

MASTERKOOL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED NOTES TO FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (UNAUDITED)

1. General information

Masterkool International Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on The Market for Alternative Investment (MAI). The address of the Company’s registered office is 22 Soi 2 Thetsaban Rangsan Nuea Road, Latyao, Chatuchak Bangkok.

The Company has administrative office branch as follows :

- The 1st office branch is 184 Moo 10, Nawanghin, Panusnikhom, Chonburi
- The 2nd office branch is 12/16-17 & 20 Thesabansongkro Rd., Ladyao, Chatuchak, Bangkok
- The 3rd office branch is 259/14 Soi Vibhavadi 40 (Patcharapa) Talat Bang Khen, Lak Si, Bangkok
- The 4th office branch is 39 Moo 6, Klongneung, Klongluang, Pathumthani
- The 5th office branch is 795 Pracharat 1 Rd., Bang Sue, Bang Sue, Bangkok

The principal activities of the Company and subsidiary (“the Group”) involve supply, sale and service of cooling products such as evaporative air cooler, misting fans industrial fans and ozone generator and sale and service for ozone system and provide general-renovation and repairment service.

Coronavirus disease 2019 Pandemic

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

2. Basis of preparation of interim financial statements

These interim consolidated and separate financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543 (or 2000), being those Thai Accounting Standards issued under the Account Profession Act B.E. 2547 (or 2004), and the financial reporting requirements of Capital Market Supervisory Board. The primary financial statements (i.e. statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows) are prepared in the full format as required by Capital Market Supervisory Board. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 34 "Interim Financial Reporting" and additional notes are presented as required by Capital Market Supervisory Board under the Securities and Exchange Act B.E. 2535 (or 1992).

The interim consolidated and separate financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2019. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim consolidated and separate financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The Federation of Accounting Profession (TFAC) has notified to apply the new financial reporting standards and the revised some existing financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2020.

TFRS No. 1 First-time Adoption of International Financial Reporting Standards

TFRS No. 3 Business Combinations

TFRS No. 7 Financial Instruments : Disclosures

TFRS No. 9 Financial Instruments

TFRS No. 11 Joint Arrangements

TFRS No. 16 Leases

TAS No. 12 Income Taxes

TAS No. 19 Employee Benefits

TAS No. 23 Borrowing Costs

TAS No. 28 Investments in Associates and Joint Ventures

TAS No. 32 Financial Instruments : Presentation

TFRIC No. 16 Hedges of a Net Investment in a Foreign Operation

TFRIC No. 19 Extinguishing Financial Liabilities with Equity Instruments

TFRIC No. 23 Uncertainty over Income Tax Treatments

Guide on Accounting : Financial Instruments and Disclosures for Insurance Business

Guide on Accounting : Exemption for Business Combination under Common Control in case of First-time Adoption of International Financial Reporting Standards

(Unaudited)

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period except the implementation of TFRS No.9 Financial Instruments and TFRS No.16 Leases as described in notes to financial statement no.5.

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

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

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

3. Principles of interim consolidation financial statement

The interim consolidated financial statements as at March 31, 2020 and December 31, 2019 have been prepared by including the financial statements of Masterkool International Public Company Limited and its subsidiary after eliminate the significant related party balances and transactions. The Company holds directly and indirectly shares at the percentage of :-

<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Incorporated in</u>	<u>Percentage of shareholding</u>	
			<u>2020</u>	<u>2019</u>
Innov Green Solutions Co., Ltd.	Sale and service for ozone system	Thailand	100.00	100.00

The financial statements of the subsidiary are prepared for the same reporting periods as the Company and using consistent significant accounting policies.

4. Accounting policies

Accounting policies and methods of computation applied in the interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2019, except the change in accounting policy as mentioned in the note to financial statement no. 5.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

5. Change in accounting policy

5.1 Accounting for financial instruments

From January 1, 2020 onward, the Group applied TFRS No.9 Financial Instruments which replaces TAS No. 101 Doubtful Accounts and Bad Debts, TAS No. 104 Accountings for Troubled Debt Restructurings (revised 2016), TAS No. 105 Accountings for Investments in Debt and Equity Securities (revised 2016), TAS No. 106 Accountings for Investments Entities, TSIC Transfers of Assets from Customers, Guide on Accounting for De-recognition of financial assets and financial liabilities and Guide on Accounting for Insurance Business in Determining Financial Instruments as Financial Instruments Presented with Fair Value through Profit or. The financial reporting standard stipulates the accounting treatments on the classification and measurement of financial assets and financial liabilities, the loss allowance for expected credit loss and the hedge accounting.

The Group elects to apply this Standard by recognition the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application on the transition for classification and measurement of financial assets and financial liabilities and the loss allowance for expected credit loss.

The change of accounting policy has impacted on the comprehensive income statements, whereas, it has not any impacted on the statement of financial position as follows :-

	(Unit : Baht)	
	As at January 1, 2020	
	Consolidated statement of financial position	Separate statement of financial position
Decrease in trade receivable	(2,099,214.56)	(1,995,828.44)
Decreases in other current receivable	(739,819.31)	-
Decreases in guarantee payment	(42,500.00)	-
Decreases in retained earning	2,881,533.87	1,995,828.44

(Unaudited)

The measurement categories and carrying amounts of financial assets and financial liabilities determined in accordance with the previous accounting standard and the new financial reporting standard are as follows:

(Unit : Baht)

Consolidated statement of financial position			
New (TFRS 9)			
	The carrying amounts according to previous accounting principles December 31, 2019	The measurement categories	The carrying amounts January 1, 2020
Financial assets			
Cash and cash equivalents	38,013,570.19	Amortized cost	38,013,570.19
Trade receivables	81,953,797.17	Amortized cost	79,854,582.61
Other current receivables	9,673,706.06	Amortized cost	8,933,886.75
Contract assets	2,511,021.68	Amortized cost	2,511,021.68
Deposits at financial institutions pledged as collateral	70,750,000.00	Amortized cost	70,750,000.00
Guarantee payment	1,524,782.99	Amortized cost	1,482,282.99
Financial liabilities			
Bank overdrafts and short-term loan from financial institutions	150,352,572.54	Amortized cost	150,352,572.54
Trade payables	53,669,640.15	Amortized cost	53,669,640.15
Other current payables	23,729,852.11	Amortized cost	23,729,852.11
Contract liabilities	36,635,956.24	Amortized cost	36,635,956.24

(Unit : Baht)

