

THAI NIPPON RUBBER INDUSTRY PUBLIC CO., LTD.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2020

Independent Auditor's Report

To the shareholders and the Board of Directors of Thai Nippon Rubber Industry Public Co., Ltd.

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Thai Nippon Rubber Industry Public Co., Ltd. (the Company) and its subsidiaries (the Group) and separate financial position of the Company as at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: the impairment assessment of investment in a subsidiary. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Impairment assessment of investment in a subsidiary</p> <p>Refer to Note 9 'Critical accounting estimates and judgements' and Note 18 'Investment in subsidiaries' to the consolidated and separate financial statements.</p> <p>As at 31 December 2020, the Company had a Baht 25,822,529 investment in a subsidiary, Box Asia Group International Co., Ltd., in the separate financial statements.</p> <p>The management reviewed the impairment of this investment in a subsidiary by using the value-in-use method, considering the subsidiary's past performance, future business plans and future cash flow projection. Key assumptions used in the impairment testing were revenue growth rate, estimated expenses, the economic forecast and the discount rate used in the cash flow projection.</p> <p>From this impairment assessment, the management found that the recoverable amount of the investment was greater than the book value, so no impairment allowance of investment in a subsidiary was needed this year.</p> <p>I focussed on this area due to the complexity of the impairment assessment and because it involved significant management judgment in forecasting the future market, economic conditions and key assumptions used in estimating the future cash flows.</p>	<p>I tested management's impairment assessment in the investment in the subsidiary by:</p> <ul style="list-style-type: none">• assessing the subsidiary's operating results and financial position for the year ended 31 December 2020 by evaluating its past performance• inquiring whether the management's valuation method used in the impairment testing was appropriate and whether the assumptions management used were reasonable• testing the accuracy of the information that management used for preparing the future business plans, evaluating whether the assumptions used in the cash flow projection related to the revenue growth rate and economic forecast were reasonable by comparing them with the market growth rate in the same industry• assessing whether the discount rate used by management in preparing the cash flow projection was reasonable and in the acceptable range by comparing it with the discount rate calculated by my internal valuation expert. <p>As a result of these procedures, I found that the management's key assumptions used in determining the allowance for impairment in the investment in the subsidiary were reasonable based on supporting evidence.</p>

Emphasis of matter

I draw attention to note 6 of the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter.

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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.

PricewaterhouseCoopers ABAS Ltd.

Krit Chatchavalwong
Certified Public Accountant (Thailand) No. 5016
Bangkok
24 February 2021

Thai Nippon Rubber Industry Public Co., Ltd.

Statement of Financial Position

As at 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	11	72,906,984	49,308,187	65,419,853	37,156,574
Short-term loan to a subsidiary	40 c)	-	-	10,000,000	-
Trade and other accounts receivable (net)	12	693,849,366	697,661,437	659,692,157	651,423,383
Inventories (net)	14	208,516,721	167,924,679	178,754,149	137,322,588
Value added tax (net)	15	14,631,580	13,996,795	14,292,297	14,490,214
Loans to employee	16	406,733	500,533	406,733	500,533
Other current assets		10,446,369	6,026,154	-	-
Total current assets		1,000,757,753	935,417,785	928,565,189	840,893,292
Non-current assets					
Cash at a financial institution pledged as security	17	2,308,994	587,069	-	-
Investment in subsidiaries	18	-	-	28,546,529	25,822,529
Property, plant and equipment (net)	19	557,725,004	604,194,471	404,530,616	427,484,335
Right-of-use assets (net)	20	29,258,777	-	27,923,387	-
Intangible assets (net)	21	430,667,623	456,625,846	430,337,580	456,238,956
Deferred tax assets	22	18,270,116	10,017,090	18,270,116	10,017,090
Other non-current assets	23	2,231,358	2,198,007	2,222,158	2,132,087
Total non-current assets		1,040,461,872	1,073,622,483	911,830,386	921,694,997
Total assets		2,041,219,625	2,009,040,268	1,840,395,575	1,762,588,289

The accompanying notes on pages 12 to 57 are an integral part of these consolidated and separate financial statements.

Thai Nippon Rubber Industry Public Co., Ltd.

Statement of Financial Position

As at 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	24	216,900,000	238,000,000	176,900,000	198,000,000
Trade and other accounts payable	25	278,149,953	213,019,259	232,207,867	167,692,859
Current portions of					
- Lease liabilities (net)	26	9,318,448	346,606	8,770,946	28,800
- Long-term loans from financial institution	27	80,040,000	80,040,000	80,040,000	80,040,000
Derivative liabilities	43	3,475,464	-	3,475,464	-
Accrued income tax		4,448,203	8,608,219	4,448,203	8,608,219
Other current liabilities	28	4,010,711	4,243,071	3,814,127	3,938,844
Total current liabilities		596,342,779	544,257,155	509,656,607	458,308,722
Non-current liabilities					
Lease liabilities (net)	26	19,712,397	356,157	19,618,729	-
Long-term loans from financial institution	27	79,880,000	159,920,000	79,880,000	159,920,000
Deferred tax liabilities	22	19,176,567	21,415,986	-	-
Employee benefit obligations	29	68,785,400	55,777,849	63,298,030	49,271,841
Total non-current liabilities		187,554,364	237,469,992	162,796,759	209,191,841
Total liabilities		783,897,143	781,727,147	672,453,366	667,500,563
Equity					
Share capital	30				
Authorised share capital					
300,000,000 ordinary shares of par Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid-up share capital					
300,000,000 ordinary shares of par Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Share premium (net)		549,079,673	549,079,673	549,079,673	549,079,673
Retained earnings					
Appropriated - legal reserve	31	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		385,302,606	349,777,832	295,922,333	217,552,437
Other components of equity (net)		(7,059,797)	(1,544,384)	(7,059,797)	(1,544,384)
Total equity		1,257,322,482	1,227,313,121	1,167,942,209	1,095,087,726
Total liabilities and equity		2,041,219,625	2,009,040,268	1,840,395,575	1,762,588,289

The accompanying notes on pages 12 to 57 are an integral part of these consolidated and separate financial statements.

Thai Nippon Rubber Industry Public Co., Ltd.

Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Revenue from sales and services	33	1,754,112,640	1,743,923,824	1,552,809,398	1,539,610,528
Cost of sales and services	34	(1,293,231,305)	(1,352,547,174)	(1,071,215,423)	(1,139,229,415)
Gross profit		460,881,335	391,376,650	481,593,975	400,381,113
Other income	35	6,313,969	20,943,685	6,237,158	20,529,832
Profit before expenses		467,195,304	412,320,335	487,831,133	420,910,945
Selling expenses	34	(147,456,063)	(155,144,885)	(139,713,872)	(145,167,704)
Administrative expenses	34	(112,629,758)	(116,542,671)	(100,614,456)	(99,610,485)
Expected credit losses		(59,960,561)	-	(60,179,527)	-
Other gains (losses)	36	(23,089,529)	(15,223,872)	(20,274,658)	(16,337,611)
Finance costs (net)	37	(16,528,265)	(16,536,063)	(14,564,689)	(15,248,598)
Total expenses		(359,664,176)	(303,447,491)	(335,347,202)	(276,364,398)
Profit before income tax		107,531,128	108,872,844	152,483,931	144,546,547
Income tax	38	3,899,553	(8,769,018)	1,791,872	(11,393,920)
Profit for the year		111,430,681	100,103,826	154,275,803	133,152,627
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement of employment benefit obligations - net of tax		(5,515,413)	(1,284,279)	(5,515,413)	(1,284,279)
Other comprehensive income for the year, net of tax		(5,515,413)	(1,284,279)	(5,515,413)	(1,284,279)
Total comprehensive income for the year		105,915,268	98,819,547	148,760,390	131,868,348
Profit attributable to :					
Owner of the parent		111,430,681	100,103,826	154,275,803	133,152,627
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to :					
Owner of the parent		105,915,268	98,819,547	148,760,390	131,868,348
Non-controlling interests		-	-	-	-
Earnings per share	39				
Basic earnings per share (Baht per share)		0.37	0.33	0.51	0.44

The accompanying notes on pages 12 to 57 are an integral part of these consolidated and separate financial statements.

Thai Nippon Rubber Industry Public Co., Ltd.
Statement of Changes in Equity
For the year ended 31 December 2020

Consolidated financial statements								
Attributable to owners of the parent								
	Notes	Authorised, issued and fully paid-up share capital Baht	Share premium Baht	Retained earnings		Other components of equity (net)	Total owners of the parent Baht	Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income (net) Remeasurements of employee benefit obligations (net) Baht		
Opening balance as at 1 January 2019		300,000,000	549,079,673	30,000,000	309,674,006	(260,105)	1,188,493,574	1,188,493,574
Change in equity for the year 2019								
Dividend payment	32	-	-	-	(60,000,000)	-	(60,000,000)	(60,000,000)
Total comprehensive income for the year		-	-	-	100,103,826	(1,284,279)	98,819,547	98,819,547
Closing balance as at 31 December 2019		300,000,000	549,079,673	30,000,000	349,777,832	(1,544,384)	1,227,313,121	1,227,313,121
Adoption of new accounting standard	5	-	-	-	(3,905,907)	-	(3,905,907)	(3,905,907)
Opening balance as at 1 January 2020 (restated)		300,000,000	549,079,673	30,000,000	345,871,925	(1,544,384)	1,223,407,214	1,223,407,214
Change in equity for the year 2020								
Dividend payment	32	-	-	-	(72,000,000)	-	(72,000,000)	(72,000,000)
Total comprehensive income for the year		-	-	-	111,430,681	(5,515,413)	105,915,268	105,915,268
Closing balance as at 31 December 2020		300,000,000	549,079,673	30,000,000	385,302,606	(7,059,797)	1,257,322,482	1,257,322,482

The accompanying notes on pages 12 to 57 are an integral part of these consolidated and separate financial statements.

Thai Nippon Rubber Industry Public Co., Ltd.

Statement of Changes in Equity

For the year ended 31 December 2020

Separate financial statements							
	Notes	Authorised, issued and fully paid-up share capital Baht	Share premium (net) Baht	Retained earnings		Other components of equity (net)	Total Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income (net) Remeasurements of employee benefit obligations (net) Baht	
Opening balance as at 1 January 2019		300,000,000	549,079,673	30,000,000	144,399,810	(260,105)	1,023,219,378
Changes in equity for the year 2019							
Dividend payment	32	-	-	-	(60,000,000)	-	(60,000,000)
Total comprehensive income for the year		-	-	-	133,152,627	(1,284,279)	131,868,348
Closing balance as at 31 December 2019		300,000,000	549,079,673	30,000,000	217,552,437	(1,544,384)	1,095,087,726
Adoption of new accounting standard	5	-	-	-	(3,905,907)	-	(3,905,907)
Opening balance as at 1 January 2020 (restated)		300,000,000	549,079,673	30,000,000	213,646,530	(1,544,384)	1,091,181,819
Changes in equity for the year 2020							
Dividend payment	32	-	-	-	(72,000,000)	-	(72,000,000)
Total comprehensive income for the year		-	-	-	154,275,803	(5,515,413)	148,760,390
Closing balance as at 31 December 2020		300,000,000	549,079,673	30,000,000	295,922,333	(7,059,797)	1,167,942,209

The accompanying notes on pages 12 to 57 are an integral part of these consolidated and separate financial statements.

Thai Nippon Rubber Industry Public Co., Ltd.

