

Saha-Union Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2019

Independent Auditor's Report

To the Shareholders of Saha-Union Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries and of Saha-Union Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

The Group has sales and service income for the year ended 31 December 2019 amounting to Baht 10,151 million, which is significant to the income statement. The Group has a large number of customers and there are a variety of conditions of sale in the agreements made with these customers. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Group, I assessed and tested the IT system and the internal controls of the Group with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year, near the end of the accounting period, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill

As discussed in Note 18 to the financial statements, as at 31 December 2019, the Group has goodwill amounting to Baht 522 million, which is significant to the statement of financial position. Thus, the assessment of impairment of goodwill is a significant accounting estimate requiring the subsidiary's management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the subsidiary's management by gaining an understanding of decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the subsidiary's management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of the subsidiary's management judgement in preparing the cash flow projections. I also evaluated the discount rate applied by the subsidiary's management through an analysis of the weighted average finance costs of the subsidiary and of the industry, and I tested the calculation of the realisable value of the goodwill using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

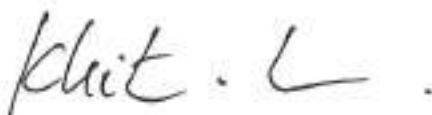
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies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

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

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

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

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



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 27 February 2020

Saha-Union Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	6	2,700,034,677	3,246,231,031	306,170,093	827,743,426
Current investments	7	1,580,974,527	1,485,274,881	-	-
Trade and other receivables	9	1,707,870,623	1,938,971,970	155,816,848	188,250,723
Inventories	10	1,018,071,688	1,125,719,155	-	39,409,906
Short-term loans to related parties	8	500,000	500,000	463,001,000	276,439,000
Other current assets		276,760,471	196,530,642	1,270,320	1,125,065
Total current assets		7,284,211,987	7,992,227,679	926,258,261	1,332,968,120
Non-current assets					
Restricted investments	11	34,585,559	34,673,443	1,000,000	1,000,000
Long-term loans to related party	8	171,972,000	188,340,000	-	-
Investments in subsidiaries	12	-	-	9,828,482,445	9,833,290,139
Investments in joint ventures	13	1,666,306,669	1,634,035,888	610,223,136	610,223,136
Investments in associates	14	3,638,517,270	3,809,183,766	1,079,733,216	888,993,181
Other long-term investments	15	2,692,212,723	2,779,061,221	1,992,298,788	2,138,133,332
Investment properties	16	2,390,722,643	2,072,095,578	1,494,132,932	1,142,178,648
Property, plant and equipment	17	6,531,731,499	6,779,071,819	39,071,036	45,792,038
Goodwill	18	521,724,374	521,724,374	-	-
Intangible assets - computer software		8,554,687	7,678,795	5,856,157	4,165,200
Deferred tax assets	27	76,587,069	71,385,251	2,925,394	2,449,963
Other non-current assets	19	186,455,634	202,066,602	7,011,815	2,103,050
Total non-current assets		17,919,370,107	17,899,316,733	15,160,734,917	14,664,328,686
Total assets		25,203,582,094	25,891,544,412	16,088,993,178	15,997,296,806

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

Saha-Union Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Bahl)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	231,928,576	397,273,525	-	-
Trade and other payables	21	1,479,598,053	1,466,027,351	66,289,204	122,287,208
Current portion of long-term loans	22	428,620,911	212,390,806	-	-
Current portion of liabilities under					
finance lease agreements		36,960,739	40,889,433	-	-
Deposits from related parties	8	4,000,000	-	356,714,324	315,442,787
Income tax payable		37,319,523	109,025,550	-	-
Other current liabilities		91,558,184	76,372,844	10,891,827	861,667
Total current liabilities		2,309,985,966	2,301,979,509	433,895,355	438,591,662
Non-current liabilities					
Long-term loans, net of current portion	22	277,791,963	749,153,858	-	-
Liabilities under finance lease agreements,					
net of current portion		60,285,005	34,655,740	-	-
Provision for long-term employee benefits	23	296,831,823	223,857,834	18,508,714	17,110,393
Deferred tax liabilities	27	141,858,187	182,063,100	135,483,224	164,941,661
Other non-current liabilities		41,602,819	29,127,079	-	-
Total non-current liabilities		818,369,817	1,218,857,611	153,991,938	182,052,044
Total liabilities		3,128,355,803	3,520,837,120	587,887,293	620,643,706

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

Saha-Union Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
Registered					
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Issued and fully paid					
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Share premium		2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Retained earnings					
Appropriated					
Statutory reserve	25	979,095,287	973,612,218	750,000,000	750,000,000
Other reserve		303,242,076	265,097,911	-	-
Unappropriated		13,882,352,822	13,397,843,017	8,606,172,867	8,367,886,454
Other components of shareholders' equity		(465,058,850)	243,182,199	541,932,898	659,766,646
Equity attributable to owners of the Company		20,298,631,335	20,478,735,345	15,499,105,865	15,376,653,100
Non-controlling interests of the subsidiaries		1,776,594,956	1,891,971,947	-	-
Total shareholders' equity		22,075,226,291	22,370,707,292	15,499,105,865	15,376,653,100
Total liabilities and shareholders' equity		25,203,582,084	25,891,544,412	18,086,993,178	15,997,296,806

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

Directors

Saha-Union Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2018

(Unit: Bakt)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales and service income	29	10,150,753,775	10,956,974,034	929,338,958	1,220,685,620
Dividend income	7, 12, 13, 14, 15	245,200,610	209,606,803	874,480,579	829,326,433
Rental income		35,903,201	42,656,488	41,992,329	45,140,405
Interest income		50,111,032	66,019,242	27,049,384	23,874,749
Gains on disposals of investments	7	2,134,215	149,846,240	-	-
Unrealised gains from revaluation of trading securities	7	28,014,790	-	-	-
Other income		233,334,966	251,513,542	24,906,839	21,417,352
Total revenues		10,745,452,178	11,675,716,429	1,897,769,129	2,140,548,559
Expenses					
Cost of sales and services		8,780,622,492	9,303,999,865	919,050,817	1,203,073,248
Selling and distribution expenses		279,428,768	285,816,576	6,729,760	7,194,203
Administrative expenses		808,607,148	837,270,347	110,878,171	109,082,814
Reversal of losses on impairment of investments		-	-	-	(17,100,679)
Unrealised losses from revaluation of trading securities		-	97,819,035	-	-
Expenses of withholding tax write-off		20,845,029	15,290,154	20,845,029	15,290,154
Allowance for doubtful accounts (reversal)		1,993,451	(15,917,623)	-	(800,624)
Total expenses		9,891,196,886	10,524,277,364	1,057,303,797	1,316,739,178
Profit before share of profit (loss) from investments					
In joint ventures and investments in associates,					
finance cost and income tax income (expenses)		854,255,292	1,152,439,075	840,465,332	823,807,383
Share of profit from investments in joint ventures	13	535,277,391	456,856,585	-	-
Share of profit (loss) from investments in associates	14	(12,741,445)	282,793,230	-	-
Profit before finance cost and income tax income (expenses)		1,376,791,238	1,892,090,890	840,465,332	823,807,383
Finance cost		(40,275,770)	(43,805,261)	(2,570,810)	(3,317,728)
Profit before income tax income (expenses)		1,336,515,462	1,848,293,629	837,894,522	820,489,655
Income tax income (expenses)	27	(161,537,243)	(199,364,101)	858,747	(114,745)
Profit for the year		1,174,978,219	1,648,929,528	838,753,269	820,374,910
Profit attributable to					
Equity holders of the Company		1,111,991,978	1,481,734,689	838,753,269	820,374,910
Non-controlling interests of the subsidiaries		62,986,241	167,144,839	-	-
		1,174,978,219	1,648,929,528		
Basic earnings per share (Bakt)	28				
Profit attributable to equity holders of the Company		3.63	5.11	2.80	2.73

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

Saha-Union Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit for the year		1,174,979,219	1,648,929,528	838,753,269	820,374,910
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currency		(503,520,534)	(304,339,080)	-	-
Losses on change in value of available-for-sale investments	15	(207,837,885)	(63,952,057)	(147,292,185)	(18,578,609)
Less: income tax effect	27	41,527,577	12,782,243	29,458,437	3,315,722
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(769,830,843)	(355,508,894)	(117,833,748)	(15,262,887)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss)	23	(5,855,129)	70,198,337	1,916,580	1,753,108
Less: income tax effect	27	843,333	(14,041,055)	(383,316)	(350,622)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(5,021,796)	56,157,282	1,533,264	1,402,486
Other comprehensive income for the year		(775,552,639)	(299,351,612)	(116,300,484)	(11,860,401)
Total comprehensive income for the year		399,425,580	1,349,577,916	722,452,785	808,514,509
Total comprehensive income attributable to					
Equity holders of the Company		367,448,602	1,180,008,292	722,452,785	808,514,509
Non-controlling interests of the subsidiaries		31,976,978	169,569,624	-	-
		399,425,580	1,349,577,916		

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

Consolidated financial statements												
Equity attributable to owners of the Company												
Other components of equity												
Other comprehensive income												
Other changes by the owners												
Exchange differences on translation of financial statements in foreign currency												
Surplus on changes in value of available-for-sale investments												
Share of other comprehensive income from joint ventures and associates												
The Company's shares held by the subsidiaries (Note 25)												
Total other components of shareholders' equity												
Total equity attributable to owners of the Company												
Equity attributable to non-controlling interests of the subsidiaries												
Total shareholders' equity												
Issued and paid-up share capital	Share premium	Appropriated statutory reserve	Appropriated other reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments	Share of other comprehensive income from joint ventures and associates	The Company's shares held by the subsidiaries (Note 25)	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2018	3,080,000,000	2,589,000,000	872,853,725	232,553,140	12,451,073,757	(168,166,640)	741,201,926	255,773,918	(234,404,410)	502,344,384	19,476,681,965	21,705,945,354
Profit for the year	-	-	-	-	1,481,784,688	-	-	-	-	1,481,784,688	187,164,839	1,668,949,527
Other comprehensive income for the year	-	-	-	-	37,425,758	(117,718,726)	(17,577,866)	(144,365,403)	-	(339,332,135)	(381,779,387)	(2,454,789)
Total comprehensive income for the year	-	-	-	-	1,519,210,446	(177,718,726)	(17,577,866)	(144,365,403)	-	(339,332,135)	186,385,452	1,342,571,310
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	32,028,241	32,028,241
Dividend paid (Note 21)	-	-	-	-	(80,000,000)	-	-	-	-	(80,000,000)	(149,532,907)	(708,532,907)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	26,045,388	-	-	-	-	26,045,388	-	26,045,388
Dividend paid - net	-	-	-	-	(53,954,612)	-	-	-	-	(53,954,612)	(149,532,907)	(728,487,519)
Unappropriated retained earnings transferred to statutory reserve	-	-	1,576,000	-	(1,576,000)	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to other reserves	-	-	-	31,564,765	(31,564,765)	-	-	-	-	-	-	-
Balance as at 31 December 2018	3,080,000,000	2,589,000,000	873,613,218	265,697,911	13,387,843,917	(357,895,355)	724,024,400	111,468,515	(234,404,410)	343,182,155	1,891,871,847	23,370,787,283
Balance as at 1 January 2019	3,080,000,000	2,589,000,000	873,613,218	265,697,911	13,387,843,917	(357,895,355)	724,024,400	111,468,515	(234,404,410)	343,182,155	1,891,871,847	23,370,787,283
Profit for the year	-	-	-	-	1,111,301,578	-	-	-	-	1,111,301,578	42,888,341	1,174,575,219
Other comprehensive income for the year	-	-	-	-	(3,400,307)	(159,410,644)	(202,209,323)	-	-	(748,843,049)	(71,358,203)	(275,552,633)
Total comprehensive income for the year	-	-	-	-	1,107,901,271	(159,410,644)	(202,209,323)	-	-	(748,843,049)	31,529,138	899,022,586
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	33,827,366	33,827,366
Dividend paid (Note 21)	-	-	-	-	(80,000,000)	-	-	-	-	(80,000,000)	(187,181,955)	(767,181,955)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	26,045,388	-	-	-	-	26,045,388	-	26,045,388
Dividend paid - net	-	-	-	-	(53,954,612)	-	-	-	-	(53,954,612)	(187,181,955)	(767,181,955)
Decrease in the Company's shares held by the subsidiaries	-	-	-	-	-	-	-	32,402,000	32,402,000	32,402,000	-	32,402,000
Unappropriated retained earnings transferred to statutory reserve	-	-	5,483,089	-	(5,483,089)	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to other reserves	-	-	-	39,143,165	(39,143,165)	-	-	-	-	-	-	-
Balance as at 31 December 2019	3,080,000,000	2,594,008,808	879,046,287	303,342,076	13,462,757,872	(735,029,548)	564,612,615	(80,740,586)	(202,002,410)	(435,058,891)	20,298,621,335	22,075,326,201