Separate statement of financial position			
New (TFRS 9)			
	The carrying amounts according to previous accounting principles December 31, 2019	The measurement categories	The carrying amounts January 1, 2020
Financial assets			
Cash and cash equivalents	25,380,122.04	Amortized cost	25,380,122.04
Trade receivables	76,505,392.97	Amortized cost	74,509,564.53
Other current receivables	666,670.36	Amortized cost	666,670.36
Contract assets	13,333.33	Amortized cost	13,333.33
Deposits at financial institutions pledged as collateral	69,750,000.00	Amortized cost	69,750,000.00
Guarantee payment	1,316,100.00	Amortized cost	1,316,100.00
Financial liabilities			
Bank overdrafts and short-term loan from financial institutions	150,352,572.54	Amortized cost	150,352,572.54
Trade payables	42,779,771.06	Amortized cost	42,779,771.06
Other current payables	20,565,948.79	Amortized cost	20,565,948.79
Contract liabilities	36,036,968.54	Amortized cost	36,036,968.54

(Unaudited)

The reconciliation of the allowance for doubtful accounts and impairment allowance as at December 31, 2019, determined in accordance with the previous accounting standard to the loss allowances as at January 1, 2020, determined in accordance with the new financial reporting standard, are as follows:

(Unit : Baht)

	Consolidated statement of financial position			Separate statement of financial position		
	Allowance for doubtful accounts / impairment allowance		Loss allowance	Allowance for doubtful accounts / impairment allowance		Loss allowance
	As at	Increase	As at	As at	Increase	As at
	December 31, 2019	(decrease)	January 1, 2020	December 31, 2019	(decrease)	January 1, 2020
Trade receivables	(12,811,566.90)	(2,099,214.56)	(14,910,781.46)	(12,709,407.61)	(1,995,828.44)	(14,705,236.05)
Other current receivables	-	(739,819.31)	(739,819.31)	-	-	-
Guarantee payment	-	(42,500.00)	(42,500.00)	-	-	-

5.2 Accounting for leases

From January 1, 2020 onward, the Group applied TFRS No.16 Leases which replaces TAS No. 17 Leases (revised 2018), TSIC No. 15 Operating Leases - Incentives (revised 2018), TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2018) and TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2018). The financial reporting standard requires that a lessee recognizes an asset and a liability for all leases except for short-term leases (leases of 12 months or less) and leases for which the underlying asset is of low value. The lessee shall recognize a right-of-use asset and a lease liability and shall measure the right-of-use asset at cost and the lease liability at the present value of the lease payments that are not paid at that date. And the lessee shall subsequently measure the right-of-use asset by applying the cost model, the fair value model or the revaluation model and the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payment made. The previous accounting treatment requires that the lessee classified leases as either finance leases or operating leases and account for those two types of leases differently. However, the substantial requirement on leases accounting for a lessor does not change. Thus, the lessor will continue to classify leases as either finance leases or operating leases and account for those two types of leases differently.

The Group elects to apply retrospectively with the cumulative effect of initially applying this financial reporting standard recognized at the date of initial application to all of its leases in which the Group is a lessee by recognizing the cumulative effect of initially applying this financial reporting standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Moreover, the Group elects to recognize a lease liability measured at the present value of the remaining lease payments discounted using the Group's incremental borrowing rate at the date of initial application and to recognize a right-of-use asset measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position

(Unaudited)

immediately before the date of initial application in accordance with the transition provision of this financial reporting standard.

The change of accounting policy has impacted on the statement of financial position as at January 1, 2020 follows :-

	(Unit : Baht)	
	Consolidated	Separate financial statement
	As at January 1, 2020	As at January 1, 2020
(Decrease) in property, plant and equipment	(9,289,245.52)	(9,289,245.52)
Increase in right-of-use assets	27,749,628.16	26,542,459.27
(Increase) in lease liabilities	(18,460,382.64)	(17,253,213.75)

The difference between the operating lease commitments as at December 31, 2019 and the lease liabilities as at January 1, 2020 consists of:-

	(Unit : Baht)	
	Consolidated	Separate financial statement
Operating lease commitments as at December 31, 2019	20,029,631.56	18,725,631.56
Discounting the operating lease commitments *	(1,569,248.92)	(1,472,417.81)
Lease liabilities as at January 1, 2020 which were previously recognized as operating lease agreements	18,460,382.64	17,253,213.75
Financial lease liabilities previously recognized as at December 31, 2019	4,699,990.77	4,699,990.77
Lease liabilities as at January 1, 2020	23,160,373.41	21,953,204.52

* The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2020 is 6.0 %

6. Related party transactions

As at March 31, 2020, Veeraman family is a major shareholder, holding 25.72% (December 31, 2019 : 25.64%) of the share capital of the Company. Transactions related to companies in which major shareholder and directors, the principal shareholders or directors are recognized as related parties to the Company.

(Unaudited)

The Company has transactions with related persons and companies for the three-month period ended March 31, 2020 and 2019 as follows:

6.1 Inter-assets and liabilities

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Trade receivables				
- Innov Green Solutions Co., Ltd.	-	-	5,818,666.39	6,872,485.21
- Site Preparation Management Co., Ltd.	-	112,760.00	-	112,760.00
- Actdee Co., Ltd.	4,369,216.89	4,522,539.10	4,369,216.89	4,522,539.03
- Let Co.,Ltd.	-	12,189.03	-	12,189.03
Total	4,369,216.89	4,647,488.13	10,187,883.28	11,519,973.27
<u>Less</u> Allowance for expected credit loss	(318,068.23)	-	(362,232.15)	-
Net	4,051,148.66	4,647,488.13	9,825,651.13	11,519,973.27
Other current receivables				
- Innov Green Solutions Co., Ltd.	-	-	1,123,500.00	1,123,500.00
Asset receivables				
- Innov Green Solutions Co., Ltd.	-	-	107.00	-
Total	-	-	1,123,607.00	1,123,500.00
Total trade and other current receivables	4,051,148.66	4,647,488.13	10,949,258.13	12,643,473.27
Account payables				
- Innov Green Solutions Co., Ltd.	-	-	954,214.12	860,280.00
Contract liabilities				
- Innov Green Solutions Co., Ltd.	-	-	26,450.32	31,050.16
Total trade and other current payables	-	-	980,664.44	891,330.16
Short-term loans from related parties				
- Innov Green Solutions Co., Ltd.				
Beginning balance	-	-	-	8,000,000.00
Addition during the period	-	-	-	-
Repayment during the period	-	-	-	(8,000,000.00)
Ending balance	-	-	-	-

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Short-term loans from related parties (continued)				
- Director				
Beginning balance	-	10,000,000.00	-	10,000,000.00
Addition during the period	-	-	-	-
Repayment during the period	-	(10,000,000.00)	-	(10,000,000.00)
Ending balance	-	-	-	-
Total	-	-	-	-

As at March 31, 2020 and December 31, 2019, short - term loans from related parties are promissory note endure for a period 6 months, bear interest 6.50% and 5.00% per annum respectively. As at December 31, 2019, the Company has already paid the whole amount of the loan.

