# OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

# NOTES TO FINANCIAL STATEMENTS

# DECEMBER 31, 2021

**1. GENERAL INFORMATION**

Ocean Glass Public Company Limited (the “Company”) is a public limited company which is listed on the Stock Exchange of Thailand in 1993 and incorporated and domiciled in Thailand. The principal activities of the Company are manufacturing and selling table glassware. The addresses of the Company’s selling and administrative office and factory are as follows:

Office : 75/3 and 75/88-91 Ocean Tower II, 12th and 34th floor, Sukhumvit 19 Road

(Soi Wattana), North Klongtoey, Wattana, Bangkok 10110

Factory : 365-365/1, Moo 4, Bangpoo Industrial Estate, Soi 8, Sukhumvit Road, Praksa, Muangsamutprakarn, Samutprakarn 10280

Showroom : 175 Ocean Insurance Building, Sukhumvit 21 Road, North Klongtoey, Wattana, Bangkok 10110

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”. The Company has 3 subsidiaries as follows:

Ocean Glass Trading (Shanghai) Co., Ltd., the Company’s wholly owned subsidiary, was registered and incorporated in China on September 10, 2006. The term of the subsidiary is 20 years, expiring on September 10, 2026. The subsidiary’s main objective is import and merchandising household glassware in China.

Ocean Glass Trading India Private Limited, 99.99% owned by the Company, was incorporated in India on November 20, 2013. The subsidiary’s main objective is to perform marketing activities in India.

Crystal Clear Innovation Co., Ltd., 99.99% owned by the Company, was incorporated in Thailand on August 31, 2016. The subsidiary’s main objective is for providing research, development, and merchandising tableware products.

**2. PANDEMIC OF CORONAVIRUS DISEASE 2019 SITUATION (COVID-19)**

The Coronavirus disease 2019 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation may affect the results of operations of business. Nevertheless, the management of the Group has continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

On July 13, 2020, the Company sent a letter to inform the Stock Exchange of Thailand that it has temporarily shutdown the production line since April 2020 until the first quarter of 2021 to schedule the planned maintenance and inventory management. The temporary shutdown expenses are presented as part of temporary shutdown expenses in the statement of comprehensive income.

**3. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS**

**3.1 Basis for preparation of the financial statements**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except revaluation of land and derivative financial instruments which has been stated at fair value as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.18

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**3.2 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised and new financial reporting standard and interpretations which are effective for fiscal years beginning on or after January 1, 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 adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

**3.3 Financial reporting standards that become effective in the future**

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, which are effective for fiscal years beginning on or after 1 January 2022. 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 for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The Group has assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

**4. SIGNIFICANT ACCOUNTING POLICIES APPLIED IN THE PREPARATION OF THESE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS ARE SET OUT BELOW**

**4.1 Revenue and expenses recognition**

**Sale of goods**

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

For sale with a right to return the goods, the Group recognizes the refund amount expected to be returned to customers, by considering the consistent level of returns over historical experiences which is highly probable that a significant reversal in the cumulative revenue recognized will not occur, as a refund liability and recognized a return of goods from customers as an asset in the statement of financial position. The asset is measured by the previous carrying amount of the inventory, deducting expected costs of returned goods, including any potential of the diminution in value of the returned goods.

**Other income and expenses**

Interest income is recognised using the accrual method.

Other income and expenses is recognized using the accrual method.

**4.2 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**4.3 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

**4.4 Group Accounting - Investments in subsidiaries**

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control.   
The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over   
the entity. Subsidiaries are fully consolidated from the date on which control is transferred to   
the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provide evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive disposed income in respect. Of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**4.5 Foreign currency translation**

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Thai Baht, which is the Company’s functional and the Group’s presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

* Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
* Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
* All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**4.6 Property, plant and equipment**

Land is shown at fair value, based on valuations by external independent valuer which are conducted every 3 years. All other plants and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other comprehensive income and shown as gains on land revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gains on land revaluation directly in equity; all other decreases are charged to profit or loss.

Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

|  |  |  |
| --- | --- | --- |
| Buildings and building improvements |  | 5 - 35 years |
| Machinery, equipment and tools |  | 5 - 25 years |
| Furniture, fixtures and office equipment |  | 3 - 25 years |
| Motor vehicles |  | 5 years |

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset’s carrying amount is written-down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 4.13).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within ‘Other (losses)/gains - net’ in profit or loss.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

**4.7 Intangible assets**

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group is recognised as intangible assets when the following criteria are met:

* it is technically feasible to complete the software product so that it will be available for use or sell;
* management intends to complete the software product and use or sell it;
* there is an ability to use or sell the software product;
* it can be demonstrated how the software product will generate probable future economic benefits;
* adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
* the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using the straight line method over their estimated useful lives, 5 - 15 years.

**4.8 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

**4.9 Financial instruments**

**Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. 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.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs of financial assets are recognized as expense in profit or loss. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement of debt instruments by 3 methods depends on the classification of debt instruments.

* Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
* Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
* Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

**Classification and valuation of financial liabilities**

The Group is recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

**Derivative**

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for hedge.

**Derecognition of financial instruments**

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

**Impairment of financial assets**

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Group uses the general approach in considering the allowance for loss on impairment. For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognizes a loss 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.

**Offset of financial instruments**

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Group intends to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

**4.10 Leases**

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

**where a Group company is the lessee**

The Group assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

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

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

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

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

**Lease liabilities**

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

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

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

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

**4.11 Impairment of assets (non financial asset)**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**4.12 Loans**

Loans are recognised initially at the fair value, net of transaction costs incurred. Loans are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans using the effective yield method.

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

**Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**4.13 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Group operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to be applied when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**4.14 Employee benefits**

**Retirement benefits**

The Company operates various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

**Other long-term employee benefits**

The Company provides long-service award to employee who works for 30 years. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The benefit is charged to expense in the statement of comprehensive income in the period to which it relates.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

**Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

**4.15 Provisions**

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

**4.16 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement in the valuating of expected credit loss incurred that based upon past collection history and credit loss data, adjust to reflect current data and forecast values on macroeconomic factors.

Allowance for declining in value of inventory

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

Depreciation of property, plant and equipment/rights of use assets/amortization of intangible assets

In determining depreciation of plant and equipment including rights of use assets and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values when stop using (if any) and has to review the estimated useful lives and residual values when there are any changes.

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

Determining the lease term of contracts with renewal and termination options

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

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 27.8.

Deferred tax assets

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

Employee benefits

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

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

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Group is used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

**5. RELATED PARTY TRANSACTIONS**

During the year, the Group has relationship, pricing policy and significant business transactions with related parties which are summarised as follow:

Ocean Holding Co., Ltd. is the major shareholder of the Company as at December 31, 2021 and 2010 , holding 32.82%. The remaining 67.18% is held by individual.

Related parties:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Party |  | Business |  | Relationship |
| Ocean Glass Trading (Shanghai) Co., Ltd. |  | Import and merchandising |  | Subsidiary |
|  |  | household glassware in China |  |  |
| Ocean Glass Trading India |  | Marketing activities in India |  | Subsidiary |
| Private Limited |  |  |  |  |
| Crystal Clear Innovation Co., Ltd. |  | Research, development,  and merchandising tableware  products |  | Subsidiary |
| Ocean Life Insurance Co., Ltd. |  | Life insurance |  | The Company’s shareholder |
|  |  |  |  | and co-shareholders and |
|  |  |  |  | co-director |
| Ocean Property Co., Ltd. |  | Real estate |  | Co-shareholders |
| Siam Mail Order House Co., Ltd. |  | Sales of office equipment and supplies |  | Co-shareholders |
| Ocean Group (Thailand) Co., Ltd. |  | Legal services |  | Co-shareholders and co-director |
| Key management personnel |  |  |  | Persons with the authority and of direct or indirect |
|  |  |  |  | responsibility for planning, |
|  |  |  |  | directing and controlling |
|  |  |  |  | the activities of the entity, |
|  |  |  |  | including, any Group director |
|  |  |  |  | (executive or otherwise) |

Transactions with related parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

Pricing policies by transactions:

|  |  |  |
| --- | --- | --- |
| Transaction |  | Pricing policy |
| Sales |  | Mutually agreed price |
| Purchase of office equipment and supplies |  | Market price |
| Website development and maintenance fee |  | Negotiated agreement |
| Commissions |  | Negotiated agreement |
| Rental expenses and service fees |  | Negotiated agreement |
| Loans |  | Negotiated agreement |
| Dividend |  | As declared approved paid |
| Interest income |  | Negotiated agreement |
| Interest expense |  | As the MLR rate minus a fixed percentage per annum |

The following material transactions were carried out with related parties during the years ended December 31, 2021 and 2020.