Statement of Cash Flows

For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash flows from operating activities					
Profit before income tax		107,531,128	108,872,844	152,483,931	144,546,547
Adjustments:					
Depreciation charge	19,20	116,459,086	109,922,643	93,112,811	86,154,970
Amortisation charge	21	26,627,337	26,198,161	26,558,691	26,134,706
Allowance for expected credit losses		59,960,561	-	60,179,527	-
Allowance for doubtful accounts		-	1,687,221	-	1,687,221
Bad debts		218,966	232,349	-	-
Losses from changes in fair value of derivatives		(430,443)	-	(430,443)	-
(Reversal of) allowance for slow-moving and obsolete inventories	14	(6,486,458)	3,212,954	(6,858,794)	3,212,954
Reversal of allowance for inventory costs in excess of net realisable value	14	(24,131)	(4,137,598)	(856,203)	(2,821,318)
Employee benefits obligations	29	6,622,359	17,199,981	7,306,555	15,606,190
Reversal of accounts payable for purchases of Playboy trademark which are free of payment	35	-	(3,197,850)	-	(3,197,850)
Interest income from - financial institutions	35	(20,986)	(37,698)	(15,975)	(22,995)
- short-term loan to a subsidiary	35	-	-	(235,274)	-
- loans to employee	35	(64,045)	(75,104)	(64,045)	(75,104)
Net (gain) loss from disposals of equipment		4,654,219	(964,031)	1,918,876	(964,031)
Gain from termination of lease contract	36	(5,365)	-	(5,365)	-
Loss from write-off of intangible assets	36	21,636	14,049	21,636	14,049
Finance costs	37				
- interest expense from - loans from financial institutions		15,255,372	16,437,577	13,334,516	15,248,598
- lease liabilities		1,272,893	98,486	1,230,173	-
		331,592,129	275,463,984	347,680,617	285,523,937
Changes in working capital					
- trade and other accounts receivable		(56,367,456)	(149,742,226)	(68,448,301)	(151,798,260)
- inventories		(34,081,453)	(7,631,847)	(33,716,564)	(681,600)
- value added tax		(634,785)	18,670,840	197,917	17,787,227
- other current assets		-	2,000,000	-	-
- other non-current assets		(33,351)	(41,120)	(90,071)	2,600
- trade and other accounts payable		58,933,177	(17,452,609)	60,711,483	(11,689,380)
- other current liabilities		(232,360)	432,999	(124,717)	337,316
- employee benefits paid		(334,442)	(206,647)	-	(206,647)
Cash generated from operating activities before interest received and income tax paid		298,841,459	121,493,374	306,210,364	139,275,193
Interest received from financial institutions		20,986	37,698	15,975	22,995
Income tax paid		(13,968,902)	(12,221,236)	(9,416,949)	(6,195,082)
Net cash generated from operating activities		284,893,543	109,309,836	296,809,390	133,103,106

The accompanying notes on pages 12 to 57 are an integral part of these consolidated and separate financial statements.

Thai Nippon Rubber Industry Public Co., Ltd.
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Short-term loan to a subsidiary - proceeds	40 c)	-	-	10,000,000	-
- payments	40 c)	-	-	(20,000,000)	-
Loans to employee - principal		93,800	88,034	93,800	88,034
Interest received from - short-term loan to a subsidiary	40 a)	-	-	235,274	-
- loans to employee		64,045	75,104	64,045	75,104
Cash at a financial institution pledged as security		(1,721,925)	(2,173)	-	-
Cash paid for investment in subsidiary		-	-	(2,724,000)	-
Cash paid for purchases of - property, plant and equipment		(61,534,541)	(45,716,914)	(59,343,721)	(35,398,188)
- intangible assets		(717,500)	(3,527,294)	(705,701)	(3,484,294)
- Playboy trademark		-	(159,876,150)	-	(159,876,150)
Cash received from disposals of equipment		1,232,478	1,516,841	32,479	1,516,841
Net cash used in investing activities		(62,583,643)	(207,442,552)	(72,347,824)	(197,078,653)
Cash flows from financing activities					
Short-term loans from financial institutions - proceeds	24	1,136,800,000	711,000,000	1,001,800,000	661,000,000
- payments	24	(1,157,900,000)	(477,600,000)	(1,022,900,000)	(467,600,000)
Long-term loans from financial institutions - payments	27	(80,040,000)	(90,540,000)	(80,040,000)	(90,540,000)
Interest expense from loans from financial institutions		(15,173,441)	(16,500,762)	(13,252,585)	(15,311,783)
Cash paid for lease liabilities - principle		(9,125,569)	(3,918,610)	(8,576,329)	(57,600)
- interest expense		(1,272,893)	-	(1,230,173)	-
Dividends paid to the Group's shareholders	32	(71,999,200)	(59,995,600)	(71,999,200)	(59,995,600)
Net cash generated (used in) from financing activities		(198,711,103)	62,445,028	(196,198,287)	27,495,017
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents - beginning balance		49,308,187	84,995,875	37,156,574	73,637,104
Cash and cash equivalents - ending balance		72,906,984	49,308,187	65,419,853	37,156,574
Non-cash transactions:					
Written-off inventories	14	12,934,964	10,396,383	11,140,615	9,091,351
Purchases of assets during the years which have not been paid	25				
- equipment		8,278,705	3,123,993	5,809,206	3,048,486
- intangible assets		-	26,750	-	26,750
Retention	25	986,824	-	986,824	-
Dividend declared which has not been paid	25	19,228	18,428	19,228	18,428
Lease liabilities (net)					
As at 1 January		-	-	-	-
- Reclassifications and adjustments					
from adoption of new accounting standard		38,051,617	-	36,861,207	-
- Additions during the year		536,022	-	536,022	-
- Interest expense from lease liabilities		1,272,893	-	1,230,173	-
- Termination during the period		(431,225)	-	(431,225)	-
- Payment during the year		(10,398,462)	-	(9,806,502)	-
As at 31 December		29,030,845	-	28,389,675	-

The accompanying notes on pages 12 to 57 are an integral part of these consolidated and separate financial statements.

1 General information

Thai Nippon Rubber Industry Public Co., Ltd. (“the Company”) was incorporated in Thailand as a limited company on 29 September 1993. The Company registered to convert to a public company limited and changed its name from Thai Nippon Rubber Industry Co., Ltd. to Thai Nippon Rubber Industry Public Co., Ltd. on 2 June 2016. The Company has become a listed company in the Stock Exchange of Thailand on 29 November 2016.

The principal activities of the Company and its subsidiaries (“the Group”) are to manufacture and distribute condom and lubricating gel including manufacturing paper packaging products.

The addresses of its registered head office and branches are as follows:

Head office

1 Charoenrat Road, Thungwatdon, Sathon. Bangkok 10120.

Branches

Branch 1 : 49 - 49/1 Moo.5 Export Processing Zone 1, Laemchabang Industrial Estate, Thungskula, Sriracha, Chonburi 20230.

Branch 2 : 789/139 Moo.1 Pintong Industrial, Nongkham, Sriracha, Chonburi 20110.

For reporting purposes, the Company and its subsidiary are referred to as “The Group”.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 February 2021.

2 Significant events during the current year

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, it has not resulted in the adverse effects on the operating results for the year ended 31 December 2020. The Group is now paying close attention to the development of the COVID-19 situation. However, The Group’s management assessed and considered that the effects on the operating results do not have a significant impact on the Group.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except for those as disclosed in Note 6.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

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

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and relevant to the Group

a) Financial instruments

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of allowance for expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

c) **Amendment to TAS 12, Income tax** clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

d) **Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement)** - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

e) **Amendment to TAS 23, Borrowing costs** clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

f) **Amendment to TFRS 3, Business combinations** clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

g) **TFRIC 23, Uncertainty over income tax treatments** explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and relevant to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

- a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities
- The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.
- b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as Interbank offer rates (IBORs). The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

5 Impacts from initial application of the new and revised financial reporting standards

This note explains the impact of the adoption of TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's consolidated financial statements and the Company's separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 6 Accounting policies.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

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The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

	Consolidated financial statements			
	TAS 32 and TFRS 9		TFRS 16	
	As at 31 December 2019 Baht	Reclassifications and adjustments Baht	Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Assets				
Non-current assets				
Right-of-use (net)	-	-	38,547,292	38,547,292
Property, plant and equipment (net)	604,194,471	-	(1,198,438)	602,996,033
Liabilities and equity				
Current liabilities				
Liabilities under				
finance lease contracts (net)	346,606	-	(346,606)	-
Lease liabilities (net)	-	-	9,070,897	9,070,897
Derivative liabilities	-	3,905,907	-	3,905,907
Non-current liabilities				
Liabilities under				
finance lease contracts (net)	356,157	-	(356,157)	-
Lease liabilities (net)	-	-	28,980,720	28,980,720
Equity				
Retained earnings - Unappropriated	349,777,832	(3,905,907)	-	345,871,925
Separate financial statements				
TAS 32 and TFRS 9		TFRS 16		
As at 31 December 2019 Baht	Reclassifications and adjustments Baht	Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht	
Assets				
Non-current assets				
Right-of-use (net)	-	-	36,908,121	36,908,121
Property, plant and equipment (net)	427,484,335	-	(75,714)	427,408,621
Liabilities and equity				
Current liabilities				
Liabilities under				
finance lease contracts (net)	28,800	-	(28,800)	-
Lease liabilities (net)	-	-	8,521,657	8,521,657
Derivative liabilities	-	3,905,907	-	3,905,907
Non-current liabilities				
Lease liabilities (net)	-	-	28,339,550	28,339,550
Equity				
Retained earnings - Unappropriated	217,552,437	(3,905,907)	-	213,646,530

5.1 Financial reporting standards relating to financial instruments

The total impact on the Group's and the Company's unappropriated retained earnings as of 1 January 2020 are as follows:

	Consolidated financial statements	Separate financial statements
Note	Baht	Baht
Unappropriated retained earnings as of 31 December 2019 (as previously reported)	349,777,832	217,552,437
Fair value adjustments on derivatives	a) (3,905,907)	(3,905,907)
Unappropriated retained earnings as of 1 January 2020 after reflecting TFRS 9 adoption before impact from TFRS 16	345,871,925	213,646,530

a) Recognition of derivative at fair value

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value of derivatives are recognised to other gains (losses).

As at 1 January 2020, the Group recognised net loss from fair value of derivatives in consolidated and separate financial information in amount of Baht 3,905,907 which is net loss from fair value of derivatives of the Group as at 31 December 2019.

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities and has classified its financial instruments into the appropriate TFRS 9 categories. However, the adoption of financial reporting standard does not impact the classification of financial instruments as at 31 December 2019 except the impact of derivatives recognised at fair value through profit or loss.

Impairment of financial assets

The Group and the Company have following financial assets that are subject to the allowance for expected credit loss model:

- cash and cash equivalents
- trade and other accounts receivable (net)
- loans to employee
- cash at a financial institution pledged as security
- other non-current assets.

The Group was required to revise its impairment methodology under TFRS 9. However, the effects of the Group's accounting treatment from adoption of TFRS 9 have immaterial impact to retained earnings as at 1 January 2020 in the consolidated and separate financial statements.

5.2 Leases

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- to account operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- to elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an arrangement contains a lease.

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases for leases of property, plant and equipment with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rates applied to the lease liabilities of the Group and the Company on 1 January 2020 were 3.40% to 5.00% per annum and 3.40% to 3.94% per annum respectively.

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For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

The following tables show differences between operating lease commitments disclosed applying TAS 17 as at 31 December 2019 and lease liabilities applying TFRS 16 recognised in the statement of financial position as at 1 January 2020.

	Consolidated financial statements	Separate financial statements
	Baht	Baht
Operating lease commitments disclosed as at 31 December 2019	12,805,940	11,765,926
<u>Add</u> Adjustments as a result of potential utilisation of extension options	30,701,096	30,701,096
<u>Less</u> Short-term leases recognised on a straight-line basis as expenses	(541,134)	(47,120)
<u>Less</u> Low-value-assets leases recognised on a straight-line basis as expenses	(154,000)	(154,000)
<u>Less</u> Contracts reassessed as service agreements	(2,425,800)	(2,425,800)
	40,386,102	39,840,102
<u>Less</u> Deferred interest expenses	(3,037,248)	(3,007,695)
Additional lease liabilities (net) from TFRS 16 adoption	37,348,854	36,832,407
Liabilities under finance lease contracts (net) as at 31 December 2019	702,763	28,800
Lease liabilities (net) as at 1 January 2020	38,051,617	36,861,207
Of which are:		
Current portion of lease liabilities (net)	9,070,897	8,521,657
Long-term lease liabilities (net)	28,980,720	28,339,550
	38,051,617	36,861,207

6 Accounting policies

6.1 Principles of consolidation accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

A list of the Group's subsidiaries is set out in Note 18.

b) Changes in ownership interests

Where the Group has control in subsidiaries, the Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

When the Group loses control, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

6.2 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

(c) Group companies

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

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

6.3 Cash and cash equivalents

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

In the statements of financial position, bank overdrafts are shown within short-term loans from financial institutions.