6.2 Inter-revenue and expenses

(Unit : Baht)

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Sales of goods				
- Innov Green Solutions Co., Ltd.	-	-	5,388,006.01	4,090,071.51
- Site Preparation Management Co., Ltd.	-	84,000.00	-	84,000.00
- Actdee Co., Ltd.	1,328,403.64	3,043,633.94	1,328,403.64	3,043,633.94
Total	1,328,403.64	3,127,633.94	6,716,409.65	7,217,705.45
Service income				
- Innov Green Solutions Co., Ltd.	-	-	1,133,099.84	1,067,280.00
Rental and service fee				
- Innov Green Solutions Co., Ltd.	-	-	415,788.90	764,555.00
- Actdee Co., Ltd.	-	2,213,735.17	-	2,213,735.17
Total	-	2,213,735.17	415,788.90	2,978,290.17
Service expense				
- Innov Green Solutions Co., Ltd.	-	-	-	28,540.00

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expense				
- Innov Green Solutions Co., Ltd.	-	-	-	98,630.15
- Director	-	160,273.97	-	160,273.97
Total	-	160,273.97	-	258,904.12

Disposal assets

- Innov Green Solutions Co., Ltd.	-	-	100.00	-
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6.3 Management benefit expenses

(Unit : Baht)

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	4,084,329.03	2,885,400.00	3,156,629.03	2,299,200.00
Post-employment benefits	204,116.23	95,528.43	173,423.01	80,492.88
Total	4,288,445.26	2,980,928.43	3,330,052.04	2,379,692.88

6.4 Pricing policies

<u>Trading transactions</u>	<u>Policy of pricing</u>
Revenues from sales and services	Price approximate price charge to third party
Interest income	Rate approximate rate charge to Financial institutions
Other income	Contract price
Purchase of goods	Price approximate price charge to third party
Purchase of fixed assets	Price approximate price charge to third party
Rental service cost	Price approximate price charge to third party
Management fees	Cost plus margin
Advertising and sale promotion expenses	Price approximate price charge to third party
Consumables cost	Price approximate price charge to third party
Finance costs	Contract price (5.00% and 6.50% p.a.)

(Unaudited)

6.5 Obligation

As at March 31, 2020 and December 31, 2019 , the Company has performed contract of management services to a subsidiary for 1 years. The subsidiary constitutes obligation commitment that has to repay service fee by Baht 350,000.00 per month.

6.6 Relationship

<u>Company</u>	<u>Relationship</u>
Innov Green Solutions Co., Ltd.	Subsidiary
Let Co., Ltd.	Relative of Shareholder & Director
Site Preparation Management Co., Ltd.	Co-Shareholder & Co-director
Actdee Co., Ltd.	Relative of Shareholder & Director
Mr. Noppachai Weeraman	Shareholder & director
Mr. Fung Meng Hoi	Shareholder & director

7. Trade and other current receivable - related parties

Outstanding trade receivable - related parties can be aged as follows:

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Trade receivables				
Within credit term	982,222.18	1,076,558.29	6,800,888.57	7,949,043.43
Overdue 1 month to 3 months	1,285,509.74	1,090,324.34	1,285,509.74	1,090,324.34
Overdue 3 months to 6 months	1,078,135.31	2,480,605.50	1,078,135.31	2,480,605.50
Overdue 6 months to 12 months	1,023,349.66	-	1,023,349.66	-
Overdue over 12 months	-	-	-	-
Total	4,369,216.89	4,647,488.13	10,187,883.28	11,519,973.27
<u>Less</u> Allowance for expected credit loss	(318,068.23)	-	(362,232.15)	-
Net	4,051,148.66	4,647,488.13	9,825,651.13	11,519,973.27
Other receivable	-	-	1,123,607.00	1,123,500.00
Total trade and other current receivables	4,051,148.66	4,647,488.13	10,949,258.13	12,643,473.27

(Unaudited)

The movement of allowance for expected credit loss other current receivables - related parties for the three-month period ended March 31, 2020 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening balance	-	-
Effect from the change of accounting policies (note 5.1)	(209,054.68)	(209,054.68)
Allowance increased during the period	(109,013.55)	(153,177.47)
Collected during the period	-	-
Ending balance	<u>(318,068.23)</u>	<u>(362,232.15)</u>

8. Trade and other current receivable - third parties

Consisted of:-

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Post dated cheques	2,086,099.97	305,315.79	2,086,099.97	116,732.08
Trade receivables	195,775,647.69	88,952,280.22	180,343,626.11	76,454,595.23
Total	<u>197,861,747.66</u>	<u>89,257,596.01</u>	<u>182,429,726.08</u>	<u>76,571,327.31</u>
<u>Less</u> Allowance for expected credit loss	(17,731,823.40)	(12,811,566.90)	(17,436,161.22)	(12,709,407.61)
Net	<u>180,129,924.26</u>	<u>76,446,029.11</u>	<u>164,993,564.86</u>	<u>63,861,919.70</u>
Other receivables	6,044,007.61	8,056,504.11	619,396.47	472,684.24
Prepaid expense	2,377,221.35	1,428,085.97	1,996,906.84	1,022,233.22
Undue input vat	926,860.09	1,818,306.02	544,935.17	1,545,916.63
Deposit payment	6,782,764.82	5,317,313.06	6,782,764.82	5,317,313.06
Retention	1,597,899.76	1,423,411.10	-	-
Withholding tax receivable	661,074.86	-	548,253.53	-
Advance payment	2,053,923.71	1,446,778.85	1,120,177.34	1,273,991.93
Total	<u>20,443,752.20</u>	<u>19,490,399.11</u>	<u>11,612,434.17</u>	<u>9,632,139.08</u>
<u>Less</u> Allowance for expected credit loss	(1,138,318.80)	(142,062.18)	(398,499.49)	(142,062.18)
Net	<u>19,305,433.40</u>	<u>19,348,336.93</u>	<u>11,213,934.68</u>	<u>9,490,076.90</u>
Total trade and other current receivables	<u>199,435,357.66</u>	<u>95,794,366.04</u>	<u>176,207,499.54</u>	<u>73,351,996.60</u>