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

Saha-Union Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
					Surplus on change in value of available-for-sale investments	
Balance as at 1 January 2018	3,000,000,000	2,599,000,000	750,000,000	8,148,109,058	673,029,533	15,168,138,591
Profit for the year	-	-	-	820,374,910	-	820,374,910
Other comprehensive income for the year	-	-	-	1,402,486	(13,262,887)	(11,860,401)
Total comprehensive income for the year	-	-	-	821,777,396	(13,262,887)	808,514,509
Dividend paid (Note 31)	-	-	-	(600,000,000)	-	(600,000,000)
Balance as at 31 December 2018	3,000,000,000	2,599,000,000	750,000,000	8,367,886,454	659,766,646	15,376,653,100
Balance as at 1 January 2019	3,000,000,000	2,599,000,000	750,000,000	8,367,886,454	659,766,646	15,376,653,100
Profit for the year	-	-	-	838,753,269	-	838,753,269
Other comprehensive income for the year	-	-	-	1,533,264	(117,833,748)	(116,300,484)
Total comprehensive income for the year	-	-	-	840,286,533	(117,833,748)	722,452,785
Dividend paid (Note 31)	-	-	-	(600,000,000)	-	(600,000,000)
Balance as at 31 December 2019	3,000,000,000	2,599,000,000	750,000,000	8,608,172,987	541,932,898	15,499,105,885

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

Saha-Union Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	1,336,615,462	1,848,293,829	837,894,522	820,489,656
Adjustments to reconcile profit before tax to				
not cash provided by (paid from) operating activities				
Depreciation and amortisation	620,597,690	860,132,321	15,121,705	15,624,672
Allowance for doubtful accounts (reversal)	1,893,451	(15,917,823)	-	(800,624)
Allowance for losses on impairment of other non-current assets (reversal)	(212,000)	4,543,000	(212,000)	4,543,000
Reduction of cost of inventories to net realisable value	17,665,826	8,931,656	-	-
Losses (gains) on disposals/write-off of property, plant and equipment	33,767,411	38,086,723	(97,144)	(61,640)
Gains on disposals of investment properties	(34,525)	-	(34,525)	-
Losses on impairment of property, plant and equipment (reversal)	(7,773,876)	8,423,253	-	-
Reversal of losses on impairment of investment properties	-	(3,000,000)	-	-
Reversal of losses on impairment of investments	-	-	-	(17,100,678)
Expenses of withholding tax write-off	29,645,029	15,290,154	29,645,029	15,290,154
Unrealised losses (gains) from revaluation of trading securities	(28,014,790)	97,819,035	-	-
Share of profit from investments in joint ventures	(535,277,391)	(456,866,585)	-	-
Share of loss (profit) from investments in associates	12,741,445	(282,793,230)	-	-
Gains on disposals of investments	(2,134,215)	(149,946,240)	-	-
Losses (gains) on dissolution of subsidiary	-	50	-	(446,368)
Unrealised losses (gains) on exchange	6,929,635	1,556,798	(275,902)	(26,241)
Dividend received from investments	(245,200,610)	(209,606,803)	(874,460,579)	(826,328,433)
Provision for long-term employee benefits	76,936,016	10,535,864	5,777,673	3,058,430
Interest income	(50,111,022)	(66,019,242)	(27,649,384)	(23,974,749)
Interest expenses	29,040,528	29,778,975	2,373,574	3,140,694
Profit (loss) from operating activities before changes in				
operating assets and liabilities	1,487,073,064	1,739,241,544	(20,336,931)	(9,613,129)
Operating assets (increase) decrease				
Trade and other receivables	215,660,464	141,335,890	88,306,495	(45,062,827)
Inventories	89,981,640	(121,126,747)	39,409,906	(6,516,928)
Other current assets	(81,017,829)	(102,987,074)	66,746	(4,625,033)
Other non-current assets	6,758,661	(29,356,984)	(47,269)	82,177
Operating liabilities increase (decrease)				
Trade and other payables	(19,526,273)	(51,264,247)	(67,652,041)	16,834,830
Other current liabilities	15,185,340	(36,271,641)	10,030,160	(333,333)
Payment of provision for long-term employee benefits	(9,774,745)	(7,213,072)	(2,462,762)	(756,131)
Other non-current liabilities	(407,251)	(4,497,250)	-	-
Cash from (used in) operating activities	1,703,903,071	1,527,878,219	58,374,303	(50,210,374)
Cash paid for interest	(29,377,376)	(30,086,499)	(1,543,480)	(5,847,610)
Cash paid for income tax	(293,240,942)	(192,054,481)	(23,793,392)	(20,151,850)
Cash refund from income tax	33,747,128	20,992,498	-	-
Net cash from (used in) operating activities	1,415,061,881	1,326,719,735	33,037,431	(76,209,834)

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

Saha-Union Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

	(Unit: Bant)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	-	124,050,000	(188,582,000)	(120,818,000)
Increase in current investments	(166,427,246)	(397,181,106)	-	-
Decrease (increase) in restricted investments	87,884	(1,785,659)	-	(1,000,000)
Increase in long-term loans to related party	-	(183,790,000)	-	-
Acquisition of investments in subsidiaries	-	-	(95,192,308)	(184,800,082)
Acquisition of investment in joint venture	-	(233,870,000)	-	(116,935,000)
Acquisition of investments in associates	(167,502,585)	-	(192,740,035)	-
Acquisition of investments in other long-term investments	(131,781,537)	(414,857,490)	(3,457,641)	(5,995,955)
Proceeds from disposals of property, plant and equipment	5,908,876	23,505,506	88,085	81,648
Proceeds from disposals of investment properties	41,465	-	41,465	-
Cash receipt from disposals of investment in associate held for sale	19,750,000	-	-	-
Cash receipt from dissolution of investment in subsidiary	-	-	-	895,380
Dividend received from investments	683,867,700	681,380,384	817,434,165	829,431,868
Interest income	50,588,000	66,450,822	25,725,947	23,434,521
Acquisition of investment properties	(370,322,326)	(13,890,736)	(358,435,000)	-
Acquisition of property, plant and equipment	(636,731,249)	(678,655,323)	(1,881,850)	(4,667,545)
Acquisition of computer software	(2,083,187)	(3,384,540)	(913,641)	(2,892,240)
Net cash from (used in) Investing activities	(714,604,213)	(1,041,828,841)	4,117,699	400,634,184
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(166,344,949)	(53,638,803)	-	-
Increase (decrease) in deposits from related parties	4,000,000	(11,258,184)	41,271,537	(368,335,131)
Cash receipt from disposals of the Company's shares held by subsidiaries	32,402,000	-	-	-
Cash receipt for share capital receipt from non-controlling interests of the subsidiaries	39,827,986	30,658,541	-	-
Dividend paid	(767,138,567)	(728,487,519)	(900,000,000)	(900,000,000)
Cash receipt from long-term loans	38,582,892	48,035,048	-	-
Repayment of long-term loans	(245,869,086)	(154,000,000)	-	-
Cash paid for liabilities under finance lease agreements	(44,178,849)	(53,520,179)	-	-
Net cash used in financing activities	(1,109,516,583)	(913,199,076)	(558,728,463)	(988,335,131)
Decrease in translation adjustments	(127,137,439)	(81,841,825)	-	-
Net decrease in cash and cash equivalents	(548,195,354)	(710,147,807)	(521,573,333)	(638,911,771)
Cash and cash equivalents at beginning of year	3,246,231,031	3,956,378,838	827,743,428	1,488,655,197
Cash and cash equivalents at end of year	2,700,034,677	3,246,231,031	306,170,095	827,743,428
Supplemental cash flows information				
Non-cash transaction				
Purchases of property, plant and equipment for which no cash has been paid	99,028,375	39,437,527	3,483	-
Purchases of computer software for which no cash has been paid	820,390	1,472,960	820,390	1,472,960

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

Saha-Union Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2019

1. General information

Saha-Union Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment, distribution of raw materials and products manufactured by group companies. The registered address of the Company is at 1828 Sukhumvit Road, Phrakhanong Tai, Phrakhanong, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Saha-Union Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company	Nature of business	Country of incorporation	Percentage of Shareholding	
			2019 (percent)	2018 (percent)
<i>Textile business</i>				
Union Textile Industries Plc.	Manufacture and distribution of textiles	Thailand	51.42	51.42
Union Garment Co., Ltd.	Manufacture and distribution of garments	Thailand	99.99	99.99
<i>Plastic, rubber and metal business</i>				
Union Pioneer Plc.	Manufacture and distribution of elastic products	Thailand	52.73	52.73