6.4 Trade accounts receivable

Trade accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 180 days and therefore are all classified as current.

Trade accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade accounts receivable is disclosed in Note 6.6 d).

6.5 Inventories

Inventories are presented at the lower of cost or net realisable value. Cost of raw materials, packing materials, supplies and spare parts are determined by first-in, first-out method. Cost of work in process and finished goods are determined on average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of work in process and finished goods comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal production capacity.

Net realisable value is the estimate of the selling price in the ordinary course of business, less estimated cost of completion and applicable variable selling expenses. Allowance is made, where necessary, for slow-moving, obsolete and defective inventories.

6.6 Financial asset

a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

d) Impairment

Trade accounts receivable

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade accounts receivable which applies lifetime allowance for expected credit loss, from initial recognition, for all trade accounts receivable.

To measure the allowance for expected credit losses, trade accounts receivable has been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the allowance for expected credit loss under the simplified approach of trade accounts receivable. The Group applied historical credit loss adjusted with the management's judgement in estimating the allowance for expected credit losses as disclosed in Note 12.

Other financial assets

For other financial assets carried at amortised cost, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime allowance for expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses the allowance for expected credit loss by taking into consideration forward-looking information and past experiences. The allowance for expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring the allowance for expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

6.7 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All repair and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvement	6 years
Buildings	20 years
Buildings improvement	5, 10 and 20 years
Electric system	5 years
Machinery	10 years
Factory equipment	5 years
Spare parts	5 years
Furniture and fixture	5 years
Office equipment	5 years
Vehicle	5 years

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

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 6.9).

Gain or loss on disposals is determined by comparing the proceeds with the carrying amount and are recognised within other gains (losses) in profit or loss.

6.8 Intangible assets

Trademark

Separately acquired trademark is shown at historical cost. Trademark has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 20 years.

Computer software

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

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

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

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

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 10 years.

6.9 Impairment of assets

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

6.10 Leases - where the Group is the lessee

For the year ended 31 December 2020

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

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Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

6.11 Financial liabilities

a) Classification

From 1 January 2020, financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation or modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

6.12 Borrowings

Borrowings are recognised initially at the fair values net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

6.13 Borrowing cost

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

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

All other borrowing costs are recognised as expense in the period in which they are incurred.

6.14 Current and deferred income taxes

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

Current tax

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

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

6.15 Employee benefit

Post employment benefits

The Group operates various retirement benefit schemes. The Group has both defined contribution plan and retirement benefit plan.

a) **Defined contribution plan**

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

b) **Retirement benefit plan**

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

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

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

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

6.16 Provisions - general

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.18 Dividend distribution

Dividend and interim dividend distribution are recognised in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders and board of directors, respectively.

6.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements.

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Other revenues are recognised on the following basis:

- Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Scrap sale is recognised when the scrap is actually sold.
- Revenue arising from royalty is recognised on an accrual basis in accordance with the substance of the relevant agreements.

6.20 Derivatives and hedging activities

Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

6.21 Finance costs

Finance costs comprise interest expense from borrowings from financial institutions and lease liabilities.

7 Financial risk management

7.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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

7.1.1 Foreign currency exchange rate risk and accounting for derivative financial instruments

Forward foreign currency exchange contracts are entered into to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. Trading or speculative purposes is prohibited. In general, the Group's policy is to enter into forward foreign exchange contracts for some portions of foreign currency receivables or payables anticipated in each month.

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The fee incurred in establishing each agreement is amortised over the contract period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised to other gains (losses).

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 43.

7.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approve by the Board of Directors before execution. The Group has no significant interest-bearing assets. However, the Group has entered into long-term borrowings agreements with financial institutions bearing floating interest rates but the Group has also entered into interest rate swap contract with a domestic bank to prevent the interest rate risk. Therefore, the management believe that effect of interest rate fluctuation will not materially affect the Group.

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified interval, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

The Group and the Company do not apply hedge accounting.

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2020 and 2019 are disclosed in Note 13.

7.1.3 Credit risk

Credit risk mainly arises from cash and cash equivalents including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group will transact with financial institutions based on credit rating given by independent agencies.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

b) Impairment of financial assets

The Group and the Company has 2 types of financial assets that are subject to the allowance for expected credit loss model:

- Trade and other accounts receivable
- Short-term loans to a subsidiary

While cash and cash equivalents, loans to employee, cash at a financial institution pledged as security and other non-current assets are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade accounts receivable

The Group applies the TFRS 9 simplified approach to measure the allowance for expected credit losses which uses a lifetime expected loss allowance for all trade accounts receivable.

To measure the allowance for expected credit losses, trade accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced in the past.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the allowance for expected credit losses under the simplified approach of trade receivables. As of 31 December 2020, the allowance for expected credit loss of Baht 61,903,133 for trade receivables was assessed based on historical credit loss together with the management's judgement in estimating the allowance for expected credit losses.

Previous accounting policy for impairment of trade accounts receivable for comparative period

In the year 2019, the Group recognised impairment of trade accounts receivable based on the incurred loss model such as uncollectible or past due for a period less than 360 days, which was not taken into account future losses. Therefore, expected credit losses and allowance for doubtful accounts are not comparable.

Short-term loans to a subsidiary

Short-term loans to a subsidiary measured at amortised cost are considered to have low credit risk, and the allowance for expected credit loss recognised during the year was therefore limited to 12 months expected losses. Lifetime allowance for expected credit losses is recognised for the loans that the credit risk is significantly increased.

7.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The maturity of financial liabilities was grouped based on their contractual maturities without discounting. Short-term loans from financial institutions and trade and other accounts payable have balances due within 12 months so the contractual maturities without discounting are equal to their carrying balances as the impact of discounting is not significant except for the contractual maturities without discounting of lease liabilities and long-term loans from financial institutions which were disclosed in Note 26 and 27, respectively.

7.2 Capital management

7.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

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

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

7.2.2 Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the financial covenants according to contract specification which is disclosed in Note 27.

8 Fair value estimation

The Group presents financial assets and liabilities that are measured at fair value in each level including fair value of financial assets and financial liabilities, excluding financial assets and liabilities measured at amortised cost where their carrying value approximated fair value.

The analysis of financial instruments carried and disclosed at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as market prices) or indirectly (that is, derived from market prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair values of financial liabilities is disclosed in Note 43.

9 Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

(a) Valuation of investment in subsidiaries

When the indications of impairment arise, the managements need to estimate the valuation of investment in subsidiaries by considering the estimated future cash flows to be generated. The managements need to judgementally define significant assumptions used which are sales growth rate, estimated expenses, economic forecast and the discount rate used in cash flows projection.

(b) Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

Deferred tax is disclosed in Note 22.

(c) Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

(d) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

(e) Impairment of financial assets

The impairment loss for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

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10 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer (CEO), that makes strategic decisions. CEO has chosen to organise the entity using groups of products by comparing consolidated financial statements in current year with last year's.

	Consolidated financial statements					
	For the years ended 31 December					
	Condoms and lubricating gels		Paper boxes		Total	
2020	2019	2020	2019	2020	2019	
Baht	Baht	Baht	Baht	Baht	Baht	
Revenue from sales and services	1,552,809,398	1,539,610,528	201,303,242	204,313,296	1,754,112,640	1,743,923,824
Cost of sales and services	(1,071,215,423)	(1,139,229,415)	(213,294,813)	(203,695,858)	(1,284,510,236)	(1,342,925,273)
Depreciation charge in excess from plant and equipment recognised under fair value	-	-	-	-	(8,721,069)	(9,621,901)
Segment results	481,593,975	400,381,113	(11,991,571)	617,438	460,881,335	391,376,650
Other income (Note 35)					6,313,969	20,943,685
Selling expenses					(147,456,063)	(155,144,885)
Administrative expenses					(112,629,758)	(116,542,671)
Expected credit losses					(59,960,561)	-
Other gains (losses) (Note 36)					(23,089,529)	(15,223,872)
Finance costs (Note 37)					(16,528,265)	(16,536,063)
Operating profit					107,531,128	108,872,844
Income tax (Note 38)					3,899,553	(8,769,018)
Net profit for the year					111,430,681	100,103,826

The Group has two types of timing of revenue recognition when the obligations have been fulfilled and recognition throughout the period of compliance with the obligations. However, the Group has not presented revenue recognised over the period of compliance with the obligations due to insignificant values.

	Consolidated financial statements					
	As at 31 December					
	Condoms and lubricating gels		Paper boxes		Total	
2020	2019	2020	2019	2020	2019	
Baht	Baht	Baht	Baht	Baht	Baht	
Segment assets - Domestic	44,540,470	44,728,556	33,205,180	45,695,498	77,745,650	90,424,054
- Export	664,200,834	591,854,746	-	-	664,200,834	591,854,746
Unallocated assets					1,299,273,141	1,326,761,468
Total assets					2,041,219,625	2,009,040,268
Segment liabilities					-	-
Unallocated liabilities					783,897,143	781,727,147
Total liabilities					783,897,143	781,727,147

11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	68,639	63,386	50,389	48,205
Cash at banks - current accounts	31,376,097	32,213,820	24,891,580	23,616,441
- savings accounts	41,462,248	17,030,981	40,477,884	13,491,928
	72,906,984	49,308,187	65,419,853	37,156,574

As at 31 December 2020, savings deposits accounts at financial institutions in consolidated and separate financial statements bearing interest at the rates of 0.03% per annum - 0.15% per annum (2019 : 0.22% per annum - 0.38% per annum).

12 Trade and other accounts receivable (net)

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade accounts receivable				
- other companies	741,946,484	682,118,086	708,741,304	636,583,302
- related company (Note 40 b))	-	160,714	-	-
<u>Less</u>				
Allowance for expected credit losses				
- other companies	(61,903,133)	-	(61,903,133)	-
Allowance for doubtful accounts				
- other companies	-	(1,942,572)	-	(1,723,606)
	680,043,351	680,336,228	646,838,171	634,859,696
Prepaid expenses	5,622,945	3,947,897	4,872,625	3,242,942
Accrued income	4,408,078	-	4,408,078	-
Short-term deposits	1,205,172	2,107,406	1,205,172	2,107,406
Advance payment	172,611	346,598	170,111	346,598
Accrued royalty income (net)	-	10,866,554	-	10,866,554
Others	2,397,209	56,754	2,198,000	187
	693,849,366	697,661,437	659,692,157	651,423,383

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Outstanding trade accounts receivable (net) as at 31 December 2020 and 2019 can be analysed by age of debtors as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current (30 days - 180 days credit terms)	389,957,090	418,753,468	367,372,292	382,040,814
Overdue				
Up to 3 months	139,620,044	170,753,663	128,999,662	161,989,785
3 months - 6 months	32,662,663	52,354,393	32,662,663	52,354,393
6 months - 12 months	109,946,493	36,751,097	109,946,493	36,751,097
Over 12 months	69,760,194	3,666,179	69,760,194	3,447,213
	741,946,484	682,278,800	708,741,304	636,583,302
<u>Less</u>				
Allowance for expected credit losses				
- other companies				
Current	-	-	-	-
Overdue				
Up to 3 months	-	-	-	-
3 months - 6 months	(3,301,662)	-	(3,301,662)	-
6 months - 12 months	-	-	-	-
Over 12 months	(58,601,471)	-	(58,601,471)	-
Allowance for doubtful accounts				
- other companies	-	(1,942,572)	-	(1,723,606)
	(61,903,133)	(1,942,572)	(61,903,133)	(1,723,606)
	680,043,351	680,336,228	646,838,171	634,859,696

As at 1 January 2020, allowance for expected credit losses calculated under TFRS 9 does not differ from allowance for doubtful accounts as at 31 December 2019. The represented balances are aged over 12 months.

The reconciliations of allowance for expected credit losses for trade accounts receivable for the year ended 31 December 2020 are as follow:

	Consolidated financial statements	Separate financial statements
	2020 Baht	2020 Baht
As at 1 January - calculated under TAS 101	1,942,572	1,723,606
Amount restated through opening retained earnings	-	-
Opening allowance for expected credit losses as at 1 January - calculated under TFRS 9	1,942,572	1,723,606
Increase in allowance for credit losses recognised in profit or loss during the year	60,179,527	60,179,527
Receivable written off during the year as uncollectible	(218,966)	-
As at 31 December - calculated under TFRS 9	61,903,133	61,903,133

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13 Financial assets and liabilities

As at 31 December 2020, classification of the Group's financial assets and financial liabilities are measured at amortised cost except derivatives are recognised at fair value through profit or loss (2019 : classification of the Group's financial assets and financial liabilities are measured at amortised cost).