(Unaudited)

Outstanding trade receivable - third parties can be aged as follows:

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Within credit term	141,521,421.82	34,479,607.37	137,679,012.29	25,506,090.01
Overdue 1 month to 3 months	32,064,160.37	22,395,462.14	22,373,435.58	20,366,539.06
Overdue 3 months to 6 months	4,984,169.31	19,398,513.63	4,339,629.12	17,816,844.66
Overdue 6 months to 12 months	6,099,456.15	544,744.32	4,947,268.37	544,744.32
Overdue over 12 months	13,192,540.01	12,439,268.55	13,090,380.72	12,337,109.26
Total	197,861,747.66	89,257,596.01	182,429,726.08	76,571,327.31
<u>Less</u> Allowance for expected credit loss	(17,731,823.40)	(12,811,566.90)	(17,436,161.22)	(12,709,407.61)
Net	180,129,924.26	76,446,029.11	164,993,564.86	63,861,919.70

The movement of allowance for expected credit loss - other current receivables third parties for the three-month period ended March 31, 2020 is as follows :-

(Unit : Baht)

	Separate	
	<u>Consolidated</u>	<u>financial statement</u>
Opening balance	(12,811,566.90)	(12,709,407.61)
Effect from the change of accounting policies (note 5.1)	(1,890,159.88)	(1,786,773.76)
Allowance increased during the period	(3,030,096.62)	(2,939,979.85)
Collected during the period	-	-
Ending balance	(17,731,823.40)	(17,436,161.22)

The movement of allowance for expected credit loss - other current receivables third parties for the three-month period ended March 31, 2020 is as follows :-

(Unit: Baht)

	Separate financial	
	<u>Consolidated</u>	<u>statement</u>
Beginning balance	(142,062.18)	(142,062.18)
Effect from the change of accounting policies (note 5.1)	(739,819.31)	-
Additions during the period	(256,437.31)	(256,437.31)
Collect during the period	-	-
Ending balance	(1,138,318.80)	(398,499.49)

(Unaudited)

9. Contract Assets

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Accrued service income	5,223,012.20	2,511,021.68	-	13,333.33

10. Inventories

Consisted of:-

(Unit : Baht)

	Consolidated					
	As at					
	March 31, 2020			December 31, 2019		
	Cost	Allowance for diminution in value of inventories	Net	Cost	Allowance for diminution in value of inventories	Net
Finished goods	176,490,710.37	(19,990,393.98)	156,500,316.39	169,245,702.25	(16,487,212.03)	152,758,490.22
Raw materials	30,597,639.27	(8,786,646.39)	21,810,992.88	27,245,829.87	(8,853,665.63)	18,392,164.24
Goods in transit	18,091,250.01	-	18,091,250.01	27,171,823.23	-	27,171,823.23
Total	225,179,599.65	(28,777,040.37)	196,402,559.28	223,663,355.35	(25,340,877.66)	198,322,477.69

(Unit : Baht)

	Separate financial statement					
	As at					
	March 31, 2020			December 31, 2019		
	Cost	Allowance for diminution in value of inventories	Net	Cost	Allowance for diminution in value of inventories	Net
Finished goods	173,304,198.49	(19,487,937.31)	153,816,261.18	166,574,617.66	(15,984,755.36)	150,589,862.30
Raw materials	30,597,639.27	(8,786,646.39)	21,810,992.88	27,245,829.87	(8,853,665.63)	18,392,164.24
Goods in transit	17,794,870.68	-	17,794,870.68	27,171,823.23	-	27,171,823.23
Total	221,696,708.44	(28,274,583.70)	193,422,124.74	220,992,270.76	(24,838,420.99)	196,153,849.77

(Unaudited)

The movement of allowance for diminutions in value of inventories for the three-month period ended March 31, 2020 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Beginning balance	(25,340,877.66)	(24,838,420.99)
Additional during the period	(3,436,162.71)	(3,436,162.71)
Reversal during the period	-	-
Ending balance	<u>(28,777,040.37)</u>	<u>(28,274,583.70)</u>

For the three-month period ended March 31, 2020, the costs of inventories recognized as expenses are Baht 206.58 million in the consolidated and Baht 206.90 million in separate financial statement (For the three-month period ended March 31, 2019 : Baht 144.27 million in the consolidated and Baht 143.73 million in separate financial statement).

For the three-month period ended March 31, 2020, the Group have no reversed allowance for diminutions (For the three-month period ended March 31, 2019 : Baht 21.71 and Baht 9.35 million in the consolidated and separate financial statement respectively).

As at March 31, 2020, some inventories with the carrying amount of Baht 39.04 million in the consolidated and Baht 34.46 million in the separate financial statement (December 31, 2019 : Baht 24.25 million in the consolidated and Baht 26.59 million in the separate financial statement).

11. Other current financial assets

Consisted of:-

	(Unit : Baht)	
	As at	
	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Financial assets measured at fair value through to profit or loss		
Unit trust	914,936.33	-
Total	<u>914,936.33</u>	<u>-</u>

(Unaudited)

The movement of unit trust for the three-month period ended March 31, 2020 is as follows :-

	(Unit : Baht)
Beginning book value	-
Purchase during the period	47,400,000.00
Disposal during the period	(46,490,424.00)
Changes in fair value of unit trust	5,360.33
Ending book value	<u>914,936.33</u>

12. Deposits at financial institutions pledged as collateral

As at March 31, 2020 and December 31, 2019, the restricted bank deposits are fixed deposit used to guarantee credit and obligation with commercial bank as mentioned in the note to financial statement 18 and 29.