Company	Nature of business	Country of Incorporation	Percentage of Shareholding	
			2019 (percent)	2018 (percent)
<i>Plastic, rubber and metal business (continued)</i>				
Union Plastic Plc.	Contract manufacture of plastic products, manufacture and repair of molds	Thailand	49.69	49.69
Union Zojirushi Co., Ltd.	Manufacture and distribution of vacuum stainless bottles	Thailand	51.00	51.00
Union Stainless Steel Products Co., Ltd.	Manufacture and distribution of stainless steel kitchenware	Thailand	98.00	98.00
Union Rubber Products Corp., Ltd.	Manufacture and distribution of rubber products	Thailand	99.99	99.99
Thai Rubber Enterprise Co., Ltd.	Rubber estates	Thailand	50.69	50.69
<i>Trading business</i>				
Computer Union Co., Ltd.	Computer and accessories dealer	Thailand	98.49	98.39
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer and accessories dealer	Thailand	99.99	99.99
<i>Energy business</i>				
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	Power generation	China	75.96	75.96
<i>Hotel business</i>				
The Royal Hotel Co., Ltd.	Hotel	Thailand	96.26	96.26
<i>Investment and others business</i>				
Saha-Union International Ltd.	Investment	Hong Kong	99.99	99.99
Saha-Union Investment (China) Co., Ltd.	Investment	China	100.00	100.00
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd.)	Investment	Hong Kong	100.00	100.00
Shanghai Dasily Co., Ltd. (100.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	Sales and services	China	100.00	100.00
Saha-Union Holding Co., Ltd.	Investment	Thailand	99.54	99.54
Venus Shoes Co., Ltd.	Dormitory rental and services	Thailand	99.99	99.99
Union Printing Corp., Ltd.	Rental services	Thailand	94.74	94.74
Union Equity Co., Ltd.	Investment	Thailand	99.79	99.79

Company	Nature of business	Country of incorporation	Percentage of Shareholding	
			<u>2019</u> (percent)	<u>2018</u> (percent)
<i>Investment and others business (continued)</i>				
Union Shoes Co., Ltd.	Rental services	Thailand	98.23	98.23
Union Construction Corp., Ltd.	Investment	Thailand	99.99	99.99
Saha-Union Property Co., Ltd.	Investment	Thailand	99.99	99.99
Saha-Union Wealth Plus Co., Ltd.	Investment	Thailand	99.99	99.99
Union Nakhon Co., Ltd.	Real estate	Thailand	77.49	77.49

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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 Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 18 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

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

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

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Revenues from hotel operations

Revenues from hotel operations, which are a part of service revenues, consisted of room rental revenues, food and beverage sales and other related services which represented with invoiced value (excluding value added tax) for delivered products and services revenues after deducting discounts and adding service charges.

Dividends

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

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Rental income

Rental income is recognised on an accrual basis based on the contract period.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (under the average/ first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for impairment loss (if any).
- e) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

- f) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method and net of allowance for impairment loss (if any).

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

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

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

4.6 Investment properties

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

Depreciation of investment properties are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Land improvement awaiting development	-	5, 20 years
Facilities	-	5 years

Depreciation of investment properties is included in determining income.

No depreciation is provided on land and assets under construction which are classified as investment properties.

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

4.7 Property, plant and equipment/Depreciation

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

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

Buildings	-	20	years
Land improvement	-	5, 10, 20	years
Machinery and equipment	-	3, 5, 10, 20	years
Molds	-	5	years
Building improvements and facilities	-	5	years
Furniture and fixtures	-	3, 5, 10	years
Motor vehicles	-	5, 10	years
Computers	-	3, 5	years
Power plants	-	5, 10, 25	years

Depreciation of machinery and equipment of a subsidiary acquired in the year 2015, is calculated by reference to its net book value on a double-declining basis, over the useful lives of 10 years.

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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

4.8 Intangible assets - Computer software

Computer Software of the Company and its subsidiaries is recognised at cost. Following the initial recognition, Computer Software is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Computer Software with finite lives, which has an estimated useful life of three and five years, is amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software is reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

No amortisation is provided on computer software in progress.

4.9 Goodwill

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

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

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

4.10 Related party transactions

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

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

4.11 Long-term leases

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

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

4.12 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, investment properties, investments and include intangible assets and other non-current assets whenever events or changes in circumstances indicate that an asset may be impaired and also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plan. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

Defined benefit liability (asset) is the present value of the defined benefit obligation less the fair value of plan assets which are available to pay the employee benefits obligation directly.

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company and its subsidiaries' creditors and cannot be returned to the Company and its subsidiaries, except the portion which reference to the provident fund's rules. The Company and its subsidiaries measures the fair value of plan assets by using market price and, in case that plan assets are debt instruments in active market, the Company and its subsidiaries measure them by using quoted price.

4.15 Provisions

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

4.16 Income tax

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

Current tax

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

Overseas subsidiaries calculate corporate income tax in accordance with tax rates mandated under the tax law of those countries.

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Allowance for diminution in value of inventory

In determining an allowance for diminution in value of inventory, the management makes judgements and estimates regarding the net realisable value of inventory. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, the management makes judgements and estimates regarding the expected loss from stock obsolescence based upon the aging profile of inventories and the prevailing economic conditions.

Fair value of financial instruments

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

Impairment of investment in securities

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Property, plant and equipment, and investment properties/Depreciation

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

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

Goodwill

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	1,500	1,543	65	50
Bank deposits	2,501,862	2,659,747	306,105	377,693
Bonds	196,673	584,941	-	450,000
Total cash and cash equivalents	2,700,035	3,246,231	306,170	827,743

As at 31 December 2019, bank deposits in saving accounts, fixed deposits and bonds carried interests between 0.01 and 2.11 percent per annum (2018: between 0.01 and 1.78 percent per annum).

7. Current investments

As at 31 December 2019 and 2018, the balances of subsidiaries' current investments are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2019		2018	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Trading securities				
Overseas marketable equity securities	1,179,444	<u>1,195,963</u>	1,065,408	<u>1,053,166</u>
Unrealised gains (losses) from revaluation of investments	23,906		(4,109)	
Translation adjustments	(7,387)		(8,133)	
Total trading securities - net	<u>1,195,963</u>		<u>1,053,166</u>	
Debt securities held to maturity - current portion				
Bonds	43,794		69,663	
Total debt securities held to maturity - current portion	<u>43,794</u>		<u>69,663</u>	
Fixed bank deposits with an original maturity within one year				
Fixed deposits of commercial bank	341,218		362,446	
Total fixed bank deposits with an original maturity within one year	<u>341,218</u>		<u>362,446</u>	
Current investments - net	<u>1,580,975</u>		<u>1,485,275</u>	

As at 31 December 2019, bonds and the fixed bank deposits with an original maturity within one year carried interests between 1.16 and 1.65 percent per annum (2018: between 1.20 and 5.30 percent per annum).

During the current year, the subsidiaries have gains on disposals of current investments amounting to Baht 2 million (2018: gains, Baht 150 million) and received dividends amounting to Baht 37 million (2018: Baht 5 million).

8. Related party transactions

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

Consolidated financial statements

(Unit: Million Baht)

	For the years ended		
	31 December		Pricing policy
	2019	2018	
<u>Transactions with joint ventures</u>			
Sales of merchandise	61	24	Cost plus margin
Service income	1	1	Contract price
Rental income	3	3	Contract price
Purchases of merchandise	19	24	Resale price reduced by a margin
Short-term lendings (weighted average from outstanding balances at month end)	1	16	Interest rate with reference to the loan interest rate of local commercial bank and China
Interest income	-	1	Interest rate with reference to the loan interest rate of local commercial bank and China
<u>Transactions with associates</u>			
Sales of merchandise	83	85	Cost plus margin
Service income	3	3	Contract price
Rental income	3	4	Contract price
Purchases of merchandise	431	484	Resale price reduced by a margin
Long-term lendings (weighted average from outstanding balances at month end)	180	76	Interest rate with reference to the loan interest rate of commercial bank in China
Interest income	12	5	Interest rate with reference to the loan interest rate of commercial bank in China
Deposits (weighted average from outstanding balances at month end)	1	12	Interest rate with reference to the deposit interest rate of local commercial bank

Separate financial statements

(Unit: Million Baht)

	For the years ended		Pricing policy
	31 December		
	2019	2018	
<u>Transactions with subsidiaries</u>			
Sales of merchandise	491	721	Cost plus margin
Service income	5	5	Contract price
Rental income	37	36	Contract price
Short-term lendings (weighted average from outstanding balances at month end)	335	105	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	22	8	Interest rate with reference to the loan interest rate of local commercial bank
Deposits (weighted average from outstanding balances at month end)	337	568	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	3	5	Interest rate with reference to the deposit interest rate of local commercial bank
<u>Transactions with joint ventures</u>			
Rental income	3	3	Contract price
<u>Transactions with associates</u>			
Sales of merchandise	13	16	Cost plus margin
Purchases of merchandise	421	473	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	1	12	Interest rate with reference to the deposit interest rate of local commercial bank

The balances of the accounts as at 31 December 2019 and 2018 between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related parties (Note 9)</u>				
<i>Trade receivables</i>				
Subsidiaries	-	-	52,078	139,074
Joint ventures	9,301	3,672	-	-
Associates	9,653	4,469	-	-
Related companies (related by shareholding)	177	152	-	-
Total trade receivables - related parties	19,131	8,293	52,078	139,074
<i>Other receivables</i>				
Subsidiary	-	-	57,046	-
Total other receivables - related party	-	-	57,046	-
Total trade and other receivables - related parties	19,131	8,293	109,124	139,074
<u>Trade payables - related parties (Note 21)</u>				
Joint venture	3,267	3,139	-	-
Associates	34,100	35,778	32,591	33,884
Total trade payables - related parties	37,367	38,917	32,591	33,884
<u>Deposits from related parties</u>				
Subsidiaries	-	-	352,714	315,443
Associate	4,000	-	4,000	-
Total deposits from related parties	4,000	-	356,714	315,443

Short-term loans to related parties

As at 31 December 2019 and 2018, the balance of short-term loans between the Company, its subsidiaries and those related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance		Balance
	as at	Translation	as at
	31 December 2018	adjustments	31 December 2019
<u>Short-term loans to related parties</u>			
<u>Joint ventures</u>			
Yunnan Energy Lufang-Union Cogeneration Co., Ltd.	5,886	(512)	5,374
Sekdev Co., Ltd.	500	-	500
Total	6,386	(512)	5,874
Less: Allowance for doubtful accounts	(5,886)	512	(5,374)
Total short-term loans to related parties - net	500	-	500

(Unit: Thousand Baht)

	Separate financial statements		
	Balance		Balance
	as at	Increase	as at
	31 December 2018	during the year	31 December 2019
<u>Short-term loans to related party</u>			
<u>Subsidiary</u>			
Computer Union Co., Ltd.	276,439	1,931,000	463,001
Total short-term loans to related party	276,439	1,931,000	463,001

Long-term loans to related party

As at 31 December 2019 and 2018, the balances of long-term loans between a subsidiary and a related party and the movements are as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Balance		Balance
	as at	Translation	as at
	31 December 2018	adjustments	31 December 2019
<u>Long-term loans to related party</u>			
<u>Associate</u>			
Zhuji-Union Real Estate Co., Ltd.	188,340	(16,368)	171,972
Total long-term loans to related party	188,340	(16,368)	171,972

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	127	120	22	22
Post-employment benefits	6	3	1	1
Total	133	123	23	23