Outstanding balance of financial assets and financial liabilities and their interest rates as at 31 December 2020 and 2019 comprise as follows:

Consolidated financial statements							
As at 31 December 2020							
Baht							
	Floating interest rate	Fixed interest rate			Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years	Without interest			
Financial assets							
Cash and cash equivalents	41,462,248	-	-	31,444,736	72,906,984	0.03 - 0.15	-
Trade and other accounts receivable (net)	-	-	-	688,053,810	688,053,810	-	-
Loans to employee	-	406,733	-	-	406,733	-	12.00
Cash at a financial institution pledged as security	2,308,994	-	-	-	2,308,994	0.13	-
Other non-current assets	-	-	-	2,231,358	2,231,358	-	-
Total financial assets	43,771,242	406,733	-	721,729,904	765,907,879		
Financial liabilities							
Short-term loans from financial institutions	-	216,900,000	-	-	216,900,000	-	2.00 - 3.92
Trade and other accounts payable	-	-	-	239,540,585	239,540,585	-	-
Derivative liabilities	-	-	-	3,475,464	3,475,464	-	-
Lease liabilities (net)	-	9,318,448	19,712,397	-	29,030,845	-	3.50 - 5.00
Long-term borrowings from financial institution	-	80,040,000	79,880,000	-	159,920,000	-	3.50, 3.70
Total financial liabilities	-	306,258,448	99,592,397	243,016,049	648,866,894		
Consolidated financial statements							
As at 31 December 2019							
Baht							
	Floating interest rate	Fixed interest rate			Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years	Without interest			
Financial assets							
Cash and cash equivalents	17,030,981	-	-	32,277,206	49,308,187	0.22 - 0.38	-
Trade and other accounts receivable (net)	-	-	-	693,366,942	693,366,942	-	-
Loans to employee	-	500,533	-	-	500,533	-	12.00
Cash at a financial institution pledged as security	587,069	-	-	-	587,069	0.38	-
Other non-current assets	-	-	-	2,198,007	2,198,007	-	-
Total financial assets	17,618,050	500,533	-	727,842,155	745,960,738		
Financial liabilities							
Short-term loans from financial institutions	-	238,000,000	-	-	238,000,000	-	2.75 - 4.42
Trade and other accounts payable	-	-	-	203,547,590	203,547,590	-	-
Lease liabilities (net)	673,963	-	-	28,800	702,763	4.58	-
Long-term borrowings from financial institution	-	80,040,000	159,920,000	-	239,960,000	-	3.50, 3.70
Total financial liabilities	673,963	318,040,000	159,920,000	203,576,390	682,210,353		

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Separate financial statements							
As at 31 December 2020							
Baht							
	Floating interest rate	Fixed interest rate Remaining period before maturity date or repricing date		Without interest	Total	Interest rate (% per annum)	
		Less than 1 year	1 year - 5 years			Float rate	Fixed rate
Financial assets							
Cash and cash equivalents	40,477,884	-	-	24,941,969	65,419,853	0.03 - 0.15	-
Short-term loans to a subsidiary	-	10,000,000	-	-	10,000,000	-	2.35
Trade and other accounts receivable (net)	-	-	-	654,649,421	654,649,421	-	-
Loans to employee	-	406,733	-	-	406,733	-	12.00
Other non-current assets	-	-	-	2,222,158	2,222,158	-	-
Total financial assets	40,477,884	10,406,733	-	681,813,548	732,698,165		
Financial liabilities							
Short-term loans from financial institutions	-	176,900,000	-	-	176,900,000	-	2.00 - 2.50
Trade and other accounts payable	-	-	-	193,598,499	193,598,499	-	-
Derivative liabilities	-	-	-	3,475,464	3,475,464	-	-
Lease liabilities (net)	-	8,770,946	19,618,729	-	28,389,675	-	3.57 - 3.94
Long-term borrowings from financial institution	-	80,040,000	79,880,000	-	159,920,000	-	3.50, 3.70
				197,073,			
Total financial liabilities	-	269,710,946	99,498,729	963	562,283,638		

Separate financial statements							
As at 31 December 2019							
Baht							
	Floating interest rate	Fixed interest rate Remaining period before maturity date or repricing date		Without interest	Total	Interest rate (% per annum)	
		Less than 1 year	1 year - 5 years			Float rate	Fixed rate
Financial assets							
Cash and cash equivalents	13,491,928	-	-	23,664,646	37,156,574	0.25 - 0.38	-
Trade and other accounts receivable (net)	-	-	-	647,833,843	647,833,843	-	-
Loans to employee	-	500,533	-	-	500,533	-	-
Other non-current assets	-	-	-	2,132,087	2,132,087	-	12.00
Total financial assets	13,491,928	500,533	-	673,630,576	687,623,037		
Financial liabilities							
Short-term loans from financial institutions	-	198,000,000	-	-	198,000,000	-	2.75 - 2.98
Trade and other accounts payable	-	-	-	158,221,190	158,221,190	-	-
Lease liabilities (net)	-	-	-	28,800	28,800	-	-
Long-term borrowings from financial institution	-	80,040,000	159,920,000	-	239,960,000	-	3.50, 3.70
Total financial liabilities	-	278,040,000	159,920,000	158,249,990	596,209,990		

Cash and cash equivalents, trade and other accounts receivable, and loans to employee are characterised as current assets. Carrying values of these financial assets approximated fair values. For non-current assets, its fair values are not significantly different from carrying values.

Allowance for expected credit losses for the year

Information about allowance for expected credit losses and the Group's exposure to credit risk is disclosed in Note 6.6 d) and 12.

14 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Raw materials	41,595,014	37,462,587	24,601,821	20,274,667
Packing materials	52,548,939	39,344,918	52,524,629	39,332,236
Work in process	49,616,549	61,736,230	41,233,082	54,582,766
Finished goods	64,435,573	33,253,379	58,692,718	28,899,470
Supplies and spare parts	5,290,888	6,884,235	5,290,888	6,884,235
	213,486,963	178,681,349	182,343,138	149,973,374
<u>Less</u>				
Allowance for slow-moving and obsolete inventories				
- raw materials	(12,139)	-	-	-
- packaging materials	(1,354,355)	(3,147,363)	(1,354,355)	(3,147,363)
- finished goods	(3,570,587)	(8,276,176)	(3,210,390)	(8,276,176)
Allowance for inventory cost in excess of net realisable value				
- work in process	(609,126)	(114,670)	-	-
- finished goods	(892,492)	(1,411,079)	(492,701)	(1,348,904)
	207,048,264	165,732,061	177,285,692	137,200,931
Raw materials in transit	-	2,070,961	-	-
Advance payment for purchase of inventories	1,468,457	121,657	1,468,457	121,657
	208,516,721	167,924,679	178,754,149	137,322,588

The cost of inventories recognised as expenses and included in cost of goods sold in statement of comprehensive income for the years ended 31 December 2020 and 2019 are disclosed in Note 34.

The Group recognised allowance for inventories in statement of comprehensive income for the years ended 31 December 2020 and 2019 as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Allowance for slow-moving and obsolete inventories (Reversal)	(6,486,458)	3,212,954	(6,858,794)	3,212,954
Allowance for inventory cost in excess of net realisable value (Reversal)	(24,131)	(4,137,598)	(856,203)	(2,821,318)

During 2020, the Group and the Company wrote off slow-moving and obsolete inventories totalling Baht 12,934,964 and Baht 11,140,615 (2019 : Baht 10,396,383 and Baht 9,091,351), respectively.

As at 31 December 2020 and 2019, inventories carried at net realisable value, this being lower than cost are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Work in process	8,383,467	7,153,464	-	-
Finished goods	18,437,187	14,921,775	12,694,332	10,567,866

15 Value added tax (net)

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Value added tax receivable arisen from years				
- 2019	-	13,475,066	-	13,475,066
- 2020	13,698,090	-	13,698,090	-
Undue value added tax (net)	933,490	521,729	594,207	1,015,148
	14,631,580	13,996,795	14,292,297	14,490,214

During 2020, the Group received the refunded value added tax receivable arisen from 2019 in consolidated and separate financial statements in whole amount of Baht 13.48 million. There was no write-off value added tax during the year.

As at 31 December 2020, value added tax receivable is in process of claim for refund and under investigation of Revenue Department's officer. The management also views that the Group is able to refund the whole amount. Therefore, the allowance for unrecoverable amount is not set up at the end of accounting period.

As at 31 December 2020 and 2019, value added tax was presented by net tax taxable entities comprises the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Value added tax - assets (net)	14,631,580	14,490,214	14,292,297	14,490,214
- liabilities (net)	-	(493,419)	-	-
	14,631,580	13,996,795	14,292,297	14,490,214

16 Loans to employee

As at 31 December 2020 and 2019, loans to employee in consolidated and separate financial statements are unsecured loans bearing interest at the rates of 12.0% per annum. Loan principal and interest expense are due for payment as monthly basis by deducting from employees' salary accounts.

17 Cash at a financial institution pledged as security

As at 31 December 2020 and 2019, savings deposits at a financial institution of a subsidiary in consolidated financial statements were pledged as collateral for credit facilities from a financial institution (Note 24) bearing interest at the rate of 0.13% per annum.

18 Investment in subsidiaries

As at 31 December 2020 and 2019, investment in subsidiaries which is recorded by the cost method consisted of:

Company name	Nature of business	Registered in	Separate financial statements						
			Paid-up capital		Percentage of Shareholding		Cost method		
			2020 Baht	2019 Baht	2020 %	2019 %	2020 Baht	2019 Baht	
Operating subsidiaries									
Box Asia Group International Co., Ltd.	Manufacture paper boxes	Thailand	169,100,000	169,100,000	100	100	25,822,529	25,822,529	
TNR (Beijing) Trading Co., Ltd.	Import and distribution	China	2,724,000	-	100	-	2,724,000	-	

At the Board of Director's meeting no.3/2019 dated 13 May 2019, directors approve to register a subsidiary in China, TNR (Beijing) Trading Co., Ltd., in amount not over than RMB 600,000. The Company holds 100% shareholding. The Company completed a registration on 20 August 2019 and fully transferred the payment of shares on 30 July 2020.

The aforementioned subsidiaries have been reported as part of the Group's consolidated financial statements. The voting right of the parent company in subsidiaries does not differ from its shareholding.

The movements of investment in subsidiaries for the years ended 31 December 2020 and 2019 comprise the following.

	Separate financial statements	
	2020 Baht	2019 Baht
Net book value as at 1 January	25,822,529	25,822,529
Increase in investment in subsidiaries	2,724,000	-
Net book value as at 31 December	28,546,529	25,822,529

At the Board of Director's meeting no. 6/2020 dated 24 December 2020, directors approve to register a subsidiary in USA, TNR USA INC., in amount not over than USD 10,000. The Company holds 100% shareholding.

