

## **Union Textile Industries Public Company Limited**

### **Notes to interim financial statements**

#### **For the three-month and six-month periods ended 30 June 2020**

## **1. General information**

### **1.1 Corporate information**

Union Textile Industries Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of textiles. The Company’s registered addresses are as follows:

Head office : 1828 Sukhumvit Road, South Phraканong Sub District, Phraканong District, Bangkok

Branch : 205 Moo 4, Sukhumvit Road (Km. 39.5), Tambol Bangpoo Mai, Amphur Muang Samutprakarn, Samutprakarn

### **1.2 Coronavirus disease 2019 pandemic**

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Company’s business activities in terms of investment in equity instruments, and this is significantly affecting the Company’s financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the financial effect cannot be reasonably estimated at this stage. The Company’s management has continuously monitored the ongoing developments and assessed the financial effect in respect of the valuation of assets and will record the effect when it is possible to do so.

### **1.3 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

#### **1.4 New financial reporting standards that became effective in the current period**

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

##### **Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

*Classification and measurement of investments in equity instruments of non-listed companies*

The Company measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value through other comprehensive income.

*Recognition of credit losses*

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

*Recognition of forward contracts*

The Company initially recognised forward contracts at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of forward contracts are recognised in profit or loss.

The Company adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the financial statements.

**IFRS 16 Leases**

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

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

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

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

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

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

The Company has elected to apply the temporary relief measures on accounting alternatives related to the measurement of the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.

### **1.5 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

#### **1.5.1 Financial instruments**

##### **Classification and measurement**

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Derivatives are classified and measured at fair value through profit or loss

##### **Impairment of financial assets**

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

## 1.5.2 Leases

### ***Right-of-use assets***

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

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### ***Lease liabilities***

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

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

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 1.4 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

(Unaudited but reviewed)

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		
	31 December 2019	The impacts of financial reporting standards related to financial instruments	1 January 2020
<b>Statement of financial position</b>			
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	113,398	(3,531)	109,867
Derivative assets	-	3,342	3,342
<b>Non-current assets</b>			
Other non-current financial assets	-	720,217	720,217
Other long-term investments	551,564	(551,564)	-
<b>Liabilities and shareholders' equity</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	30,984	76,231	107,215
<b>Shareholders' equity</b>			
Retained earnings - unappropriated	280,547	(42,690)	237,857
Other components of shareholders' equity	21,448	134,923	156,371

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019	The impacts of financial reporting standards related to financial instruments	1 January 2020
<b>Statement of financial position</b>			
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	113,398	(3,531)	109,867
Derivative assets	-	3,342	3,342
<b>Non-current assets</b>			
Other non-current financial assets	-	720,217	720,217
Other long-term investments	162,209	(162,209)	-
Deferred tax assets	3,736	(3,736)	-
<b>Liabilities and shareholders' equity</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	-	107,215	107,215
<b>Shareholders' equity</b>			
Retained earnings (deficits) - unappropriated	(74,088)	311,945	237,857
Other components of shareholders' equity	21,484	134,923	156,371

## 2.1 Financial instruments

- a) Details of the impact on retained earnings (deficits) as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments is presented as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is a applied	Separate financial statements
Fair value measurement of investments in equity instrument of non-listed companies	(43,152)	311,483
Recognition of derivatives at fair value through profit or loss	462	462
Impacts on retained earnings (deficits) due to the adoption of financial reporting standards related to financial instruments	(42,690)	311,945

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	112,366	-	-	112,366	112,366
Trade and other receivables	113,398	-	-	109,867	109,867
Derivative assets	-	3,342	-	-	3,342
Other current assets	3,097	-	-	3,097	3,097
Restricted bond	11,000	-	-	11,000	11,000
Other non-current financial assets	551,564	-	720,217	-	720,217
Other non-current assets	198	-	-	198	198
<b>Total financial assets</b>	<b>791,623</b>	<b>3,342</b>	<b>720,217</b>	<b>236,528</b>	<b>960,087</b>

(Unit: Thousand Baht)

	Separate financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	112,366	-	-	112,366	112,366
Trade and other receivables	113,398	-	-	109,867	109,867
Derivative assets	-	3,342	-	-	3,342
Other current assets	3,097	-	-	3,097	3,097
Restricted bond	11,000	-	-	11,000	11,000
Other non-current financial assets	162,209	-	720,217	-	720,217
Other non-current assets	198	-	-	198	198
<b>Total financial assets</b>	<b>402,268</b>	<b>3,342</b>	<b>720,217</b>	<b>236,528</b>	<b>960,087</b>