**5.1 Sales of goods**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Sales of goods: |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 2,543 |  | 2,955 |
| Related companies | 109 |  | 136 |  | 109 |  | 136 |
|  | 109 |  | 136 |  | 2,652 |  | 3,091 |

**5.2 Other income**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Dividend income: |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | - |  | 9,655 |
| Interest income: |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 94 |  | 129 |

**5.3 Purchase of goods and expenses**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Purchase of office equipment and supplies: |  |  |  |  |  |  |  |
| Related companies | 11 |  | 111 |  | 11 |  | 111 |
| Website development fee: |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | - |  | 5,600 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Website maintenance fee: |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 250 |  | 750 |
| Legal service fee: |  |  |  |  |  |  |  |
| Related companies | 30 |  | 59 |  | 30 |  | 59 |
| Commission: |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 23,273 |  | 10,342 |
| Rental expenses and service fee: |  |  |  |  |  |  |  |
| Related companies | 14,958 |  | 16,199 |  | 14,958 |  | 16,199 |
| Less effects of the adoption of TFRS 16 | (14,360) |  | (14,682) |  | (14,360) |  | (14,682) |
| Rental expenses and service fee  presented in the statement of  comprehensive income | 598 |  | 1,517 |  | 598 |  | 1,517 |
| Interest expense: |  |  |  |  |  |  |  |
| Related companies | 574 |  | 984 |  | 574 |  | 984 |

Trading transactions with related parties are carried out under commercial terms and conditions. They are treated in the same manner as unrelated parties and are presented at mutually agreed price Services pricing among related parties is based on contracts.

**5.4 Outstanding balances with related parties as at December 31, 2021 and 2020**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Trade receivables |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | - |  | - |
| Related companies | - |  | 15 |  | - |  | 15 |
|  | - |  | 15 |  | - |  | 15 |
| Other current receivables |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 1 |  | 3 |
|  | - |  | - |  | 1 |  | 3 |
| Other current payables |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 8,283 |  | 3,523 |
| Related companies | 512 |  | 677 |  | 512 |  | 677 |
|  | 512 |  | 677 |  | 8,795 |  | 4,200 |
| Lease liabilities |  |  |  |  |  |  |  |
| Related companies | 8,892 |  | 22,556 |  | 8,892 |  | 22,556 |
|  | 8,892 |  | 22,556 |  | 8,892 |  | 22,556 |

**5.5 Key management compensation**

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated / The Company Only | | |
|  | 2021 |  | 2020 |
| Short-term benefits | 33,350 |  | 32,735 |
| Post-employment benefits | 2,007 |  | 2,372 |
| Other long-term benefits | 2 |  | 2 |
| Total | 35,359 |  | 35,109 |

**5.6 Loan to subsidiaries**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | |  | | The Company Only | | |
|  | 2021 |  | 2020 |  | | 2021 | |  | 2020 |
| Beginning balance | - |  | - |  | | 3,500 | |  | 10,000 |
| Increase loan | - |  | - |  | | - | |  | - |
| Repayments | - |  | - |  | | - | |  | (6,500) |
| Ending balance | - |  | - |  | | 3,500 | |  | 3,500 |

Crystal Clear Innovation Co., Ltd. entered into an agreement with the Company for short-term borrowing facility dominated in Baht of 10 million, interest rate is at market rate plus 0.10% per annum. The repayment is as stated in each promissory note.

**6. CASH AND CASH EQUIVALENTS**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Cash on hand | 78 |  | 269 |  | 73 |  | 191 |
| Deposits at banks - current | 28,845 |  | 5,260 |  | 24,800 |  | 3,439 |
| Deposits at banks - savings | 30,836 |  | 97,147 |  | 14,758 |  | 84,839 |
| Total | 59,759 |  | 102,676 |  | 39,631 |  | 88,469 |

Savings accounting carries interest rate at the floating rates which are set by the bank.

**7. TRADE AND OTHER CURRENT RECEIVABLES**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Trade receivables : |  |  |  |  |  |  |  |
| - other parties | 233,624 |  | 135,571 |  | 233,624 |  | 135,571 |
| - related parties (Note 5.4) | - |  | 15 |  | - |  | 15 |
| Less Allowance for expected credit losses | (775) |  | (692) |  | (775) |  | (692) |
|  | 232,849 |  | 134,894 |  | 232,849 |  | 134,894 |
| Advance payment | 15,012 |  | 12,483 |  | 14,963 |  | 12,438 |
| Prepayment | 10,314 |  | 7,997 |  | 10,209 |  | 8,138 |
| Other receivables : |  |  |  |  |  |  |  |
| - other parties | 880 |  | 682 |  | 880 |  | 682 |
| - related parties (Note 5.4) | - |  | - |  | 1 |  | 3 |
| Less Allowance for expected credit losses | (107) |  | (107) |  | (107) |  | (107) |
|  | 26,099 |  | 21,055 |  | 25,946 |  | 21,154 |
|  | 258,948 |  | 155,949 |  | 258,795 |  | 156,048 |

Trade receivables as at December 31, 2021 and 2020 were analysed as follows:

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Not yet due | 179,616 |  | 107,875 |  | 179,616 |  | 107,875 |
| Overdue: |  |  |  |  |  |  |  |
| Up to 3 months | 49,110 |  | 24,235 |  | 49,110 |  | 24,235 |
| Over 3 - 6 months | 1,544 |  | 2,709 |  | 1,544 |  | 2,709 |
| Over 6 - 12 months | 2,588 |  | 767 |  | 2,588 |  | 767 |
| Over 12 months | 766 |  | - |  | 766 |  | - |
| Total | 233,624 |  | 135,586 |  | 233,624 |  | 135,586 |
| Less Allowance for expected credit losses | (775) |  | (692) |  | (775) |  | (692) |
| Trade receivables - net | 232,849 |  | 134,894 |  | 232,849 |  | 134,894 |

Outstanding receivables from related parties as at December 31, 2021 and 2020 were analysed as follows:

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Not yet due | - |  | 15 |  | - |  | 15 |
| Overdue: |  |  |  |  |  |  |  |
| Up to 3 months | - |  | - |  | - |  | - |
| Over 3 - 6 months | - |  | - |  | - |  | - |
| Over 6 - 12 months | - |  | - |  | - |  | - |
| Over 12 months | - |  | - |  | - |  | - |
| Total | - |  | 15 |  | - |  | 15 |

**8. INVENTORIES**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Finished goods | 393,447 |  | 482,442 |  | 393,385 |  | 482,388 |
| Merchandise | 48,172 |  | 44,630 |  | 48,172 |  | 44,630 |
| Work in progress | 8,493 |  | 4,644 |  | 8,493 |  | 4,644 |
| Raw materials | 86,137 |  | 99,411 |  | 86,137 |  | 99,411 |
| Spare parts | 142,707 |  | 152,595 |  | 142,707 |  | 152,595 |
| Supplies and packing materials | 194,953 |  | 189,453 |  | 194,953 |  | 189,453 |
| Goods expected to be returned by  customers | 1,130 |  | 2,646 |  | 1,130 |  | 2,646 |
|  | 875,039 |  | 975,821 |  | 874,977 |  | 975,767 |
| Less Allowance for the decline  in value of inventory, slow - moving and obsolete inventories | (48,059) |  | (64,401) |  | (48,059) |  | (64,401) |
| Inventories-net | 826,980 |  | 911,420 |  | 826,918 |  | 911,366 |

Allowance for the decline in value of inventory, slow-moving and obsolete inventories are changed during the year as follows :