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19 Property, plant and equipment (net)

	Consolidated financial statements								Total Baht
	Land and land improvement Baht	Building and building improvement Baht	Electric system Baht	Machinery and factory equipment Baht	Spare parts Baht	Furniture, fixture and office equipment Baht	Vehicle Baht	Construction in progress/advance payment Baht	
As at 1 January 2019									
Cost	51,800,000	414,604,181	29,614,672	1,029,357,258	2,984,932	54,258,895	27,267,123	14,341,213	1,624,228,274
<u>Less</u> Accumulated depreciation	-	(170,701,231)	(26,970,463)	(703,851,271)	(1,307,087)	(41,235,761)	(12,444,256)	-	(956,510,069)
Net book amount	51,800,000	243,902,950	2,644,209	325,505,987	1,677,845	13,023,134	14,822,867	14,341,213	667,718,205
For the year ended 31 December 2019									
Opening net book amount	51,800,000	243,902,950	2,644,209	325,505,987	1,677,845	13,023,134	14,822,867	14,341,213	667,718,205
Additions	-	116,000	-	12,513,616	-	4,836,446	879,918	28,605,739	46,951,719
Transfer	-	-	846,488	28,907,282	117,000	1,081,893	-	(30,952,663)	-
Disposals - cost	-	-	-	(5,754,091)	(196,851)	(1,158,776)	(3,830,400)	-	(10,940,118)
- accumulated depreciation	-	-	-	5,373,099	123,874	1,059,936	3,830,399	-	10,387,308
Depreciation charge (Note 34)	-	(18,136,745)	(1,193,012)	(79,881,521)	(611,988)	(4,830,713)	(5,268,664)	-	(109,922,643)
Closing net book amount	51,800,000	225,882,205	2,297,685	286,664,372	1,109,880	14,011,920	10,434,120	11,994,289	604,194,471
As at 31 December 2019									
Cost	51,800,000	414,720,181	30,461,160	1,065,024,065	2,905,081	59,018,458	24,316,641	11,994,289	1,660,239,875
<u>Less</u> Accumulated depreciation	-	(188,837,976)	(28,163,475)	(778,359,693)	(1,795,201)	(45,006,538)	(13,882,521)	-	(1,056,045,404)
Net book amount	51,800,000	225,882,205	2,297,685	286,664,372	1,109,880	14,011,920	10,434,120	11,994,289	604,194,471
For the year ended 31 December 2020									
Opening net book amount	51,800,000	225,882,205	2,297,685	286,664,372	1,109,880	14,011,920	10,434,120	11,994,289	604,194,471
Reclassify to right-of-use assets (net) (Note 5 and 20)	-	(1,122,724)	-	-	-	(75,714)	-	-	(1,198,438)
Additions	774,748	620,014	339,020	7,185,585	61,940	2,207,991	-	56,486,779	67,676,077
Transfer	132,815	2,946,659	23,978,220	31,665,234	9,500	2,148,721	-	(60,881,149)	-
Disposals - cost	-	-	-	(43,415,239)	(160,266)	(898,604)	-	-	(44,474,109)
- accumulated depreciation	-	-	-	37,598,086	129,246	860,080	-	-	38,587,412
Depreciation charge (Note 34)	(117,268)	(18,211,410)	(1,485,183)	(77,310,425)	(575,490)	(5,109,894)	(4,250,739)	-	(107,060,409)
Closing net book amount	52,590,295	210,114,744	25,129,742	242,387,613	574,810	13,144,500	6,183,381	7,599,919	557,725,004
As at 31 December 2020									
Cost	52,707,563	416,978,443	54,778,400	1,060,459,645	2,816,255	62,246,166	24,316,641	7,599,919	1,681,903,032
<u>Less</u> Accumulated depreciation	(117,268)	(206,863,699)	(29,648,658)	(818,072,032)	(2,241,445)	(49,101,666)	(18,133,260)	-	(1,124,178,028)
Net book amount	52,590,295	210,114,744	25,129,742	242,387,613	574,810	13,144,500	6,183,381	7,599,919	557,725,004

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	Land and land improvement Baht	Building and building improvement Baht	Electric system Baht	Machinery and factory equipment Baht	Spare parts Baht	Furniture, fixture and office equipment Baht	Vehicle Baht	Construction in progress/advance payment Baht	
As at 1 January 2019									
Cost	37,600,000	325,914,181	29,614,672	647,376,681	2,984,932	49,565,655	27,267,123	14,341,213	1,134,664,457
<u>Less</u> Accumulated depreciation	-	(134,765,131)	(26,970,463)	(444,313,036)	(1,307,087)	(37,229,855)	(12,444,256)	-	(657,029,828)
Net book amount	37,600,000	191,149,050	2,644,209	203,063,645	1,677,845	12,355,800	14,822,867	14,341,213	477,634,629
For the year ended 31 December 2019									
Opening net book amount	37,600,000	191,149,050	2,644,209	203,063,645	1,677,845	12,355,800	14,822,867	14,341,213	477,634,629
Additions	-	116,000	-	3,787,296	-	4,026,451	22,000	28,605,739	36,557,486
Transfer	-	-	846,488	28,907,282	117,000	1,081,893	-	(30,952,663)	-
Disposals - cost	-	-	-	(5,754,091)	(196,851)	(1,158,776)	(3,830,400)	-	(10,940,118)
- accumulated depreciation	-	-	-	5,373,099	123,874	1,059,936	3,830,399	-	10,387,308
Depreciation charge (Note 34)	-	(15,751,984)	(1,193,012)	(58,975,113)	(611,988)	(4,508,399)	(5,114,474)	-	(86,154,970)
Closing net book amount	37,600,000	175,513,066	2,297,685	176,402,118	1,109,880	12,836,905	9,730,392	11,994,289	427,484,335
As at 31 December 2019									
Cost	37,600,000	326,030,181	30,461,160	674,317,168	2,905,081	53,515,223	23,458,723	11,994,289	1,160,281,825
<u>Less</u> Accumulated depreciation	-	(150,517,115)	(28,163,475)	(497,915,050)	(1,795,201)	(40,678,318)	(13,728,331)	-	(732,797,490)
Net book amount	37,600,000	175,513,066	2,297,685	176,402,118	1,109,880	12,836,905	9,730,392	11,994,289	427,484,335
For the year ended 31 December 2020									
Opening net book amount	37,600,000	175,513,066	2,297,685	176,402,118	1,109,880	12,836,905	9,730,392	11,994,289	427,484,335
Reclassify to right-of-use assets (net) (Net 5 and 20)	-	-	-	-	-	(75,714)	-	-	(75,714)
Additions	774,748	324,610	339,020	3,051,870	61,940	2,052,298	-	56,486,779	63,091,265
Transfer	132,815	2,946,659	23,978,220	31,665,234	9,500	2,148,721	-	(60,881,149)	-
Disposals - cost	-	-	-	(7,415,239)	(160,266)	(898,604)	-	-	(8,474,109)
- accumulated depreciation	-	-	-	5,533,428	129,246	860,080	-	-	6,522,754
Depreciation charge (Note 34)	(117,268)	(15,882,545)	(1,485,183)	(57,145,439)	(575,490)	(4,732,835)	(4,079,155)	-	(84,017,915)
Closing net book amount	38,390,295	162,901,790	25,129,742	152,091,972	574,810	12,190,851	5,651,237	7,599,919	404,530,616
As at 31 December 2020									
Cost	38,507,563	329,301,450	54,778,400	701,619,033	2,816,255	56,587,238	23,458,723	7,599,919	1,214,668,581
<u>Less</u> Accumulated depreciation	(117,268)	(166,399,660)	(29,648,658)	(549,527,061)	(2,241,445)	(44,396,387)	(17,807,486)	-	(810,137,965)
Net book amount	38,390,295	162,901,790	25,129,742	152,091,972	574,810	12,190,851	5,651,237	7,599,919	404,530,616

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Depreciation for the years ended 31 December 2020 and 2019 comprise the following

Depreciation is presented within	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of production	100,937,476	103,103,965	78,742,054	80,289,749
Selling expenses	2,372,259	2,809,630	2,372,259	2,809,630
Administrative expense	3,750,674	4,009,048	2,903,602	3,055,591
	107,060,409	109,922,643	84,017,915	86,154,970

As at 31 December 2020, the gross carrying amount before deduction of accumulated depreciation of fully depreciated plant and equipment that still in use in consolidated financial statements and in separate financial statements is Baht 344,404,828 and Baht 330,632,031 (2019 : Baht 261,242,101 and Baht 254,542,989), respectively.

As at 31 December 2020, land including its premises and machine of the subsidiary are free of collateral from a financial institution. (2019 : the Group have pledged the subsidiary's land including its premises and machineries with net book value of Baht 104 million as collateral for credit facilities from a financial institution (Note 24)).

As at 1 January 2020, the Group reclassified the financial lease assets and presented them as right-of-use assets in a separate line item in the financial position as a results of changes in accounting policy in Note 5.

As at 31 December 2019, the Group is a lessee under a finance lease, comprise building improvement, machinery and office equipment.

	Consolidated financial statements	Separate financial statements
	2019 Baht	2019 Baht
Cost - finance leases	1,538,811	230,400
<u>Less</u> Accumulated depreciation	(340,373)	(154,686)
Net book amount	1,198,438	75,714

20 Right-of-use assets (net)

	Consolidated financial statements				
	Land Baht	Building and building improvement Baht	Office Equipment Baht	Vehicles Baht	Total Baht
Net book value as at 1 January 2020	-	-	-	-	-
Adjusting items upon adoption of TFRS 16 as of 1 January 2020 (Note 5)	960,439	35,322,471	549,497	516,447	37,348,854
Reclassify finance lease asset (net) (Note 5 and 19)	-	1,122,724	75,714	-	1,198,438
Additions during the year	-	-	536,022	-	536,022
Termination of use of assets (net)	-	-	(425,860)	-	(425,860)
Depreciation charge	(160,073)	(8,729,921)	(270,323)	(238,360)	(9,398,677)
Net book value as at 31 December 2020	800,366	27,715,274	465,050	278,087	29,258,777

	Separate financial statements			
	Land Baht	Building and building improvement Baht	Office equipment Baht	Total Baht
Net book value as at 1 January 2020	-	-	-	-
Adjusting items upon adoption of TFRS 16 as of 1 January 2020 (Note 5)	960,439	35,322,471	549,497	36,832,407
Reclassify finance lease asset (net) (Note 5 and 19)	-	-	75,714	75,714
Additions during the year	-	-	536,022	536,022
Termination of use of assets (net)	-	-	(425,860)	(425,860)
Depreciation charge	(160,073)	(8,664,500)	(270,323)	(9,094,896)
Net book value as at 31 December 2020	800,366	26,657,971	465,050	27,923,387

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The expense relating to leases that the Group has used the practical expedients permitted by TFRS 16 for the year ended 31 December 2020 is as follows:

	Consolidated financial statements	Separate financial statements
	2020 Baht	2020 Baht
Expense relating to short-term leases	1,528,460	-
Expense relating to leases of low-value assets	253,000	253,000

21 Intangible assets (net)

	Consolidated financial statements			
	Trademark Baht	Computer software Baht	Computer software under installation Baht	Total Baht
As at 1 January 2019				
Cost	476,165,592	26,169,311	4,065,700	506,400,603
<u>Less</u> Accumulated amortisation	(17,273,633)	(9,303,764)	-	(26,577,397)
Net book amount	458,891,959	16,865,547	4,065,700	479,823,206
For the year ended 31 December 2019				
Opening net book amount	458,891,959	16,865,547	4,065,700	479,823,206
Additions	-	1,311,250	1,703,600	3,014,850
Transfer	-	909,600	(909,600)	-
Write-off - cost	-	(40,900)	-	(40,900)
- accumulated amortisation	-	26,851	-	26,851
Amortisation charge (Note 34)	(23,791,985)	(2,406,176)	-	(26,198,161)
Closing net book amount	435,099,974	16,666,172	4,859,700	456,625,846
As at 31 December 2019				
Cost	476,165,592	28,349,261	4,859,700	509,374,553
<u>Less</u> Accumulated amortisation	(41,065,618)	(11,683,089)	-	(52,748,707)
Net book amount	435,099,974	16,666,172	4,859,700	456,625,846
For the year ended 31 December 2020				
Opening net book amount	435,099,974	16,666,172	4,859,700	456,625,846
Additions	-	38,499	652,251	690,750
Transfer	-	2,859,500	(2,859,500)	-
Write-off - cost	-	(33,400)	-	(33,400)
- accumulated amortisation	-	11,764	-	11,764
Amortisation charge (Note 34)	(23,857,168)	(2,770,169)	-	(26,627,337)
Closing net book amount	411,242,806	16,772,366	2,652,451	430,667,623
As at 31 December 2020				
Cost	476,165,592	31,213,860	2,652,451	510,031,903
<u>Less</u> Accumulated amortisation	(64,922,786)	(14,441,494)	-	(79,364,280)
Net book amount	411,242,806	16,772,366	2,652,451	430,667,623