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties (Note 8)</u>				
Aged on the basis of due dates				
Not yet due	18,905	8,162	52,078	139,074
Past due				
Up to 3 months	226	131	-	-
Total trade receivables - related parties	19,131	8,293	52,078	139,074
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,162,086	1,307,996	28,608	27,277
Past due				
Up to 3 months	238,714	240,807	-	-
3 - 6 months	39,695	19,827	-	-
6 - 12 months	21,358	20,345	-	-
Over 12 months	19,088	11,889	-	-
Total	1,480,921	1,600,864	28,608	27,277
Less: Allowance for doubtful accounts	(12,301)	(10,345)	-	-
Total trade receivables - unrelated parties, net	1,468,620	1,590,519	28,608	27,277
Total trade receivables - net	1,487,751	1,598,812	80,686	166,351
<u>Other receivables</u>				
Dividend receivables - related party (Note 8)	-	-	57,046	-
Input tax refundable	103,107	161,070	7,001	9,853
Import duty refundable	763	821	-	-
Accrued income	31,781	15,024	7,473	6,708
Prepaid corporate income tax	39,046	44,953	3,148	4,861
Other receivables - unrelated party	-	94,170	-	-
Others	45,443	24,122	463	478
Total other receivables	220,120	340,160	75,131	21,900
Total trade and other receivables - net	1,707,871	1,938,972	155,817	188,251

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	356,642	232,584	(25,294)	(8,500)	331,348	224,084
Semi products	14,500	14,864	(347)	(496)	14,153	14,368
Work in process	97,806	117,110	(3,173)	(3,916)	94,633	113,194
Raw materials	398,435	441,926	(8,320)	(9,912)	390,115	432,014
Packing materials	29,608	31,260	(1,130)	(768)	28,478	30,492
Spare parts and factory supplies	123,351	157,533	(57,892)	(56,189)	65,459	101,344
Goods in transit	93,886	210,223	-	-	93,886	210,223
Total	1,114,228	1,205,500	(96,156)	(79,781)	1,018,072	1,125,719

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Goods in transit	-	39,410	-	-	-	39,410
Total	-	39,410	-	-	-	39,410

During the current year, the subsidiaries reduced cost of inventories by Baht 44 million (2018: Baht 22 million) to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiaries reversed the write-down of cost of inventories by Baht 28 million (2018: Baht 18 million) and reduced the amount of inventories recognised as expenses during the year.

11. Restricted investments

These represent bank deposits and the bonds of the Company and its subsidiaries which pledged with the local banks to guarantee electricity use.

12. Investments in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Million Baht) (Except for other specified currencies)	(Million Baht)	(%)	(%)				
Textile business								
Union Textile Industries Plc.	600	600	49.88	49.88	321,181	321,181	-	-
Union Garment Co., Ltd.	50	50	99.99	99.99	70,345	70,345	-	8,000
					391,526	391,526	-	8,000
Plastic, rubber and metal business								
Union Pioneer Plc.	75	75	48.96	48.96	53,084	53,084	8,849	14,687
Union Plastic Plc.	250	250	49.52	49.52	235,433	235,433	-	14,980
Union Zojirushi Co., Ltd.	600	600	51.00	51.00	306,659	306,659	113,220	65,790
Union Stainless Steel Products Co., Ltd.	40	40	98.00	98.00	52,411	52,411	35,280	23,226
Union Rubber Products Corp., Ltd.	20	20	99.99	99.99	16,111	16,111	-	-
Thai Rubber Enterprise Co., Ltd.	32	32	50.69	50.69	17,179	17,179	-	973
					680,877	680,877	157,349	119,656
Trading business								
Computer Union Co., Ltd.	100	100	98.49	98.39	103,571	103,311	121,137	102,990
					103,571	103,311	121,137	102,990

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Million Baht) (Except for other specified currencies)	(Million Baht)	(%)	(%)				
Energy business								
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	30	24	56.93	56.93	598,345	503,413	158,318	124,130
	(Million USD)							
					598,345	503,413	158,318	124,130
Hotel business								
The Royal Hotel Co., Ltd.	3,000	3,000	96.00	96.00	2,880,000	2,880,000	-	-
					2,880,000	2,880,000	-	-
Investment and others business								
Saha-Union International Ltd.	405	405	99.99	99.99	1,907,801	1,907,801	-	-
	(Million HKD)							
Saha-Union Investment (China) Co., Ltd.	45	45	100.00	100.00	1,572,809	1,572,809	-	-
	(Million USD)							
Saha-Union Holding Co., Ltd.	1,300	1,300	99.54	99.54	1,294,019	1,294,019	-	-
Venus Shoes Co., Ltd.	72	72	76.00	76.00	44,007	44,007	-	-
Union Printing Corp., Ltd.	30	30	94.74	94.74	29,466	29,466	-	-
Union Equity Co., Ltd.	160	160	99.79	99.79	159,771	159,771	-	-

(Unit: Thousand Baht)

Dividend received
during the years

Company	Paid-up capital		Shareholding percentage		Cost			
	<u>2019</u> (Million Baht) (Except for other specified currencies)	<u>2018</u> (Million Baht)	<u>2019</u> (%)	<u>2018</u> (%)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<i>Investment and others business (continued)</i>								
Union Shoes Co., Ltd.	24	24	61.91	61.91	22,087	22,087	3,095	-
Union Construction Corp., Ltd.	600	600	62.49	62.49	375,457	375,457	-	-
Saha-Union Property Co., Ltd.	125	125	99.99	99.99	125,000	125,000	-	-
Saha-Union Wealth Plus Co., Ltd.	125	125	99.99	99.99	125,000	125,000	-	-
Union Nakhon Co., Ltd.	210	210	75.00	75.00	157,499	157,499	-	-
					<u>5,812,916</u>	<u>5,812,916</u>	<u>3,095</u>	<u>-</u>
Total					10,467,235	10,372,043	439,899	354,776
Less: Allowance for impairment of investments in subsidiaries					<u>(538,753)</u>	<u>(538,753)</u>		
Total investments in subsidiaries - net					9,928,482	9,833,290		

12.2 Details of investments in subsidiaries that have material non-controlling interests

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)						
Union Textile Industries Plc.	48.58	48.58	51	79	(27)	-	-	-
Union Pioneer Plc.	47.27	47.27	113	123	1	9	9	14
Union Plastic Plc.	50.31	50.31	(13)	9	(36)	(31)	-	15
Union Zojirushi Co., Ltd.	49.00	49.00	241	312	38	96	109	63
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	24.04	24.04	95	111	80	78	67	52

(Unit: Million Baht)

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling.

Summarised information about financial position

(Unit: Million Baht)

	As at 31 December									
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	438	487	353	373	377	380	613	860	621	626
Non-current assets	725	595	97	91	251	278	1,292	1,511	1,668	1,715
Current liabilities	32	88	56	64	112	118	657	849	640	442
Non-current liabilities	80	36	48	36	51	40	157	286	335	684

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December									
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	750	820	563	575	713	701	2,931	3,893	1,572	1,757
Profit (loss)	96	103	1	18	(35)	(28)	76	223	331	325
Other comprehensive income	(2)	(58)	(3)	4	-	3	-	-	(114)	(68)
Total comprehensive income	94	45	(2)	22	(35)	(25)	76	223	217	257

Summarised information about cash flow

(Unit: Million Baht)

	For the years ended 31 December									
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cash flow from (used in) operating activities	(34)	55	50	43	(29)	(28)	529	583	621	501
Cash flow from (used in) investing activities	26	(15)	(5)	(27)	(77)	161	(138)	(220)	(242)	(354)
Cash flow from (used in) financing activities	-	-	(18)	(30)	-	(30)	(391)	(362)	(364)	37
Net increase (decrease) in cash and cash equivalents	(8)	40	27	(14)	(106)	103	-	1	15	184

During the current year, there were the following significant changes in the investments in subsidiaries accounts.

Increase in registered shares capital

On 18 December 2019, the meeting of Board of Directors of Zhejiang Jiashan-Union Cogeneration Co., Ltd. approved an increase in the registered share capital of USD 6 million. As a result, the paid-up share capital after the increase amounted to USD 30 million and this was registered on 31 December 2019. The Company paid for the share subscription in proportion to existing investment amounting to Baht 95 million.

13. Investments in joint ventures

13.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

Consolidated financial statements

								(Unit: Thousand Baht)	
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			2019	2018	2019	2018	2019	2018	
			(%)	(%)					
Textile business									
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Contract manufacture and distribution of textile products	China	57.57	57.57	640,940	640,940	-	-	
					640,940	640,940	-	-	
Plastic, rubber and metal business									
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	50.00	50.00	51,559	51,559	246,671	246,058	
					51,559	51,559	246,671	246,058	
Energy business									
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	748,523	748,523	1,214,301	1,182,185	
Yunnan Energy Lulang-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	445,914	445,914	-	-	
					1,194,437	1,194,437	1,214,301	1,182,185	

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			2019	2018	2019	2018	2019	2018
			(%)	(%)				
<i>Hospital business</i>								
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	47.21	200,500	200,500	200,089	200,547
					200,500	200,500	200,089	200,547
<i>Investment and others business</i>								
Soldev Co., Ltd.	Develop and distribution of computer software	Thailand	61.00	61.00	2,210	2,210	-	-
					2,210	2,210	-	-
<i>Liquidation</i>								
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	5,246	5,246
					3,751	3,751	5,246	5,246
Total investments in joint ventures					2,093,397	2,093,397	1,666,307	1,634,036

Separate financial statements

(Unit: Thousand Baht)											
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		
			2019	2018	2019	2018	2019	2018	2019	2018	
			(%)	(%)							
Textile business											
Zhejiang Saha-Union Faltun Thread Industries Co., Ltd.	Contract manufacture and distribution of textile products	China	39.59	39.59	452,337	452,337	(452,337)	(452,337)	-	-	
					452,337	452,337	(452,337)	(452,337)	-	-	
Plastic, rubber and metal business											
Union Nilco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	30.00	30.00	31,556	31,556	-	-	31,556	31,556	
					31,556	31,556	-	-	31,556	31,556	
Energy business											
Shaoying Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	25.00	25.00	374,416	374,416	-	-	374,416	374,416	
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	40.00	40.00	417,271	417,271	(417,271)	(417,271)	-	-	
					791,687	791,687	(417,271)	(417,271)	374,416	374,416	
Hospital business											
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	47.21	200,500	200,500	-	-	200,500	200,500	
					200,500	200,500	-	-	200,500	200,500	
Liquidation											
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	-	-	3,751	3,751	
					3,751	3,751	-	-	3,751	3,751	
Total investments in joint ventures - net					1,479,831	1,479,831	(869,608)	(869,608)	610,223	610,223	

13.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company	(Unit: Thousand Baht)					
	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in joint ventures during the years		Share of other comprehensive income from investments in joint ventures during the years		Dividend received during the years	
	2019	2018	2019	2018	2019	2018
Plastic, rubber and metal business						
Union Nifco Co., Ltd.	92,563	98,378	98	(98)	55,174	51,604
	92,563	98,378	98	(98)	55,174	51,604
Energy business						
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	443,091	350,754	(120,311)	(60,419)	143,731	139,899
	443,091	350,754	(120,311)	(60,419)	143,731	139,899
Hospital business						
Sukhumvit 62 Medical Ltd.	(459)	140	-	-	-	-
	(459)	140	-	-	-	-
Investment and other business						
Soldev Co., Ltd.	82	144	-	-	-	-
	82	144	-	-	-	-
Liquidation						
Union Universe Co., Ltd.	-	7,451	-	(7,912)	-	21,317
	-	7,451	-	(7,912)	-	21,317
Total	535,277	456,867	(120,213)	(68,429)	198,905	212,820