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated /The Company Only | | |
|  | 2021 |  | 2020 |
| Beginning balance | 64,401 |  | 24,428 |
| Increase | 5,361 |  | 47,102 |
| Decrease | (21,703) |  | (7,129) |
| Ending balance | 48,059 |  | 64,401 |

**9. INVESTMENTS IN SUBSIDIARIES**

The subsidiaries are:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Company’s name |  | Country of  incorporation |  | Ownership  (%) | | |  | Cost  (Thousand Baht) | | |
| 2021 |  | 2020 |  | 2021 |  | 2020 |
| Ocean Glass Trading (Shanghai) Company Limited |  | China |  | 100.00 |  | 100.00 |  | 5,636 |  | 5,636 |
| Ocean Glass Trading India Private Limited |  | India |  | 99.99 |  | 99.99 |  | 264 |  | 264 |
| Crystal Clear Innovation Co., Ltd. |  | Thailand |  | 99.99 |  | 99.99 |  | 100 |  | 100 |
| Total | | | | | | |  | 6,000 |  | 6,000 |

**10. PROPERTY, PLANT AND EQUIPMENT**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Translation |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | difference |  | as at December |
|  | 1, 2021 |  |  |  |  |  |  |  |  |  | 31, 2021 |
| At appraised value |  |  |  |  |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |  |  |  |  |
| - Cost | 21,920 |  | - |  | - |  | - |  | - |  | 21,920 |
| - Surplus on land revaluation | 916,080 |  | - |  | - |  | - |  | - |  | 916,080 |
| Total land - at appraised value | 938,000 |  | - |  | - |  | - |  | - |  | 938,000 |
| At cost |  |  |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | 628,397 |  | - |  | (35,271) |  | - |  | - |  | 593,126 |
| Machinery and equipment | 3,566,350 |  | 6,131 |  | (99,963) |  | 152,271 |  | - |  | 3,624,789 |
| Furniture, fixtures and office equipment | 109,640 |  | 1,140 |  | (9,313) |  | 827 |  | 107 |  | 102,401 |
| Vehicles | 8,424 |  | - |  | - |  | - |  | - |  | 8,424 |
| Machinery under installation and  construction in progress | 175,154 |  | 114,897 |  | - |  | (153,098) |  | - |  | 136,953 |
| Total buildings and equipment - at cost | 4,487,965 |  | 122,168 |  | (144,547) |  | - |  | 107 |  | 4,465,693 |
| Total | 5,425,965 |  |  |  |  |  |  |  |  |  | 5,403,693 |
| Less Accumulated depreciation |  |  |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | (442,427) |  | (15,778) |  | 35,270 |  | - |  | - |  | (422,935) |
| Machinery and equipment | (2,683,682) |  | (129,142) |  | 98,972 |  | - |  | - |  | (2,713,852) |
| Furniture, fixtures and office equipment | (100,521) |  | (5,170) |  | 9,257 |  | - |  | (105) |  | (96,539) |
| Vehicles | (2,921) |  | (1,604) |  | - |  | - |  | - |  | (4,525) |
| Total | (3,229,551) |  | (151,694) |  | 143,499 |  | - |  | (105) |  | (3,237,851) |
| Property, plant and equipment - net | 2,196,414 |  |  |  |  |  |  |  |  |  | 2,165,842 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Translation |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | difference |  | as at December |
|  | 1, 2020 |  |  |  |  |  |  |  |  |  | 31, 2020 |
| At appraised value |  |  |  |  |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |  |  |  |  |
| - Cost | 21,920 |  | - |  | - |  | - |  | - |  | 21,920 |
| - Surplus on land revaluation | 657,510 |  | 258,570 |  | - |  | - |  | - |  | 916,080 |
| Total land - at appraised value | 679,430 |  | 258,570 |  | - |  | - |  | - |  | 938,000 |
| At cost |  |  |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | 626,967 |  | - |  | - |  | 1,430 |  | - |  | 628,397 |
| Machinery and equipment | 3,536,531 |  | 7,624 |  | (47,384) |  | 69,581 |  | (2) |  | 3,566,350 |
| Furniture, fixtures and office equipment | 110,321 |  | 1,709 |  | (4,848) |  | 2,394 |  | 64 |  | 109,640 |
| Vehicles | 7,838 |  | 3,956 |  | (3,370) |  | - |  | - |  | 8,424 |
| Machinery under installation and  construction in progress | 25,652 |  | 222,907 |  | - |  | (73,405) |  | - |  | 175,154 |
| Total buildings and equipment - at cost | 4,307,309 |  | 236,196 |  | (55,602) |  | - |  | 62 |  | 4,487,965 |
| Total | 4,986,739 |  |  |  |  |  |  |  |  |  | 5,425,965 |
| Less Accumulated depreciation |  |  |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | (426,392) |  | (16,035) |  | - |  | - |  | - |  | (442,427) |
| Machinery and equipment | (2,597,007) |  | (127,087) |  | 40,412 |  | - |  | - |  | (2,683,682) |
| Furniture, fixtures and office equipment | (99,204) |  | (6,096) |  | 4,836 |  | - |  | (57) |  | (100,521) |
| Vehicles | (4,788) |  | (1,503) |  | 3,370 |  | - |  | - |  | (2,921) |
| Total | (3,127,391) |  | (150,721) |  | 48,618 |  | - |  | (57) |  | (3,229,551) |
| Property, plant and equipment - net | 1,859,348 |  |  |  |  |  |  |  |  |  | 2,196,414 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | The Company Only | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | as at December |
|  | 1, 2021 |  |  |  |  |  |  |  | 31, 2021 |
| At appraised value |  |  |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |  |  |
| - Cost | 21,920 |  | - |  | - |  | - |  | 21,920 |
| - Surplus on land revaluation | 916,080 |  | - |  | - |  | - |  | 916,080 |
| Total land - at appraised value | 938,000 |  | - |  | - |  | - |  | 938,000 |
| At cost |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | 628,397 |  | - |  | (35,271) |  | - |  | 593,126 |
| Machinery and equipment | 3,566,347 |  | 6,131 |  | (99,963) |  | 152,271 |  | 3,624,786 |
| Furniture, fixtures and office equipment | 108,857 |  | 1,140 |  | (9,243) |  | 827 |  | 101,581 |
| Vehicles | 8,424 |  | - |  | - |  | - |  | 8,424 |
| Machinery under installation and construction in progress | 175,154 |  | 114,897 |  | - |  | (153,098) |  | 136,953 |
| Total buildings and equipment - at cost | 4,487,179 |  | 122,168 |  | (144,477) |  | - |  | 4,464,870 |
| Total | 5,425,179 |  |  |  |  |  |  |  | 5,402,870 |
| Less Accumulated depreciation |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | (442,427) |  | (15,778) |  | 35,270 |  | - |  | (422,935) |
| Machinery and equipment | (2,683,681) |  | (129,142) |  | 98,972 |  | - |  | (2,713,851) |
| Furniture, fixtures and office equipment | (99,759) |  | (5,164) |  | 9,188 |  | - |  | (95,735) |
| Vehicles | (2,921) |  | (1,604) |  | - |  | - |  | (4,525) |
| Total | (3,228,788) |  | (151,688) |  | 143,430 |  | - |  | 3,237,046 |
| Property, plant and equipment - net | 2,196,391 |  |  |  |  |  |  |  | 2,165,824 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | The Company Only | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | as at December |
|  | 1, 2020 |  |  |  |  |  |  |  | 31, 2020 |
| At appraised value |  |  |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |  |  |
| - Cost | 21,920 |  | - |  | - |  | - |  | 21,920 |
| - Surplus on land revaluation | 657,510 |  | 258,570 |  | - |  | - |  | 916,080 |
| Total land - at appraised value | 679,430 |  | 258,570 |  | - |  | - |  | 938,000 |
| At cost |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | 626,967 |  | - |  | - |  | 1,430 |  | 628,397 |
| Machinery and equipment | 3,536,526 |  | 7,624 |  | (47,384) |  | 69,581 |  | 3,566,347 |
| Furniture, fixtures and office equipment | 109,365 |  | 1,709 |  | (4,611) |  | 2,394 |  | 108,857 |
| Vehicles | 7,838 |  | 3,956 |  | (3,370) |  | - |  | 8,424 |
| Machinery under installation and construction in progress | 25,652 |  | 222,907 |  | - |  | (73,405) |  | 175,154 |
| Total buildings and equipment - at cost | 4,306,348 |  | 236,196 |  | (55,365) |  | - |  | 4,487,179 |
| Total | 4,985,778 |  |  |  |  |  |  |  | 5,425,179 |
| Less Accumulated depreciation |  |  |  |  |  |  |  |  |  |
| Buildings and improvements | (426,392) |  | (16,035) |  | - |  | - |  | (442,427) |
| Machinery and equipment | (2,597,007) |  | (127,086) |  | 40,412 |  | - |  | (2,683,681) |
| Furniture, fixtures and office equipment | (98,375) |  | (5,985) |  | 4,601 |  | - |  | (99,759) |
| Vehicles | (4,789) |  | (1,502) |  | 3,370 |  | - |  | (2,921) |
| Total | (3,126,563) |  | (150,608) |  | 48,383 |  | - |  | (3,228,788) |
| Property, plant and equipment - net | 1,859,215 |  |  |  |  |  |  |  | 2,196,391 |