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	Separate financial statements			Total Baht
	Trademark Baht	Computer software Baht	Computer software under installation Baht	
As at 1 January 2019				
Cost	476,165,592	25,534,758	4,065,700	505,766,050
<u>Less</u> Accumulated amortisation	(17,273,633)	(9,076,556)	-	(26,350,189)
Net book amount	458,891,959	16,458,202	4,065,700	479,415,861
For the year ended 31 December 2019				
Opening net book amount	458,891,959	16,458,202	4,065,700	479,415,861
Additions	-	1,268,250	1,703,600	2,971,850
Transfer	-	909,600	(909,600)	-
Write-off - cost	-	(40,900)	-	(40,900)
- accumulated amortisation	-	26,851	-	26,851
Amortisation charge (Note 34)	(23,791,985)	(2,342,721)	-	(26,134,706)
Closing net book amount	435,099,974	16,279,282	4,859,700	456,238,956
As at 31 December 2019				
Cost	476,165,592	27,671,708	4,859,700	508,697,000
<u>Less</u> Accumulated amortisation	(41,065,618)	(11,392,426)	-	(52,458,044)
Net book amount	435,099,974	16,279,282	4,859,700	456,238,956
For the year ended 31 December 2020				
Opening net book amount	435,099,974	16,279,282	4,859,700	456,238,956
Additions	-	26,700	652,251	678,951
Transfer	-	2,859,500	(2,859,500)	-
Write-off - cost	-	(33,400)	-	(33,400)
- accumulated amortisation	-	11,764	-	11,764
Amortisation charge (Note 34)	(23,857,168)	(2,701,523)	-	(26,558,691)
Closing net book amount	411,242,806	16,442,323	2,652,451	430,337,580
As at 31 December 2020				
Cost	476,165,592	30,524,508	2,652,451	509,342,551
<u>Less</u> Accumulated amortisation	(64,922,786)	(14,082,185)	-	(79,004,971)
Net book amount	411,242,806	16,442,323	2,652,451	430,337,580

Amortisation expense for the years ended 31 December 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Amortisation is presented within				
Cost of production	23,896,690	23,829,448	23,896,690	23,829,448
Selling expenses	8,415	8,804	8,415	8,804
Administrative expense	2,722,232	2,359,909	2,653,586	2,296,454
	26,627,337	26,198,161	26,558,691	26,134,706

As at 31 December 2020 and 2019, the gross carrying amount before deduction of accumulated amortisation of fully amortised computer software that still in use in consolidated and separate financial statements are Baht 3,303,606.

22 Deferred tax

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred tax assets:				
Deferred tax assets to be recovered				
- within 12 months	6,900,780	1,277,244	6,900,780	1,277,244
- more than 12 months	11,839,858	9,470,894	11,369,336	8,739,846
	18,740,638	10,748,138	18,270,116	10,017,090
Deferred tax liabilities:				
Deferred tax liabilities to be settled				
- within 12 months	(2,620,249)	(1,918,730)	-	-
- more than 12 months	(17,026,840)	(20,228,304)	-	-
	(19,647,089)	(22,147,034)	-	-
	(906,451)	(11,398,896)	18,270,116	10,017,090

As at 31 December 2020 and 2019 deferred tax assets and deferred tax liabilities presented by net tax taxable entities comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred tax assets	18,270,116	10,017,090	18,270,116	10,017,090
Deferred tax liabilities (net)	(19,176,567)	(21,415,986)	-	-
	(906,451)	(11,398,896)	18,270,116	10,017,090

The movement of deferred tax (net) for the years ended 31 December 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Balance as at 1 January	(11,398,896)	(16,724,421)	10,017,090	7,316,467
(Debit)/credit to profit or loss (Note 38)	9,288,224	5,052,260	7,048,805	2,427,358
(Debit)/credit to other comprehensive income	1,204,221	273,265	1,204,221	273,265
Balance as at 31 December	(906,451)	(11,398,896)	18,270,116	10,017,090

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	Consolidated financial statements			
	Debit/(credit) to			
	1 January 2020 Baht	(Note 38) profit or loss Baht	other comprehensive income Baht	31 December 2020 Baht
Deferred tax assets:				
Allowance for expected credit losses	172,362	6,064,015	-	6,236,377
Allowance for slow moving and obsolete inventories	1,142,354	(685,879)	-	456,475
Allowance for inventory cost in excess of net realisable value	134,890	(85,620)	-	49,270
Change in fair value of derivatives	-	187,429	-	187,429
Lease liabilities (net)	-	70,358	-	70,358
Employee benefit obligations	9,298,532	1,237,976	1,204,221	11,740,729
Deferred tax assets	10,748,138	6,788,279	1,204,221	18,740,638
Deferred tax liabilities:				
Fair value of plant and equipment	(22,147,034)	2,499,945	-	(19,647,089)
Deferred tax liabilities	(22,147,034)	2,499,945	-	(19,647,089)
Deferred tax assets (liabilities) (net)	(11,398,896)	9,288,224	1,204,221	(906,451)

	Consolidated financial statements			
	Debit/(credit) to			
	1 January 2019 Baht	(Note 38) profit or loss Baht	other comprehensive income Baht	31 December 2019 Baht
Deferred tax assets:				
Allowance for doubtful accounts	3,638	168,724	-	172,362
Allowance for slow moving and obsolete inventories	842,217	300,137	-	1,142,354
Allowance for inventory cost in excess of net realisable value	417,022	(282,132)	-	134,890
Employee benefit obligations	6,484,116	2,541,151	273,265	9,298,532
Deferred tax assets	7,746,993	2,727,880	273,265	10,748,138
Deferred tax liabilities:				
Fair value of plant and equipment	(24,071,414)	1,924,380	-	(22,147,034)
Others	(400,000)	400,000	-	-
Deferred tax liabilities	(24,471,414)	2,324,380	-	(22,147,034)
Deferred tax assets (liabilities) (net)	(16,724,421)	5,052,260	273,265	(11,398,896)

	Separate financial statements			
	Debit/(credit) to			
	1 January 2020 Baht	(Note 38) profit or loss Baht	other comprehensive income Baht	31 December 2020 Baht
Deferred tax assets:				
Allowance for expected credit losses	172,362	6,064,015	-	6,236,377
Allowance for slow moving and obsolete inventories	1,142,354	(685,879)	-	456,475
Allowance for inventory cost in excess of net realisable value	134,890	(85,620)	-	49,270
Change in fair value of derivatives	-	187,429	-	187,429
Lease liabilities (net)	-	70,358	-	70,358
Employee benefit obligations	8,567,484	1,498,502	1,204,221	11,270,207
Deferred tax assets	10,017,090	7,048,805	1,204,221	18,270,116

	Separate financial statements			
	Debit/(credit) to			
	1 January 2019 Baht	(Note 38) profit or loss Baht	other comprehensive income Baht	31 December 2019 Baht
Deferred tax assets:				
Allowance for doubtful accounts	3,638	168,724	-	172,362
Allowance for slow moving and obsolete inventories	842,217	300,137	-	1,142,354
Allowance for inventory cost in excess of net realisable value	417,022	(282,132)	-	134,890
Employee benefit obligations	6,053,590	2,240,629	273,265	8,567,484
Deferred tax assets	7,316,467	2,427,358	273,265	10,017,090

Deferred tax assets are recognised for tax loss carried forward, allowance for doubtful accounts, allowance for slow-moving and obsolete inventories, allowance for inventory cost in excess of net realisable value, and provision for employee benefits, only if the realisation of the related tax benefit through future taxable profit is probable. On 31 December 2020, the Group did not recognise deferred tax assets in the Consolidated financial statements of Baht 35,543,960 (2019: Baht 28,796,135) in respect of the accumulated loss of subsidiaries of Baht 173,203,787 (2019: Baht 140,734,093), full amount of allowance for slow-moving and obsolete inventories and allowance for cost in excess of net realisable value inventories (2019: full amount of allowance for doubtful accounts and allowance for cost in excess of net realisable value inventories) and provision for employee benefits of Baht 3,134,761 (2019: Baht 2,850,772), that can be carried forward against future taxable income.

23 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Refundable deposits				
- other companies	1,943,858	1,903,507	1,934,658	1,844,587
- related companies (Note 40 b))	287,500	294,500	287,500	287,500
	2,231,358	2,198,007	2,222,158	2,132,087

24 Short-term loans from financial institutions

Promissory notes

The movements of promissory notes for the years ended 31 December 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Balance as at 1 January	238,000,000	4,600,000	198,000,000	4,600,000
Addition during the year	1,136,800,000	711,000,000	1,001,800,000	661,000,000
Repayment during the year	(1,157,900,000)	(477,600,000)	(1,022,900,000)	(467,600,000)
Balance as at 31 December	216,900,000	238,000,000	176,900,000	198,000,000

As at 31 December 2020 and 2019, promissory notes comprise the following:

Consolidated financial statements					
2020			2019		
Currency	Amount	Interest rate (% per annum)	Currency	Amount	Interest rate (% per annum)
Baht	216,900,000	2.00 - 3.92	Baht	238,000,000	2.75 - 4.42

Separate financial statements					
2020			2019		
Currency	Amount	Interest rate (% per annum)	Currency	Amount	Interest rate (% per annum)
Baht	176,900,000	2.00 - 2.50	Baht	198,000,000	2.75 - 2.98

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As at 31 December 2020 and 2019, unutilised credit facilities of the Group consist of:

		Consolidated financial statements				Separate financial statements				Unit : Million
		2020		2019		2020		2019		
The credit facilities for	Currency	Currency amount	Baht and Baht equivalent	Currency amount	Baht and Baht equivalent	Currency amount	Baht and Baht equivalent	Currency amount	Baht and Baht equivalent	
Bank overdrafts	THB	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	
Promissory notes, packing credits and letter of credit	THB	1,014.0	1,014.0	822.4	822.4	984.1	984.1	762.0	762.0	
Forward foreign currency exchange contracts	USD	57.8	1,736.1	50.2	1,513.3	57.8	1,736.1	50.2	1,513.3	
	THB	350.0	350.0	390.0	390.0	350.0	350.0	350.0	350.0	
Bank guarantee	THB	23.5	23.5	84.6	84.6	23.5	23.5	83.3	83.3	

As at 31 December 2020, the credit facilities of the Group are secured by the subsidiary's cash at a financial institution (Note 17) (2019 : the credit facilities of the Group are secured by the subsidiary's cash at a financial institution and subsidiary's land including its premises and machine (Note 14 and 17).

25 Trade and other accounts payable

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade accounts payable				
- other companies	148,894,608	117,179,794	126,593,711	79,651,719
- related companies (Note 40 b))	15,563,949	6,448,216	2,178,680	7,225,253
Other accounts payable				
- other companies	34,843,264	28,085,149	29,195,772	21,450,134
- related companies (Note 40 b))	124,273	55,675	124,273	54,962
Accounts payable for purchases of	8,278,705	3,123,993	5,809,206	3,048,486
- equipment				
- intangible assets	-	26,750	-	26,750
Advance received from customers	38,609,368	9,471,669	38,609,368	9,471,669
Retention	986,824	-	986,824	-
Dividend payable	19,228	18,428	19,228	18,428
Accrued expenses				
- employee expenses	19,971,670	18,557,191	18,712,552	17,464,980
- promotional and marketing expense	4,176,083	26,173,332	4,276,083	26,173,325
- commission expenses	3,241,717	2,113,654	3,241,717	2,113,654
- professional fee	1,320,431	1,224,392	895,000	725,000
- directors' remuneration (Note 40 b))	907,000	-	907,000	-
- interest expense	149,283	67,352	149,283	67,352
- others	963,550	473,664	509,170	201,147
	278,149,953	213,019,259	232,207,867	167,692,859

26 Lease liabilities (net)

The Group has entered into the lease agreements for rental assets used in the operating activities and has to pay rental expenses following rate specified in the agreements. As at 31 December 2020 and 31 December 2019, lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Lease liabilities	30,847,461	734,871	30,187,350	28,800
<u>Less</u> Deferred interest expenses	(1,816,616)	(32,108)	(1,797,675)	-
Present value of lease liabilities	29,030,845	702,763	28,389,675	28,800
<u>Less</u> Current portion (net)	(9,318,448)	(346,606)	(8,770,946)	(28,800)
	19,712,397	356,157	19,618,729	-

Minimum payment to be made in subsequent years are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Payments due of lease liabilities				
- Within 1 year	10,248,562	368,759	9,682,752	28,800
- Later than 1 year but not later than 5 years	20,598,899	366,112	20,504,598	-
	30,847,461	734,871	30,187,350	28,800