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

(Unaudited but reviewed)

### 3. Related party transactions

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

(Unit: Million Baht)

	For the three-month		For the six-month		Pricing policy
	periods ended		periods ended		
	30 June		30 June		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with parent company</u>					
Purchase of raw materials	9	152	22	266	Cost plus margin
<u>Transactions with related companies</u>					
Sales of goods	-	1	-	1	Cost plus margin
Purchase of goods and raw materials	-	-	1	1	Cost plus margin
Rental income	5	4	9	9	Contract price

As at 30 June 2020 and 31 December 2019, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	<u>30 June 2020</u>	<u>31 December 2019</u>
		(Audited)
<b><u>Trade and other receivables - related parties (Note 4)</u></b>		
Related companies (Has common shareholders)	6	1,137
Related company (Held by the Company)	156	83
Others	7	6
Total trade and other receivables - related parties	<u>169</u>	<u>1,226</u>
<b><u>Trade and other payables - related parties (Note 11)</u></b>		
Parent company	3,263	5,272
Associated company	629	629
Related companies (Has common shareholders)	10	651
Total trade and other payables - related parties	<u>3,902</u>	<u>6,552</u>

(Unaudited but reviewed)

Directors and management's benefit

During the three-month and six-month periods ended 30 June 2020 and 2019, the Company had employee benefit expenses of its directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	3,060	2,977	6,060	5,908
Post-employment benefits	323	848	406	871
Total	<u>3,383</u>	<u>3,825</u>	<u>6,466</u>	<u>6,779</u>

**4. Trade and other receivables**

	(Unit: Thousand Baht)	
	<u>30 June 2020</u>	<u>31 December 2019</u>
		(Audited)
<u>Trade receivables - related parties</u>		
Age on the basis of due dates		
Not yet due	-	948
Total trade receivables - related parties	-	948
<u>Trade receivables - unrelated parties</u>		
Age on the basis of due dates		
Not yet due	122,226	95,336
Past due up to 3 months	-	13,852
Total trade receivables - unrelated parties	122,226	109,188
Total trade receivables - net	122,226	110,136
<u>Other receivables</u>		
Other receivables - related parties	169	278
Other receivables - unrelated parties	3,205	2,984
Total other receivables	3,374	3,262
Total trade and other receivables	<u>125,600</u>	<u>113,398</u>

**5. Inventories**

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories-net	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)		(Audited)
Finished goods	27,899	48,993	(1,055)	(4,232)	26,844	44,761
Work in process	15,832	14,531	-	-	15,832	14,531
Raw materials and chemicals	79,044	149,434	-	-	79,044	149,434
Spare parts and factory supplies	352	325	(263)	(263)	89	62
Goods in transit	1,571	-	-	-	1,571	-
<b>Total</b>	<b>124,698</b>	<b>213,283</b>	<b>(1,318)</b>	<b>(4,495)</b>	<b>123,380</b>	<b>208,788</b>

Movements in the reduction of cost of inventories to net realisable value during the six-month periods ended 30 June 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
Balance as at 1 January	4,495	1,390
Add: Reduce cost to net realisable value increase (decrease) during the period	(3,177)	2,830
Balance as at 30 June	<u>1,318</u>	<u>4,220</u>

**6. Other current financial assets**

As at 30 June 2020, other current financial assets comprised current investment which was fixed deposit at bank totaling Baht 150 million, carrying the interest at rates of 0.625% and 0.750% per annum and due in December 2020, and derivative assets of Baht 3 million.

(Unaudited but reviewed)

**7. Other non-current financial assets**

As at 30 June 2020 the Company had other non-current financial assets which are summarised below.

Company	Shareholding percentage	(Unit: Thousand Baht)	
		Financial statements in which the equity method is applied/ Separate financial statements	
		Cost	Fair value
<b>Investments in equity instruments</b>			
<b>Listed company</b>			
Saha-Union Plc.	0.33	16,191	35,499
<b>Total</b>		<b>16,191</b>	<b>35,499</b>
<b>Non-listed companies</b>			
Unifibre Co., Ltd	19.63	412,914	415,163
Union Business Management Co., Ltd.	19.00	94,999	209,380
Union Micronclean Co., Ltd.	13.00	650	6,057
<b>Total</b>		<b>508,563</b>	<b>630,600</b>
<b>Total other non-current financial assets</b>		<b>524,754</b>	<b>666,099</b>

The impacts from changes in accounting policies due to the adoption of these standards as at 1 January 2020, as discussed in Note 2 to the financial statements.

