-	-	-	-	-	4,440,000
Dividend paid (Note 37)	-	-	-	-	-	-	(4,390,477,275)	-	-	-	-	(4,390,477,275)
Treasury stocks during the year	-	-	-	(75,065,252)	-	-	-	-	-	-	-	(75,065,252)
Reserve for treasury stocks	-	-	-	-	-	75,065,252	(75,065,252)	-	-	-	-	-
Capital reserve for share-based payment transactions	-	-	1,192,110	-	-	-	-	-	-	-	-	1,192,110
Balance as at 31 December 2019	<u>2,266,749,381</u>	<u>90,203,859</u>	<u>29,802,760</u>	<u>(499,448,896)</u>	<u>229,674,938</u>	<u>499,448,896</u>	<u>888,996,603</u>	<u>(34,839,398)</u>	<u>(3,697,683)</u>	<u>-</u>	<u>(38,537,081)</u>	<u>3,466,890,460</u>
Balance as at 1 January 2020 - as previous reported	2,266,749,381	90,203,859	29,802,760	(499,448,896)	229,674,938	499,448,896	888,996,603	(34,839,398)	(3,697,683)	-	(38,537,081)	3,466,890,460
Cumulative effect of change in accounting policies (Note 4)	-	-	-	-	-	-	(2,924,558)	-	-	-	-	(2,924,558)
Balance as at 1 January 2020 - as restated	2,266,749,381	90,203,859	29,802,760	(499,448,896)	229,674,938	499,448,896	886,072,045	(34,839,398)	(3,697,683)	-	(38,537,081)	3,463,965,902
Profit for the year	-	-	-	-	-	-	686,488,440	-	-	-	-	686,488,440
Other comprehensive income for the year	-	-	-	-	-	-	(3,901,919)	28,425,171	(57,607,481)	(3,433,349)	(32,615,659)	(36,517,578)
Total comprehensive income for the year	-	-	-	-	-	-	682,586,521	28,425,171	(57,607,481)	(3,433,349)	(32,615,659)	649,970,862
Increase in capital from exercise of warrants (Note 25)	45	87	-	-	-	-	-	-	-	-	-	132
Legal reserve (Note 28)	-	-	-	-	1,529,400	-	(1,529,400)	-	-	-	-	-
Loss on derecognition of financial assets measured at fair value through other comprehensive income (Note 9)	-	-	-	-	-	-	(75,531,875)	-	-	-	-	(75,531,875)
Balance as at 31 December 2020	<u>2,266,749,426</u>	<u>90,203,946</u>	<u>29,802,760</u>	<u>(499,448,896)</u>	<u>231,204,338</u>	<u>499,448,896</u>	<u>1,491,597,291</u>	<u>(6,414,227)</u>	<u>(61,305,164)</u>	<u>(3,433,349)</u>	<u>(71,152,740)</u>	<u>4,038,405,021</u>

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

SVI Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements							Other components of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Treasury stocks	Retained earnings			Other comprehensive income		Total shareholders' equity
					Appropriated		Unappropriated	Gain (loss) on Investments designated at fair value through other comprehensive income	Total other components of shareholders' equity	
					Statutory reserve	Reserve for treasury stocks				
Balance as at 1 January 2019	2,265,749,381	86,763,859	28,610,650	(424,383,644)	229,674,938	424,383,644	4,984,381,465	24,261,920	24,261,920	7,619,442,213
Profit for the year	-	-	-	-	-	-	322,198,564	-	-	322,198,564
Other comprehensive income for the year	-	-	-	-	-	-	(35,971,695)	(27,959,603)	(27,959,603)	(63,931,298)
Total comprehensive income for the year	-	-	-	-	-	-	286,226,869	(27,959,603)	(27,959,603)	258,267,266
Increase in capital from exercise of warrants (Note 25)	1,000,000	3,440,000	-	-	-	-	-	-	-	4,440,000
Dividend paid (Note 37)	-	-	-	-	-	-	(4,390,477,275)	-	-	(4,390,477,275)
Treasury stocks during the year	-	-	-	(75,065,252)	-	-	-	-	-	(75,065,252)
Reserve for treasury stocks	-	-	-	-	-	75,065,252	(75,065,252)	-	-	-
Capital reserve for share-based payment transactions	-	-	1,192,110	-	-	-	-	-	-	1,192,110
Balance as at 31 December 2019	<u>2,266,749,381</u>	<u>90,203,859</u>	<u>29,802,760</u>	<u>(499,448,896)</u>	<u>229,674,938</u>	<u>499,448,896</u>	<u>805,065,807</u>	<u>(3,697,683)</u>	<u>(3,697,683)</u>	<u>3,417,799,062</u>
Balance as at 1 January 2020 - as previous reported	2,266,749,381	90,203,859	29,802,760	(499,448,896)	229,674,938	499,448,896	805,065,807	(3,697,683)	(3,697,683)	3,417,799,062
Cumulative effect of change in accounting policies (Note 4)	-	-	-	-	-	-	(2,924,558)	-	-	(2,924,558)
Balance as at 1 January 2020 - as restated	<u>2,266,749,381</u>	<u>90,203,859</u>	<u>29,802,760</u>	<u>(499,448,896)</u>	<u>229,674,938</u>	<u>499,448,896</u>	<u>802,141,249</u>	<u>(3,697,683)</u>	<u>(3,697,683)</u>	<u>3,414,874,504</u>
Profit for the year	-	-	-	-	-	-	698,675,043	-	-	698,675,043
Other comprehensive income for the year	-	-	-	-	-	-	-	(57,607,481)	(57,607,481)	(57,607,481)
Total comprehensive income for the year	-	-	-	-	-	-	698,675,043	(57,607,481)	(57,607,481)	641,067,562
Increase in capital from exercise of warrants (Note 25)	45	87	-	-	-	-	-	-	-	132
Legal reserve (Note 28)	-	-	-	-	1,529,400	-	(1,529,400)	-	-	-
Loss on derecognition of financial assets measured at fair value through other comprehensive income (Note 9)	-	-	-	-	-	-	(75,531,875)	-	-	(75,531,875)
Balance as at 31 December 2020	<u>2,266,749,426</u>	<u>90,203,946</u>	<u>29,802,760</u>	<u>(499,448,896)</u>	<u>231,204,338</u>	<u>499,448,896</u>	<u>1,423,755,017</u>	<u>(61,305,164)</u>	<u>(61,305,164)</u>	<u>3,980,410,323</u>
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

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

SVI Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	711,553,186	445,605,195	698,947,427	361,701,554
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	268,990,361	355,960,392	178,547,566	273,084,085
Allowance for expected credit losses (reversal)	6,809,037	(8,127,282)	5,985,394	(6,753,316)
Allowance for diminution in value of inventories	21,121,535	25,966,962	13,929,251	18,897,953
Amortisation for financial fees	39,823,997	2,845	39,823,997	2,845
Reserve for warranty	615,504	4,902,820	-	4,725,057
Provision for long-term employee benefits	19,470,991	42,243,559	13,525,164	30,581,307
Reversal for consigned stock and equipment for production payable	-	(63,537,862)	-	(63,537,862)
Gain on sales of equipment	-	(365,017)	(784,053)	(507,758)
Loss on impairment from non-financial assets	16,006,762	-	-	-
Loss on write off fixed assets	13,717,843	566,538	1,049,974	34,216
Loss on write off intangible assets	512,366	-	-	-
Unrealised loss (gain) on exchange	(23,790,810)	(5,366,304)	(38,047,138)	14,932,895
Gain on derecognition of other current financial assets	(240,142)	(74,995,216)	(240,142)	(74,995,216)
Share-based payment transactions	-	1,192,110	-	1,192,110
Gain on changes in value of financial assets	(42,915)	-	(42,915)	-
Dividend income from other current financial assets	(17,893,352)	(32,915,560)	(17,893,352)	(32,915,560)
Finance income	(9,817,575)	(27,842,604)	(27,676,717)	(38,201,384)
Finance costs	99,877,773	17,817,766	86,976,589	6,559,857
Profit from operating activities before change in operating assets and liabilities	1,146,714,561	681,108,342	954,101,045	494,800,783
Operating assets (increase) decrease				
Trade and other receivables	56,350,450	836,934,003	231,674,648	768,182,823
Inventories	14,274,662	1,159,882,214	46,216,134	1,246,006,198
Other current assets	(14,500,608)	15,730,848	9,562,398	(3,238,734)
Other non-current assets	3,164,279	1,858,769	(136,435)	1,156,173
Operating liabilities increase (decrease)				
Trade and other payables	148,145,817	(1,057,455,640)	7,993,841	(1,020,820,569)
Cash paid for consigned stock and equipment for production payable	-	(15,868,710)	-	(15,868,710)
Other current liabilities	(175,725,843)	196,332,865	(207,374,141)	222,197,493
Cash paid for long-term employee benefits	(21,746,776)	(15,414,924)	(10,145,942)	(12,368,601)
Cash flows from operating activities	1,156,676,542	1,803,107,767	1,031,891,548	1,680,046,856
Cash paid for interest expense	(29,674,367)	(20,662,883)	(17,809,952)	(6,328,111)
Cash paid for corporate income tax	(24,741,059)	(93,997,952)	(654,401)	(38,169,287)
Net cash flows from operating activities	1,102,261,116	1,688,446,932	1,013,427,195	1,635,549,458