27 Long-term loans from financial institutions

	Consolidated and separate financial statements	
	2020 Baht	2019 Baht
Long-term loans from financial institutions	159,920,000	239,960,000
<u>Less</u> Current portion of long-term loans	(80,040,000)	(80,040,000)
	79,880,000	159,920,000

The movements of the long-term loans for the years ended 31 December 2020 and 2019 comprise the following:

	Consolidated and separate financial statements	
	2020 Baht	2019 Baht
<u>Current portions of long-term loans</u>		
Balance as at 1 January	80,040,000	90,540,000
Transfer from long-term loans	80,040,000	80,040,000
Repayments during the year	(80,040,000)	(90,540,000)
Balance as at 31 December	80,040,000	80,040,000
<u>Long-term loans</u>		
Balance as at 1 January	159,920,000	239,960,000
Transfer to current portions of long-term loans	(80,040,000)	(80,040,000)
Balance as at 31 December	79,880,000	159,920,000

As at 31 December 2020 and 2019, long-term loans from financial institutions represented long-term loans from a domestic commercial bank and comprise the following:

Contract date	07 May 2018	06 June 2018
Credit facilities (Baht)	96,000,000	224,000,000
Loan (Baht)	96,000,000	224,000,000
Purpose	Working capital	Purchase of trademark
Interest rate per annum	THB FIX 6M + 1.07%	THB FIX 6M + 1.22%
Due for principal payment	Repayment in 48 installments (every month installment) of Baht 2,000,000 commencing January 2019. The final installment is within 48 months after January 2019.	Repayment in 48 installments (every month installment) of Baht 4,670,000 commencing January 2019. The final installment is within 48 months after January 2019.
Due for interest expense	Interest is payable on monthly basis	Interest is payable on monthly basis
Interest swap/Fixed rate per annum	Yes/3.50%	Yes/3.50% and 3.70%
Restricted loan condition	Negative pledge	Negative pledge
Guaranteed securities as at 31 December 2020 and 2019	None	None
Debt to equity ratio	Not over than 2.00 : 1.00	Not over than 2.00 : 1.00
Debt service coverage ratio	Not less than 1.15 : 1.00	Not less than 1.15 : 1.00
Balance as at 31 December 2020 (Baht)	48,000,000	111,920,000
Balance as at 31 December 2019 (Baht)	72,000,000	167,960,000

As at 31 December 2020 and 2019, in the separate financial statements, the ratio is comply with the terms of agreement.

As at 31 December 2020 and 2019, the fair value in the consolidated and separate financial statements are base on discounted cash flows using a discount rate based upon the borrowing rates of 3.50% per annum and 3.70% per annum (Level 2 of fair value hierarchy). There was no change in valuation technique during the year. However such fair value is close to their carrying amount as the impact of discounting is not significant.

28 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Withholding tax payable	2,557,570	2,774,002	2,465,995	2,592,270
Social security payable	1,444,711	1,438,792	1,348,132	1,346,574
Others	8,430	30,277	-	-
	4,010,711	4,243,071	3,814,127	3,938,844

29 Employee benefit obligations

The movement of employee benefit obligations for the years ended 31 December 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Balance as at 1 January	55,777,849	37,226,971	49,271,841	32,314,754
Increase during the year (Note 34)				
- past service cost	-	9,356,044	-	8,362,258
- service cost	5,422,568	6,769,207	6,241,750	6,303,434
- interest cost	1,199,791	1,074,730	1,064,805	940,498
- remeasurements of employment benefit obligations	6,719,634	1,557,544	6,719,634	1,557,544
Payment during the year	(334,442)	(206,647)	-	(206,647)
Balance as at 31 December	68,785,400	55,777,849	63,298,030	49,271,841

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 % per annum	2019 % per annum	2020 % per annum	2019 % per annum
Discount rate	0.36 - 2.82	1.78 - 3.82	0.36 - 2.82	1.78 - 3.82
Salary increase rate	2.50, 5.00	4.00 - 5.00	5.00	5.00
Turnover rate	0.00 - 60.00	0.00 - 60.00	0.00 - 20.00	0.00 - 25.00

Sensitivity analysis for each significant assumption are as follows:

	Change in assumption	Employee benefit obligations			
		Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Discount rate	Increase by 1%	61,700,068	49,904,521	56,564,841	43,862,764
Discount rate	Decrease by 1%	76,745,307	62,622,265	70,913,162	55,601,738
Salary increase rate	Increase by 1%	76,694,566	61,622,509	70,825,433	54,649,450
Salary increase rate	Decrease by 1%	61,849,851	50,622,879	56,713,479	44,547,988
Turnover rate	Increase by 20% of base assumption	62,739,707	50,731,647	57,559,741	44,683,474
Turnover rate	Decrease by 20% of base assumption	76,126,507	61,926,393	70,272,486	54,878,119

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The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions use the projected unit credit method.

As at 31 December 2020, the weighted average duration of the defined benefit obligation in consolidated financial statements is 9.0 years and 15.4 years (2019: 9.8 years and 16.2 years) and in separate financial statements is 15.4 years (2019: 16.2 years).

Expected maturity analysis of undiscounted employee is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Maturity within				
1 year	689,395	344,380	381,076	-
1 year - 5 years	15,906,533	12,103,230	13,080,091	9,354,113
Over 5 years	206,535,176	173,080,916	197,177,780	162,038,168
	223,131,104	185,528,526	210,638,947	171,392,281

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The Group recorded the effects of the amendment in the consolidated and separate statement of comprehensive income.

30 Share capital

	Consolidated and Separate financial statements					
	Authorised share capital		Issued and fully paid-up share capital		Share premium (net)	Total
	Number of ordinary shares	Baht	Number of ordinary shares	Baht	Baht	Baht
Authorised, issued and fully paid-up share capital						
As at 1 January 2019	300,000,000	300,000,000	300,000,000	300,000,000	549,079,673	849,079,673
Issue of shares	-	-	-	-	-	-
As at 31 December 2019	300,000,000	300,000,000	300,000,000	300,000,000	549,079,673	849,079,673
Issue of shares	-	-	-	-	-	-
As at 31 December 2020	300,000,000	300,000,000	300,000,000	300,000,000	549,079,673	849,079,673

As at 31 December 2020 and 2019, the total authorised number of ordinary shares is 300,000,000 shares with a par value of Baht 1 per share. All ordinary shares are issued and fully paid-up.

31 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Balance as at 1 January	30,000,000	30,000,000	30,000,000	30,000,000
Appropriate during the year	-	-	-	-
Balance as at 31 December	30,000,000	30,000,000	30,000,000	30,000,000

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

32 Dividend payments

For the year ended 31 December 2020

At the Board of directors meeting no. 2/2020, held on 30 March 2020, the Board of directors approved to pay interim dividend in respect of the net profit for the year ended 31 December 2019 under Bol certificate no. 1466(1)/2553 of Baht 0.12 per share and no.2117(1)/2555 of Baht 0.12 per share totalling Baht 72,000,000. The Company paid dividend to shareholders on 29 April 2020.

For the year ended 31 December 2019

At the Annual General Meeting of shareholders no. 1/2019, held on 12 April 2019, the shareholders approved to pay dividend in respect of the net profit for the year ended 31 December 2018 under Bol certificate no. 1466(1)/2553 of Baht 0.20 per share totalling Baht 60,000,000. The Company paid dividend to shareholders since May 2019 onwards.

33 Promotional privileges

As at 31 December 2020 and 2019, the outstanding unexpired promotional privileges comprise the following:

Bol certificate no.	Date of approval	Products	Income first derived date	Exemptions payment of corporate income tax privileges expired date	Significant privileges*			
					1	2	3	4
1748(2)/2005	29 August 2005	condom	4 February 2008	3 February 2016	✓	✓	✓	✓
1466(1)/2010	26 April 2010	condom	27 January 2011	26 January 2019	✓	✓	✓	✓
2117(1)/2012	17 August 2012	condom	28 January 2014	27 January 2022	✓	✓	✓	✓

* Significant privileges

- 1) Exemption from payment of import duty on machinery necessary for the Company's operations as approved by the Board of Investment.
- 2) Exemption from payment of corporate income tax totally not in excess of 100% of the investment amount excluding cost of land and working capital. This privilege is due for expiration within a period of 8 years from the date of income is firstly derived.
- 3) 50% reduction of the normal corporate income tax rate for a period of 5 years following the expiration of exemption period mentioned in 2) above.
- 4) Exemption from including the dividend income received from exemption income tax entity as taxable income in corporate income tax calculation throughout the period of income tax exemption of the Company.

In addition, the Company must comply with certain conditions and restrictions provided in the promotional certificates.

The Group has the revenue for the years ended 31 December 2020 and 2019 which is classified as revenue under corporate income tax exemption and non-corporate income tax exemption as follows:

	Consolidated financial statements					
	For the year ended 31 December 2020 (Baht)			For the year ended 31 December 2019 (Baht)		
	Income tax exemption	Non income tax exemption	Total	Income tax exemption	Non income tax exemption	Total
Revenue from sales and services	778,486,627	981,283,685	1,759,770,312	177,360,134	1,581,897,654	1,759,257,788
Pay back consideration to customers			(5,657,672)			(15,333,964)
			<u>1,754,112,640</u>			<u>1,743,923,824</u>
	Separate financial statements					
	For the year ended 31 December 2020 (Baht)			For the year ended 31 December 2019 (Baht)		
	Income tax exemption	Non income tax exemption	Total	Income tax exemption	Non income tax exemption	Total
Revenue from sales and services	778,486,627	779,980,443	1,558,467,070	177,360,134	1,377,584,358	1,544,944,492
Pay back consideration to customers			(5,657,672)			(15,333,964)
			<u>1,552,809,398</u>			<u>1,539,610,528</u>

34 Expenses by nature

The following significant expenditure items, classified by nature for the years ended 31 December 2020 and 2019, have been charged in the profit before income tax:

	Notes	For the years ended 31 December			
		Consolidated		Separate	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Purchase of raw materials and packing materials		678,759,276	687,653,392	536,424,893	540,883,441
Change in raw materials and packing materials		(17,336,448)	1,507,788	(17,519,547)	5,445,403
Change in work in process		12,119,681	(16,824,050)	13,349,684	(14,382,688)
Change in finished goods		(31,182,194)	9,991,228	(29,793,248)	11,224,582
Allowance for slow-moving and obsolete inventories	14	(6,486,458)	3,212,954	(6,858,794)	3,212,954
Allowance for inventory cost in excess of net realisable value	14	(24,131)	(4,137,599)	(856,203)	(2,821,319)
Factory and office supplies used		27,741,096	35,383,066	22,803,233	30,820,359
Employee costs		420,157,834	418,936,174	374,127,590	369,824,673
Contribution to provided fund		12,404,622	11,567,923	12,265,333	11,486,812
Employee benefit obligations	29	6,622,359	17,199,981	7,306,555	15,606,190
Utilities expenses		82,298,238	86,950,589	72,567,398	77,520,491
Depreciation	19, 20	116,459,086	109,922,643	93,112,811	86,154,970
Amortisation	21	26,627,337	26,198,161	26,558,691	26,134,706
Transportation expense		14,924,327	24,848,896	6,624,157	16,217,605
Promotional and marketing expenses		32,718,911	43,317,932	32,718,911	43,317,932

35 Other income

	For the years ended 31 December			
	Consolidated		Separate	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Scrap sales	1,715,240	2,747,630	1,715,240	2,747,630
Income from royalty fee	1,389,827	11,362,610	1,389,827	11,362,610
Income from money returned from provident fund	656,581	1,479,029	656,581	1,479,029
Interest income from - short-term loans to a subsidiary	-	-	235,274	-
- loans to employee	64,045	75,104	64,045	75,104
- financial institutions	20,986	37,698	15,975	22,995
Reversal of accounts payable and advance received from customers which are free of payment	-	3,197,850	-	3,197,850
Others	2,467,290	2,043,764	2,160,216	1,644,614
	6,313,969	20,943,685	6,237,158	20,529,832