**8. Investment in associate**

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements	
			30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
			%	%	(Audited)		(Audited)	
Ten Cate-Union Protective Fabrics Asia Ltd. ("TCUA")	Production of work wear and safety wear fabric	Thailand	49.35	49.35	16,950	16,950	190,000	190,000
Total investments in associated company					16,950	16,950	190,000	190,000
Less: Allowance for impairment loss on investment in TCUA					(16,950)	(16,950)	(190,000)	(190,000)
Total investment in associate - net					-	-	-	-

Ten Cate-Union Protective Fabrics Asia Ltd. ("TCUA") filed for deregistration with the Ministry of Commerce on 22 March 2013. At the present, TCUA is in the process of liquidation.

**9. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)
<b>Net book value as at 1 January 2020</b>	112,192
Acquisitions during the period - at cost	44
Sales/write-off during the period - net	(321)
Depreciation for the period	(10,804)
<b>Net book value as at 30 June 2020</b>	<u>101,111</u>

The Company has undertaken not to dispose of or transfer or create any obligations to its immovable properties as specified in the credit facilities agreement, unless a 30 days notice prior consent has been provided in writing to the bank.

**10. Other non-current assets**

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

**11. Trade and other payables**

	(Unit: Thousand Baht)	
	<u>30 June 2020</u>	<u>31 December 2019</u>
		(Audited)
Trade accounts payable - related parties	3,557	6,207
Trade accounts payable - unrelated parties	12,561	9,477
Other payable - related parties	345	345
Accrued expenses	12,299	14,823
<b>Total trade and other payables</b>	<u>28,762</u>	<u>30,852</u>

**12. Provision for long-term employee benefits**

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	30 June 2020	31 December 2019
		(Unit: Thousand Baht)
		(Audited)
Present value of defined benefit obligation	75,533	78,554
Fair value of plan assets	(27,499)	(29,808)
Net defined benefit liability	<u>48,034</u>	<u>48,746</u>

Changes in present value of defined benefit obligation and fair value of plan assets for the six-month period ended 30 June 2020 were as follows:

	(Unit: Thousand Baht)
<b>Defined benefit obligation at beginning of period</b>	78,554
Current service cost	1,613
Interest cost	779
Benefits paid during the period	(5,413)
<b>Defined benefit obligation at end of period</b>	<u>75,533</u>
<b>Fair value of plan assets at beginning of period</b>	29,808
Change in fair value	(319)
Contribution by the Company	976
Benefits paid during the period	(2,966)
<b>Fair value of plan assets at end of period</b>	<u>27,499</u>

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

**13. Preference shares**

The cumulative unpaid dividend to the preference shares as at 30 June 2020 amounted to Baht 147 million (31 December 2019: Baht 147 million).

**14. Sales and service income**

Revenue from sales and service income mainly comprises revenue from textile distribution, revenue from shipping service as the Company has an obligation to ship goods sold to customers in accordance with conditions of contracts and other service income. The revenue from shipping service and other service income is immaterial to the Company's financial statements.

(Unaudited but reviewed)

## 15. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expense (income) for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

Financial statements in which the equity  
method is applied

	For the three-month periods end 30 June		For the six-month periods end 30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Interim corporate income tax	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>97</u>	<u>34,653</u>	<u>142</u>	<u>34,540</u>
<b>Income tax expense reported in profit or loss</b>	<u>97</u>	<u>34,653</u>	<u>142</u>	<u>34,540</u>

(Unit: Thousand Baht)

Separate financial statements

	For the three-month periods end 30 June		For the six-month periods end 30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Interim corporate income tax	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>97</u>	<u>(66)</u>	<u>142</u>	<u>(179)</u>
<b>Income tax expense (income) reported in profit or loss</b>	<u>97</u>	<u>(66)</u>	<u>142</u>	<u>(179)</u>

(Unaudited but reviewed)

The amount of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

Financial statements in which the equity method is applied/  
Separate financial statements