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

SVI Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash paid for purchasing other current financial assets	(947,230,733)	(2,365,889,389)	(947,230,733)	(2,365,889,389)
Proceeds from derecognition on other current financial assets	1,861,296,889	2,349,481,668	1,861,296,889	2,349,481,668
Cash received from dividends of other current financial assets	17,893,352	32,915,560	17,893,352	32,915,560
Increase in investment in subsidiary	-	-	-	(40,482)
Decrease (increase) in long-term loans to subsidiary	-	-	180,040,250	(196,358,003)
Interest income	9,815,537	27,834,164	27,631,756	39,423,128
Proceeds from selling of equipment	-	365,017	15,398,217	21,467,899
Cash paid for purchasing plant and equipment	(329,154,584)	(328,697,841)	(55,468,152)	(270,899,918)
Cash paid for purchasing of computer software	(19,619,972)	(12,669,088)	(17,443,449)	(10,409,455)
Net cash flows from (used in) investing activities	593,000,489	(296,659,909)	1,082,118,130	(400,308,992)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from banks	308,297,324	997,888,210	(11,272,400)	947,000,000
Cash paid for treasury stocks during the year	-	(75,065,252)	-	(75,065,252)
Decrease in lease liabilities	(25,102,217)	(19,457,335)	(6,596,594)	(6,131,248)
Dividend paid	-	(4,390,477,275)	-	(4,390,477,275)
Cash received from exercise of warrants	132	4,440,000	132	4,440,000
Increase in long-term loans from banks	191,757,280	2,800,000,000	-	2,800,000,000
Repayment of long-term loans from banks	(1,738,098,320)	(101,193,300)	(1,670,000,000)	-
Interest paid	(69,945,763)	(28,000,000)	(68,908,995)	(28,000,000)
Net cash flows used in financing activities	(1,333,091,564)	(811,864,952)	(1,756,777,857)	(748,233,775)
Increase (decrease) in translation adjustment	7,953,154	(51,871,418)	-	-
Effects of exchange rate on cash and cash equivalents	3,036,506	(6,445,053)	3,036,506	(6,445,053)
Net increase in cash and cash equivalents	373,159,701	521,605,600	341,803,974	480,561,638
Cash and cash equivalents at beginning of year	865,671,112	344,065,512	735,690,649	255,129,011
Cash and cash equivalents at end of year (Note 7)	1,238,830,813	865,671,112	1,077,494,623	735,690,649
	-	-	-	-

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

SVI Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flows information:				
Non-cash items consist of :				
Unrealised loss on financial assets measured at fair value				
- net of income tax	57,607,481	27,959,603	57,607,481	27,959,603
Unrealised gain on change in fair value of derivative assets	(10,438,435)	-	(10,438,435)	-
Increase in other receivable - subsidiary from sale of machinery	-	-	(5,960,899)	(87,964,419)
Increase in lease liabilities/liabilities under financial lease	23,720,099	34,436,917	4,229,724	26,619,099
Transfer other long-term receivable to				
long-term loan to subsidiary	-	-	-	(79,641,037)
Transfer provision for warranty to decrease				
trade accounts receivable	(710,047)	(3,603,868)	(164,944)	(3,603,868)
Increase in accrued financial fees	-	(42,000,000)	-	(42,000,000)
Actuarial loss - net of income tax	3,901,919	42,352,210	-	35,971,695
Expected credit losses affected to retained earnings				
- brought forward	2,924,558	-	2,924,558	-
Loss on cash flow hedges - net of income tax	(3,433,349)	-	-	-

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

SVI Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

SVI Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is Khun Pongsak Lothongkam which total shareholding is 72.60 percent (2019: 72.54 percent). The Company is principally engaged in the manufacture and distribution of electronic manufacturing services (EMS). The registered office of the Company is at 141-142 Moo 5, Bangkadi Industrial Park, Tiwanon Road, Bangkadi, Muang, Pathumthani. The Company’s factory is located at 33/10 Moo 4, Chaeng Wattana Road, Bangtalad, Pakkred, Nontaburi.

1.2 Coronavirus disease 2019 Pandemic

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

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of SVI Public Company Limited and the following subsidiaries (“the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (Percent)	2019 (Percent)
<u>Subsidiaries held by the Company</u>				
SVI A/S	Raw material sourcing service	Denmark	100	100
SVI Public (HK) Limited	Raw material sourcing service	Hong Kong	100	100
SVI (AEC) Company Limited	Manufacturing electronic equipment	Cambodia	100	100
SVI Japan Company Limited	Raw material sourcing service	Japan	100	100
SVI (HKG) Limited	Raw material sourcing service	Hong Kong	100	100
SVI Electronics (USA) LLC.	Raw material sourcing service	America	100	-
<u>Subsidiaries held by SVI Public (HK) Limited</u>				
SVI (Austria) GmbH	Manufacturing electronic equipment	Austria	100	100
<u>Subsidiaries held by SVI (Austria) GmbH</u>				
SVI Hungary Limited Liability Company	Manufacturing electronic equipment	Hungary	100	100
SVI Slovakia s.r.o.	Manufacturing electronic equipment	Slovak	100	100
<u>Subsidiaries held by SVI (HKG) Limited</u>				
SVI-GDL, S.A.P.I. DE C.V.	Manufacturing electronic equipment	Mexico	100	100
<u>Associates held by SVI (Austria) GmbH</u>				
Emsiso d.o.o.	Design and development of products	Slovenia	23	23
Sementis Engineering GmbH	Design and development of products	Austria	20	20

- In 2019, the Company established new subsidiaries as follows.

In May 2019, the Company established “SVI (HKG) Limited” in Hong Kong Special Administrative Region of the People’s Republic of China, which the Company has shareholding at 100 percent of HKD 10,000 registered share capital. Such company was completed for incorporation on 7 May 2019 and became the Company’s subsidiary since thereon as stipulated in Note 13 to financial statements.

In August 2019, the Company established “SVI-GDL, S.A.P.I. DE C.V.” in Mexico with the registered share capital of MXN 10,000. SVI (HKG) Limited has 99.99 percent of shareholding and the Company has 0.01 percent of shareholding. Such company was completed for incorporation on 8 August 2019 and became the Company’s subsidiary since thereon as stipulated in Note 13 to financial statements.

- On 11 November 2020, the Board of Director’s meeting had approved the establish of subsidiary registered in the United States of America. The Company established “SVI Electronics (USA) LLC.” with the registered share capital of USD 1,000. The Company has 100 percent of shareholding. Such company was completed for incorporation on 8 December 2020 and became the Company’s subsidiary since thereon as stipulated in Note 13 to financial statements.
- These consolidated financial statements include the statement of financial position of such three subsidiaries as at 31 December 2020 and the statement of comprehensive income for the period as from the date of incorporation (8 December 2020) to 31 December 2020 and for the year ended 31 December 2020 which the financial statements were prepared by the management and have not been audited by its auditor since such companies have yet operated.

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

- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currencies” in the statement of changes in shareholders’ equity.
- f) Material balances and transactions between the Group, have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

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

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

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the right-of-use assets and lease liabilities as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the year 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach. However, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group has evaluated these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated. However, change in accounting policy due to the adoption of TFRS 16 has no the effect to retained earnings as at 1 January 2020.

4.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	(2,925)	(2,925)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(2,925)	(2,925)

The impacts of changes in accounting policies on the statement of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	1,763,860	(1,763,860)	-	-
Trade and other receivables	3,097,168	(2,925)	-	3,094,243
Other current financial assets	-	1,763,860	-	1,763,860
Non-current assets				
Property, plant and equipment	1,911,976	-	(49,487)	1,862,489
Right-of-use assets	-	-	60,953	60,953
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under financial lease/hire purchase agreements	15,095	-	(15,095)	-
Current portion of lease liabilities	-	-	21,334	21,334
Non-current liabilities				
Liabilities under financial lease/hire purchase agreements - net of current portion	37,142	-	(37,142)	-
Lease liabilities - net of current portion	-	-	42,369	42,369
Shareholders' equity				
Retained earnings - unappropriated	888,997	(2,925)	-	886,072

(Unit: Thousand Baht)

	Separate financial statements			1 January 2020
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	1,763,860	(1,763,860)	-	-
Trade and other receivables	2,588,854	(2,925)	-	2,585,929
Other current financial assets	-	1,763,860	-	1,763,860
Non-current assets				
Property, plant and equipment	1,483,211	-	(25,594)	1,457,617
Right-of-use assets	-	-	26,026	26,026
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under financial lease/hire purchase agreements	5,889	-	(5,889)	-
Current portion of lease liabilities	-	-	6,193	6,193
Non-current liabilities				
Liabilities under financial lease/ hire purchase agreements - net of current portion	21,092	-	(21,092)	-
Lease liabilities - net of current portion	-	-	21,220	21,220
Shareholders' equity				
Retained earnings - unappropriated	805,066	(2,925)	-	802,141

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive		Total
			income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	865,671	-	-	865,671	865,671
Trade and other receivables	3,097,168	-	-	3,094,243	3,094,243
Other current financial assets	1,763,860	-	651,952	1,111,908	1,763,860
Total financial assets	5,726,699	-	651,952	5,071,822	5,723,774

(Unit: Thousand Baht)

	Separate financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	735,691	-	-	735,691	735,691
Trade and other receivables	2,588,854	-	-	2,585,929	2,585,929
Other current financial assets	1,763,860	-	651,952	1,111,908	1,763,860
Other long-term receivable	29,455	-	-	29,455	29,455
Long-term loan and interest receivable to subsidiary	629,511	-	-	629,511	629,511
Total financial assets	5,747,371	-	651,952	5,092,494	5,744,446

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	51,682	30,336
Less: Contracts reassessed as service agreements	(39,569)	(29,894)
Less: Deferred interest expenses	(647)	(10)
Increase in lease liabilities due to TFRS 16 adoption	11,466	432
Liabilities under finance lease agreements as at 31 December 2019	52,237	26,981
Lease liabilities as at 1 January 2020	<u>63,703</u>	<u>27,413</u>
Weighted average incremental borrowing rate (percent per annum)	2.52	2.43
Comprise of:		
Current lease liabilities	21,334	6,193
Non-current lease liabilities	42,369	21,220
	<u>63,703</u>	<u>27,413</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Buildings and building improvement	11,034	-
Machinery and equipment	23,893	-
Furniture, fixtures and office equipment	19,686	19,686
Motor vehicles	6,340	6,340
Total right-of-use assets (Note 17)	<u>60,953</u>	<u>26,026</u>

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

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

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Inventories

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

Raw materials, supplies and spare parts are valued at the lower of weighted average cost and net realisable value and are charged to production costs whenever consumed.

5.4 Investments in subsidiaries and associates

- a) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method less loss on impairment of investments (if any).

5.5 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided on land.

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

5.6 Property, plant and equipment / depreciation

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

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

Buildings	20 years
Land and building improvements	5 - 20 years
Machinery and equipment	5 - 7 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land, work under construction and machinery under installation.

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

5.7 Leases

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

Accounting policies adopted since 1 January 2020

The Group as a lessee applied a single recognition and measurement approach for all leases, except for short-term leases. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

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

Buildings and building improvements	2 - 3 years
Machinery and equipment	4 - 6 years
Furniture, fixtures and office equipment	4 - 6 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

A lease that has a lease term less than or equal to 12 months from commencement date, is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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

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

5.8 Leasehold right to land and amortisation

Leasehold right to land is stated at cost less accumulated amortisation and allowance for loss on impairment (if any). Amortisation is calculated using the straight-line method over the leasehold period of 50 years.

The amortisation is included in determining income.