36 Other gains (losses)

	For the years ended 31 December			
	Consolidated		Separate	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Net loss from exchange rate	(20,662,076)	(16,173,854)	(20,582,548)	(17,287,593)
Net gain (loss) from disposals of equipment	(2,841,625)	964,031	(106,282)	964,031
Net loss from fair value of forward foreign currency exchange rate contracts	(548,780)	-	(548,780)	-
Loss from write-off of intangible assets	(21,636)	(14,049)	(21,636)	(14,049)
Gain from termination of lease contract	5,365	-	5,365	-
Net gain from fair value of interest rate swap contracts	979,223	-	979,223	-
	(23,089,529)	(15,223,872)	(20,274,658)	(16,337,611)

37 Finance costs

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest expense from				
- loans from financial institutions	(15,255,372)	(16,437,577)	(13,334,516)	(15,248,598)
- liabilities under finance lease contracts	(1,272,893)	(98,486)	(1,230,173)	-
	(16,528,265)	(16,536,063)	(14,564,689)	(15,248,598)

38 Income tax

Income tax for the years ended 31 December 2020 and 2019 comprise the following:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current income tax:				
Current income tax on taxable profit for the year	(9,526,479)	(13,816,571)	(9,526,479)	(13,816,571)
Over (under) recorded income tax for prior year	4,269,546	(4,707)	4,269,546	(4,707)
Written-off prepaid withholding tax for prior year	(131,738)	-	-	-
Income tax expense	(5,388,671)	(13,821,278)	(5,256,933)	(13,821,278)
Deferred tax:				
Origination and reversal of temporary differences (Note 22)	9,288,224	5,052,260	7,048,805	2,427,358
Total income tax	3,899,553	(8,769,018)	1,791,872	(11,393,920)

Reconciliation of income tax for the years ended 31 December 2020 and 2019 comprise the following:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit before tax accounting base	107,531,128	108,872,844	152,483,931	144,546,547
<u>Less</u> Exemptional/deduction on net profit from promotional privileges	(124,409,050)	(87,847,337)	(124,409,050)	(87,847,337)
	(16,877,922)	21,025,507	28,074,881	56,699,210
Tax calculated at the tax rate 10% and 20%	3,375,584	(4,205,101)	(5,614,976)	(11,339,842)
Tax effect of:				
Double deductible expenses (expenses not deductible) for tax purposes	1,923,405	(866,707)	1,925,335	(864,646)
Difference in tax rate of deferred tax under Bol certificate for utilisation in the future	956,695	1,246,519	1,211,967	815,275
Net loss of a subsidiary not recognised deferred tax assets	(6,493,939)	(4,939,022)	-	-
Over (under) recorded income tax for prior year	4,269,546	(4,707)	4,269,546	(4,707)
Written-off prepaid withholding tax for prior year	(131,738)	-	-	-
Tax charge	3,899,553	(8,769,018)	1,791,872	(11,393,920)

39 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net profit attributable to ordinary shareholders (Baht)	111,430,681	100,103,826	154,275,803	133,152,627
Weighted average number of paid-up ordinary shares in issue (Shares)	300,000,000	300,000,000	300,000,000	300,000,000
Basic earnings per share (Baht per share)	0.37	0.33	0.51	0.44

There is no potential dilutive ordinary share in issue for the years ended 31 December 2020 and 2019.

40 Related party transactions

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

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

As at 31 December 2020 and 2019, the Company's shares are held by the following individuals and companies;

Company/Individual	Type	% of holding		Incorporation/ Nationality
		2020 %	2019 %	
The family of Dararattanaroj	Shareholders and/or directors	37.20	35.45	Thai
Charoen Aksorn Holding Group Co., Ltd.	Parent	26.25	26.25	Thailand
THK Investment Company Limited	Related company	12.00	13.75	Hongkong
CMS Holding Co., Ltd.	Related company	0.59	-	Thailand
Other investors		23.96	24.55	-
		100.00	100.00	

The other investors are the public shareholders in the Stock Exchange of Thailand.

The relationships between the Company and related companies are as follows:

Related company name	Relationship with the Company
Charoen Aksorn Holding Group Co., Ltd.	Parent company
Box Asia Group International Co., Ltd.	Subsidiary company
TNR (Beijing) Trading Co., Ltd.	Subsidiary company since 30 July 2020
C.A.S. Paper Co., Ltd.	Related company
C.A.S. Paper Mill Co., Ltd.	Related company
Charoen Aksorn Trading Co., Ltd.	Related company
Star RFID Co., Ltd.	Related company
THK Investment Company Limited	Related company
CMS Holding Co., Ltd.	Related company
Asia Cab Co., Ltd.	Related company
Mr. Amorn Dararattanaroj	Shareholder and director
Mr. Somsak Dararattanaroj	Shareholder and director
Ms. Sirinan Dararattanaroj	Shareholder and director
Mr. Surapol Dararattanaroj	Shareholder
Mr. Komol Dararattanaroj	Director

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- a) The following significant transactions incurred during the years ended 31 December 2020 and 2019 carried out with related companies as follows:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Sales of goods				
Star RFID Co., Ltd.	459,674	245,667	-	-
C.A.S. Paper Mill Co., Ltd.	71,331	-	-	-
C.A.S. Paper Co., Ltd.	-	7,200	-	-
	531,005	252,867	-	-
Interest income				
Box Asia Group International Co., Ltd.	-	-	235,274	-
Purchase of raw materials and packaging				
C.A.S. Paper Co., Ltd.	44,153,994	28,508,246	-	22,730
Box Asia Group International Co., Ltd.	-	-	22,744,178	30,463,984
	44,153,994	28,508,246	22,744,178	30,486,714
Purchases of office supply				
C.A.S. Paper Co., Ltd.	193,730	-	193,730	-
Other purchases				
Asia Cab Co., Ltd.	13,000	-	13,000	-
Lease liabilities paid and service expenses				
Charoen Aksorn Holding Group Co., Ltd.	6,870,680	6,851,646	6,858,055	6,693,225
Management benefit expenses				
- short-term employee benefits	34,454,117	32,330,766	32,355,525	30,164,340
- post-employments benefits	873,704	1,059,483	873,704	646,234
	35,327,821	33,390,249	33,229,229	30,810,574
Directors' remuneration	3,916,000	3,820,000	3,916,000	3,820,000

Sales of goods, interest income, purchase of raw materials, packaging materials, office supply and expenses transactions were charged by related companies under price as agreed between the parties.

Management benefit expenses represent benefits which management has received from working for the Company and benefits received at retirement age.

Director's remuneration was proposed in the Board of Directors meeting and will be approved in the Annual General Meeting of the Company's shareholders.

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- b) Outstanding balances as at 31 December 2020 and 2019 arising from purchase of packaging materials, service costs and other expenses comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade accounts receivable (Note 12)				
Star RFID Co., Ltd.	-	153,010	-	-
C.A.S. Paper Co., Ltd.	-	7,704	-	-
	-	160,714	-	-
Deposits (Note 23)				
Charoen Aksorn Holding Group Co., Ltd.	287,500	294,500	287,500	287,500
Trade accounts payable (Note 25)				
C.A.S. Paper Co., Ltd.	15,563,949	6,448,216	-	7,704
Box Asia Group International Co., Ltd.	-	-	2,178,680	7,217,549
	15,563,949	6,448,216	2,178,680	7,225,253
Other accounts payable (Note 25)				
Charoen Aksorn Holding Group Co., Ltd.	61,464	55,675	61,464	54,962
C.A.S. Paper Co., Ltd.	49,809	-	49,809	-
Asia Cab Co., Ltd.	13,000	-	13,000	-
	124,273	55,675	124,273	54,962
Accrual expenses (Note 25)				
Directors	907,000	-	907,000	-

- c) **Short-term loans to a subsidiary**

The movement for the year ended 31 December 2020 comprises the following:

	Separate financial statements
	2020 Baht
Short-term loans to a subsidiary	
Balance as at 1 January	-
Additions during the period	20,000,000
Repayment during the period	(10,000,000)
Balance as at 31 December	10,000,000

As at 31 December 2020, outstanding short-term loans to a subsidiary are unsecured loans denominated in Thai Baht and due for repayment at call. The loans bear the interest at the rate as agreed between the parties.

41 Bank guarantee

As at 31 December 2020 and 2019, the Group has letters of guarantee issued by domestic banks on behalf of the Group for the following purposes:

	Currency	Consolidated financial statements			
		2020		2019	
		Currency amount	Baht or Baht equivalent	Currency amount	Baht or Baht equivalent
Guarantee for electricity usage	THB	9,641,200	9,641,200	9,041,200	9,041,200
Guarantee for material purchase	THB	1,000,000	1,000,000	2,500,000	2,500,000
Guarantee for performance	THB	1,036,552	1,036,552	1,414,370	1,414,370
	USD	70,538	2,130,718	195,768	5,937,896
	EUR	-	-	72,276	2,463,510
			13,808,470		21,356,976

	Currency	Separate financial statements			
		2020		2019	
		Currency amount	Baht or Baht equivalent	Currency amount	Baht or Baht equivalent
Guarantee for electricity usage	THB	8,410,200	8,410,200	7,810,200	7,810,200
Guarantee for performance	THB	1,036,552	1,036,552	1,414,370	1,414,370
	USD	70,538	2,130,718	195,768	5,937,896
	EUR	-	-	72,276	2,463,510
			11,577,470		17,625,976

42 Commitments

a) Capital commitments

As at 31 December 2020 and 2019, the Group has capital commitments relating to purchase of machinery, equipment and computer software as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Purchase of machinery and equipment	1,678,898	11,317,062	1,678,898	11,239,982
Purchase of computer software	2,798,540	128,800	2,798,540	128,800
	4,477,438	11,445,862	4,477,438	11,368,782

b) Operating commitment contracts

As at 31 December 2020, the Group has the non-cancellable lease contract or service agreements which not meet the criteria of TFRS 16 (2019 : the Group leases office building, office equipment and vehicles under cancellable operating lease agreements. The lease terms are between 3 months and 4 years).

As at 31 December 2020 and 2019, the future payments under operating commitments in respect of office equipment and vehicle rental are as follows:

Due for payable within	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
1 year	3,647,825	10,214,380	2,937,600	9,477,348
1 year - 5 years	1,089,000	2,591,560	1,089,000	2,288,578
	4,736,825	12,805,940	4,026,600	11,765,926

c) Letter of credits

As at 31 December 2020, the letter of credits provided by banks to guarantee purchase of imported goods issued on behalf of the Group were USD 103,355 or equivalent Baht 3,207,357 (2019: USD 458,793 or equivalent Baht 13,834,432).

43 Financial instruments

As at 31 December 2020 and 2019, the settlement dates on buying forward contracts were ranged 6 months. The local currency amounts to be received and paid and contractual exchange rates of the outstanding contracts were:

Foreign currency	Consolidated and separate financial statements					
	2020			2019		
	Contract amount	Exchange Rate	Baht equivalent	Contract amount	Exchange Rate	Baht equivalent
<u>Buying forward contract</u> USD	200,000	30.03	6,006,000	7,720,000	30.12 - 30.26	233,278,611
<u>Selling forward contract</u> USD	200,000	30.24 - 30.67	6,108,500	317,693	30.29 - 30.90	9,657,108

Interest rate swap contracts

The Company entered into 3 interest rate swap contracts of THB long-term borrowings with a financial institution totalling Baht 320 million to swap interests from floating rate to fixed rate of 3.50% and 3.70% per annum as specified in the contracts. The contracts are effective from 7 May 2018 to 30 December 2022.

Net fair value

The net fair values of the derivative financial instruments as at 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Net gain (loss) from fair value of forward foreign currency exchange contracts	(102,429)	446,351	(102,429)	446,351
Net loss from fair value of interest rate swap contracts	(3,373,035)	(4,352,258)	(3,373,035)	(4,352,258)
	(3,475,464)	(3,905,907)	(3,475,464)	(3,905,907)

The fair values of financial derivative contracts, which are forward foreign exchange contracts and interest rate swap contracts are determined by the market price of each contract which are calculated by a financial institution of the Group as at 31 December 2020 and 2019 (Level 2 of fair value hierarchy).

44 Subsequent events

At the Board of Directors' meeting of the Company no. 1/2021 held on 24 February 2021, directors approve to pay dividend in respect of the net profit for the year ended 31 December 2020 of Baht 0.26 per share totalling Baht 78 million which will be paid to shareholders after being approved by Annual General Meeting of Shareholders of 2021.