The gross carrying amount of fully depreciated plant and equipment that were still in use as at December 31, 2021 amounted to Baht 1,889.31 million (December 31, 2020 : Baht 1,993.86 million)

On February 11, 2020, the Company has appraised the land determined by independent appraiser (American Appraisal (Thailand) Ltd.). The Company recorded the land at fair value in the amount of Baht 938 million comprising the historical cost of Baht 22 million and the gain on land revaluation of Baht 916 million. This valuation technique is market comparative method which sales prices of comparable land are in close proximity and adjusted for difference in key attributes such as property size, location and shape of land which fair value hierarchy in level 2 as described in Note 27.8.

In 2021 and 2020, the Company recorded interest as part of the cost assets of Baht 3.22 million and Baht 1.32 million, respectively. Borrowing costs are the amount of the loan for general purposes by calculating from the capitalization rate which is the weighted average of the total loans that were borrowed for general purposes at the rate of 2.40% per annum and 3.09% per annum, respectively.

**11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

**Right-of-use assets**

The carrying amounts of right-of-use assets and the movement for the year ended December 31, 2021 and 2020 are presented below.

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated /The Company Only | | | | | | | | |
|  | Balance per book |  | Transactions during the year | | | | |  | Balance per book |
|  | as at January  1, 2021 |  | Addition/  Reassessment  lease term |  | Change in conditions/  written-off |  | Transfer-in  (Transfer-out) |  | as at December  31, 2021 |
| At cost |  |  |  |  |  |  |  |  |  |
| Building | 39,797 |  | 477 |  | (565) |  | - |  | 39,709 |
| Vehicles | 17,558 |  | 2,612 |  | - |  | - |  | 20,170 |
| Total | 57,355 |  | 3,089 |  | (565) |  | - |  | 59,879 |
| Less Accumulateddepreciation |  |  |  |  |  |  |  |  |  |
| Building | (13,620) |  | (14,042) |  | 565 |  | - |  | (27,097) |
| Vehicles | (4,876) |  | (6,395) |  | - |  | - |  | (11,271) |
| Total | (18,496) |  | (20,437) |  | 565 |  | - |  | (38,368) |
| Right-of-use assets - net | 38,859 |  |  |  |  |  |  |  | 21,511 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | | | | |
|  | Consolidated /The Company Only | | | | | | | | | | | | |
|  | Balance per book | | |  | Transactions during the year | | | | |  | | Balance per book | |
|  | as at January  1, 2020 | | |  | Addition/  reassessment  lease term |  | Change in conditions/  written-off |  | Transfer-in  (Transfer-out) | |  | | as at December  31, 2020 |
| At cost |  | | |  |  |  |  |  |  | |  | |  |
| Building | 40,150 | | |  | 145 |  | (498) |  | - | |  | | 39,797 |
| Vehicles | | 5,952 | |  | 11,606 |  | - |  | - | |  | | 17,558 |
| Total | 46,102 | | |  | 11,751 |  | (498) |  | - | |  | | 57,355 |
| Less Accumulated depreciation | | |  |  |  |  |  |  |  | |  | |  |
| Building | - | | |  | (14,118) |  | 498 |  | - | |  | | (13,620) |
| Vehicles | - | | |  | (4,876) |  | - |  | - | |  | | (4,876) |
| Total | - | | |  | (18,994) |  | 498 |  | - | |  | | (18,496) |
| Right-of-use assets - net | 46,102 | | |  |  |  |  |  |  | |  | | 38,859 |

The Group lease several assets including buildings and vehicles of which average lease term during 3 years.

The following are the amounts recognised in the statement of comprehensive income for the years ended December 31, 2021 and 2020 are presented below.

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Depreciation of right-of-use assets | 20,437 |  | 18,994 |  | 20,437 |  | 18,994 |
| Interest expenses on lease liabilities | 991 |  | 1,437 |  | 991 |  | 1,437 |
| Expenses relating to short-term leases | 3,428 |  | 7,009 |  | 1,936 |  | 5,789 |
| Expenses relating to leases of |  |  |  |  |  |  |  |
| Low-value assets | 3,440 |  | 1,460 |  | 3,440 |  | 1,460 |
|  | 28,296 |  | 28,900 |  | 26,804 |  | 27,680 |

For the years ended December 31, 2021 and 2020, the total cash outflow for leases on consolidated and the Company only amount to Baht 21,415 million and Baht 19,850 million, respectively.

**Lease liabilities**

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2021 are presented below.

(Unit : Thousand Baht)

|  |  | Consolidated /  The Company Only |
| --- | --- | --- |
| As at January 1, 2021 |  | 35,401 |
| Additions |  | 3,064 |
| Accretion of interest |  | 991 |
| Payments |  | (21,415) |
| As at December 31, 2021 |  | 18,041 |
| Less: Current portion |  | (14,862) |
| Lease liabilities - net of current portion |  | 3,179 |

**12. INTANGIBLE ASSETS**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Translation |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | difference |  | as at December |
|  | 1, 2021 |  |  |  |  |  |  |  |  |  | 31, 2021 |
| At cost |  |  |  |  |  |  |  |  |  |  |  |
| Computer software | 66,774 |  | 494 |  | (5,530) |  | 336 |  | 114 |  | 62,188 |
| Computer software installation | - |  | 1,843 |  | - |  | (336) |  | - |  | 1,507 |
| Total | 66,774 |  | 2,337 |  | (5,530) |  | - |  | 114 |  | 63,695 |
| Less Accumulated amortization | (51,576) |  | (4,879) |  | 5,530 |  | - |  | (114) |  | (51,039) |
| Less Allowance for impairment loss | (4,200) |  | - |  | - |  | - |  | - |  | (4,200) |
| Computer software - net | 10,998 |  |  |  |  |  |  |  |  |  | 8,456 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Translation |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | difference |  | as at December |
|  | 1, 2020 |  |  |  |  |  |  |  |  |  | 31, 2020 |
| At cost |  |  |  |  |  |  |  |  |  |  |  |
| Computer software | 64,026 |  | 1,955 |  | - |  | 738 |  | 55 |  | 66,774 |
| Computer software installation | 630 |  | 108 |  | - |  | (738) |  | - |  | - |
| Total | 64,656 |  | 2,063 |  | - |  | - |  | 55 |  | 66,774 |
| Less Accumulated amortization | (46,488) |  | (5,039) |  | - |  | - |  | (49) |  | (51,576) |
| Less Allowance for impairment loss | - |  | (4,200) |  | - |  | - |  | - |  | (4,200) |
| Computer software - net | 18,168 |  |  |  |  |  |  |  |  |  | 10,998 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | The Company Only | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | as at December |
|  | 1, 2021 |  |  |  |  |  |  |  | 31, 2021 |
| At cost |  |  |  |  |  |  |  |  |  |
| Computer software | 72,452 |  | 494 |  | (5,530) |  | 336 |  | 67,752 |
| Computer software installation | - |  | 1,843 |  | - |  | (336) |  | 1,507 |
| Total | 72,452 |  | 2,337 |  | (5,530) |  | - |  | 69,259 |
| Less Accumulated amortization | (51,308) |  | (6,279) |  | 5,530 |  | - |  | (52,057) |
| Less Allowance for impairment loss | (4,200) |  | - |  | - |  | - |  | (4,200) |
| Computer software - net | 16,944 |  |  |  |  |  |  |  | 13,002 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | The Company Only | | | | | | | | |
|  | Balance per book |  | Additions |  | Deductions |  | Transferred in |  | Balance per book |
|  | as at January |  |  |  |  |  | (Transferred out) |  | as at December |
|  | 1, 2020 |  |  |  |  |  |  |  | 31, 2020 |
| At cost |  |  |  |  |  |  |  |  |  |
| Computer software | 62,759 |  | 1,955 |  | - |  | 7,738 |  | 72,452 |
| Computer software installation | 2,030 |  | 5,708 |  | - |  | (7,738) |  | - |
| Total | 64,789 |  | 7,663 |  | - |  | - |  | 72,452 |
| Less Accumulated amortization | (45,711) |  | (5,597) |  | - |  | - |  | (51,308) |
| Less Allowance for impairment loss | - |  | (4,200) |  | - |  | - |  | (4,200) |
| Computer software - net | 19,078 |  |  |  |  |  |  |  | 16,944 |