5.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Computer software	5 - 10 years
Customer relationship	5 - 8 years

5.10 Goodwill

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

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

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

5.11 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining income.

5.12 Related party transactions

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

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

5.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.14 Impairment of non-financial assets

At the end of reporting period, the Group performs impairment reviews in respect of the investment properties, property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation

model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the profit or loss.

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

5.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service award.

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

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

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

5.16 Provisions

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

5.17 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in “Capital reserve for share-based payment transactions” in shareholders’ equity.

5.18 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.19 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component or for which the Group has applied the practical expedient regarding not to adjust the effects of a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

Dividends on listed equity investments are recognised as other income in profit or loss.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade and other receivables

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

Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

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

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

5.20 Derivatives and hedge accounting

The Group uses derivatives, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

5.21 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgments and estimates

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

Leases - the Group as a lessee

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

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

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories requires management to exercise judgment in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business, minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventories and current changes in technology.

Investment properties and Property plant and equipment / Depreciation

In determining depreciation of investment properties (excluded land), plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties (excluded land), plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets on the acquisition date, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

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

Provision for warranty

In determining a provision for warranty, the management needs to make judgements and estimates based on past experience of the level of repairs and returns and related expenses.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment and goodwill recognised by the Group.

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	540	499	64	214
Deposit at banks	1,238,291	865,172	1,077,431	735,477
Total	1,238,831	865,671	1,077,495	735,691

As at 31 December 2020, bank deposits in savings accounts carried interests between 0.01 to 0.13 percent per annum (2019: 0.01 to 0.50 percent per annum) (The Company only: 0.01 to 0.13 percent per annum (2019: 0.01 to 0.50 percent per annum)).

8. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements	financial statements	financial statements	financial statements	
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	627	757	99.99 percent of customer charge
Sales of fixed assets	-	-	9	13	Net book value plus 2.00 percent
Purchases of raw materials	-	-	645	1,110	At cost
Raw materials sourcing fee	-	-	27	25	Actual charge and actual charge plus margin of 0.40 to 2.00 percent (2019: Actual charge plus margin of 0.25 to 0.60 percent)
Selling and distribution expenses	-	-	32	31	At cost
Other income	-	-	4	4	At cost
Interest income	-	-	18	11	3.10 - 3.25 percent per annum (2019: 2.00 percent per annum)
<u>Transactions with associates</u>					
Sales of goods and raw materials	3	2	-	-	At cost
Development expenses of tooling	-	1	-	-	Actual charge plus margin of 1.50 - 3.00 percent

The relationships between the Company and the related parties are summarised below.

List of related companies	Relationship
SVI A/S	Subsidiary
SVI Public (HK) Limited	Subsidiary
SVI (AEC) Company Limited	Subsidiary
SVI Japan Company Limited	Subsidiary
SVI (HKG) Limited	Subsidiary
SVI Electronics (USA) LLC.	Subsidiary
SVI (Austria) GmbH	Subsidiary (Held by subsidiary)
SVI Hungary Limited Liability Company	Subsidiary (Held by subsidiary)
SVI Slovakia s.r.o.	Subsidiary (Held by subsidiary)
SVI-GDL, S.A.P.I. DE C.V.	Subsidiary (Held by subsidiary)
Emsiso d.o.o.	Associated company (Held by subsidiary)
Sementis Engineering GmbH	Associated company (Held by subsidiary)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties (Note 10)</u>				
Subsidiaries	-	-	203,663	244,215
Associates	9	4	-	-
Total trade receivables - related parties	9	4	203,663	244,215
<u>Other receivables - related parties (Note 10)</u>				
Subsidiaries	-	-	19,982	25,117
Total other receivables - related parties	-	-	19,982	25,117
<u>Long-term loans and interest receivable to subsidiary</u>				
	-	-	462,987	629,511
<u>Other long-term receivable - related parties</u>				
Subsidiaries	-	-	28,289	29,455
Total other long-term receivable	-	-	28,289	29,455
<u>Trade accounts payable - related parties (Note 21)</u>				
Subsidiaries	-	-	188,885	233,080
Associates	17	197	-	-
Total trade accounts payable - related parties	17	197	188,885	233,080
<u>Other payables - related parties (Note 21)</u>				
Subsidiaries	-	-	16,082	9,527
Total other payables - related parties	-	-	16,082	9,527
<u>Accrued expenses - related parties (Note 21)</u>				
Subsidiaries	-	-	39	39
Total accrued expenses - related parties	-	-	39	39

Long-term loan to subsidiary amounting to USD 15.5 million (2019: USD 21.0 million) carries interest at rates of 3.10 - 3.25 percent per annum (2019: 2.0 percent per annum). The loan is unsecured and due within 1 year since the agreement date (2019: due within 5 years since the agreement date). However, the Company does not intent to call for repayment of this loan in short-term and the Company therefore classifies it as non-current assets. Movements in the balances of the loan during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements				
	1 January			Effect on	31 December
	2020	Increase	Decrease	exchange rate	2020
<u>Long-term loans and interest receivables to subsidiary</u>					
SVI (AEC) Company Limited					
Principals	629,511	31,291	(211,331)	13,474	462,945
Interest receivables	-	18,218	(18,176)	-	42
Total	629,511	49,509	(229,507)	13,474	462,987

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	119,078	104,903	67,669	54,446
Post-employment benefits	6,259	6,286	6,250	6,273
Total	125,337	111,189	73,919	60,719

Commitment to related companies

All subsidiaries have guarantee commitment to the parent company's long-term loans from banks, and the parent company has guarantee commitment to two subsidiaries' long-term loans from banks as stipulated in Note 38.5 to financial statements.

9. Current investments/Other current financial assets

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Financial assets measured at amortised cost		
Foreign currency deposits	172,100	1,111,908
Total financial assets measured at amortised cost	172,100	1,111,908
Financial assets measured at fair value through profit or loss		
Unit trusts	120,000	-
Add: Unrealised gains on measurement of unit trusts at fair value	43	-
Unit trusts - net	120,043	-
Total financial assets measured at fair value through profit or loss	120,043	-
Financial assets designated to measure at fair value through other comprehensive income		
Equity instruments		
Listed securities	327,687	487,406
Less: Unrealised losses on measurement of listed securities at fair value	(81,607)	(10,053)
Listed securities - net	246,080	477,353
Total financial assets designated to measure at fair value through other comprehensive income	246,080	477,353
Financial assets measured at fair value through other comprehensive income		
Debt instruments		
Private sector - debentures	159,362	169,168
Add: Unrealised gains on measurement of debentures at fair value	4,975	5,431
Debentures - net	164,337	174,599
Total financial assets measured at fair value through other comprehensive income	164,337	174,599
Total current investments/other current financial assets	702,560	1,763,860

As at 31 December 2020, foreign currency deposits carried interest at a rate 0.17 percent per annum (2019: 1.31 percent per annum).

During the year 2020, the Company disposed investments in equity securities with its fair value totaling Baht 237 million. The Company recognised loss on disposal of these investments by Baht 76 million and transferred such loss from other comprehensive income to “retained earnings - unappropriated” as presented in the Statement of change in shareholders’ equity. In addition, the Company recognised the dividend income amounting to Baht 18 million in profit or loss (2019: The Company sold available-for-sale securities with book values totaling Baht 2,274 million and recognised gains on the sales in profit or loss, amounting to Baht 75 million. During the year 2019, losses (after tax) on valuation of available-for-sale securities in other comprehensive income amounted to Baht 28 million).

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	9	1	66,933	136,635
Past due				
Up to 3 months	-	3	136,647	54,408
3 - 6 months	-	-	83	53,172
6 - 12 months	-	-	-	-
Total trade accounts receivable				
- related parties	9	4	203,663	244,215
<u>Trade accounts receivable - third parties</u>				
Aged on the basis of due dates				
Not yet due	2,340,884	2,288,040	1,562,538	1,676,534
Past due				
Up to 3 months	559,020	646,937	424,101	502,049
3 - 6 months	34,424	103,126	31,249	83,753
6 - 12 months	16,364	38,793	15,139	37,165
Over 12 months	33,027	5,291	31,410	3,670
Total	2,983,719	3,082,187	2,064,437	2,303,171
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(13,857)	(4,123)	(11,279)	(2,369)
Total trade accounts receivable				
- third parties, net	2,969,862	3,078,064	2,053,158	2,300,802
<u>Other receivables - related parties</u>	-	-	19,982	25,117
<u>Other receivables - third parties</u>	37,568	19,100	37,155	18,720
Total trade and other receivables - net	3,007,439	3,097,168	2,313,958	2,588,854

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	4,123	2,369
The impacts of the adoption of financial reporting standards related to financial instruments	2,925	2,925
Provision for expected credit losses	6,623	5,985
Translation adjustments	186	-
As at 31 December 2020	13,857	11,279

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
	2020	2019	2020	2019	2020	2019
Finished goods	353,405	301,285	(4,205)	(8,303)	349,200	292,982
Work in process	292,987	278,547	-	-	292,987	278,547
Raw materials	2,439,383	2,491,259	(151,155)	(127,416)	2,288,228	2,363,843
Supplies and spare parts	84,887	78,762	(2,028)	(1,488)	82,859	77,274
Raw materials in transit	111,046	146,130	-	-	111,046	146,130
Total	3,281,708	3,295,983	(157,388)	(137,207)	3,124,320	3,158,776

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
	2020	2019	2020	2019	2020	2019
Finished goods	241,746	219,656	(1,611)	(7,962)	240,135	211,694
Work in process	163,424	163,935	-	-	163,424	163,935
Raw materials	1,885,261	1,936,600	(124,596)	(104,316)	1,760,665	1,832,284
Supplies and spare parts	3,053	1,527	-	-	3,053	1,527
Raw materials in transit	110,778	128,760	-	-	110,778	128,760
Total	2,404,262	2,450,478	(126,207)	(112,278)	2,278,055	2,338,200

During the current year, the Group reduced cost of inventories by Baht 24 million (2019: Baht 31 million) (The Company only: Baht 20 million (2019: Baht 25 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 4 million (2019: Baht 7 million) (The Company only: Baht 6 million (2019: Baht 6 million)) and reduced the amount of inventories recognised as expenses during the year.

12. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts - net	
			2020	2019	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)						
Sementis Engineering GmbH	Design and development of products	Austria	20	20	9,935	9,935	(9,935)	(9,935)	-	-
Emsiso d.o.o.	Design and development of products	Slovenia	23	23	9,935	9,935	(9,935)	(9,935)	-	-
Total					19,870	19,870	(19,870)	(19,870)	-	-

13. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up share capital		Shareholding percentage		Cost method	
	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)		
<u>Subsidiaries held by the Company</u>						
SVI A/S	DKK 0.50 million	DKK 0.50 million	100	100	3,269	3,269
SVI Public (HK) Limited	HKD 36.94 million	HKD 36.94 million	100	100	174,143	174,143
SVI (AEC) Company Limited	USD 1.00 million	USD 1.00 million	100	100	34,454	34,454
SVI Japan Company Limited	JPY 0.75 million	JPY 0.75 million	100	100	227	227
SVI (HKG) Limited	HKD 0.01 million	HKD 0.01 million	100	100	41	41
SVI Electronics (USA) LLC.	USD 0.001 million	-	100	-	-	-
<u>Subsidiaries held by SVI Public (HK) Limited</u>						
SVI (Austria) GmbH	EUR 4.40 million	EUR 4.40 million	100	100	-	-
<u>Subsidiaries held by SVI (Austria) GmbH</u>						
SVI Hungary Limited Liability Company	EUR 0.04 million	EUR 0.04 million	100	100	-	-
SVI Slovakia s.r.o.	EUR 0.04 million	EUR 0.04 million	100	100	-	-
<u>Subsidiaries held by SVI (HKG) Limited</u>						
SVI - GDL, S.A.P.I. DE C.V.	MXN 0.01 million	MXN 0.01 million	100	100	-	-
Total investments in subsidiaries					212,134	212,134

On 22 February 2019, a meeting of the Board of Directors of the Company approved the resolutions as follows:

- To establish a subsidiary at Hong Kong Special Administrative Region of the People's Republic of China to operate in the business of purchasing raw materials, with a registered share capital of HKD 5 million. The Company will invest at 100 percent.

- To establish a subsidiary in Mexico to operate the business of producing materials relating to the electronic and computer manufacturing industry, with a registered share capital of USD 400,000 or equivalent. The Company would hold at 0.01 percent (1 share) and its subsidiary (SVI (HKG) Limited) would hold the remaining shares at 99.99 percent.

In May 2019, the Company established “SVI (HKG) Limited” in Hong Kong Special Administrative Region of the People’s Republic of China, which the Company had shareholding at 100 percent of HKD 10,000 registered share capital. Such company was completed for incorporation on 7 May 2019 and became the Company’s subsidiary since thereon. As at 31 December 2020, such subsidiary has fully paid-up share capital and has yet operated.

In August 2019, the Company established “SVI-GDL, S.A.P.I. DE C.V.” in Mexico with the registered share capital of MXN 10,000. SVI (HKG) Limited had 99.99 percent of shareholding and the Company had 0.01 percent of shareholding. Such company was completed for incorporation on 8 August 2019 and became the Company’s subsidiary since thereon. As at 31 December 2020, such subsidiary has fully paid-up share capital and has yet operated.

During the year 2020, SVI (Austria) GmbH recognised dividend income from SVI Hungary Limited Liability Company amounting to EUR 0.3 million (2019: EUR 0.3 million).

On 11 November 2020, the Board of Directors’ meeting had approved the establishment of subsidiary registered in the United States of America. The Company established “SVI Electronics (USA) LLC.” with the registered share capital of USD 1,000. The Company had 100 percent of shareholding. Such company was completed for incorporation on 8 December 2020 and became the Company’s subsidiary since thereon. As at 31 December 2020, such subsidiary has yet paid-up share capital.

14. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 are presented below.

	(Unit: Thousand Baht)		
	Consolidated / Separate financial statements		
	Land awaiting sales	Buildings, and land and building improvements	Total
31 December 2020			
Cost	171,697	106,273	277,970
Less: Accumulated depreciation	-	(92,369)	(92,369)
Net book value	171,697	13,904	185,601

(Unit: Thousand Baht)

	Consolidated / Separate financial statements		
	Land awaiting sales	Buildings, and land and building improvements	Total
31 December 2019			
Cost	171,697	106,273	277,970
Less: Accumulated depreciation	-	(88,424)	(88,424)
Net book value	171,697	17,849	189,546

A reconciliation of the net book value of investment properties for the year 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Net book value at beginning of year	189,546	193,542
Depreciation	(3,945)	(3,996)
Net book value at end of year	185,601	189,546

The fair value of investment properties as at 31 December 2020 and 2019 are stated below:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Land awaiting sales	282,900	282,900
Buildings and land and building improvements	46,340	46,340

The fair value has been determined based on valuation performed by an accredited independent valuer. The fair value of the land which located in Nontaburi, has been determined based on market prices, and the fair value of buildings and building improvements has been determined based on replacement cost less accumulated depreciation.

15. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Buildings, and land and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Work under construction and machinery under installation	
Cost							
1 January 2019	382,251	1,094,820	1,673,372	222,936	25,615	23,324	3,422,318
Additions	-	1,297	28,264	27,627	3,829	206,670	267,687
Disposal/written-off	-	(368)	(2,677)	(1,033)	(5,496)	(164)	(9,738)
Transfer in (out)	2,530	33,701	99,416	6,456	1,614	(143,717)	-
Translation adjustment	(544)	(20,842)	(47,226)	(12,138)	(945)	(2,352)	(84,047)
31 December 2019	384,237	1,108,608	1,751,149	243,848	24,617	83,761	3,596,220
Adjustments of right-of-use assets due to TFRS 16 adoption	-	-	(154,949)	(29,426)	(9,965)	-	(194,340)
Additions	36,094	167,046	18,344	8,224	-	97,209	326,917
Disposal/written-off	-	(17,660)	(17,788)	(17,345)	(67)	(12,526)	(65,386)
Transfer in (out)	-	35,820	51,965	3,889	-	(91,674)	-
Translation adjustment	741	7,038	26,047	10,182	795	1,677	46,480
31 December 2020	421,072	1,300,852	1,674,768	219,372	15,380	78,447	3,709,891
Accumulated depreciation							
1 January 2019	-	258,751	963,530	188,829	16,872	-	1,427,982
Depreciation for the year	-	55,429	252,070	16,315	3,221	-	327,035
Depreciation on disposal/written-off	-	-	(2,669)	(1,008)	(5,494)	-	(9,171)
Translation adjustment	-	(5,337)	(44,345)	(11,201)	(719)	-	(61,602)
31 December 2019	-	308,843	1,168,586	192,935	13,880	-	1,684,244
Adjustments of right-of-use assets due to TFRS 16 adoption	-	-	(131,056)	(10,172)	(3,625)	-	(144,853)
Depreciation for the year	-	58,724	139,906	11,353	1,664	-	211,647
Depreciation on disposal/written-off	-	(13,012)	(21,242)	(16,751)	(59)	-	(51,064)
Translation adjustment	-	3,993	25,107	9,153	526	-	38,779
31 December 2020	-	358,548	1,181,301	186,518	12,386	-	1,738,753
Allowance for impairment of assets							
31 December 2019	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	-	1,027	1,027
Translation adjustment	-	-	-	-	-	35	35
31 December 2020	-	-	-	-	-	1,062	1,062
Net book value							
31 December 2019	384,237	799,765	582,563	50,913	10,737	83,761	1,911,976
31 December 2020	421,072	942,304	493,467	32,854	2,994	77,385	1,970,076
Depreciation for the year							
2019 (Baht 307 million included in manufacturing cost, and the balance in selling and administrative expense)							327,035
2020 (Baht 210 million included in manufacturing cost, and the balance in selling and administrative expense)							211,647

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings, and land and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Work under construction and machinery under installation	Total
Cost							
1 January 2019	376,294	826,564	1,012,904	88,119	15,279	129,729	2,448,889
Additions	-	416	5,067	23,492	3,816	164,279	197,070
Disposal/written-off	-	-	(24,115)	(561)	(3,000)	-	(27,676)
Transfer in (out)	-	32,413	196,291	5,771	-	(234,475)	-
31 December 2019	376,294	859,393	1,190,147	116,821	16,095	59,533	2,618,283
Adjustments of right-of-use assets due to TFRS 16 adoption							
	-	-	-	(21,975)	(9,965)	-	(31,940)
Additions	-	-	4,044	1,718	-	47,469	53,231
Disposal/written-off	-	-	(14,776)	(484)	-	-	(15,260)
Transfer in (out)	-	17,234	46,606	3,102	-	(66,942)	-
31 December 2020	376,294	876,627	1,226,021	99,182	6,130	40,060	2,624,314
Accumulated depreciation							
1 January 2019	-	203,245	604,928	67,335	9,317	-	884,825
Depreciation for the year	-	42,656	208,011	12,305	2,279	-	265,251
Depreciation on disposal/ written-off	-	-	(11,468)	(536)	(3,000)	-	(15,004)
31 December 2019	-	245,901	801,471	79,104	8,596	-	1,135,072
Adjustments of right-of-use assets due to TFRS 16 adoption							
	-	-	-	(2,721)	(3,625)	-	(6,346)
Depreciation for the year	-	43,316	111,194	6,884	613	-	162,007
Depreciation on disposal/ written-off	-	-	(11,058)	(481)	-	-	(11,539)
31 December 2020	-	289,217	901,607	82,786	5,584	-	1,279,194
Net book value							
31 December 2019	376,294	613,492	388,676	37,717	7,499	59,533	1,483,211
31 December 2020	376,294	587,410	324,414	16,396	546	40,060	1,345,120
Depreciation for the year							
2019 (Baht 255 million included in manufacturing cost, and the balance in selling and administrative expense)							265,251
2020 (Baht 157 million included in manufacturing cost, and the balance in selling and administrative expense)							162,007

As at 31 December 2020, certain plant and equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,327 million (2019: Baht 614 million) (The Company only: Baht 839 million (2019: Baht 280 million)).

A subsidiary has pledged all land and structures thereon with net book value of EUR 5.4 million as collateral against long-term loan from bank, as described in Note 23 to financial statements.

16. Leasehold right to land

The net book value of leasehold right to land as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Cost	119,229	119,229
Less: Accumulated amortisation	(12,185)	(10,086)
Translation adjustment	(17,407)	(17,134)
Net book value	89,637	92,009

A reconciliation of the net book value of leasehold right to land for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Net book value at beginning of year	92,009	101,191
Amortisation	(2,099)	(2,084)
Translation adjustment	(273)	(7,098)
Net book value at end of year	89,637	92,009

A subsidiary in Cambodia made a contract with a company which subsequently resulted in acquiring the right to use land for the purpose of constructing the plant which the leasehold right has a period of 50 years.