13.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

Financial position	<div>Shaoxing Shangyu</div> <div>Hangzhou-Union</div> <div>Sukhumvit 62</div>									
	Union Nifco Co., Ltd.		Cogeneration Co., Ltd.		Medical Ltd.		Soldev Co., Ltd.		Union Universe Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	609	604	1,069	1,172	80	103	6	5	15	15
Non-current assets	161	159	2,228	2,342	358	329	-	-	-	-
Current liabilities	218	232	856	1,082	10	3	4	3	4	4
Non-current liabilities	58	39	25	60	-	-	2	2	-	-
Net assets	494	492	2,436	2,372	428	429	-	-	11	11
Shareholding percentage (%)	50.00	50.00	50.00	50.00	47.21	47.21	61.00	61.00	49.87	49.87
Share of net assets	247	246	1,218	1,186	202	203	-	-	5	5
Elimination entries	-	-	(4)	(4)	(2)	(2)	-	-	-	-
Carrying amounts of joint ventures based on equity method	247	246	1,214	1,182	200	201	-	-	5	5

Summarised information about comprehensive income

(Unit: Million Baht)

Comprehensive income	Union Nifco Co., Ltd.		Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.		Soldev Co., Ltd.		Union Universe Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	1,173	1,126	3,836	3,731	2	1	6	7	-	51
Profit (loss)	185	197	886	702	(1)	-	-	-	-	15
Other comprehensive income	-	-	(241)	(174)	-	-	-	-	-	(7)
Total comprehensive income	185	197	645	528	(1)	-	-	-	-	8

On 12 December 2019, the meeting of Board of Directors of Sukhumvit 62 Medical Ltd. approved a call for payment of the remaining share capital of 8,372,500 ordinary shares of Baht 25 per share, totaling Baht 209.31 million, to be made within February 2020. As a result, the paid-up share capital will increase to Baht 637.94 million. The Company pay for the share subscription in proportion to existing investment totaling Baht 99.75 million on 27 February 2020.

Share of profit from investments in 2 joint ventures accounted for under the equity method amounting to approximately Baht 0.1 million, as included in the income statement for the year ended 31 December 2019 (2018: 1 joint venture, the share of profit Baht 0.1 million), was calculated from financial statements prepared by the management of those companies, and not audited by their auditors. However, the management believes that there would be no material difference if the financial statements had been audited by the joint ventures' auditors.

14. Investments in associates

14.1 Details of material associates:

Consolidated financial statements

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			2019	2018	2019	2018	2019	2018
			(%)	(%)				
Textile business								
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	51.99	51.99	46,563	46,563	77,510	87,365
Others (3 companies)					2,550	2,550	74,493	73,992
					49,113	49,113	152,003	161,317
Plastic, rubber and metal business								
Union Thai-Nichiben Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.29	40.29	19,320	19,318	172,240	190,160
					19,320	19,318	172,240	190,160
Hospital business								
Navavej International Plc. (formerly known as "KPN Healthcare Plc.")	Hospital	Thailand	30.00	25.00	405,000	237,500	353,210	215,824
					405,000	237,500	353,210	215,824
Investment and others business								
Taiyang Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	29.65	29.65	273,028	273,029	216,878	257,889
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	35.00	35.00	353,054	353,054	228,280	299,420
Uni-Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	62.35	62.35	79,598	55,800	748,022	687,848
Union Thread Industries Co., Ltd.	Investment	Thailand	35.99	35.99	51,861	51,861	670,448	660,098
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	475,910	468,750

(Unit: Thousand Baht)
Carrying amounts based on
equity method

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019 (%)	2018 (%)	2019	2018	2019	2018
Investment and others business (continued)								
Union Business Management Co., Ltd. (51.10 percent owned by Union Thread Industries Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)	Investment	Thailand	37.54	37.54	94,999	94,999	224,354	202,224
Zhuji-Union Real Estate Co., Ltd.	Investment	China	25.00	25.00	180,032	180,032	147,053	171,776
Union Asset Holdings Corp., Ltd. and its subsidiaries (82.67 percent owned by Uni-Fibre Co., Ltd.)	Investment	Thailand	-	-	-	-	3,765	48,354
Others (14 companies) (2018: 13 companies)					213,352	213,352	48,554	54,726
					<u>1,289,253</u>	<u>1,285,455</u>	<u>2,981,064</u>	<u>3,051,853</u>
Total investments in associates					<u>1,762,686</u>	<u>1,571,386</u>	<u>3,638,517</u>	<u>3,609,184</u>

Separate financial statements

(Unit: Thousand Baht)										
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2019 (%)	2018 (%)	2019	2018	2019	2018	2019	2018
Textile business										
Union Microclean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	25.00	25.00	1,251	1,251	-	-	1,251	1,251
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	25.00	25.00	46,563	46,563	-	-	46,563	46,563
					47,814	47,814	-	-	47,814	47,814
Plastic, rubber and metal business										
Union Thai-Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and CPP tape	Thailand	40.29	40.29	19,320	19,318	-	-	19,320	19,318
					19,320	19,318	-	-	19,320	19,318
Hospital Business										
Naravej International Plc.	Hospital	Thailand	30.00	25.00	405,000	237,500	-	-	405,000	237,500
					405,000	237,500	-	-	405,000	237,500
Investment and other business										
Taking Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	23.85	23.85	218,068	218,068	(32,129)	(32,129)	186,829	186,829
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	25.00	25.00	249,239	249,239	-	-	249,239	249,239
Uni-Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	26.87	26.87	56,038	30,800	-	-	56,038	30,800
Union Thread Industries Co., Ltd.	Investment	Thailand	24.90	24.90	51,861	51,861	-	-	51,861	51,861
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	24.90	24.90	43,328	43,328	-	-	43,328	43,328
Others (2 companies)					20,851	20,851	(547)	(547)	20,304	20,304
					640,275	815,037	(32,676)	(32,676)	607,599	582,361
Total investments in associates - net					1,112,409	919,669	(32,676)	(32,676)	1,079,733	886,993

14.2 Share of comprehensive income and dividend received in material associates

During the years, the Company has recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company	(Unit: Thousand Baht)					
	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in associates during the years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2019	2018	2019	2018	2019	2018
Textile business						
Union Spinning Mills Co., Ltd.	(9,797)	(27)	(58)	-	-	1,500
Others (3 companies)	5,260	14,969	(1,199)	1,071	2,250	2,250
	(4,537)	14,942	(1,257)	1,071	2,250	3,750
Plastic, rubber and metal business						
Union Thai-Nichiban Co., Ltd.	26,925	34,971	79	-	34,927	48,161
	26,925	34,971	79	-	34,927	48,161
Hospital business						
Navavej International Plc.	(30,114)	(10,123)	-	-	-	-
	(30,114)	(10,123)	-	-	-	-
Investment and others business						
Taixing Union Zond Chemicals Co., Ltd.	(19,626)	(10,464)	(21,385)	(14,710)	-	5,581
Jiangsu Zhonglian-Union Carpet Co., Ltd.	(48,241)	(70,372)	(24,898)	(21,401)	-	-
Uni-Fibre Co., Ltd.	13,393	199,095	(26)	(1,337)	-	-
Union Thread Industries Co., Ltd.	24,479	39,182	(2,456)	(10,118)	8,963	8,963
Union Industries Corp., Ltd.	11,571	27,942	(1,921)	(8,382)	6,723	6,723

(Unit: Thousand Baht)

Company	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in associates during the years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2019	2018	2019	2018	2019	2018
<i>Investment and others business (continued)</i>						
Union Business Management Co., Ltd.	23,627	22,866	(1,498)	(6,309)	-	-
Zhuji-Union Real Estate Co., Ltd.	(10,212)	(4,955)	(14,513)	(3,300)	-	-
Union Asset Holdings Corp., Ltd. and its subsidiaries	2,499	39,577	(270)	287	-	-
Others (14 companies) (2018: 13 companies)	(2,505)	132	(14,856)	(10,713)	-	-
	(5,015)	243,003	(81,823)	(75,983)	15,686	21,267
Total	(12,741)	282,793	(83,001)	(74,912)	52,863	73,178

14.3 Summarised financial information of material associates

Summarised information about financial position

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Net assets		Shareholding percentage (%)		Share of net assets based on equity method		Elimination entries		(Unit: Million Baht)	
																	Carrying amounts of associates based on equity method	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Textile business																		
Union Spinning Mills Co., Ltd.	226	243	60	58	20	19	13	10	253	272	51.99	51.99	132	141	(54)	(54)	78	87
Others (3 companies)	632	649	236	197	81	73	136	118	651	655	-	-	174	173	(100)	(99)	74	74
Plastic, rubber and metal business																		
Union Thai-Nichiban Co., Ltd.	442	445	93	94	77	66	30	26	428	447	40.29	40.29	172	180	-	-	172	180
Hospital business																		
Naravej International Plc.	90	82	2,040	1,592	14	6	939	805	1,177	883	30.00	25.00	353	216	-	-	353	216
Investment and other business																		
Taking Union Zoni Chemicals Co., Ltd.	375	460	672	790	324	388	-	-	723	882	29.65	29.65	214	256	2	2	216	258
Jiangsu Zhongken-Union Carpet Co., Ltd.	472	832	777	913	608	896	-	-	641	849	35.00	35.00	224	297	2	2	226	299
Uni-Fibre Co., Ltd.	11	14	1,252	1,253	33	133	-	-	1,230	1,134	62.35	62.35	767	707	(19)	(19)	748	688
Union Thread Industries Co., Ltd.	383	529	2,110	1,981	4	18	189	205	2,300	2,287	35.99	35.99	828	823	43	37	871	860
Union Industries Corp., Ltd.	587	381	1,293	1,196	37	8	110	119	1,733	1,450	29.48	29.48	511	427	(35)	42	476	469
Union Business Management Co., Ltd.	2	64	1,102	1,115	100	212	158	169	846	798	37.54	37.54	318	300	(94)	(98)	224	202
Zhuji-Union Real Estate Co., Ltd.	1,169	873	2	4	583	2	-	188	588	687	25.00	25.00	147	172	-	-	147	172
Union Asset Holdings Corp., Ltd.	430	148	2,361	2,997	4	23	-	3	2,787	3,119	-	-	1,122	1,240	(1,127)	(1,191)	(5)	49
and its subsidiaries																		
Others (14 companies)	638	588	880	703	383	329	14	10	1,141	932	-	-	353	282	(305)	(227)	48	55
(2018: 13 companies)																		

Summarised information about comprehensive income

(Unit: Million Baht)

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2019	2018	2019	2018	2019	2018	2019	2018
<i>Textile business</i>								
Union Spinning Mills Co., Ltd.	355	404	(19)	-	-	-	(19)	-
Others (3 companies)	718	780	6	52	-	2	6	54
<i>Plastic, rubber and metal business</i>								
Union Thai-Nichiban Co., Ltd.	803	878	67	87	-	-	67	87
<i>Hospital business</i>								
Navavej International Plc.	2	2	(86)	(40)	-	-	(86)	(40)
<i>Investment and other business</i>								
Taixing Union Zond Chemicals Co., Ltd.	1,842	2,511	(66)	(34)	(72)	(50)	(138)	(84)
Jiangsu Zhonglian-Union Carpet Co., Ltd.	1,041	1,312	(138)	(201)	(71)	(61)	(209)	(262)
Uni-Fibre Co., Ltd.	105	431	97	342	1	1	98	343
Union Thread Industries Co., Ltd.	87	131	49	85	-	-	49	85
Union Industries Corp., Ltd.	410	124	33	96	-	-	33	96
Union Business Management Co., Ltd.	58	46	50	39	-	-	50	39
Zhuji-Union Real Estate Co., Ltd.	-	-	(41)	(20)	(58)	(13)	(99)	(33)
Union Asset Holdings Corp., Ltd. and its subsidiaries	188	118	139	70	(1)	1	138	71
Others (14 companies)	729	848	(13)	(1)	(50)	(35)	(63)	(35)
(2018: 13 companies)								

During the current year, there was the following significant change in the investments in associates accounts.