	For the three-month periods end 30 June		For the six-month periods end 30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Deferred tax on:</b>				
Loss on change in value available-for-sale investments	-	(700)	-	(100)
Gain (loss) on investments in equity designated at fair value	400	-	(10,824)	-
Actuarial gain	-	58	-	58
<b>Total</b>	<u>400</u>	<u>(642)</u>	<u>(10,824)</u>	<u>(42)</u>

## 16. Basic earnings per share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

The following table sets forth the computation of basic earnings (loss) per share:

Financial statements in which the equity method is applied

	Profit (loss)		Weighted average number of ordinary shares		Basic earnings (loss) per share	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b><u>For the three-month periods ended 30 June</u></b>						
Profit for the period	10,477	126,984				
Less: Dividend of preference shares	(5,250)	(5,250)				
<b>Profit of ordinary shares</b>	<u>5,227</u>	<u>121,734</u>	45,000	45,000	<u>0.12</u>	<u>2.71</u>
<b><u>For the six-month periods ended 30 June</u></b>						
Profit for the period	6,805	126,723				
Less: Dividend of preference shares	(10,500)	(10,500)				
<b>Profit (loss) of ordinary shares</b>	<u>(3,695)</u>	<u>116,223</u>	45,000	45,000	<u>(.08)</u>	<u>2.58</u>

(Unaudited but reviewed)

						Separate financial statements			
		Profit (loss)		Weighted average number of ordinary shares		Basic earnings (loss) per share			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>			
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht			
<b><u>For the three-month periods ended 30 June</u></b>									
Profit for the period	10,477	734							
Less: Dividend of preference shares	(5,250)	(5,250)							
<b>Profit (loss) of ordinary shares</b>	<u>5,227</u>	<u>(4,516)</u>	45,000	45,000	<u>0.12</u>	<u>(.10)</u>			
<b><u>For the six-month periods ended 30 June</u></b>									
Profit for the period	6,805	211							
Less: Dividend of preference shares	(10,500)	(10,500)							
<b>Loss of ordinary shares</b>	<u>(3,695)</u>	<u>(10,289)</u>	45,000	45,000	<u>(.08)</u>	<u>(.23)</u>			

## 17. Financial information by segment

The Company is principally engaged in the manufacture and distribution of textiles. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

## 18. Commitments and contingent liabilities

### 18.1 Purchase of raw material commitment

As at 30 June 2020, the Company had no purchase of raw material commitment.

As at 31 December 2019, the Company had commitment of USD 0.04 million, relating to purchase of raw materials.

### 18.2 Operating lease commitments

As at 30 June 2020, the Company has entered into operating leases relating to car rental and service agreements, with terms generally averaging 1 to 3 year. Future minimum lease payments required under these non-cancellable operating lease and service agreements which has not recorded under lease liabilities amounted to Baht 3 million.

### 18.3 Guarantees

As at 30 June 2020, the Company pledges BOT bond of Baht 11 million with Metropolitan Electricity Authority to guarantee the usage of electricity (31 December 2019: 11 million).

As at 30 June 2020, the Company had bank guarantees issued by a bank on behalf of the Company as a security for the purchases and sales of natural gas of Baht 1.6 million (31 December 2019: Baht 1.6 million).

### 19. Fair value hierarchy

As at 31 June 2020, the Company had assets that were measured at fair value which are derivative assets and investments in equity instruments. The fair value is thus based on level 1 input.

### 20. Financial instruments

The Company earns part of its revenues from its export sales in US dollar and Euro. The balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Average exchange rate	
	30 June 2020 (Million)	31 December 2019 (Million)	30 June 2020 (Baht per 1 foreign currency unit)	31 December 2019 (Baht per 1 foreign currency unit)
US dollar	2.33	1.70	30.6238	29.8855
Euro	1.19	1.42	34.2180	33.2713

Foreign exchange contracts outstanding are summarised below.

As at 30 June 2020

Foreign currency	Sold amount (Million)	Weighted average contractual exchange rate to sell (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	3.50	30.25 - 32.98	15/01/21 - 11/06/21
Euro	2.09	33.60 - 36.50	31/07/20 - 28/05/21

As at 31 December 2019

Foreign currency	Sold amount (Million)	Weighted average contractual exchange rate to sell (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	2.04	29.78 - 31.62	27/03/20 - 18/12/20
Euro	1.34	33.50 - 37.20	10/01/20 - 11/12/20

**21. Approval of interim financial statements**

The interim financial statements were authorised for issue by the Audit Committee on 6 August 2020 as assigned by the Company's Board of Directors.