13. Investments in subsidiary

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiary in the separate financial statement can be summarized as follows :-

<u>Name of subsidiary</u>	<u>Paid-up capital ('000 Baht)</u>		<u>Investment portion (%)</u>		<u>Cost method ('000 Baht)</u>		<u>Dividends ('000 Baht)</u>	
	<u>As at</u>		<u>As at</u>		<u>As at</u>		<u>As at</u>	
	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Subsidiary don't having non-controlling interests</u>								
Innov Green Solutions Co., Ltd.	30,000	30,000	100	100	30,255	30,255	-	-
Total					<u>30,255</u>	<u>30,255</u>	<u>-</u>	<u>-</u>

14. Finance lease receivables

Consisted of:-

	(Unit : Baht)					
	Consolidated					
	As at			As at		
	<u>March 31, 2020</u>			<u>December 31, 2019</u>		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Finance lease receivable	139,475.12	-	139,475.12	156,850.60	14,518.26	171,368.86
<u>Less</u> Allowance for expected credit loss	-	-	-	-	-	-
Net	<u>139,475.12</u>	<u>-</u>	<u>139,475.12</u>	<u>156,850.60</u>	<u>14,518.26</u>	<u>171,368.86</u>

(Unaudited)

(Unit : Baht)

	Separate financial statement					
	As at					
	March 31, 2020			December 31, 2019		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Finance lease receivable	29,834.07	-	29,834.07	22,687.93	-	22,687.93
<u>Less</u> Allowance for expected credit loss	-	-	-	-	-	-
Net	29,834.07	-	29,834.07	22,687.93	-	22,687.93

The maturity analysis of the lease payments receivable is as follows:

(Unit : Baht)

	Consolidated			Separate financial statement		
	As at March 31, 2020					
	Finance lease	Unearned finance		Finance lease	Unearned finance	
	<u>receivables</u>	<u>income</u>	<u>Net</u>	<u>receivables</u>	<u>income</u>	<u>Net</u>
Year 1	161,481.69	(22,006.57)	139,475.12	44,751.07	(14,917.00)	29,834.07
Total	161,481.69	(22,006.57)	139,475.12	44,751.07	(14,917.00)	29,834.07

The maturity analysis of the lease payments receivable is as follows:

(Unit : Baht)

	Consolidated			Separate financial statement		
	As at March 31, 2019					
	Finance lease	Unearned finance		Finance lease	Unearned finance	
	<u>receivables</u>	<u>income</u>	<u>Net</u>	<u>receivables</u>	<u>income</u>	<u>Net</u>
Year 1	185,479.94	(28,629.34)	156,850.60	41,823.44	(19,135.51)	22,687.93
Year 2	14,697.64	(179.38)	14,518.26	-	-	-
Total	200,177.58	(28,808.72)	171,368.86	41,823.44	(19,135.51)	22,687.93

As at March 31, 2020, the Group performs the contract of long term financial leased with 2 customers so as to lease goods by number of 2 contracts (December 31, 2019 : several customers and number of 9 contracts). The leased contracts determine leased fee repayment as monthly installment from Baht 7,348.82 – 14,917.00 per month (December 31, 2019 : from Baht 7,348.82 - 96,117.31 per month). The leased period is carried from 3 year and 7 years (December 31, 2019 : from 2 - 7 years). In addition, ownership of such goods will be transferred to ownership of the customers when the Group receives the payments of final installment in accordance with the leased contract.

*(Unaudited)*15. Property, plant and equipment

The movement of property, plant and equipment for the three-month period March 31, 2020 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value	55,997,767.77	46,153,794.02
Effect from the change of accounting policies (note 5.2)	(9,289,245.52)	(9,289,245.52)
Adjusted net book value at the beginning of the period	46,708,522.25	36,864,548.50
Purchase	4,057,018.80	2,763,629.90
Transfer in ownership of rights in asset	1,502,869.75	1,502,869.75
Disposal	(11,486.65)	(11,486.65)
Write off	(14,852.85)	(13,898.45)
Depreciation charge for the period	(4,079,875.21)	(3,645,973.10)
Ending net book value	48,162,196.09	37,459,689.95

As at March 31, 2020, certain plant and equipment items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 27.73 millions (December 31, 2019 : Baht 16.66 million).

As at March 31, 2020, the Company has pledged the land plus property and equipment in original cost of Baht 3.18 million (December 31, 2019 : Baht 3.19 million) to guarantee against credit facility of the Company that receives from a commercial bank in amount of Baht 282.50 million.

(Unaudited)

16. Right-of-use assets

The movement of right-of-use assets for the three-month period March 31, 2020 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value	-	-
Effect from the change of accounting policies (note 5.2)	27,749,628.16	26,542,459.27
Adjusted net book value at the beginning of the period	27,749,628.16	26,542,459.27
Increase	1,057,738.32	1,057,738.32
Transfer out to assets	(1,502,869.75)	(1,502,869.75)
Depreciation charge for the period	(2,243,062.91)	(2,129,890.83)
Ending net book value	25,061,433.82	23,967,437.01

17. Intangible assets

The movement of intangible assets for the three-month period ended March 31, 2020 is as follow :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value	3,706,612.04	3,492,837.86
Purchase	29,700.00	29,700.00
Amortization charge for the period	(264,477.38)	(245,957.36)
Ending net book value	3,471,834.66	3,276,580.50

As at March 31, 2020, certain intangible assets items of the Company have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those assets amounted to Baht 3.73 million (December 31, 2019 : Baht 3.73 million).

(Unaudited)

18. Bank overdraft and Short-term loans from financial institutions

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Bank overdraft	41,268,980.70	33,105,757.64	41,268,980.70	33,105,757.64
Short-term loans	65,279,108.22	40,095,145.68	65,279,108.22	40,095,145.68
Trust receipt payable	102,227,221.45	77,151,669.22	102,227,221.45	77,151,669.22
Total	208,775,310.37	150,352,572.54	208,775,310.37	150,352,572.54

As at March 31, 2020, and December 31, 2019m#, the Group held bank overdraft and short – term loans from financial institutions amounting of Baht 250.10 million Interest rate is MLR, MLR – 1.00%, MOR, MOR – 1.50% per annum

Such the line of bank overdrafts and short-term borrowings from financial institutions are secured by bank deposits described in Note 12 to the financial statements, land and buildings described in Note 15.