17. Leases

The Group as a lessee has lease contracts for various assets used in its operations. Leases generally have lease terms between 2 - 3 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
1 January 2020	11,034	23,893	19,686	6,340	60,953
Additions	5,787	2,489	3,503	11,208	22,987
Depreciation for the year	(6,533)	(9,574)	(5,439)	(4,440)	(25,986)
Translation adjustment	790	1,902	(25)	(59)	2,608
31 December 2020	11,078	18,710	17,725	13,049	60,562

(Unit: Thousand Baht)

	Separate financial statements		
	Furniture, fixtures and office equipment	Motor vehicles	Total
1 January 2020	19,686	6,340	26,026
Additions	-	3,798	3,798
Depreciation for the year	(4,700)	(2,694)	(7,394)
31 December 2020	14,986	7,444	22,430

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	67,404	55,446	26,666	29,615
Less: Deferred interest expenses	(3,461)	(3,209)	(2,053)	(2,635)
Total	63,943	52,237	24,613	26,980
Less: Portion due within one year	(21,081)	(15,095)	(6,773)	(5,889)
Lease liabilities - net of current portion	42,862	37,142	17,840	21,091

A maturity analysis of lease payments is disclosed in Note 40.1 to financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	25,986	7,394
Interest expense on lease liabilities	2,466	1,133

18. Goodwill

The Company allocated goodwill arising from business combination to each cash-generating unit for the purpose of performing annual impairment testing, as follows:

(Unit: Thousand Baht)

	SVI Hungary Limited Liability Company	SVI Slovakia s.r.o.	Total
	Goodwill	17,811	119,665

The Company assessed the recoverable amount of each cash-generating unit based on the value in use of the assets, using projections of cash inflows that were prepared with reference to financial projections approved by the management and that covered a 5-year period for both companies.

The significant assumptions used in determining the value in use were as follows:

	SVI Hungary Limited Liability Company	SVI Slovakia s.r.o.
	Growth rate	0.0% - 2.5%
Pre-tax discount rate	11.6%	10.1%

The management determined the growth rates of each subsidiary based on historical operating results, markets, competitors, customer demand and production capacity. SVI Hungary Limited Liability Company is an extension of the production line of SVI (Austria) GmbH and a consistent business growth rate at 1.5 percent was set, while SVI Slovakia s.r.o. has attracted more customers and has started receiving orders from some of these, which can be seen from an increase in sales occurred during 2020. As a result, its projected revenues set growth rates of at least 1.5 percent since 2021 to 2025. The pre-tax discount rates reflect the specific risk of each company.

During the year 2020, the Group recognised loss on impairment of goodwill amounting to Baht 15 million as administrative expense in consolidated comprehensive income statement. Such asset presents net realisable value of assets.

Movements of goodwill as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Net book value at beginning of year	68,774	75,695
Provision for impairment	(14,980)	-
Translation adjustment	5,905	(6,921)
Net book value at end of year	59,699	68,774

19. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Customer relationship	Computer software	Total
Cost			
1 January 2019	117,099	132,125	249,224
Additions	-	24,598	24,598
Disposal	-	(69)	(69)
Translation adjustment	(10,705)	(4,029)	(14,734)
31 December 2019	106,394	152,625	259,019
Additions	-	7,117	7,117
Disposal	-	(6,924)	(6,924)
Translation adjustment	9,921	3,798	13,719
31 December 2020	116,315	156,616	272,931

(Unit: Thousand Baht)

	Consolidated financial statements		
	Customer relationship	Computer software	Total
Amortisation			
1 January 2019	57,474	113,338	170,812
Amortisation	18,445	4,400	22,845
Amortisation on disposal	-	(69)	(69)
Translation adjustment	(5,795)	(4,002)	(9,797)
31 December 2019	70,124	113,667	183,791
Amortisation	18,931	6,382	25,313
Amortisation on disposal	-	(6,411)	(6,411)
Translation adjustment	7,181	3,424	10,605
31 December 2020	96,236	117,062	213,298
Net book value			
31 December 2019	36,270	38,958	75,228
31 December 2020	20,079	39,554	59,633

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost	
1 January 2019	88,055
Additions	22,338
31 December 2019	110,393
Additions	4,941
31 December 2020	115,334
Amortisation	
1 January 2019	69,745
Amortisation	3,835
31 December 2019	73,580
Amortisation	5,202
31 December 2020	78,782
Net book value	
31 December 2019	36,813
31 December 2020	36,552

20. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
Bank overdrafts	1.05 - 1.50	249,776	273,470	-	-
Short-term loans from banks	1.25 - 3.10	1,231,198	947,000	930,827	947,000
Total		1,480,974	1,220,470	930,827	947,000

As at 31 December 2020, the Company has short-term loans from bank in form of promissory notes amounting to Baht 810 million (2019: Baht 947 million) and a trust receipt amounting to USD 4 million, bearing interest rates between 1.27 to 2.30 percent per annum (2019: 2.00 to 2.47 percent per annum) which will be due between January to March 2021. These promissory notes and trust receipt are unsecured.

The subsidiaries have bank overdrafts amounting to EUR 6.8 million or equivalent to Baht 249.8 million (2019: EUR 8.1 million or equivalent to Baht 273.5 million) and a promissory note amounting to USD 10.0 million or equivalent to Baht 300.4 million, which are secured by letter of credit that issued by a domestic bank on behalf of the Company.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade payables - related parties	17	197	188,885	233,080
Trade payables - third parties	2,515,367	2,284,899	1,845,967	1,693,504
Other payables - related parties	-	-	16,082	9,527
Other payables - third parties	64,082	70,772	49,210	56,632
Liabilities for acquisition of machine and equipment	6,051	20,792	6,051	20,791
Accrued expenses - related parties	-	-	39	39
Accrued expenses - third parties	478,956	577,033	387,181	509,844
Total trade and other payables	3,064,473	2,953,693	2,493,415	2,523,417

During the year 2019, the Company paid for consigned stock and equipment for production payable, which was claim for damaged goods, amounting to Baht 15.9 million. The Company received confirmation that there will be no further claim. Therefore, the Company reversed all remaining balance by Baht 63.5 million of consigned stock and equipment for production payable and recognised as other income presented in income statement for the year 2019.

22. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Withholding tax payables	39,184	232,833	23,022	227,142
Provisions for warranty	12,706	12,753	12,091	12,238
Value added tax payable	17,633	7,432	-	-
Others	515	490	331	321
Total other current liabilities	<u>70,038</u>	<u>253,508</u>	<u>35,444</u>	<u>239,701</u>

As at 31 December 2019, withholding tax payable amounting to Baht 222 million presented in the consolidated and separate financial statements, was withholding tax payable from interim dividend payment of the Company in December 2019. The Company submitted such amount to the Revenue Department on 7 January 2020.

The Group recognised a provision for expected warranty claims on products sold during last year, based on past experience of the level of repairs and returns. The Group expects most of these costs to be incurred in the next financial year and all to have been incurred within one year of the reporting date. In calculating the provision for warranties, the Group applied assumptions based on current sales levels and current information available about returns of products with one-year warranty periods for all types of product sold.

Movement of provision for warranty account during the year ended 31 December 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	11,488	11,117
Increase during the year	4,903	4,725
Decrease from payment	(3,604)	(3,604)
Translation adjustment	(34)	-
Balance as at 31 December 2019	12,753	12,238
Increase during the year	616	-
Decrease from payment	(710)	(147)
Translation adjustment	47	-
Balance as at 31 December 2020	12,706	12,091

23. Long-term loans from banks

Loan	Interest rate (percent per annum)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2020	2019	2020	2019
1	6-month EURIBOR + Fixed rate	Repayment on maturity date (3 May 2022)	350,326	371,042	-	-
2	THBFIX + Fixed rate	Repayment by quarterly basis starting first quarter ending March 2020 and last quarter ending December 2023	1,130,000	2,800,000	1,130,000	2,800,000

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019
3	3-month EURIBOR + Fixed rate	Repayment by monthly basis starting first installment on 1 May 2020 and last installment on 1 April 2030	178,973	-	-	-
Total			1,659,299	3,171,042	1,130,000	2,800,000
Less: Deferred financial fees			(30,173)	(69,997)	(30,173)	(69,997)
Long-term loans - net			1,629,126	3,101,045	1,099,827	2,730,003
Less: Current portion due within one year			(694,525)	(571,937)	(675,350)	(571,937)
Long-term loans, net of current portion			934,601	2,529,108	424,477	2,158,066

Movement of the long-term loans account for the years ended 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	519,753	-
Add: Additional borrowings	2,800,000	2,800,000
Less: Repayment	(101,193)	-
Financial fees	(70,000)	(70,000)
Amortisation of financial fees	3	3
Translations adjustment	(47,518)	-
Balance as at 31 December 2019	3,101,045	2,730,003
Add: Additional borrowings	191,757	-
Less: Repayment	(1,738,098)	(1,670,000)
Amortisation of financial fees	39,824	39,824
Translations adjustment	34,598	-
Balance as at 31 December 2020	1,629,126	1,099,827

As at 31 December 2020, the Company has long-term loans from a domestic bank amounting to Baht 1,130 million (2019: Baht 2,800 million) for the purpose of the Company's working capital and operating business including for the dividend payment to the Company's shareholders. Such loans are secured by letter of guarantees on behalf of all subsidiaries.

As at 31 December 2020, a subsidiary has long-term loans from overseas banks amounting to EUR 14.4 million (2019: EUR 11.0 million). Loans of EUR 9.5 million are secured by letter of credit which issued by a domestic bank on behalf of the Company and loans of EUR 4.9 million are secured by (a) two blank bills of exchange accepted by such subsidiary, together with a declaration of the designated purpose of the bills of exchange, (b) guarantee contract by the Company and (c) all land and structures thereon of such subsidiary.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

A subsidiary entered into interest rate swap agreement with a bank for long-term loan facilities No.3, to swap floating interest rate for fixed interest rate as described in Note 40.2 to financial statements.

As at 31 December 2020, the Group withdrawn all long-term loans in accordance with loan agreements in full credit facilities received from the banks.

24. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	238,663	176,065	138,593	84,397
Included in profit or loss:				
Current service cost	16,261	14,141	11,352	9,502
Interest cost	3,210	4,503	2,173	2,861
Past service costs	-	23,600	-	18,218
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Financial assumptions changes	2,651	19,491	-	12,043
- Experience adjustments	2,551	25,000	-	23,941
Benefits paid during the year	(21,747)	(15,415)	(10,146)	(12,369)
Translation adjustment	9,140	(8,722)	-	-
Provision for long-term employee benefits at end of year	250,729	238,663	141,972	138,593

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities. During the year 2019, the Company reflected the effect of the change by recognising past service costs as expenses amounting to Baht 18 million in the income statement for the year 2019.

The Group expects to pay Baht 10 million of long-term employee benefits during the next year (2019: Baht 23 million) (The Company only: Baht 6 million (2019: Baht 20 million)).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 3 - 25 years (2019: 12 - 20 years) (The Company only: 12 - 20 years (2019: 12 - 20 years)).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	0.7 - 2.0	1.0 - 2.0	1.7 - 2.0	1.7 - 2.0
Salary increase rate	2.5 - 4.0	2.5 - 4.0	4.0	4.0
Turnover rate	3.8 - 45.8	3.8 - 45.8	3.8 - 45.8	3.8 - 45.8

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December 2020					
	Discount rate		Salary increase rate		Staff turnover rate	
Increase	Decrease	Increase	Decrease	Increase	Decrease	
1.0%	1.0%	1.0%	1.0%	10.0%	10.0%	
Impact on the long-term employee benefit obligation	(25)	29	29	(25)	(6)	7

(Unit: Million Baht)

		Consolidated financial statements					
		As at 31 December 2019					
		Discount rate		Salary increase rate		Staff turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		1.0%	1.0%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation		(23)	27	26	(22)	(5)	6

(Unit: Million Baht)

		Separate financial statements					
		As at 31 December 2020					
		Discount rate		Salary increase rate		Staff turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		1.0%	1.0%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation		(11)	12	13	(11)	(6)	7

(Unit: Million Baht)

		Separate financial statements					
		As at 31 December 2019					
		Discount rate		Salary increase rate		Staff turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		1.0%	1.0%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation		(11)	12	11	(10)	(5)	6

25. Share capital

Registered share capital

The registered ordinary shares, that have not been issued and paid-up, are reserved for the exercise of warrants.

On 13 February 2020, a meeting of the Board of Directors of the Company approved the resolutions as follows:

- Approved to propose to the Annual General Meeting of the shareholders to approval for increase in the Company's registered share capital amounting to Baht 15,294,000 which is from Baht 2,296,749,381 to Baht 2,312,043,381 by issuing 15,294,000 new ordinary shares at the par value of Baht 1 for right adjustment of SVI-W3 warrants.

- Approved to propose to the Annual General Meeting of the shareholders to approval for revision of the Company's memorandum of association in accordance with increase in registered share capital from 2,296,749,381 shares to 2,312,043,381 shares.

On 20 March 2020, the Annual General Meeting of the shareholders approved the resolutions increasing in registered share capital and revision of the Company's memorandum of association as proposed by a meeting of the Board of Directors of the Company.

On 26 March 2020, the Company registered share capital and amended the Company's memorandum of association with the Ministry of Commerce. After the registration of increased shares, the registered share capital was Baht 2,312,043,381 comprising of 2,312,043,381 shares with a par value of Baht 1 per share.

Issued and paid-up share capital

During the years 2020 and 2019, there were exercises of warrants as details below.

Year that warrants were excised	Type of warrant	Date of exercise	Quantity of exercised warrants (Units)	Ordinary shares issued for exercise warrants (Shares)	Exercise price (Baht)	Date that the Stock	Exchange of Thailand
						Date of registration with the Ministry of Commerce	approved ordinary shares as listed securities
2019	SVI-W3	15 July 2019	1,000,000	1,000,000	4.44	26 August 2019	1 November 2019
2020	SVI-W3	26 March 2020	30	45	2.9408	7 April 2020	24 April 2020

- On 26 August 2019, the Company registered paid-up capital and amended the Company's memorandum of association with the Ministry of Commerce. After the registration of increased shares, the issued and paid-up share capital was Baht 2,266,749,381 comprising of 2,266,749,381 shares with a par value of Baht 1 per share.
- On 24 September 2019, the Company received the conditional voluntary tender offer from a major shareholder ("the offeror") which the offer price of the Company's ordinary shares is Baht 4.85 per share and the offer price of warrants (SVI-W3) is Baht 0.41 per unit. The tender offer period is 25 business days starting from 26 September 2019 to 1 November 2019. If upon the expiry of the tender offer period, the number of shares which the Company's shareholders have intention to sell in this tender offer is less than 415,321,965 shares or equivalent to less than 19.29 percent of the Company's total issued and paid-up share capital (net from treasury stocks held by the Company) and less than 19.29 percent of total voting rights of the business, the offeror may consider cancelling the tender offer.

Upon the expiry of the tender offer period, there are number of the Company's shareholders intended to sell their shares to the offeror which is 26.83 percent of the Company's total issued and paid-up share capital (net from treasury stocks held by the Company). Such offeror purchased all those shares, as a result, the shareholding increased from 45.71 percent to 72.54 percent. The registration of change in shareholder was completed on 4 November 2019. In addition, there was no any person offered to sell the warrants (SVI-W3) to the offeror.

- On 7 April 2020, the Company registered paid-up capital from the exercise of warrants and amended the Company's memorandum of association with the Ministry of Commerce. After the registration of increased shares, the issued and paid-up share capital was Baht 2,266,749,426 comprising of 2,266,749,426 shares with a par value of Baht 1 per share.

26. Right to purchase ordinary shares

On 18 March 2015, the Company received approval from the Office of the Securities and Exchange Commission to issue the warrants. These warrants are transferrable and the directors and employees can trade the warrants allotted each year on the Stock Exchange of Thailand. The details are as follows:

No. of warrants offered:	31,000,000 units
No. of shares reserved for exercise:	31,000,000 shares
Term of warrants:	5 years
Offering date:	27 March 2015
Expiry date:	26 March 2020
Exercise price:	4.44 Baht per share
Exercise ratio:	1 ordinary share per 1 warrant
Exercise period:	The warrants can be exercised once a year, with the warrant holders to exercise in each year not more than 20% of the total warrants allotted to them, plus unexercised warrants from previous years. The warrants can be exercised on 15 July of each year for a period of 5 years, with the first exercise date was on 15 July 2015 and the last exercise date was on 26 March 2020.

Conditions for Right Adjustment: The person who will receive the right of allotment must be the directors and/or employees on the date of right allotment. In case, the directors or employees resign from the Company before the expiry date of the warrants, the remaining warrants which have not transferred or traded in the Stock Exchange of Thailand will be expired, The Company will report to TSD for locking up the remaining unreleased warrants on yearly basis. The Company will reduce the register share capital reserved for these warrants when this program ended.

On 6 December 2019, the meeting of the Board of Directors of the Company approved the resolution for the interim dividend payment from the net profit and unappropriated retained earnings pursuant to the separate financial statements at the rate of Baht 1.9282 per share, is equal to the dividend payout ratio of approximately 792.3 percent and falls under Clause 3.3.1 (e) of the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of SVI-W3 Warrants, which states that the Company shall adjust the exercise price and/or exercise ratio of SVI-W3 Warrants, in the event that the Company distributes dividends in cash in excess of 80 percent of the Company's net profit after income tax under the standalone financial statements of the Company of any relevant fiscal year.

The adjustment of the exercise ratio and the exercise price of the SVI-W3 warrants are as follows:

	Before adjustment	After adjustment
Exercise ratio	1 ordinary share per warrant	1.5098 ordinary shares per warrant
Exercise price	Baht 4.44 per share	Baht 2.9408 per share

Such adjustment was effective from 19 December 2019 onwards.

Details of the allotted warrants of the Company are as follows:

Type of warrant	Exercise price per share (Baht)	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2019 (Units)	Number of warrants exercised during the year (Units)	Number of expired warrants since the employee resigned (Units)	Number of warrants outstanding as at 31 December 2019 (Units)
SVI-W3	2.9408	1 unit of warrant per 1.5098 existing shares	22,713,000	(1,000,000)	(3,649,400)	18,063,600

All SVI-W3 warrants of the Company were expired on 26 March 2020.

As at 31 December 2020, the Company had capital reserve for share-based payment amounting to Baht 29.8 million (2019: Baht 29.8 million).

27. Treasury stocks

Details of treasury stocks No. 1 and No. 2 are summarised below.

Details	Treasury stocks No. 1	Treasury stocks No. 2
Date of a meeting of the Board of Directors of the Company approved a share repurchase program for the purpose of financial management and to manage the Company's excess liquidity	2 October 2017	22 February 2019
Maximum amount available for repurchasing the shares	Baht 1,400 million	Baht 1,000 million
Numbers of repurchased shares	A maximum of 200 million shares with par value of Baht 1 per share are available for repurchase, equivalent to 8.83 percent of the total paid-up capital as at 2 October 2017.	A maximum of 130 million shares with par value of Baht 1 per share are available for repurchase, equivalent to 5.74 percent of the total paid-up capital as at 22 February 2019.
Repurchase period	From 18 October 2017 to 12 April 2018	From 17 April 2019 to 16 October 2019
Period that shares bought back are to be resold	From 13 October 2018 to 12 April 2021 (after 6 months but no later than 3 years after the completion date of the share repurchase scheme).	From 17 April 2020 to 16 October 2022 (after 6 months but no later than 3 years after the completion date of the share repurchase scheme).

Details	Treasury stocks No. 1	Treasury stocks No. 2
Dividend	The treasury stocks carry no rights to receive dividend.	The treasury stocks carry no rights to receive dividend.

- These shares are to be repurchased through the Stock Exchange of Thailand. The repurchase price must not exceed 115 percent of the weighted average closing price over the five trading days before each repurchase is made.
- Reselling of shares, cancellations of the repurchased shares and reductions of share capital are to conform to the 2001 ministerial regulations regarding principles and procedures for the repurchase and resale of shares. The resale price is to be set at not lower than 85 percent of the weighted average closing price over the five trading days before each resale is made.

As at 31 December 2020 and 2019, the number of treasury stocks are as follow:

	Treasury stocks No. 1		Treasury stocks No. 2	
	2020	2019	2020	2019
Number of shares (shares)	96,133,100	96,133,100	17,406,300	17,406,300
Average price per share of treasury stocks (Baht)	4.42	4.42	4.31	4.31

As at 31 December 2020, the Company's treasury stocks, amounting to Baht 499.45 million (2019: Baht 499.45 million), were presented as a deduction item in shareholders' equity under the cost method. The market price of the treasury stocks, which is based on the closing price quoted on the Stock Exchange of Thailand on the last day of period, was approximately Baht 431.45 million (2019: Baht 408.74 million).