Additional purchase of investments

During the first quarter of 2019, the Company purchased an additional investment in KPN Healthcare Plc. (an associate) from one of the former shareholders for Baht 47.5 million, increasing its shareholding from 25.00 percent to 30.00 percent. There is no change in its status as an associate.

During the second quarter of 2019, the Company purchased an additional investment in Uni-Fibre Co., Ltd. (an associate) from Union Textile Industries Plc. (a subsidiary) for Baht 25.2 million, increasing its shareholding from 25.67 percent to 26.87 percent. There is no change in its status as an associate.

Increase in registered share capital

On 22 March 2019, the Annual General Meeting of KPN Healthcare Plc. approved an increase of Baht 400 million in the registered share capital, to Baht 1,350 million, with the additional capital to be offered by Private Placement Method. On 30 April 2019, the Company has subscribed in right offering, amounting to Baht 120 million. As a result, following the increase in share capital the Company's investment in this associate is Baht 405 million.

Subsequently, "KPN Healthcare Plc." registered the change of the name to "Navavej International Plc." with the Ministry of Commerce on 15 May 2019.

Share of loss from investments in 4 associates accounted for under the equity method amounting to approximately Baht 53 million, as included in the income statement for the year ended 31 December 2019 (2018: 5 associates, the share of loss Baht 87 million), was calculated from financial statements prepared by the management of those companies, and not audited by their auditors. However, the management believes that there would be no material difference if those financial statements had been audited by the associates' auditors.

15. Other long-term investments

Other long-term investments consist of investments in ordinary shares and available-for-sale securities as follows:

Consolidated financial statements

Investments in ordinary shares

Company	Shareholding percentage		Cost method	
	2019	2018	2019	2018
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			40,565	40,565
Total investments in ordinary shares			1,101,345	1,101,345
Less: Allowance for impairment of investments			(339,824)	(339,788)
Total investments in ordinary shares - net			761,521	761,557

Investments in available-for-sale securities

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2019	2018	2019	2018	2019	2018
Saha Pathana Inter-Holding Plc.	27,508	27,508	595,590	628,088	623,098	656,598
Bangkok Bank Plc.	583,257	458,618	157,828	351,983	741,185	810,611
Electricity Generating Plc.	30,514	30,514	61,862	38,422	92,496	69,936
Ratch Group Plc. (formerly known as "Ratchaburi Electricity Generating Holding Plc.")	33,001	33,001	21,898	7,599	55,000	40,600
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(141,490)	(142,473)	130,392	129,409
Bualuang Thanstavee Fixed Income Fund	21,080	21,080	1,101	834	22,181	21,914
Buakaew Open-end Fund	20,000	20,000	1,634	1,539	21,634	21,539
Bangchak Corporation Plc.	48,479	54,411	(3,940)	2,898	44,539	57,309
Others	186,937	194,979	11,230	14,611	200,167	209,590
Total investments in available-for-sale securities	1,224,658	1,111,993	706,034	906,511	1,930,692	2,017,504
Total other long-term investments - net					2,692,213	2,779,061

Separate financial statements

Investments in ordinary shares

Company	Shareholding percentage		(Unit: Thousand Baht)	
	Cost method			
	2019 (%)	2018 (%)	2019	2018
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			35,614	35,614
Total investments in ordinary shares			1,096,394	1,096,394
Less: Allowance for impairment of investments			(337,369)	(337,369)
Total investments in ordinary shares - net			759,025	759,025

Investments in available-for-sale securities

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2019	2018	2019	2018	2019	2018
Saha Pathana Inter-Holding Plc.	27,508	27,508	595,590	629,088	623,098	656,596
Bangkok Bank Plc.	215,885	212,427	222,490	338,716	438,375	551,143
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(141,490)	(142,473)	130,392	129,409
Bua Kaew Open-end Fund	20,000	20,000	1,634	1,639	21,634	21,539
Bangchak Corporation Plc.	4,874	4,874	(712)	(112)	4,162	4,762
Others	15,709	15,709	(96)	(2,050)	15,613	13,659
Total investments in available-for-sale securities	555,858	552,400	677,416	824,708	1,233,274	1,377,108
Total other long-term investments - net					1,992,299	2,136,133

During the current year, the Company and its subsidiaries received dividends from their investments in ordinary shares and available-for-sale securities totaling Baht 208 million (2018: Baht 205 million), with the Company receiving Baht 183 million (2018: Baht 188 million).

16. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 is presented below.

	Consolidated financial statements				(Unit: Thousand Baht)		
	Consolidated financial statements				Separate financial statements		
	Land and land improvement awaiting development	Factory and office building for rent	Assets under construction	Total	Land and land improvement awaiting development	Factory and office building for rent	Total
As at 31 December 2019							
Cost	2,100,756	2,592,840	93,884	4,787,480	1,545,124	1,794,583	3,339,707
Less: Accumulated depreciation	(66,739)	(2,148,797)	-	(2,215,536)	(56,114)	(1,646,340)	(1,702,454)
Less: Allowance for impairment loss	(4,413)	(151,808)	(25,000)	(181,221)	(4,413)	(138,707)	(143,120)
Net book value	<u>2,029,604</u>	<u>292,235</u>	<u>68,884</u>	<u>2,390,723</u>	<u>1,484,597</u>	<u>9,536</u>	<u>1,494,133</u>
As at 31 December 2018							
Cost	1,737,221	2,627,430	90,307	4,454,958	1,188,639	1,794,721	2,983,360
Less: Accumulated depreciation	(60,875)	(2,140,766)	-	(2,201,641)	(50,249)	(1,645,863)	(1,696,112)
Less: Allowance for impairment loss	(4,413)	(151,808)	(25,000)	(181,221)	(4,413)	(138,707)	(143,120)
Net book value	<u>1,671,933</u>	<u>334,856</u>	<u>65,307</u>	<u>2,072,096</u>	<u>1,132,027</u>	<u>10,151</u>	<u>1,142,178</u>

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	2,072,096	2,098,721	1,142,178	1,148,655
Acquisition of assets	370,322	13,891	358,435	-
Disposals - net book value	(7)	-	(7)	-
Depreciation for the year	(30,020)	(30,297)	(6,473)	(6,477)
Decrease in allowance for impairment loss during the year	-	3,000	-	-
Translation adjustments	(21,668)	(13,219)	-	-
Net book value at end of year	<u>2,390,723</u>	<u>2,072,096</u>	<u>1,494,133</u>	<u>1,142,178</u>

The fair value of the investment properties as at 31 December 2019 and 2018 stated below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land and land improvement awaiting development	4,010,832	3,647,297	2,541,788	2,183,353
Factory and office building for rent	1,393,635	1,500,909	29,964	29,964

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land and land improvement awaiting development has been determined based on market prices, while that of the factory and office building for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others	
Cost							
As at 1 January 2018	1,896,985	20,088	3,411,545	6,322,159	1,998,660	1,319,168	14,968,605
Additions	-	143	24,594	123,857	362,201	207,298	718,093
Disposals/write-off	-	-	(3,286)	(101,050)	(224,989)	(82,763)	(412,088)
Transfers	-	340	94,273	95,769	-	(190,382)	-
Translation adjustments	-	-	(30,850)	-	(116,861)	(1,669)	(149,380)
As at 31 December 2018	1,896,985	20,571	3,496,276	6,440,735	2,019,011	1,251,652	15,125,230
Additions	-	511	48,042	74,184	247,143	365,880	735,760
Disposals/write-off	-	-	(13,487)	(149,243)	(89,188)	(81,154)	(333,072)
Transfers	-	-	1,854	33,047	-	(34,901)	-
Translation adjustments	-	-	(55,588)	-	(175,466)	(3,147)	(234,201)
As at 31 December 2019	1,896,985	21,082	3,477,097	6,398,723	2,001,500	1,498,330	15,293,717

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others	Total
Accumulated depreciation							
As at 1 January 2018	-	6,594	1,539,803	5,038,894	484,902	831,154	7,899,347
Depreciation for the year	-	1,194	193,522	348,140	119,442	159,866	822,164
Depreciation on disposals/write-off	-	-	(3,286)	(100,935)	(165,758)	(80,515)	(350,494)
Transfers	-	-	-	(3)	-	3	-
Translation adjustments	-	-	(9,516)	-	(28,352)	(1,409)	(39,277)
As at 31 December 2018	-	7,788	1,720,523	5,284,096	410,234	909,099	8,331,740
Depreciation for the year	-	1,194	185,408	333,642	113,935	139,708	773,887
Depreciation on disposals/write-off	-	-	(12,135)	(138,177)	(69,823)	(73,261)	(293,396)
Translation adjustments	-	-	(18,392)	-	(35,652)	(2,845)	(56,889)
As at 31 December 2019	-	8,982	1,875,404	5,479,561	418,694	972,701	8,755,342

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others	Total
Allowance for impairment loss							
As at 1 January 2018	-	-	-	1,072	-	4,923	5,995
Increase during the year	-	-	-	-	-	8,423	8,423
As at 31 December 2018	-	-	-	1,072	-	13,346	14,418
Decrease from disposals	-	-	-	-	-	(7,774)	(7,774)
As at 31 December 2019	-	-	-	1,072	-	5,572	6,644
Net book value							
As at 31 December 2018	1,896,985	12,783	1,775,753	1,155,567	1,608,777	329,207	6,779,072
As at 31 December 2019	1,896,985	12,100	1,601,693	918,090	1,582,806	520,057	6,531,731
Depreciation for the year							
2018 (Baht 763 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							822,164
2019 (Baht 721 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							773,887

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings and facilities	Machinery and equipment	Others	Total
Cost					
As at 1 January 2018	18,550	142,218	84,498	294,249	539,515
Additions	-	574	-	4,094	4,668
Disposals/write-off	-	(1,858)	-	(58)	(1,916)
Transfers	-	2,127	-	(2,127)	-
As at 31 December 2018	18,550	143,061	84,498	296,158	542,267
Additions	-	-	-	1,885	1,885
Disposals/write-off	-	(26)	(180)	(3,380)	(3,586)
As at 31 December 2019	18,550	143,035	84,318	294,663	540,566
Accumulated depreciation					
As at 1 January 2018	-	133,422	84,032	266,403	483,857
Depreciation for the year	-	2,529	-	6,619	9,148
Depreciation on disposals/write-off	-	(1,858)	-	(58)	(1,916)
As at 31 December 2018	-	134,093	84,032	272,964	491,089
Depreciation for the year	-	2,626	-	5,979	8,605
Depreciation on disposals/write-off	-	(26)	(180)	(3,379)	(3,585)
As at 31 December 2019	-	136,693	83,852	275,564	496,109

(Unit: Thousand Baht)

Separate financial statements (continued)

	Land	Buildings and facilities	Machinery and equipment	Others	Total
Allowance for impairment loss					
As at 1 January 2018	-	-	464	4,922	5,386
As at 31 December 2018	-	-	464	4,922	5,386
As at 31 December 2019	-	-	464	4,922	5,386
Net book value					
As at 31 December 2018	18,550	8,968	2	18,272	45,792
As at 31 December 2019	18,550	6,342	2	14,177	39,071
Depreciation for the year					
2018 (included in administrative expenses)					9,148
2019 (included in administrative expenses)					8,605

As at 31 December 2019, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 88 million (2018: Baht 66 million).