**13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/ The Company Only | | |
|  | 2021 |  | 2020 |
| Promissory note | 640,000 |  | 790,000 |
| Total | 640,000 |  | 790,000 |

As at December 31, 2021 and 2020, short-term loans from local financial institution denominated in Thai Baht, due within 6 months and bear interest rate of 1.40% to 3.90% per annum. (2020 : interest rate of 1.35% to 3.85% per annum)

The fair values approximate the carrying amounts because of their short-term maturities which fair value hierarchy in level 2 as described in Note 27.8.

**14. TRADE AND OTHER CURRENT PAYABLES**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | |  | The Company Only | | |
|  | 2021 | |  | 2020 |  | 2021 |  | 2020 |
| Trade payables - other parties | 136,741 | |  | 78,908 |  | 136,741 |  | 78,908 |
| Other payables - other parties | 36,620 | |  | 39,194 |  | 36,299 |  | 38,941 |
| - related parties (Note 5.4) | 512 | |  | 677 |  | 8,795 |  | 4,200 |
| Advances from customers | 18,376 | |  | 16,934 |  | 16,667 |  | 16,679 |
| Accrued energy expenses | 12,516 | |  | 11,889 |  | 12,516 |  | 11,889 |
| Accrued commission and rebate | 17,159 | |  | 7,504 |  | 17,366 |  | 7,557 |
| Accrued salary and bonus expenses | | 8,972 |  | 2,222 |  | 8,972 |  | 2,222 |
| Other accrued expenses | 21,146 | |  | 36,219 |  | 19,984 |  | 34,875 |
| Total | 252,042 | |  | 193,547 |  | 257,340 |  | 195,271 |

**15. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS**

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/ The Company Only | | |
|  | 2021 |  | 2020 |
| Loans - from financial institutions, at the beginning of the year | 300,000 |  | 102,292 |
| Increase Loans | - |  | 200,000 |
| Repayments | - |  | (2,292) |
| Long term loans from financial institutions, at the end of the year | 300,000 |  | 300,000 |
| Less Current portion of long-term loans from financial institutions | (67,200) |  | - |
| Long term loans from financial institutions with due date more than one year | 232,800 |  | 300,000 |

Maturity of long-term loans:

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/ The Company Only | | |
|  | 2021 |  | 2020 |
| Due within 1 year | 67,200 |  | - |
| Due more than 1 year but not over 5 years | 232,800 |  | 300,000 |
|  | 300,000 |  | 300,000 |

Long-term loans from financial institutions

As at December 31, 2021, long-term loans from financial institutions consist of:

1) Loans facilities of Baht 300 million

On September 26, 2019, the Company entered into an agreement with a local bank for a long-term loan facility denominated in Thai Baht of Baht 300 million, which is repayable in five years from the first loan drawdown date which has to be settled by December 25, 2024. This loan has a grace period for principal repayment for the periods seven months from the first loan drawdown date and the Company is required to repay the principal in monthly installments. Interest is payable on a monthly basis and is calculated at the MLR rate minus a fixed percentage from the first year to fifth year. The Company must maintain a minimum debt-to-equity ratio as a condition of the long-term loan agreements.

On June 26, 2020, the Company had been approved to suspend loan repayment for a period of six month in order to provide financial assistance to clients that have been affected from the pandemic of coronavirus disease 2019 (COVID-19) which has an impact on Thai economy. During debt suspension period, the Company will pay the interest only by the same annual interest rate. Upon the end of the debt suspension period, the Company must pay all debt in accordance with the conditions in the original agreement in all respects which will be effective from July 25, 2020. Subsequently, on December 23, 2020, the Company had been approved to suspend loan repayment for a period of twelve month which will be effective from January 25, 2021.

As at December 31, 2021, the total outstanding loan is Baht 300 million. (2020 : Baht 300 million)

2) Loan facilities of Baht 12 million

On May 12, 2016, the Company entered into an agreement with another local bank for a long-term loan facility denominated in Thai Baht of Baht 12 million. The loan has a purpose for working capital in saving energy project according to condition of Department of Alternative Energy Development and Efficiency. The Company is required to drawdown within December 31, 2016 and repay in 5 years, by September 30, 2020. The Company is required to repay the principal in quarterly instalments. Interest is payable on a monthly basis and is calculated at a fixed rate until the maturity of the agreement. Then, the Company drawdown this loan as conditions in the amount Baht 12 million.

The Company has fully paid of principle and interest on September 30, 2020.

The interest rate exposure on the long-term loan comprises the following:

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/ The Company Only | | |
|  | 2021 |  | 2020 |
| **Long-term loans** |  |  |  |
| at floating rates | 300,000 |  | 300,000 |
|  | 300,000 |  | 300,000 |

The long-term loans from financial institutions with MLR rate minus fixed rate specified in the agreement, the fair values approximate the carrying amounts. Fair value hierarchy in level 2 as described in Note 27.8.

**16. DEFERRED INCOME TAXES**

Deferred tax assets and liabilities are offset when income taxes are related to the same fiscal authority. Deferred income taxes are calculated on all temporary differences under the liability method using principal tax 20% for the Company and 20% to 25.17% for the subsidiaries.

Deferred tax assets (liabilities) in the statement of comprehensive income for the year ended December 31, 2021 and 2020 are attributed to the following items:

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Consolidated | | | | | | |
|  | | Balance per book |  | Revenue (expenses) during the year | | |  | Balance per book |
|  | | as at January  1, 2021 |  | In profit or loss |  | In other comprehensive income |  | as at December  31, 2021 |
| Deferred tax assets: | |  |  |  |  |  |  |  |
| Allowance for expected credit losses | | 596 |  | 16 |  | - |  | 612 |
| Allowance for the decline in value of inventory, slow-moving and obsolete inventories | | 12,880 |  | (3,268) |  | - |  | 9,612 |
| Allowance for impairment loss on computer software | | 840 |  | (840) |  | - |  | - |
| Net refundable liabilities in goods expected to be  returned by customers | | 580 |  | (323) |  | - |  | 257 |
|  | Employee benefit obligations | 19,212 |  | 448 |  | - |  | 19,660 |
|  | Loss on fair value measurement of derivatives | - |  | 3,226 |  | - |  | 3,226 |
|  | Tax losses | 48,826 |  | (11,220) |  | - |  | 37,606 |
|  | Lease liabilities | 116 |  | 3 |  | - |  | 119 |
|  | Accrued tax rebate from export sales | 13 |  | (13) |  | - |  | - |
| Total | | 83,063 |  | (11,971) |  | - |  | 71,092 |
| Offset taxes from the same taxation authority | | (83,050) |  |  |  |  |  | (71,092) |
| Net deferred tax assets | | 13 |  |  |  |  |  | - |
| Deferred tax liabilities: | |  |  |  |  |  |  |  |
|  | Book depreciation under taxable depreciation | (88,794) |  | 8,425 |  | - |  | (80,369) |
|  | Gains on land revaluation | (183,216) |  | - |  | - |  | (183,216) |
| Total | | (272,010) |  | 8,425 |  | - |  | (263,585) |
| Offset taxes from the same taxation authority | | 83,050 |  |  |  |  |  | 71,092 |
| Net deferred tax liabilities | | (188,960) |  |  |  |  |  | (192,493) |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Consolidated | | | | | | |
|  | | Balance per book |  | Revenue (expenses) during the year | | |  | Balance per book |
|  | | as at January  1, 2020 |  | In profit or loss |  | In other comprehensive income |  | as at December  31, 2020 |
| Deferred tax assets: | |  |  |  |  |  |  |  |
| Allowance for expected credit losses | | - |  | 596 |  | - |  | 596 |
| Allowance for the decline in value of inventory, slow-moving and obsolete inventories | | 4,931 |  | 7,949 |  | - |  | 12,880 |
| Allowance for impairment loss on computer software | | - |  | 840 |  | - |  | 840 |
| Net refundable liabilities in goods expected to be returned by customers | | - |  | 580 |  | - |  | 580 |
|  | Employee benefit obligations | 25,919 |  | (3,968) |  | (2,739) |  | 19,212 |
|  | Tax losses | - |  | 48,826 |  | - |  | 48,826 |
|  | Lease liabilities | - |  | 116 |  | - |  | 116 |
|  | Accrued tax rebate from export sales | 807 |  | (794) |  | - |  | 13 |
| Total | | 31,657 |  | 54,145 |  | (2,739) |  | 83,063 |
| Offset taxes from the same taxation authority | | (30,850) |  |  |  |  |  | (83,050) |
| Net deferred tax assets | | 807 |  |  |  |  |  | 13 |
| Deferred tax liabilities: | |  |  |  |  |  |  |  |
|  | Book depreciation under taxable depreciation | (93,560) |  | 4,766 |  | - |  | (88,794) |
|  | Gains on land revaluation | (131,502) |  | - |  | (51,714) |  | (183,216) |
| Total | | (225,062) |  | 4,766 |  | (51,714) |  | (272,010) |
| Offset taxes from the same taxation authority | | 30,850 |  |  |  |  |  | 83,050 |
| Net deferred tax liabilities | | (194,212) |  |  |  |  |  | (188,960) |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | The Company Only | | | | | | |
|  | | Balance per book |  | Revenue (expenses) during the year | | |  | Balance per book |
|  | | as at January  1, 2021 |  | In profit or loss |  | In other comprehensive income |  | as at December  31, 2021 |
| Deferred tax assets: | |  |  |  |  |  |  |  |
|  | Allowance for expected credit losses | 596 |  | 16 |  | - |  | 612 |
|  | Allowance for the decline in value of inventory, |  |  |  |  |  |  |  |
|  | slow-moving and obsolete inventories | 12,880 |  | (3,268) |  | - |  | 9,612 |
|  | Allowance for impairment loss on computer software | 840 |  | (840) |  | - |  | - |
|  | Net refundable liabilities in goods expected to be returned by customers | 580 |  | (323) |  | - |  | 257 |
|  | Employee benefit obligations | 19,212 |  | 448 |  | - |  | 19,660 |
|  | Loss on fair value measurement of derivatives | - |  | 3,226 |  | - |  | 3,226 |
|  | Tax losses | 48,826 |  | (11,220) |  | - |  | 37,606 |
|  | Lease liabilities | 116 |  | 3 |  | - |  | 119 |
| Total | | 83,050 |  | (11,958) |  | - |  | 71,092 |
| Offset taxes from the same taxation authority | | (83,050) |  |  |  |  |  | (71,092) |
| Net deferred tax assets | | - |  |  |  |  |  | - |
| Deferred tax liabilities: | |  |  |  |  |  |  |  |
|  | Book depreciation under taxable depreciation | (88,794) |  | 8,425 |  | - |  | (80,369) |
|  | Gains on land revaluation | (183,216) |  | - |  | - |  | (183,216) |
| Total | | (272,010) |  | 8,425 |  | - |  | (263,585) |
| Offset taxes from the same tax unit | | 83,050 |  |  |  |  |  | 71,092 |
| Net deferred tax liabilities | | (188,960) |  |  |  |  |  | (192,493) |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | The Company Only | | | | | | |
|  | | Balance per book |  | Revenue (expenses) during the year | | |  | Balance per book |
|  | | as at January  1, 2020 |  | In profit or loss |  | In other comprehensive income |  | as at December  31, 2020 |
| Deferred tax assets: | |  |  |  |  |  |  |  |
|  | Allowance for expected credit losses | - |  | 596 |  | - |  | 596 |
|  | Allowance for the decline in value of inventory, |  |  |  |  |  |  |  |
|  | slow-moving and obsolete inventories | 4,931 |  | 7,949 |  | - |  | 12,880 |
|  | Allowance for impairment loss on computer software | - |  | 840 |  | - |  | 840 |
|  | Net refundable liabilities in goods expected to be returned by customers | - |  | 580 |  | - |  | 580 |
|  | Employee benefit obligations | 25,919 |  | (3,968) |  | (2,739) |  | 19,212 |
|  | Tax losses | - |  | 48,826 |  | - |  | 48,826 |
|  | Lease liabilities | - |  | 116 |  | - |  | 116 |
| Total | | 30,850 |  | 54,939 |  | (2,739) |  | 83,050 |
| Offset taxes from the same taxation authority | | (30,850) |  |  |  |  |  | (83,050) |
| Net deferred tax assets | | - |  |  |  |  |  | - |
| Deferred tax liabilities: | |  |  |  |  |  |  |  |
|  | Book depreciation under taxable depreciation | (93,560) |  | 4,766 |  | - |  | (88,794) |
|  | Gains on land revaluation | (131,502) |  | - |  | (51,714) |  | (183,216) |
| Total | | (225,062) |  | 4,766 |  | (51,714) |  | (272,010) |
| Offset taxes from the same tax unit | | 30,850 |  |  |  |  |  | 83,050 |
| Net deferred tax liabilities | | (194,212) |  |  |  |  |  | (188,960) |

Deferred tax assets and temporary differences are recognised if the realisation of the tax benefit is probable.

**17. EMPLOYEE BENEFIT OBLIGATIONS**

The Group has obligations for employee benefits as follows :

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/The Company Only | | |
|  | 2021 |  | 2020 |
| Defined benefit obligations, at the beginning of the year | 96,059 |  | 129,594 |
|  | |  |  |  |
| **Include in profit or loss:** | |  |  |  |
| Current service cost | | 12,049 |  | 11,687 |
| Interest on obligation | | 1,150 |  | 1,050 |
|  | | 13,199 |  | 12,737 |
| **Include in other comprehensive income** | |  |  |  |
| (Gain) loss on re-measurements of defined benefit plans | |  |  |  |
| * Demographic assumptions | | - |  | (3,802) |
| * Financial assumptions | | - |  | 3,170 |
| * Experience adjustment | | - |  | (13,065) |
|  | | - |  | (13,697) |
|  | |  |  |  |
| Benefit paid | | (10,957) |  | (32,575) |
|  | | (10,957) |  | (32,575) |
|  | |  |  |  |
| Defined benefit obligations, at the end of the year | | 98,301 |  | 96,059 |

**Principal actuarial assumptions at the reporting date**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Percentage | | |
|  | Consolidated/The Company Only | | |
|  | 2021 |  | 2020 |
| Discount rate | 1.20 |  | 1.20 |
| Salary increase rate | 4.00 |  | 4.00 |
| Employee turnover rate | 0.00 - 16.00  (classification of age) |  | 0.00 - 16.00  (classification of age) |
| Mortality rate | 100% of Thai  mortality table 2017 |  | 100% of Thai  mortality table 2017 |

**Sensitivity analysis**

The results of sensitivity analysis for significant assumptions that affect the present value of long-term employee benefit obligations as at December 31, 2021 are summarized below:

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/The Company Only | | |
|  | 1% increase |  | 1% decrease |
| Discount rate | (7,483) |  | 8,518 |
| Salary increase rate | 7,957 |  | (7,113) |
| Employee turnover rate | (7,904) |  | 4,821 |
| Mortality rate | 367 |  | (365) |

**Expected maturity analysis of retirement**

(Unit : Thousand Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/The Company Only | | |
|  | 2021 |  | 2020 |
| Within 1 year | 4,436 |  | 14,071 |
| More than 1 year but not over 5 year | 39,413 |  | 30,884 |
| More than 5 year | 330,962 |  | 343,927 |
| Total | 374,811 |  | 388,882 |

**18. LEGAL RESERVE**

Under the Public Limited Company Act, B.E. 1992, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**19. INCOME TAX EXPENSES (INCOME)**

19.1 Major components of income tax expenses (income)

For the years ended December 31, 2021 and 2020 consisted of :

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Income tax expense shown in profit or loss : |  |  |  |  |  |  |  |
| Current tax expense: |  |  |  |  |  |  |  |
| Income tax expense for the year | 455 |  | 753 |  | - |  | 191 |
| Deferred tax expense (income) : |  |  |  |  |  |  |  |
| Changes in temporary differences relating |  |  |  |  |  |  |  |
| to the original recognition and reversal | 3,546 |  | (58,911) |  | 3,533 |  | (59,705) |
| Total | 4,001 |  | (58,158) |  | 3,533 |  | (59,514) |
| Income tax expense in relation to components of  other comprehensive income : |  |  |  |  |  |  |  |
| Deferred tax expense : |  |  |  |  |  |  |  |
| Gain on re-measurements of defined benefit plans | - |  | 2,739 |  | - |  | 2,739 |
| Gains on land revaluation | - |  | 51,714 |  | - |  | 51,714 |
| Total | - |  | 54,453 |  | - |  | 54,453 |

19.2 A numerical reconciliation between the income tax expense, the average effective tax rate and the applicable tax rate

For the years ended December 31, 2021 and 2020.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | | | | | | |
|  | 2021 | | | | | | |  | 2020 | | | | | |
|  | Tax amount (Thousand Baht) | | |  | Tax rate  (%) | | |  | Tax amount (Thousand Baht) | | |  | Tax rate  (%) | |
| Accounting profit (loss) before tax expense for the year | 7,021 | | |  |  | | |  | (304,053) | | |  |  | |
| Tax expense (income) at the applicable tax rate | 1,404 | | |  | 20.00 | | |  | (60,811) | | |  | 20.00 | |
| Reconciliation items: |  | | |  |  | | |  |  | | |  |  | |
| Tax effect of expenses that are not deductible in  determining tax profit: |  | | |  |  | | |  |  | | |  |  | |
| - Expenses not allowed as expenses in determining taxable profit | 4,813 | | |  | 68.56 | | |  | 3,399 | | |  | (1.12) | |
| Tax effect of income or profit that are not required in  determining taxable profit and expenses deducted as  expenses added in taxable | (2,139) | | |  | (30.47) | | |  | (3,976) | | |  | 1.31 | |
| Effect of deferred tax from tax rates for the subsidiaries | (77) | | |  | (1.10) | | |  | 3,230 | | |  | (1.06) | |
| Total reconciliation items | 2,597 | | |  | 36.99 | | |  | 2,653 | | |  | (0.87) | |
| Tax expense (income) at the average effective tax rate | 4,001 | | |  | 56.99 | | |  | (58,158) | | |  | 19.13 | |
|  | The Company only | | | | | | | | | | | | |
|  | 2021 | | | | |  | 2020 | | | | | | |
|  | Tax amount (Thousand Baht) |  | Tax rate  (%) | | |  | Tax amount (Thousand Baht) | | |  | Tax rate  (%) | | |
| Accounting profit (loss) before tax expense for the year | (1,524) |  |  | | |  | (290,756) | | |  |  | | |
| Tax expense (income) at the applicable tax rate | (305) |  | 20.00 | | |  | (58,151) | | |  | 20.00 | | |
| Reconciliation items: |  |  |  | | |  |  | | |  |  | | |
| Tax effect of expenses that are not deductible in  determining tax profit: |  |  |  | | |  |  | | |  |  | | |
| - Expenses not allowed as expenses in determining taxable profit | 4,813 |  | (315.84) | | |  | 2,077 | | |  | (0.71) | | |
| Tax effect of income or profit that are not required in  determining taxable profit and expenses deducted as  expenses added in taxable | (975) |  | 64.00 | | |  | (3,440) | | |  | 1.18 | | |
| Total reconciliation items | 3,838 |  | (251.84) | | |  | (1,363) | | |  | 0.47 | | |
| Tax expense (income) at the average effective tax rate | 3,533 |  | (231.82) | | |  | (59,514) | | |  | 20.47 | | |

**20. CAPITAL MANAGEMENT**

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

According to the consolidated balance sheet as at December 31, 2021 and 2020, the Company and subsidiaries’s debt-to-equity ratio was 0.83:1 and 0.88:1, respectively.

According to the separate balance sheet as at December 31, 2021 and 2020, the Company’s debt-to-equity ratio was 0.84:1 and 0.88:1, respectively.

**21. DEVIDEND PAID**

At the Company’s Board of Directors’ Meeting on April 22, 2020, the meeting has approved an interim dividend payment from the Company’s financial performance of 1 January - 31 December 2019 at Baht 0.57 per share, totaling Baht 12.16 million. This dividend was paid on May 18, 2020.

**22. BASIC EARNINGS (LOSSES) PER SHARE**

Basic earnings (losses) per share is calculated by dividing the net profit (loss) attributed to shareholder by the weighted average number of ordinary shares in issue, which is 21,330,715 shares during the years ended December 31, 2021 and 2020. The Group has no financial instruments and other agreements generated the equivalent ordinary shares.

**23. EXPENSES BY NATURE**

The following significant expenditure items for the years ended December 31, 2021 and 2020 classified by nature, have been charged in profit before income tax:

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Changes in finished goods and work in process | 69,839 |  | 97,362 |  | 69,847 |  | 97,200 |
| Raw material and consumables used | 269,379 |  | 184,817 |  | 269,379 |  | 184,817 |
| Employee expenses | 358,672 |  | 386,048 |  | 346,797 |  | 373,071 |
| Energy expenses | 276,376 |  | 160,609 |  | 276,328 |  | 160,570 |
| Depreciation and amortisation | 177,010 |  | 174,754 |  | 178,404 |  | 175,199 |
| Repair and maintenance expenses | 94,214 |  | 57,224 |  | 94,081 |  | 57,004 |
| Foreign exchange loss | 26,562 |  | 59,285 |  | 25,350 |  | 58,570 |
| Other expenses | 266,305 |  | 275,167 |  | 285,931 |  | 281,053 |
|  | 1,538,357 |  | 1,395,266 |  | 1,546,117 |  | 1,387,484 |

**24. PROVIDENT FUND**

The Company and its employees jointly established a provident fund scheme. Both the employees and the Company contribute to this fund. The fund is managed by the CIMB-Principal Asset Management Co., Ltd. and will be paid to the employees upon termination in accordance with the fund’s policy. For the years ended December 31, 2021 and 2020, the Company contributed to the fund totaling Baht 8.42 million and Baht 9.86 million, respectively.

**25. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION**

The Company has been granted of promotional privileges by the Board of Investment under Investment Promotion Act B.E. 2520 for the business of manufacture of glass products, as following :-

|  |  |
| --- | --- |
| Promotion Certificate No. | 63-0275-1-07-1-0 |
| Dated | March 5, 2020 |
| Category of promoted operation | Category 2.4.2 : Manufacture of glass products |
| Key Privileges and benefits under the promotion certificate |  |
| 1. Exemption from import duty for machineries | Must imported by March 5, 2020 |
| 2. Exempt corporate income tax for net profit from business promotion  not over 50% of investment, not over Baht 72 million, 3-year period  from the income date after receiving promotion certificate |  |

As a promoted company, the Company must comply with certain conditions and restrictions provided under the promotion certificate.