The Company has to set aside an amount from retained earnings equal to the cost of the treasury stocks to a separate reserve account, with such reserve to remain outstanding until either the stocks are sold or paid-up capital is reduced by the cancellation of any remaining unsold stocks. As at 31 December 2020, the Company had reserved Baht 499.45 million (2019: Baht 499.45 million) of its retained earnings; an amount equal to the cost of the treasury stocks. Such reserve has been presented as "Appropriated retained earnings - reserve for treasury stocks" in the statements of financial position.

28. Statutory reserve

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

29. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Interest income on bank deposits	3,778	6,348	3,418	5,560
Interest income on loans to subsidiary	-	-	18,219	11,146
Interest income on debt instruments measured at FVOCI	6,040	21,495	6,040	21,495
Total	9,818	27,843	27,677	38,201

30. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Interest expense on borrowings	137,256	14,087	125,668	6,522
Interest expense on liabilities under financial lease/hire purchase agreements	-	3,734	-	678
Interest expense on lease liabilities	2,446	-	1,133	-
Bank fees	13,788	14,040	5,097	4,282
Total	153,490	31,861	131,898	11,482

31. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Salary and wages and other				
employee benefits	1,715,772	1,780,209	934,265	1,014,878
Depreciation	241,578	331,031	173,346	269,247
Amortisation	27,412	24,929	5,202	3,835
Raw materials and consumables used	12,131,978	11,728,982	9,444,005	9,139,450
Changes in inventories of finished				
goods and work in progress	(52,618)	(165,214)	(21,579)	(93,307)

32. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Corporate income tax charge for the year	18,547	77,409	-	37,874
Adjustment in respect of income tax				
of previous year	33	-	33	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	6,485	(3,494)	239	1,629
Income tax expense reported in				
 the income statement	25,065	73,915	272	39,503

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax relating to				
- Actuarial loss	(1,301)	(2,138)	-	(12)
- Loss on cash flow hedges	(1,144)	-	-	-
- Gain on changes in value of available-for-sale investments	-	(6,990)	-	(6,990)
- Loss on debt investments at fair value	(91)	-	(91)	-
- Loss on investments in equity at fair value	(14,311)	-	(14,311)	-
Total income tax in other comprehensive income	<u>(16,847)</u>	<u>(9,128)</u>	<u>(14,402)</u>	<u>(7,002)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	<u>711,553</u>	<u>445,605</u>	<u>698,947</u>	<u>361,702</u>
Applicable tax rate	9% - 25%	9% - 25%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	160,360	106,674	139,789	72,340
Effects of:				
Promotional privileges (Note 33)	(151,886)	(27,679)	(151,886)	(27,679)
Non-deductible expenses (tax exemption income/additional expense deductions allowed)	16,591	(5,080)	12,369	(5,158)
Total	<u>(135,295)</u>	<u>(32,759)</u>	<u>(139,517)</u>	<u>(32,837)</u>
Income tax expense reported in the income statement	<u>25,065</u>	<u>73,915</u>	<u>272</u>	<u>39,503</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Unrealised loss on change in other current financial assets	15,326	924	15,326	924
Provision for long-term employee benefits	28,901	25,489	688	864
Tooling	77	102	77	102
Unused tax losses from non-promoted operations	179	296	-	-
Intangible assets	5,020	7,930	-	-
Liabilities under finance lease agreements	5,988	6,098	31	-
Loss on cash flow hedges	1,144	-	-	-
Others	3,269	3,661	93	-
Total	59,904	44,500	16,215	1,890
Deferred tax liabilities				
Right-of-use assets	6,697	6,841	25	-
Deferred financial fees	2,152	2,016	2,152	2,016
Total	8,849	8,857	2,177	2,016
Deferred tax assets (liabilities) - net	51,055	35,643	14,038	(124)

As at 31 December 2020, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised, is Baht 386 million (2019: Baht 307 million).

As at 31 December 2020, the subsidiary has unused tax losses totaling Baht 33 million (2019: Baht 24 million), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses will expire by the year 2025.

33. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Company are as follows.

Details					
1. Certificate No.	1065(2)/2550	1296(2)/2554	5152(2)/2556	1587(2)/2558	1595(2)/2558
2. Promotional privileges for	Manufacturing of PCBA, electronic products	Manufacturing PCBA, electronic products and hand-microphone	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products	Manufacturing of Submount, electronic products
3. The significant privileges are					
3.1 Exemption of corporate income tax for net profit from promotional privileges and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	5 years (Transfer right to 5152(2)2556)	5 years (Transfer right to 5152(2)2556)	8 years	5 years	5 years
3.2 Allowance for 5% of the increment in export income over the preceding year for ten years, providing that the export income of that particular year should not be lower than the average export income over the three preceding years except for the first two years.	Non-granted	Non-granted	Non-granted	Non-granted	Non-granted

Details						
3.3	Exemption of import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted	Granted
3.4	Exemption of import duty on raw materials and significant supplies used in export production for a period of one year from the first import date.	Granted	Granted	Granted	Granted	Granted
4.	Date of first earning promotional privileges under the promotion certificates					
-	Raw materials	24 Apr 2008	1 May 2011	17 Jun 2013	1 Oct 2017	-
-	Machinery	27 Dec 2006	25 Jan 2011	17 Jun 2013	2 Mar 2015	23 Mar 2015
-	Income tax	14 May 2008	13 May 2011	17 Jun 2013	10 Oct 2017	-

On 14 January 2021, the Company has been approved to cancel BOI privilege number 2724 (2)/2555 from the Thailand Board of Investment.

The Company's operating revenues for the years ended 31 December 2020 and 2019 divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Export sales	11,210,603	11,031,850	369,697	479,414	11,580,300	11,511,264
Other income	170,125	6,250	54,584	216,929	224,709	223,179
Finance income	3,309	5,329	24,368	32,872	27,677	38,201
Total income	<u>11,384,037</u>	<u>11,043,429</u>	<u>448,649</u>	<u>729,215</u>	<u>11,832,686</u>	<u>11,772,644</u>

The Company's profit before tax for the years ended 31 December 2020 and 2019 divided between exempted income tax according to promotional privileges and non-exempted income tax as summarised below.

(Unit: Million Baht)

	Separate financial statements	
	2020	2019
Profit (loss) before income tax which exempted for income tax categorised by the expiration of each privileges		
June 2021	560.08	113.60
January 2022	(0.88)	0.56
October 2022	154.88	30.66
Profit (loss) before income tax which do not exempted for income tax	<u>(15.13)</u>	<u>216.88</u>
Total profit before income tax	<u>698.95</u>	<u>361.70</u>

34. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year (net from treasury stocks held by the Company as discussed in Note 27 to the financial statements).

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year (net from treasury stocks held by the Company) plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	686,488	371,690	2,153,210	2,160,893	<u>0.32</u>	<u>0.17</u>
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	1,274		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>686,488</u>	<u>371,690</u>	<u>2,153,210</u>	<u>2,162,167</u>	<u>0.32</u>	<u>0.17</u>
	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	698,675	322,199	2,153,210	2,160,893	<u>0.32</u>	<u>0.15</u>
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	1,274		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>698,675</u>	<u>322,199</u>	<u>2,153,210</u>	<u>2,162,167</u>	<u>0.32</u>	<u>0.15</u>

No calculation of diluted earnings per share for the year ended 31 December 2020 were required since all warrants were expired.

35. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows:

- Industrial Control System
- Communication network
- Automotive & Transportation

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

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

	Industrial Control System		Communication network		Automotive & Transportation		Others		Total reportable segments		Eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Revenue from external customers	5,989	4,593	5,090	5,206	1,334	1,554	2,869	3,609	15,282	14,962	-	-	15,282
Inter-segment revenue	148	267	470	389	-	-	683	1,237	1,301	1,893	(1,301)	(1,893)	-	-
Total revenue	6,137	4,860	5,560	5,595	1,334	1,554	3,552	4,846	16,583	16,855	(1,301)	(1,893)	15,282	14,962
Segment operating profit	415	214	618	493	175	100	174	249	1,382	1,056	(101)	(108)	1,281	948
Unallocated income and expenses:														
Gain (loss) on exchange													168	(45)
Other income													78	253
Selling and distribution expense													(197)	(201)
Administrative expense													(476)	(505)
Finance income													10	28
Finance cost													(153)	(32)
Income tax expense													(25)	(74)
Profit for the year													686	372

The operations of the Group are carried on in geographic area in Asia and Europe. Below is the consolidated financial information for the years ended 31 December 2020 and 2019 of the Group presented by geographical segment.

(Unit: Million Baht)

	Asia		Europe		Eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	11,490	11,063	3,792	3,899	-	-	15,282	14,962
Inter segment revenues	744	813	557	1,080	(1,301)	(1,893)	-	-
Total revenues	<u>12,234</u>	<u>11,876</u>	<u>4,349</u>	<u>4,979</u>	<u>(1,301)</u>	<u>(1,893)</u>	<u>15,282</u>	<u>14,962</u>

The following table presents segments assets of the Group operating segments as at 31 December 2020 and 2019.

(Unit: Million Baht)

	Asia		Europe		Eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Property, plant and equipment	1,643	1,758	337	161	(10)	(7)	1,970	1,912
Unallocated assets							8,675	9,421
Total assets							<u>10,645</u>	<u>11,333</u>

Revenue from external customers is based on locations of the customers are as follow.

(Unit: Thousand Baht)

	2020	2019
Scandinavia	6,638,872	7,857,441
The United States of America	1,632,125	1,389,789
Europe	4,975,719	3,864,480
Global (customers who have related parties in many countries)	1,339,714	1,470,366
Others	696,010	379,468
Total	<u>15,282,440</u>	<u>14,961,544</u>

Major customers

During the year 2020, the Company had revenue from two major customers in amount of Baht 3,023 million and Baht 1,745 million, arising from sales by the segment of communication network and industrial control system (2019: Baht 3,408 million and Baht 955 million of two major customers, arising from sales by the segment of communication network).

36. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3 to 15 percent of their basic salaries, and by the Company at rates of 3 to 5 percent and will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounted to Baht 14 million (2019: Baht 14 million) were recognised as expenses.