As at 31 December 2019, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 5,427 million (2018: Baht 5,299 million) and the Company only Baht 451 million (2018: Baht 445 million).

18. Goodwill

Goodwill of the Royal Hotel Co., Ltd. (subsidiary) ("The Royal Hotel") from business acquisition amounting to Baht 522 million consisted of the business opportunity provided by the acquisition of a five star hotel (Hilton Hua Hin Resort and Spa Hotel) ready to operate immediately from the acquisition date, as well as various physical features are viewed as significant distinctive point of The Royal Hotel when compares with the business competitors in Hua Hin.

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by the subsidiary's management covering a five-year period.

Key assumptions used in value in use calculation are summarised below:

	(Unit: percent per annum)
	The Royal Hotel
Growth rates	3%
Discount rates	9%

The subsidiary's management determined growth rates based on historical operation results and expected market growth and discount rates is the rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill.

19. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Withholding tax	40,410	29,678	4,861	-
Leasehold - net of accumulated amortisation	56,510	63,268	-	-
Advance for purchase of fixed assets	7,324	17,620	-	-
Others	82,212	91,501	2,151	2,103
Total other non-current assets	<u>186,456</u>	<u>202,067</u>	<u>7,012</u>	<u>2,103</u>

The balances of other non-current assets in the consolidated financial statements above include account receivables, Ten Cate-Union Protective Fabrics Asia Ltd. ("TCUA"), amounting to Baht 39 million. There is uncertainty about the recoverable amount of this receivable because TCUA has filed for deregistration with the Ministry of Commerce and is in the process of liquidation. At present, it still not finalised the net asset value. For prudent reasons, the allowance for doubtful debts for this receivable is fully set aside.

20. Short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Thousand Baht)	
		Consolidated	
		financial statements	
		<u>2019</u>	<u>2018</u>
Short-term loans from local financial institutions	MLR minus discount rate as defined in contract	178,900	209,000
Short-term loans from financial institutions in China	Reference from interest rate of bank in China	53,029	188,274
Total short-term loans from financial institutions		<u>231,929</u>	<u>397,274</u>

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties (Note 8)	37,367	38,917	32,591	33,884
Trade payables - unrelated parties	992,610	966,684	12,447	67,951
Other payables	90,986	130,919	882	1,706
Accrued expenses	345,304	315,570	20,094	18,120
Others	13,331	13,937	275	626
Total trade and other payables	<u>1,479,598</u>	<u>1,466,027</u>	<u>66,289</u>	<u>122,287</u>

22. Long-term loans

			(Unit: Thousand Baht)	
			Consolidated	
Loan	Interest rate	Repayment schedule	financial statements	
	(%)		2019	2018
1. Loan from local bank	Based on MLR minus discount rate as defined in contract	Six-month installments from 2017 to 2021	133,000	222,000
3. Loan from local bank	Market rate minus discount rate as defined in contract	Six-month installments from 2019 to 2022	125,000	175,000
4. Loan from local bank in China	Reference from interest rate of bank in China	Six-month installments from 2019 to 2022	448,413	564,545
Total			<u>706,413</u>	<u>961,545</u>
Less: Current portion			<u>(428,621)</u>	<u>(212,391)</u>
Long-term loans, net of current portion			<u>277,792</u>	<u>749,154</u>

The loan agreements contain several covenants which, among other things, require the subsidiaries to maintain debt-to-equity ratio and negative pledges on certain assets that are essential for the subsidiaries' operations.

As at 31 December 2019 and 2018, there are no long-term credit facilities of the subsidiaries which have not yet been drawn down.

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents the cash which will be paid to employees after they retire as at 31 December 2019 and 2018, were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Present value of defined benefit obligation	478,218	397,015	27,369	25,790
Fair value of plan assets	(181,388)	(173,157)	(8,660)	(8,660)
Net defined benefit liability	<u>296,832</u>	<u>223,858</u>	<u>18,509</u>	<u>17,110</u>

Changes in present value of defined benefit obligation and fair value of plan assets were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Defined benefit obligation at beginning of year	397,015	461,051	25,790	27,734
Current service cost	25,908	23,611	1,090	1,060
Interest cost	10,129	8,139	577	483
Past service cost	65,747	-	4,377	-
Transferred from related companies	925	4,042	1,122	2,953
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(17,310)	-	(39)
Financial assumptions changes	4,686	13,758	(142)	828
Experience adjustments	2,128	(65,439)	(1,775)	(2,542)
Benefits paid during the year	(28,320)	(30,837)	(3,670)	(4,687)
Defined benefit obligation at end of year	<u>478,218</u>	<u>397,015</u>	<u>27,369</u>	<u>25,790</u>
 Fair value of plan assets at beginning of year	 173,157	 171,525	 8,680	 11,171
Change in fair value	(1,234)	(6,331)	(592)	(2,378)
Contribution by the Company and its subsidiaries	27,083	27,545	858	865
Benefits paid during the year	(17,620)	(19,582)	(86)	(978)
Fair value of plan assets at end of year	<u>181,388</u>	<u>173,157</u>	<u>8,660</u>	<u>8,680</u>

Plan assets comprise bank deposits, bonds, and equity and local debt instruments in active market.

The Company and its subsidiaries expect to pay Baht 44 million (2018: Baht 36 million) of long-term employee benefits during the next year and the Company only amounting to Baht 1 million (2018: Baht 1 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2018: 11 years) and the Company only is 11 years (2018: 11 years).

Key actuarial assumptions used for the valuation are as follows:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.1 - 1.7	2.6	1.5	2.6
Future salary increase rate (depending on age of employees)	3.5 - 5.5	3.5 - 5.5	3.5 - 5.5	3.5 - 5.5

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

	(Unit: Million Baht)			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(29)	33	(2)	2
Future salary increase rate (depending on age of employees)	41	(37)	2	(2)

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 66 million (The Company only: Baht 4 million) as a result. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the income statement of the current period.

24. The Company's shares held by its subsidiaries

This represents the acquisition cost of the 9,269,894 ordinary shares (3.09 percent of the total number of shares in issue) of the Company acquired and held by Saha-Union Holding Co., Ltd., Union Equity Co., Ltd. and Union Textile Industries Plc., subsidiaries.

25. Statutory reserve

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

However, the Company's regulations require the Company to set aside to the statutory reserve at least 10 percent of its net profit after deducting accumulated deficit brought forward (if any), until such reserve reaches at least 25 percent of the registered capital.

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Salary and wages and other employee benefits	1,872,286	1,953,693	63,255	59,123
Depreciation and amortisation expenses	820,598	860,132	15,122	15,625
Rental expenses from operating lease agreements	22,651	24,881	-	-
Transportation expenses	30,378	32,563	1,911	3,067
Raw materials and consumables used	2,284,234	2,883,763	-	-
Purchase of finished goods and raw materials for sales	3,127,771	2,955,280	879,641	1,209,590
Changes in inventories of finished goods and work in process	15,631	(134,755)	39,410	(6,517)
Losses (gains) on disposals/write-off property, plant and equipment	33,767	38,087	(97)	(82)
Expenses of withholding tax write-off	20,645	15,290	20,645	15,290

27. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Current income tax charge	166,115	190,640	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,578)	8,724	(859)	115
Income tax expenses (income) reported in the income statements	<u>161,537</u>	<u>199,364</u>	<u>(859)</u>	<u>115</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax on actuarial gain (loss)	943	(14,041)	(383)	(351)
Deferred tax on losses from the change in value of available-for-sale investments	41,528	12,782	29,458	3,316
Total	<u>42,471</u>	<u>(1,259)</u>	<u>29,075</u>	<u>2,965</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	1,336,515	1,848,294	837,895	820,490
The separation of accounting profit before tax of the Company and its subsidiaries to each applicable tax rate are as follows:				
Applicable tax rate 5.00 percent	270	-	-	-
Applicable tax rate 8.25 percent	-	7,983	-	-
Applicable tax rate 10.00 percent	-	856	-	-
Applicable tax rate 16.50 percent	148,381	148,301	-	-
Applicable tax rate 20.00 percent	656,626	1,170,512	837,895	820,490
Applicable tax rate 25.00 percent	531,238	520,642	-	-
Accounting profit before tax multiplied by income tax rate	288,831	389,477	167,579	164,098
Effects of:				
Tax exempt dividend revenue	(42,496)	(38,069)	(174,864)	(165,865)
Share of profit from investments in joint ventures	(107,055)	(91,373)	-	-
Share of loss (profit) from investments in associates	2,548	(56,559)	-	-
Additional expense deductions allowed	(33,620)	(38,174)	(1,346)	(2,375)
Non-deductible expenses	25,223	20,856	4,233	4,240
Losses on impairment of assets (reversal)	7	3	-	(3,420)
Losses (gains) on disposals of investments under equity method	8,656	(509)	-	-
Unrecognised deferred tax on deductible temporary differences and unused tax losses	30,873	23,888	3,392	3,290
Others	(11,230)	(10,176)	147	147
Total	(127,094)	(190,113)	(168,438)	(163,963)
Income tax expenses (income) reported in the income statements	161,537	199,364	(859)	115

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

	(Unit: Thousand Baht)			
	Consolidated statements of financial position		Separate statements of financial position	
	2019	2018	2019	2018
Deferred tax assets				
Allowance for diminution in value of inventories	13,318	12,615	-	-
Accumulated depreciation - Plant and equipment	8,811	10,435	-	-
Provision for long-term employee benefits	47,129	39,144	2,925	2,450
Unused tax loss	-	2,379	-	-
Deferred income	5,723	5,026	-	-
Others	1,606	1,786	-	-
Total	76,587	71,385	2,925	2,450
Deferred tax liabilities				
Gain on re-measuring available-for-sale investments	141,207	181,102	135,483	164,942
Others	651	981	-	-
Total	141,858	182,083	135,483	164,942

As at 31 December 2019, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 322 million (2018: Baht 247 million) and the Company only amounting to Baht 33 million (2018: Baht 16 million) no deferred tax assets have been recognised on these amount as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses and the unused tax losses will expire within 2024.