**26. SEGMENT INFORMATION**

The principal activities of the Group is manufacturing and selling table glassware. Accordingly, the management considers that the Group operations in a single line of business. The Group has manufacturing facilities in Thailand and reports its segment information as distribution market in domestic and overseas markets. The chief operating decision-maker reviews operating results in the same dimension as presented on the financial information.

Sales by geographic for the years ended December 31, 2021 and 2020 are as follows:

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Domestic sales | 312,151 |  | 331,451 |  | 312,151 |  | 331,430 |
| Export sales | 1,233,145 |  | 780,224 |  | 1,232,312 |  | 776,167 |
| Total | 1,545,296 |  | 1,111,675 |  | 1,544,463 |  | 1,107,597 |

**27. FINANCIAL INSTRUMENTS**

**27.1 Financial assets and financial liabilities**

As at December 31, 2021 and 2020, the Group’s management has assessed which business models applied to the financial assets and liabilities held by the Group has classified and measured the financial assets and liabilities at the amortized cost except derivative assets and liabilities to be measured at fair value.

**27.2 Financial risk factors**

The Group’s activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by Group’s treasury under policies approved by the board of directors. The Group’s treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

**27.3 Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Entities in the Group uses forward contracts, transacted with the Group’s treasury, to hedge their exposure to foreign currency risk in connection with measurement currency. The Group’s treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts.

As at December 31, 2021 and 2020, the Company has significant exchange rate risk related to transactions in foreign currencies. The balances of foreign currency denominated financial assets and liabilities are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit: Thousand foreign currency unit) | | | | | | | | | | |
|  | Consolidated | | | | | | | | | | |
|  | Financial assets | | |  | Financial liabilities | | |  | Average exchange rate  (Unit: Baht per 1 foreign currency unit) | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| USD | 9,913 |  | 562 | 7,766 |  | 77 | 32.5737 |  | 29.9083 |
| EUR | 186 |  | 89 |  | 21 |  | 144 |  | 37.4396 |  | 36.9664 |
| CNY | 10,440 |  | 10,660 |  | 1,954 |  | 1,327 |  | 5.2199 |  | 4.5611 |
| JPY | 6,005 |  | 4,214 |  | - |  | - |  | 0.2884 |  | 0.2869 |
| INR | 14,727 |  | 5,461 |  | 1,728 |  | 610 |  | 0.4478 |  | 0.3877 |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit: Thousand foreign currency unit) | | | | | | | | | | |
|  | The Company Only | | | | | | | | | | |
|  | Financial assets | | |  | Financial liabilities | | |  | Average exchange rate  (Unit: Baht per 1 foreign currency unit) | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| USD | 9,913 |  | 562 | 7,766 |  | 77 | 32.5737 |  | 29.9083 |
| EUR | 186 |  | 89 |  | 21 |  | 144 |  | 37.4396 |  | 36.9664 |
| CNY | 6,363 |  | 7,353 |  | 1,735 |  | 1,062 |  | 5.2039 |  | 4.5634 |
| JPY | 6,005 |  | 4,214 |  | - |  | - |  | 0.2884 |  | 0.2869 |
| INR | - |  | - |  | 224 |  | - |  | 0.4598 |  | - |

Forward foreign exchange contracts

The Group had entered into forward foreign exchange contracts to manage exposure to fluctuations in foreign currencies of trade receivables, other receivables, trade payables and other payables denominated in foreign currencies.

As at December 31, 2021, the Company had forward foreign exchange contracts with maturities of less than 1 year as follows:

(Unit : Million Baht)

|  |  |
| --- | --- |
|  | Fair value |
|  | Consolidated /  The Company Only |
|  | 2021 |
| Forward foreign exchange contracts |  |
| USD 7.63 million (Baht 31.03 - 31.91 per USD 1) | 16.13 |
|  |  |
|  |  |

**27.4 Interest rate risk**

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution.

The Group is exposed to interest rate risk primarily relating to its borrowings bearing interest. However, since most of the financial liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

**27.5 Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

**27.6 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to manage risk. Due to the dynamic nature of the underlying business, the Group’s treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

**27.7 Accounting for derivative financial instruments**

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are recognised at fair value. At the end of each reporting period, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of derivative financial instruments is their quoted market price at the reporting date, being the present value of the quoted derivative price.

**27.8 Fair Value of Financial Instruments**

Analyses of financial instruments are carried at fair value by the valuation method. The different levels have been defined as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at December 31, 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

|  | (Unit : Thousand Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated/The Company Only | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets measured at fair value** | | | | | | | |
| Land | - |  | 938,000 |  | - |  | 938,000 |
| **Liabilities measured at fair value** | | | | | | | |
| Forward foreign exchange contracts | - |  | 16,131 |  | - |  | 16,131 |

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

**28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

Changes in the liabilities arising from financing activities for the years ended December 31, 2021 and 2020 are as follows:

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated/The Company Only | | | | | | | | | | |
|  | Balance |  | Cash flows |  | Non-cash transaction | | | | |  | Balance |
|  | as at January |  | Increase |  | Increase |  | Translation |  | Differences |  | as at December |
|  | 1, 2021 |  | (decrease)\* |  |  |  | on exchange rate |  | on translation |  | 31, 2021 |
|  |  |  |  |  |  |  |  |  | of financial |  |  |
|  |  |  |  |  |  |  |  |  | statements |  |  |
| Short-term borrowings from financial institutions | 790,000 |  | (150,000) |  | - |  | - |  | - |  | 640,000 |
| Long-term borrowings from financial institutions | 300,000 |  | - |  | - |  | - |  | - |  | 300,000 |
| Lease liabilities | 35,401 |  | (20,424) |  | 3,064 |  | - |  | - |  | 18,041 |
| Total | 1,125,401 |  | (170,424) |  | 3,064 |  | - |  | - |  | 958,041 |

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated/The Company Only | | | | | | | | | | |
|  | Balance |  | Cash flows |  | Non-cash transaction | | | | |  | Balance |
|  | as at January |  | Increase |  | Increase |  | Translation |  | Differences |  | as at December |
|  | 1, 2020 |  | (decrease)\* |  |  |  | on exchange rate |  | on translation |  | 31, 2020 |
|  |  |  |  |  |  |  |  |  | of financial |  |  |
|  |  |  |  |  |  |  |  |  | statements |  |  |
| Short-term borrowings from financial institutions | 655,000 |  | 135,000 |  | - |  | - |  | - |  | 790,000 |
| Long-term borrowings from financial institutions | 102,292 |  | 197,708 |  | - |  | - |  | - |  | 300,000 |
| Lease liabilities | 42,066 |  | (18,413) |  | 11,748 |  | - |  | - |  | 35,401 |
| Total | 799,358 |  | 314,295 |  | 11,748 |  | - |  | - |  | 1,125,401 |

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

**29. COMMITMENTS AND CONTINGENT LIABILITIES**

**29.1 Operating lease commitments - where a Group company is the lessee**

29.1.1 The Group has entered into a lease agreement for space, office equipment and vehicles, which is a short-term lease and lease of low-value assets. The future aggregate minimum lease payments under the lease are as follows:

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | The Company Only | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
| Not later than 1 year | 3,368 |  | 3,001 |  | 2,671 |  | 2,382 |
| Later than 1 year and not later |  |  |  |  |  |  |  |
| than 5 years | 3,315 |  | 3,462 |  | 3,315 |  | 3,462 |
| Total | 6,683 |  | 6,463 |  | 5,986 |  | 5,844 |

29.1.2 The Company entered into an agreement of buy/sell natural gas with 2 years period. The Company is required to pay for natural gas usage and pipe rental by month at a negotiated price as specified in the agreement.

29.1.3 The Company entered into an agreement of buy/sell gas with 8 years period. The Company is required to pay for liquid oxygen usage and wastewater treatment fee by month at a negotiated price as specified in the agreement.

**29.2 Bank guarantees**

As at December 31, 2021, the Group had outstanding letters of guarantee of Baht 14.29 million issued by local financial institutions as collaterals for sales of goods and electrical usage (2020 : Baht 28.29 million).

**29.3 Capital commitments**

As at December 31, 2021, the Group had capital commitments amounting to Baht 18.04 million (2020 : Baht 22.53 million).

**30. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Board of Directors of the Company on February 23, 2022.