19. Trade and other current payable - third parties

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Trade payables	80,802,299.79	45,508,957.57	76,864,961.82	41,919,491.06
Asset payable	3,006,178.20	4,517,957.01	1,883,884.43	2,658,232.78
Accrued expenses	42,000,137.57	19,752,998.82	39,900,994.11	18,427,819.73
Undue output vat	675,987.61	651,631.31	264,951.12	528,265.29
Other payables	2,059,928.74	770,494.67	1,759,703.33	472,849.14
Total	128,544,531.91	71,202,039.38	120,674,494.81	64,006,658.00

(Unaudited)

20. Contract liabilities

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Advance receipt from sale of goods	18,016,631.04	1,938,854.06	17,792,682.42	1,728,814.98
Advance receipt from service income	929,938.03	34,532,102.18	755,287.88	34,308,153.56
Advance receipt from construction contract	-	165,000.00	-	-
Total	18,946,569.07	36,635,956.24	18,547,970.30	36,036,968.54

21. Lease liabilities

Change of lease liabilities for the three-month period ended March 31, 2020 is as follows :

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening balance as previously reported	4,699,990.77	4,699,990.77
Effect from the change of accounting policies (note 5.2)	18,460,382.64	17,253,213.75
Opening balance as restated	23,160,373.41	21,953,204.52
Additions during the period	773,054.58	773,054.58
Repayment during the period	(2,253,906.04)	(2,145,406.91)
Ending balance	21,679,521.95	20,580,852.19

The maturity analysis of lease liabilities is as follows:-

(Unit : Baht)

	Consolidated financial statement					
	As at March 31, 2020			As at December 31, 2019		
	<u>Lease liabilities</u>	<u>Deferred lease charges</u>	<u>Net</u>	<u>Lease liabilities</u>	<u>Deferred lease charges</u>	<u>Net</u>
Not later than 1 year	9,675,995.50	(1,053,870.87)	8,622,124.63	2,546,229.96	(198,553.65)	2,347,676.31
Later than 1 year but not later than 5 years	13,738,945.28	(681,547.96)	13,057,397.32	2,470,908.33	(118,593.87)	2,352,314.46
Later than 5 year	-	-	-	-	-	-
Total	23,414,940.78	(1,735,418.83)	21,679,521.95	5,017,138.29	(317,147.52)	4,699,990.77

(Unaudited)

(Unit : Baht)

	Separate financial statement					
	As at March 31, 2020			As at December 31, 2019		
	Lease liabilities	Deferred lease charges	Net	Lease liabilities	Deferred lease charges	Net
Not later than 1 year	9,195,995.50	(999,529.82)	8,196,465.68	2,546,229.96	(198,553.65)	2,347,676.31
Later than 1 year but not later than 5 years	13,034,945.28	(650,558.77)	12,384,386.51	2,470,908.33	(118,593.87)	2,352,314.46
Later than 5 year	-	-	-	-	-	-
Total	22,230,940.78	(1,650,088.59)	20,580,852.19	5,017,138.29	(317,147.52)	4,699,990.77

As at March 31, 2020 the Group has entered into the contract of long term leases with several lessor companies so as to lease vehicles by number of 12 contracts air-conditioning by number of 1 contract and building and warehouse by number of 4 contract. (December 31, 2019 : vehicles by number of 15 contracts and air-conditioning by number of 1 contract) The leased contracts determine leased fee repayment as monthly installment from Baht 7,000.00 to Baht 352,000.00 per month. (December 31, 2019 : Baht 8,481.00 to Baht 90,282.00 per month) The leased period is carried from 2 years to 4 years. (December 31, 2019 : 2 years to 4 years) Such leased contract comprises the Company's shareholders and directors as guarantors.

22. Deferred tax assets/liabilities

Changed of deferred tax assets and liabilities for the three-month period ended March 31, 2020 is as follows:-

	(Unit : Baht)		
	Consolidated		
	January 1, 2020	Recognized in profit or loss	March 31, 2020
Property, plant and equipment	(1,358,867.30)	(20,746.57)	(1,379,613.87)
Trade receivable	20,431.86	-	20,431.86
Inventories	100,491.33	-	100,491.33
Right-of-use assets	-	934.59	934.59
Provision for warranty	159,341.08	(62,816.44)	96,524.64
Employee benefit obligation	264,816.22	8,938.86	273,755.08
Total	(813,786.81)	(73,689.56)	(887,476.37)

(Unaudited)

The Group offsets the deferred tax assets and the deferred tax liabilities for the presentation in the statement of financial position only in a case where such assets and liabilities relates to the same taxable company and the income tax is levied by the same taxation authority, as follows :-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Amount recognized as assets/liabilities in the statement of financial position				
- Deferred tax assets	-	-	-	-
- Deferred tax liabilities	(887,476.37)	(813,786.81)	-	-
Total	(887,476.37)	(813,786.81)	-	-

The deferred tax asset is not recognized in the statement of financial position; consisted of:-

(Unit : Baht)

	Consolidated financial statement		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Unused tax losses				
- Expire in next 1 year	-	-	-	-
- Expire in next 2-12 years	28,177,419.40	15,296,142.75	28,177,419.40	15,296,142.75
Temporary differences	18,275,193.60	16,623,135.80	18,276,970.59	16,619,334.01
Total	46,452,613.00	31,919,278.55	46,454,389.99	31,915,476.76

(Unaudited)

23. Employee benefit obligation

Change in the present value of the employee benefit obligation for the three-month period ended March 31, 2020 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening balance	15,026,485.89	13,702,404.81
Current service cost	476,290.02	437,918.21
Interest cost	67,193.51	60,871.02
Ending balance	<u>15,569,969.42</u>	<u>14,201,194.04</u>

24. Provision for warranty

The movement of provision for warranty for the three-month period ended on March 31, 2020 is as follows:-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value	5,689,973.18	4,893,267.79
Increase during the period	1,902,768.28	1,902,768.28
Utilized during the period	-	-
Unused amount reversed during the period	(1,689,302.62)	(1,390,878.18)
Ending net book value	<u>5,903,438.84</u>	<u>5,405,157.89</u>

Provision for warranty – minimum payments:-

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Within 1 years	5,887,781.08	5,658,825.42	5,405,157.89	4,893,267.79
Within 2 year - 5 years	15,657.76	31,147.76	-	-
Total	<u>5,903,438.84</u>	<u>5,689,973.18</u>	<u>5,405,157.89</u>	<u>4,893,267.79</u>

(Unaudited)

25. Share capital

The movement of share capital for the three-month period ended March 31, 2020 is as follows :-

	Number of share (Unit : share)	Amount (Unit : Baht)
Registered share capital (Baht 0.25 per share)		
As at January 1, 2020	576,000,000	144,000,000.00
Increment during the period	-	-
As at March 31, 2020	576,000,000	144,000,000.00
	Number of share (Unit : share)	Amount (Unit : Baht)
Paid-up share capital (Baht 0.25 per share)		
As at January 1, 2020	480,000,000	120,000,000.00
Increment during the period	-	-
As at March 31, 2020	480,000,000	120,000,000.00