37. Dividends paid

Dividends	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht)
Dividends for 2018	Annual General Meeting of the shareholders on 26 April 2019	238,658	0.110
Interim dividends for 2019	Board of Directors' meeting on 6 December 2019	4,151,819	1.928
Total for 2019		<u>4,390,477</u>	<u>2.038</u>

38. Commitments and contingent liabilities

38.1 Capital commitments

As at 31 December 2020, the Group had capital commitments of Baht 8 million (2019: Baht 16 million), relating to the installation of machinery and equipment (The Company only: Baht 8 million (2019: Baht 16 million)).

38.2 Long-term service commitments

a) As at 31 December 2020 and 2019, the Group has entered into several long-term service agreements. The terms of the agreements are generally between 1 and 3 years.

Future minimum lease payments required under these agreements were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Payable within:				
In up to 1 year	17	26	11	20
In over 1 and up to 5 years	11	14	4	10

38.3 Commitment in respect of uncalled investments

As at 31 December 2020, the Company is committed to pay the uncalled portion of investment in SVI Japan Company Limited amounting to JPY 19.25 million (2019: JPY 19.25 million)

38.4 Guarantees

- a) As at 31 December 2020, there were outstanding bank guarantees of Baht 12 million (2019: Baht 16 million) (the Company only: Baht 12 million (2019: Baht 14 million)) issued by the banks on the behalf of the Company in respect of certain performance bands as required in the normal course of business. These included letters of guarantee to government agency, a state enterprise and other companies.
- b) The Company has guaranteed long-term loan facilities of its subsidiary amounting to EUR 5.5 million.

38.5 Letters of credit

As at 31 December 2020, the Company has letters of credit issued by a domestic bank to secure a subsidiary's short-term loans and long-term loans from oversea bank amounting to EUR 19.5 million (2019: EUR 21.0 million) and to secure another subsidiary's promissory notes amounting to USD 10.0 million.

38.6 Other commitment

As at 31 December 2020, there was a total of Baht 417 million (2019: Baht 412 million) consigned stock for products kept at the Company's factory that have yet to be consumed.

39. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through profit or loss				
Unit trusts	120	-	-	120
Financial assets measured at fair value through other comprehensive income				
Equity instruments	246	-	-	246
Debt instruments	-	164	-	164
Derivatives				
Forward contracts	-	10	-	10
Interest swap agreement	-	5	-	5
Assets for which fair value are disclosed				
Investment properties	-	329	-	329

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through profit or loss				
Unit trusts	120	-	-	120
Financial assets measured at fair value through other comprehensive income				
Equity instruments	246	-	-	246
Debt instruments	-	164	-	164
Derivatives				
Forward contracts	-	10	-	10
Assets for which fair value are disclosed				
Investment properties	-	329	-	329

(Unit: Million Baht)

	Consolidated / Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	477	-	-	477
Debt instruments	-	175	-	175
Assets for which fair value are disclosed				
Investment properties	-	329	-	329

40. Financial instruments

40.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivative financial instruments is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are private company and banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising of foreign currency risk and interest rate risk. The Group enters into derivative financial instruments to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods;
- interest rate swaps to mitigate the risk of rising interest rates.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020, forward exchange contracts outstanding are summarised below.

31 December 2020					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	-	35	-	30.09 - 30.41	13 January 2021 - 1 June 2021

As at 31 December 2020, the Group recognised the impact from change in fair value of derivatives amounting to Baht 10.4 million which is presented as derivative assets in the statement of financial position and recognised gain from change in fair value as presented in other income under the caption of gain on exchange in profit or loss.

As at 31 December 2020 and 2019, the balance of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	163	214	155	131	30.04	30.15
Euro	18	21	17	24	36.88	33.73

Separate financial statements						
Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	130	156	105	58	30.04	30.15
Euro	6	6	6	6	36.88	33.73

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currencies	Depreciation / Appreciation	Changes in the fair value of
	in Baht	monetary assets and liabilities
	(percent)	in foreign currencies
		(Million Baht)
USD	+1	2.4
	-1	(2.4)
EUR	+1	0.4
	-1	(0.4)

Therefore, information is not expectation and future market prediction and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term borrowings and loans. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between variable interest rate and fixed interest rate, which interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2020						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Effective interest rate (Percent per annum)
		Within 1 year	1 - 5 years			
Financial assets						
Cash and cash equivalents	1,238	-	-	1	1,239	0.01 - 0.13
Trade and other receivables	-	-	-	3,007	3,007	-
Other current financial assets	-	172	164	366	702	0.17 - 0.50
Derivative assets	-	-	-	10	10	-
Financial liabilities						
Bank overdraft and short-term loans from banks	-	1,481	-	-	1,481	1.05 - 3.10
Trade and other payables	-	-	-	3,064	3,064	-
Lease liabilities	-	21	43	-	64	1.30 - 5.51
Long-term loans from banks	1,629	-	-	-	1,629	1.05 - 3.29
Other non-current financial liabilities	-	-	-	5	5	-

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2019						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Effective interest rate (Percent per annum)
		Within 1 year	1 - 5 years			
Financial assets						
Cash and cash equivalents	841	-	-	25	866	0.01 - 0.50
Current investments	-	1,112	175	477	1,764	1.07 - 1.31
Trade and other receivables	-	-	-	3,097	3,097	-
Financial liabilities						
Bank overdraft and short-term loans from banks	-	1,220	-	-	1,220	1.05 - 2.47
Trade and other payables	-	-	-	2,954	2,954	-
Liabilities under financial lease/ hire purchase agreements	-	15	37	-	52	0.31 - 4.17
Long-term loans from banks	3,101	-	-	-	3,101	1.10 - 4.15

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2020						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Effective interest rate (Percent per annum)
		Within 1 year	1 - 5 years			
Financial assets						
Cash and cash equivalents	1,077	-	-	-	1,077	0.01 - 0.13
Trade and other receivables	-	-	-	2,314	2,314	-
Other current financial assets	-	172	164	366	702	0.17 - 0.50
Derivative assets	-	-	-	10	10	-
Long-term loans and interest receivables to subsidiary	463	-	-	-	463	3.10 - 3.25
Financial liabilities						
Bank overdraft and short-term loans from banks	-	931	-	-	931	1.27 - 1.58
Trade and other payables	-	-	-	2,493	2,493	-
Lease liabilities	-	7	18	-	25	2.15 - 4.27
Long-term loans from banks	1,100	-	-	-	1,100	3.29

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2019						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Effective interest rate (Percent per annum)
		Within 1 year	1 - 5 years			
Financial assets						
Cash and cash equivalents	736	-	-	-	736	0.01 - 0.50
Current investments	-	1,112	175	477	1,764	1.07 - 1.31
Trade and other receivables	-	-	-	2,589	2,589	-
Long-term loans and interest receivables to subsidiary	-	-	630	-	630	2.00
Financial liabilities						
Bank overdraft and short-term loans from banks	-	947	-	-	947	2.00 - 2.47
Trade and other payables	-	-	-	2,523	2,523	-
Liabilities under financial lease/ hire purchase agreements	-	6	21	-	27	2.15 - 4.17
Long-term loans from banks	2,730	-	-	-	2,730	4.15

Interest rate sensitivity

As at 31 December 2020, most of financial assets and financial liabilities of the group has frequently changed and revolving within one year. The Group's management, therefore, considered that there may be no significant impact to the Group's financial position and operating result from normal changes in interest rate in next one year.

Liquidity risk

The Group manages liquidity risk by monitoring that current assets are higher than current liabilities and having enough credit facilities for business operation.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows, and included interest payment in accordance with loan agreements.

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans					
from banks	-	1,487,113	-	-	1,487,113
Trade and other payables	-	3,064,473	-	-	3,064,473
Lease liabilities	-	22,593	44,811	-	67,404
Long-term loans from banks	-	753,753	870,123	84,163	1,708,039
Total non-derivatives	-	5,327,932	914,934	84,163	6,327,029
Derivatives					
Derivative liabilities	-	-	-	4,578	4,578
Total	-	-	-	4,578	4,578

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans					
from banks	-	932,472	-	-	932,472
Trade and other payables	-	2,493,414	-	-	2,493,414
Lease liabilities	-	7,704	18,962	-	26,666
Long-term loans from banks	-	728,580	436,138	-	1,164,718
Total non-derivatives	-	4,162,170	455,100	-	4,617,270

40.2 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	10,438	-	10,438	-
Total derivative assets	10,438	-	10,438	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Derivative liabilities				
Derivative liabilities designated as hedging instruments				
Interest rate swap contract	4,578	-	-	-
Total derivative liabilities	4,578	-	-	-

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 6 months.

Derivatives designated as hedging instruments

Cash flow hedges

As at 31 December 2020, the Group had an interest rate swap agreement in place with a notional amount of EUR 5 million (2019: Nil) which the repayment will be due in 2030, whereby the Group receives a variable rate of interest of 3-month EURIBOR plus fixed rate percent per annum and pays interest at a fixed rate on the notional amount. The swap is being used for cash flow.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable interest rate loan (i.e., notional amount, maturity, payment and interest reset dates). The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component. The Group considered there is no hedge ineffectiveness recognised in profit or loss.

The impact of the hedging instruments on the statement of financial position as at 31 December 2020 is presented in other current financial liabilities amounting to Baht 4.6 million of net book value.

40.3 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable, accounts payable and short-term loans from banks, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of equity securities is generally derived from quoted market prices or based on generally accepted pricing models when no market price is available.
- d) The fair value of long-term loans is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.
- e) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- f) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers to counterparty credit risk when determining the fair value of derivatives

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

41. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders' value. As at 31 December 2020, the group's debt-to-equity ratio was 1.63:1 (2019: 2.27:1) and the Company's was 1.19:1 (2019: 1.94:1).

42. Events after the reporting period

On 19 February 2021, a meeting of the Company's Board of Directors approved the resolutions to propose the following agendas to the Annual General Meeting of the shareholders for approval on 23 April 2021.

- Consider to decrease in the Company's registered share capital which remained from the unexercised warrants (SVI-W3) from the registered share capital by Baht 2,312,043,381 to Baht 2,266,749,426.
- Consider to revise the Company's memorandum of association in accordance with decreasing in the registered share capital of the Company.
- Consider to approve the dividend payment to shareholders of Baht 0.11 per share, totaling Baht 236.85 million (excluding treasury stocks), in respect of the operating results for the year 2020. The dividend payment is scheduled on 17 May 2021. Such dividend will be paid and recorded after being approved by the Annual General Meeting of the Company's shareholders.

43. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.