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares held by outside shareholders in issue during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit attributable to equity holders of the Company (Baht)	1,111,991,978	1,481,784,689	838,753,269	820,374,910
Weighted average number of ordinary shares (shares)	290,138,993	289,977,306	300,000,000	300,000,000
Basic earnings per share (Baht/share)	3.83	5.11	2.80	2.73

29. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have six reportable segments as follows:

- Textile segment, which is the contract manufacture and distribution of textile products and garments
- Plastic, rubber and metal segment, which is the manufacture and distribution of rubber, elastic products, finished elastic products, plastic products, vacuum bottles and stainless steel kitchenware
- Trading segment, which is the operation of a computer and equipment dealership
- Energy segment, which is power generation
- Hotel segment, which is the operation of hotel
- Investment and others segment, which is principally the operation of an investment business

No other operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company and its subsidiaries' central administrative activities, financing activities (including finance costs and finance income) and income taxes are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

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

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	For the years ended 31 December															
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues																
Revenue from external customers	608	875	4,565	5,523	2,847	2,178	1,585	1,770	523	584	23	27	-	-	10,151	10,957
Inter-segment revenues	4	9	-	-	1	-	-	-	-	-	24	26	(29)	(35)	-	-
Total revenues	612	884	4,565	5,523	2,848	2,178	1,585	1,770	523	584	47	53	(29)	(35)	10,151	10,957
Segment operating profit	(19)	53	358	548	285	267	538	564	176	190	31	31	-	-	1,370	1,653
Unallocated income and expenses:																
Dividend income															245	210
Rental income															36	43
Interest income															50	66
Other income															264	401
Selling and distribution expenses															(279)	(286)
Administrative expenses															(831)	(935)
Share of profit from investments in joint ventures															535	457
Share of profit (loss) from investments in associates															(13)	283
Finance cost															(40)	(44)
Profit before income tax expenses															1,337	1,848
Income tax expenses															(162)	(199)
Non-controlling interests of the subsidiaries															(63)	(167)
Profit for the year - equity holders of the Company															1,112	1,482

Below is the segment assets of the Company and its subsidiaries' operating segment as at 31 December 2019 and 2018.

(Unit: Million Baht)

	As at 31 December												Elimination of		Consolidated	
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		inter-segment revenues		financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current investments	-	-	144	70	-	-	-	-	-	-	1,437	1,415	-	-	1,581	1,485
Trade and other receivables	125	203	544	577	719	631	243	263	15	17	193	297	(131)	(149)	1,708	1,939
Inventories	218	189	506	642	285	246	7	7	2	2	-	40	-	-	1,018	1,126
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	5,980	6,048	(5,980)	(6,046)	-	-
Investments in joint ventures	-	-	98	98	-	-	-	-	-	-	1,568	1,536	-	-	1,666	1,634
Investments in associates	406	396	11	12	-	-	-	-	-	-	3,222	3,201	-	-	3,639	3,609
Other long-term investments	2	2	-	-	-	-	-	-	-	-	2,690	2,777	-	-	2,692	2,779
Investment properties	41	41	4	4	-	-	-	-	-	-	2,346	2,027	-	-	2,391	2,072
Property, plant and equipment	128	154	1,573	1,810	120	76	1,583	1,609	2,877	2,606	451	524	-	-	6,532	6,779
Unallocated assets	176	188	381	478	391	278	456	463	714	696	2,498	2,835	(639)	(469)	3,977	4,469
Total assets	1,096	1,173	3,261	3,791	1,515	1,231	2,289	2,342	3,408	3,321	20,385	20,698	(6,750)	(6,664)	25,204	25,892

Transfer prices between business segments are set out in Note 8 to the financial statements.

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	For the years ended 31 December	
	2019	2018
Revenue from external customers		
Thailand	4,708	4,225
Asia	4,899	5,962
Europe	356	598
America	185	168
Others	3	4
Total	10,151	10,957

Major customer

For the year 2019, a subsidiary has revenue from one major customer in amount of Baht 2,652 million, arising from sales by the plastic, rubber and metal segment (2018: Baht 3,475 million derived from one major customer, arising from sales by the plastic, rubber and metal segment).

30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributes to the fund monthly at the rate of 3 percent of basic salary while the employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary (2018: the Company contributes to the fund monthly at the rate of 3 percent of basic salary while the employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary). The fund, which is managed by BBL Asset Management Company Limited, will be paid to employee upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to Baht 1 million (2018: Baht 1 million).

31. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2017	Annual General Meeting of the shareholders on 26 April 2018	600,000,000	2.00
Total for 2018		600,000,000	2.00
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	600,000,000	2.00
Total for 2019		600,000,000	2.00

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2019, the subsidiaries had capital commitments of Baht 59 million (2018: Baht 36 million), relating to the purchases of machinery and equipment, factory buildings and office buildings.

32.2 Operating lease commitments

The subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and machinery and equipment and other services. The terms of the agreements are generally between 1 and 20 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

(Unit: Million Baht)		
Consolidated financial statements		
As at 31 December		
	2019	2018
Payable:		
In up to 1 year	30	32
In over 1 and up to 5 years	13	20
In over 5 years	5	6

32.3 Long-term service agreements

The Royal Hotel Co., Ltd. (subsidiary) entered into a management agreement with a non-related company in respect of managing its hotel business, The Hilton Hua Hin Resort and Spa Hotel. The subsidiary has to pay the related management fee at the rate stated in the agreement. The agreement has a term of 20 years, and as at 31 December 2019 still has approximately 1 years left to run.

32.4 Commitment to purchase raw materials

32.4.1 As at 31 December 2019, the Company had commitments to purchase raw materials with overseas companies amounting to 390 Metric tons (2018: 2,720 Metric tons) with reference to contract prices. Deliveries of raw materials will occur within February 2020.

32.4.2 As at 31 December 2019, a subsidiary had commitments to purchase raw materials with overseas companies amounting to 101 Metric tons (2018: 195 Metric tons) with reference to contract prices. Deliveries of raw materials will occur during April 2020.

32.5 Guarantees

32.5.1 As at 31 December 2019, there were outstanding bank guarantees amounting to Baht 167 million (2018: Baht 147 million) issued by banks on behalf of the Company and its subsidiaries and the Company only amounting to Baht 1 million (2018: Baht 1 million) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 149 million (2018: Baht 126 million) to guarantee contractual performance, Baht 13 million (2018: Baht 16 million) to guarantee electricity use and Baht 5 million (2018: Baht 5 million) to guarantee others.

32.5.2 The Company has pledged all of its share certificates of Ratchaburi Power Co., Ltd. with a project loan lender as collateral for the loan to Ratchaburi Power Co., Ltd., proportionate to its shareholders in such company.

33. Fair value hierarchy

As at 31 December 2019 and 2018, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated financial statement				
As at 31 December 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments	1,196	-	-	1,196
Equity instruments				
Available-for-sale investments	1,931	-	-	1,931
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	5,404	5,404

(Unit: Million Baht)				
Consolidated financial statement				
As at 31 December 2018				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments	1,053	-	-	1,053
Equity instruments				
Available-for-sale investments	2,018	-	-	2,018
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	5,148	5,148

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments	1,233	-	-	1,233
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	2,572	2,572

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments	1,377	-	-	1,377
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	2,213	2,213

34. Financial instruments

34.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, short-term loans to related parties, restricted investments, bank overdrafts and short-term loans from financial institutions, trust receipts, trade and other payables, deposits from related parties, liabilities under finance lease agreements and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans to related parties and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and short-term loan to related parties as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, loans to related parties, bank overdrafts, short-term borrowings, trust receipts, deposits from related parties, liabilities under financial lease agreements and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2019

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalents	947	-	1,751	2	2,700
Current investments	-	-	1,581	-	1,581
Trade and other receivables	-	-	-	1,708	1,708
Short-term loans to related parties	1	-	-	-	1
Restricted investments	11	24	-	-	35
Long-term loans to related party	-	172	-	-	172
	959	196	3,332	1,710	6,197
Financial liabilities					
Short-term loans from financial institutions	-	-	232	-	232
Trade and other payables	-	-	-	1,480	1,480
Liabilities under finance lease agreements	37	60	-	-	97
Long-term loans	50	75	581	-	706
	87	135	813	1,480	2,515

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2018

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalents	949	-	2,295	2	3,246
Current investments	-	-	1,485	-	1,485
Trade and other receivables	-	-	-	1,939	1,939
Short-term loans to related parties	1	-	-	-	1
Restricted investments	11	24	-	-	35
Long-term loans to related party	-	188	-	-	188
	961	212	3,780	1,941	6,894
Financial liabilities					
Short-term loans from financial institutions	-	-	397	-	397
Trade and other payables	-	-	-	1,466	1,466
Liabilities under finance lease agreements	41	35	-	-	76
Long-term loans	50	125	787	-	962
	91	160	1,184	1,466	2,901

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2019				
	Fixed interest rate	Floating	Non-interest	
	1 - 5 years	interest rate	bearing	Total
Financial assets				
Cash and cash equivalents	-	306	-	306
Trade and other receivables	-	-	156	156
Short-term loans to related party	-	463	-	463
Restricted investments	1	-	-	1
	<u>1</u>	<u>769</u>	<u>156</u>	<u>926</u>
Financial liabilities				
Trade and other payables	-	-	66	66
Deposits from related parties	-	357	-	357
	<u>-</u>	<u>357</u>	<u>66</u>	<u>423</u>

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2018				
	Fixed interest rate	Floating	Non-interest	
	1 - 5 years	interest rate	bearing	Total
Financial assets				
Cash and cash equivalents	-	828	-	828
Trade and other receivables	-	-	188	188
Short-term loans to related party	-	276	-	276
Restricted investments	1	-	-	1
	<u>1</u>	<u>1,104</u>	<u>188</u>	<u>1,293</u>
Financial liabilities				
Trade and other payables	-	-	122	122
Deposits from related parties	-	315	-	315
	<u>-</u>	<u>315</u>	<u>122</u>	<u>437</u>

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	34	35	5	5	30.1540	32.4498
Japanese yen	7	7	15	9	0.2759	0.2931
Euro	1	2	-	-	33.7311	37.1252
Hong Kong	2	-	-	-	3.8328	4.1023

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2019

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)		Contractual maturity date
			Bought	Sold	
US dollar	1	8	30.0865 - 30.3300	29.7807 - 31.6189	January 2020 - December 2020
Euro	-	1	-	33.5000 - 37.2000	January 2020 - December 2020

As at 31 December 2018

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)		Contractual maturity date
			Bought	Sold	
US dollar	2	16	32.2545 - 32.7900	31.8138 - 33.4000	January 2019 - December 2019
Euro	-	2	-	37.4500 - 39.5500	January 2019 - December 2019

34.2 Fair values of financial instruments

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

35. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2019, the Company and its subsidiaries' debt-to-equity ratio was 0.14:1 (2018: 0.16:1) and the Company's was 0.04:1 (2018: 0.04:1).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.