26. Income tax expense

The income tax expenses recognized in loss for the three-month period ended March 31, 2020 and 2019 are as follow:

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current tax expense	68,361.94	-	-	-
Expense deferred tax expense relating to the origination and reversal of temporary differences	73,689.56	91,849.35	-	22,413.08
Total income tax expense recognized in profit or loss	142,051.50	91,849.35	-	22,413.08

(Unaudited)

The relationship between income tax (income) expense and accounting loss for the three-month period ended March 31, 2020 and 2019, are as follow :-

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting loss	(11,250,210.34)	(3,769,657.31)	(11,987,407.37)	(5,043,318.01)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(2,250,042.07)	(753,931.46)	(2,397,481.47)	(1,008,663.60)
Temporary difference not recognized as a deferred tax asset	1,652,057.80	1,215,564.09	1,657,636.58	1,248,265.27
Expenses that are not deductible in determining taxation profit	696.78	83,909.90	505.90	31,651.07
Expenses that are deductible at greater amount in determining taxation profit	-	(95,780.38)	-	-
Tax losses that have not been recorded in the previous period but used to reduce tax in the current period	-	(357,912.80)	-	(248,839.66)
Loss from operation for the period	739,338.99	-	739,338.99	-
Income tax (income) expense	142,051.50	91,849.35	-	22,413.08
Tax rate			<u>2020</u>	<u>2019</u>
- The Company and subsidiary				
- Profit of non-BOI business			20%	20%
- Profit of BOI business				
- Exemption from taxation			-	-
- Reduction of tax 50%			10%	10%

27. Loss per share

Basic loss per share are calculated by dividing the loss for the periods attributable to shareholders by the weighted average number of ordinary shares in issue during the periods.

(Unaudited)

28. Supplemental disclosures of cash flow information

28.1 Cash and cash equivalents consist of :-

(Unit : Baht)

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	1,379,757.93	603,512.80	1,366,461.11	593,697.80
Cash deposits-Saving accounts	1,028,630.73	4,668,042.24	778,159.67	4,388,451.47
Cash deposits-Current accounts	14,008,087.48	9,661,416.32	8,284,534.27	4,885,276.10
Fixed deposits	6,196,658.28	2,563,873.82	6,145,113.65	2,530,820.22
Total	22,613,134.42	17,496,845.18	16,574,268.70	12,398,245.59

28.2 Non-cash items are as follows :-

(Unit : Baht)

	Consolidated		Separate financial statements	
	For the three-month period ended March 31,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Purchase equipment but not yet paid	260,641.06	-	15,400.00	-
Transfer from equipment to right of used	9,289,245.52	-	9,289,245.52	-
Transfer from right of used to equipment	1,502,869.75	-	1,502,869.75	-
Assets from leases	773,054.58	1,141,555.28	773,054.58	1,141,555.28
Transfer from other current receivable to non current assets	176,000.00	-	176,000.00	-
Transfer from inventory to equipment	1,377,110.93	-	1,377,110.93	-

29. Credit line of financial institutions

(Unit: Million Baht)

	Consolidated					
	As at					
	March 31, 2020			December 31, 2019		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	8.10	(0.52)	7.58	8.10	(0.52)	7.58
Credit line of bank overdraft	46.10	(41.27)	4.83	46.10	(33.11)	12.99
Credit line of short-term loans	204.00	(167.51)	36.49	204.00	(117.25)	86.75
Credit line of long-term loans	0.30	-	0.30	0.30	-	0.30
Credit line of forward contracts	-	-	-	100.00	-	100.00
	258.50	(209.30)	49.20	358.50	(150.88)	207.62

(Unaudited)

(Unit: Million Baht)

Separate financial statement

As at

	March 31, 2020			December 31, 2019		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	7.10	(0.11)	6.99	7.10	(0.11)	6.99
Credit line of bank overdraft	46.10	(41.27)	4.83	46.10	(33.11)	12.99
Credit line of short-term loans	200.00	(167.51)	32.49	200.00	(117.25)	82.75
Credit line of long-term loans	0.30	-	0.30	0.30	-	0.30
Credit line of forward contracts	-	-	-	100.00	-	100.00
	<u>253.50</u>	<u>(208.89)</u>	<u>44.61</u>	<u>353.50</u>	<u>(150.47)</u>	<u>203.03</u>

The Group pledged the land plus property, as mentioned in the notes to financial statements No. 15, and bank deposit to financial statements No. 12, as collaterals against the said credit facilities.

30. Operating segments

The Group identified the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment in the form of type of business operated. The Group has two operating segments which are consists of the sale of products segment and the service of products segment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses and finance cost.

The segment operation for the three-month period ended March 31, 2020 and 2019 are as follows :-

	(Unit: Million Baht)					
	Sale of Products		Service		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net outsider sales	241.67	174.79	30.85	23.00	272.52	197.79
Gross profit	31.67	29.22	13.89	12.19	45.56	41.41
Other income					0.32	2.86
Cost of distribution					(28.06)	(27.85)
Administrative expenses					(17.22)	(17.03)
Loss on exchange rate					(8.76)	-
Finance cost					(3.09)	(3.16)
Loss before income tax expenses					<u>(11.25)</u>	<u>(3.77)</u>

(Unaudited)

The reconciliations of each segment total assets to the Group's assets and other material items.

	(Unit: Million Baht)							
	Sale of Products		Service		Central		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Depreciation	2.07	4.02	1.48	0.65	2.79	1.57	6.34	6.24
Amortization	-	-	-	-	0.25	0.35	0.25	0.35

For the three-month period ended March 31, 2020, the Group has the revenue from sale of goods to 1 major customers in the amount of Baht 123.18 million earned from sale of products segment. (For the three-month period ended March 31, 2019 : 2 major customers in the amount of Baht 49.73 million earned from sale of products segment).

Geographical segment information for the three-month period ended March 31, 2020 and 2019 are as follows:-

	(Unit : Million Baht)					
	Consolidated					
	For the three-month period ended March 31,					
	Thailand		China		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues from external customers	116.69	114.60	155.83	83.19	272.52	197.79
Non-current assets (excluding financial instruments and deferred tax)	46.84	42.17	16.96	25.56	63.80	67.73

31. Revenue

The relationship between the revenue information disclosed for each reportable segment and the revenue derived from transfer of goods and services over time and a point in time for the three-month period ended on March 31, 2020 and 2019 are as follows:

	(Unit: Million Baht)					
	Segment operation					
	Sale		Service		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	241.67	174.79	30.85	23.00	272.52	197.79
Revenue about geographic areas						
- Thailand	85.84	91.60	30.85	23.00	116.69	114.60
- China	155.83	83.19	-	-	155.83	83.19
Total	241.67	174.79	30.85	23.00	272.52	197.79

(Unaudited)

(Unit: Million Baht)

	Segment operation					
	Sale		Service		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue recognized when a performance obligation						
- satisfied at a point in time	241.67	174.79	-	-	241.67	174.79
- satisfied over time	-	-	30.85	23.00	30.85	23.00
Total	241.67	174.79	30.85	23.00	272.52	197.79

32. Fair value Measurement

Information on assets and liabilities of the Group measured the fair value in the statement of financial position as at March 31, 2020 and December 31, 2019, are as follows:

(Unit : Million Baht)

<u>Assets and liabilities</u>	Fair value		Fair value hierarchy	Valuations techniques
	March 31, <u>2020</u>	December 31, <u>2019</u>		
Foreign currency forward contract (Note No. 33.3)	0.008	-	Level 2	Calculated by the value declared by the financial institution.
Investment in unit trust (Note No. 11)	0.005	-	Level 2	NAV of investment in units trust at the end of the reporting period

33. Commitments and contingent liabilities

33.1 As at December 31, 2019, the Company has commitments relating to letters of credit which has been withdrawn in amount of USD 0.17 million

33.2 As at March 31, 2020, and December 31, 2019, the Group constitutes contingent liability from issuance of guarantee letter of the bank by amount of Baht 0.52 million in consolidated and amount of Baht 0.11 million in Separated financial statement.

33.3 As at March 31, 2020, The Group has performed the forward foreign currencies contract in amount of USD 0.20 million which holds the contract life not exceeding one year.

33.4 The Company entered into a distributor agreement with a foreign company for a period of 11 years expiring in December 2022. The Company is authorized to sell the products of cooling machines business EVAP 70 and EVAP 35 in the country around the world save except some country as specified in the agreement.

(Unaudited)

Under the agreement, the Company is committed to achieve certain distributor's sales goals as specified in the agreements.

- 33.5 The Company entered into a distributor agreement with a foreign company as the same a No. 33.4 for 2 contracts for period of 11 years expiring in December 2023. The Company is authorized to sell the products of cooling machines business EVAP 03 and EVAP 20 in the country around the world save except some country as specified in the agreement. Under the agreement, the Company is committed to achieve certain distributor's sales goals as specified in the agreements.
- 33.6 The Company entered into an OEM agreement with a foreign company to manufacture the evaporative fan model MIK-25EXN for the contractual period of 11 years. The agreement term will be expired in 2025.
- 33.7 As at March 31, 2020 and December 31, 2019, the Group has obligation from engaging services that provided by several outside parties for the period of 1 - 3 years. The Group has obligation to pay the service fees at Baht 10,000.00 - 95,000.00 per month.
- 33.8 The Group has obligation from hiring outside parties as procurement agent for merchandises from People's Republic Of China. The contractual term commenced in November 2018 and the term will be expired when both parties mutually agreed to end the agreement. The Group Companies have the obligation to pay RMB 5,883.00 per month.
- 33.9 The Company enter into OEM agreement and distributor agreement with a foreign company into two contracts for the product and sell the cooling fan model MIK-02EX and evaporative fan and built-in heating system model MIK-08EX which the contract period commenced in August 2018. The Company was authorized to be a distribution for such products around the world, except some
- 33.10 The Company enter into OEM agreement and distributor agreement with a foreign company into one contracts for the product and sell the cooling fan model MIX-06EX, The contract term commenced in 2019. The Company was authorized to be a distribution for such products around the world, except some.

34. Reclassification of accounting transactions

Some transactions in statement of comprehensive income for the three month period ended March 31, 2019, are newly reclassified so as to comply with reflection in statement comprehensive income for the three month period ended March 31, 2020, which can be summarized as follows:

Transactions which formerly presented	Reclassified	(Unit : Baht)	
		For the ended December 31, 2019 Consolidated Statement of Comprehensive Income	Separate Statement of Comprehensive Income
Costs of sales	Cost of services	847,555.00	847,555.00
Cost of distribution	Cost of services	807,432.00	-

35. Employee joint investment program

Details of the first program employee joint investment program (project 1) is as follows:

Approved by	: In accordance with Meeting of The Board of Directors No. 7/2016
Duration of the scheme	: 4 years, from February 1, 2017 to January 31, 2021
Detail of contributions	: Employees contribute 3 percent of their monthly base salary and the Group additionally contribute 3 percent of employees' monthly base salary
Program management	: TISCO Asset Management Company Limited

Details of the second employee joint investment program (project 2) for executive directors is as follows:

Approved by	: In accordance with The annual ordinary general meeting of shareholders of 2017
Duration of the scheme	: 4 years, from February 1, 2017 to January 31, 2021
Detail of contributions	: Directors contribute 3 percent and the Group additionally contribute 3 percent of their monthly base salary.
Program management	: TISCO Asset Management Company Limited

For the three-month period ended March 31, 2020, the Group contributed the joint investment program for employee and executive directors in the amount of Baht 0.06 million (For the three-month period ended March 31, 2019 : Baht 0.14 million).

36. Board of Director's Meeting Resolution

The Board of Directors' Meeting no.1/2020 with held on February 27, 2020 has the resolution to propose to the Annual General Meeting of Shareholders for the year 2020 to consider matters, as the following details.

- To consider and approve the reduction of the registered capital of the Company in the amount of 24,000,000.00 Baht from the original registered capital of 144,000,000 baht to be the registered capital 120,000,000.00 Baht by cutting out the ordinary shares that have not been issued number of 96,000,000 shares at par value of 0.25 baht per share due to legal expiration. And amendment to Clause 4 of the Company's Memorandum of Association in order to be consistent with the said capital reduction

- To consider the registered share capital increase, amend for Section 4 of the Company's memorandum of association to correspond with the registered share capital increase and allotment under the general mandate. The allocation will be via Private Placement and Right Offering.

- To consider and approve for The Employee Joint Investment Program (EJIP : Employee Joint Investment Program) A period of 4 years and the company has appointed TISCO Securities Company Limited is the implementation of a project.

37. Approval of interim financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's board of directors on May 14, 2020.
