



**MODEN GLAS**

**THAI POLY ACRYLIC PUBLIC COMPANY LIMITED**

**Report and Financial Statements**

**31 December 2019**



## **Independent Auditor's Report**

To the Shareholders of Thai Poly Acrylic Public Company Limited

### **Opinion**

I have audited the accompanying financial statements of Thai Poly Acrylic Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

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

#### Sales

The amount of sales presented in the financial statements for the year 2019, amounting to Baht 936 million, is significant and the account directly impacts on the Company's operating results. Moreover, the Company has a large number of customers both in Thailand and overseas and sales are made under various terms and conditions. Therefore, I focused on the Company's recognition of sales revenue.

I assessed and tested the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes that the Company issued after the period-end and performed analytical review procedures on sales accounts.

#### Inventories

Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statements, is an area of management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventory. This requires analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry.

I assessed the method and the assumptions applied by management in determining the provision for diminution in value of inventory by gaining an understanding of the basis applied in determining such provision and reviewing the consistency of the application of that basis, comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover and comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

### **Other Information**

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

*Wtee K.*

Wattoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 19 February 2020

## Statement of financial position

Thai Poly Acrylic Public Company Limited

As at 31 December 2019

		(Unit: Baht)	
	Note	2019	2018
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	162,744,016	198,395,426
Current investment - fixed deposit		1,166,289	-
Trade and other receivables	8	224,821,400	285,787,188
Inventories	9	96,895,430	114,782,979
Other current assets		5,423,009	11,304,004
<b>Total current assets</b>		<b>491,050,144</b>	<b>610,269,597</b>
<b>Non-current assets</b>			
Restricted bank deposits	10	-	1,152,032
Property, plant and equipment	11	252,468,541	265,180,506
Intangible assets - computer software		950,707	747,868
Deferred tax assets	17	6,473,784	11,891,751
Other non-current assets		303,018	303,018
<b>Total non-current assets</b>		<b>260,196,050</b>	<b>279,275,175</b>
<b>Total assets</b>		<b>751,246,194</b>	<b>889,544,772</b>

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



# Statement of financial position (continued)

Thai Poly Acrylic Public Company Limited

As at 31 December 2019

(Unit: Baht)

	Note	2019	2018
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	12	200,894,744	321,169,549
Current portion of liabilities under finance lease agreements		-	524,832
Income tax payable		1,075,158	-
Other current liabilities		1,673,595	7,075,989
<b>Total current liabilities</b>		<b>203,643,497</b>	<b>328,770,370</b>
<b>Non-current liabilities</b>			
Liabilities under finance lease agreements, net of current portion		-	872,763
Provision for long-term employee benefits	13	38,895,259	26,246,395
<b>Total non-current liabilities</b>		<b>38,895,259</b>	<b>27,119,158</b>
<b>Total liabilities</b>		<b>242,538,756</b>	<b>355,889,528</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
121,500,000 ordinary shares of Baht 1 each		121,500,000	121,500,000
Issued and fully paid-up			
121,500,000 ordinary shares of Baht 1 each		121,500,000	121,500,000
Share premium		233,350,000	233,350,000
Retained earnings			
Appropriated - statutory reserve	15	12,150,000	12,150,000
Unappropriated		141,707,438	166,655,244
<b>Total shareholders' equity</b>		<b>508,707,438</b>	<b>533,655,244</b>
<b>Total liabilities and shareholders' equity</b>		<b>751,246,194</b>	<b>889,544,772</b>

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

# Statement of comprehensive income

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2019

		(Unit: Baht)	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales and services		935,712,897	1,149,021,724
Other income			
Scrap sales		5,802,171	14,050,610
Others		<u>4,305,244</u>	<u>4,392,512</u>
<b>Total revenues</b>		<u>945,820,312</u>	<u>1,167,464,846</u>
<b>Expenses</b>			
Cost of sales and services		786,883,561	1,097,350,426
Selling and distribution expenses		36,906,626	37,811,732
Administrative expenses		<u>80,707,201</u>	<u>81,483,626</u>
<b>Total expenses</b>		<u>904,497,388</u>	<u>1,216,645,784</u>
<b>Profit (loss) before finance cost and income tax benefits (expenses)</b>		41,322,924	(49,180,938)
Finance cost		<u>(71,867)</u>	<u>(69,967)</u>
<b>Profit (loss) before income tax benefits (expenses)</b>		41,251,057	(49,250,905)
Income tax benefits (expenses)	17	<u>(8,200,844)</u>	<u>10,187,795</u>
<b>Profit (loss) for the year</b>		<u>33,050,213</u>	<u>(39,063,110)</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss - net of income tax		<u>(3,323,019)</u>	<u>(401,694)</u>
<b>Other comprehensive income for the year</b>		<u>(3,323,019)</u>	<u>(401,694)</u>
<b>Total comprehensive income for the year</b>		<u>29,727,194</u>	<u>(39,464,804)</u>
<b>Earnings per share</b>	18		
Basic earnings (loss) per share		<u>0.27</u>	<u>(0.32)</u>

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

# Statement of changes in shareholders' equity

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

	Issued and fully paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018</b>	121,500,000	233,350,000	12,150,000	242,570,048	609,570,048
Loss for the year	-	-	-	(39,063,110)	(39,063,110)
Other comprehensive income for the year	-	-	-	(401,694)	(401,694)
Total comprehensive income for the year	-	-	-	(39,464,804)	(39,464,804)
Dividend paid (Note 21)	-	-	-	(36,450,000)	(36,450,000)
<b>Balance as at 31 December 2018</b>	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>166,655,244</u>	<u>533,655,244</u>
<b>Balance as at 1 January 2019</b>	121,500,000	233,350,000	12,150,000	166,655,244	533,655,244
Profit for the year	-	-	-	33,050,213	33,050,213
Other comprehensive income for the year	-	-	-	(3,323,019)	(3,323,019)
Total comprehensive income for the year	-	-	-	29,727,194	29,727,194
Dividend paid (Note 21)	-	-	-	(54,675,000)	(54,675,000)
<b>Balance as at 31 December 2019</b>	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>141,707,438</u>	<u>508,707,438</u>

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

## Cash flow statement

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2019

	(Unit: Baht)	
	<u>2019</u>	<u>2018</u>
<b>Cash flows from (used in) operating activities</b>		
Profit (loss) before tax	41,251,057	(49,250,905)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	20,948,144	20,882,931
Allowance for doubtful accounts (reversal)	414,803	(356,125)
Reversal of reduce cost of inventory to net realisable value	(605,159)	(1,313,254)
Gain on sales of machinery and equipment	(187,554)	(1,959)
Loss from write-off of equipment	-	3,121
Provision for long-term employee benefits	11,574,107	5,566,790
Unrealised loss (gain) on foreign exchange	(1,089,544)	1,158,246
Interest income	(762,085)	(1,687,936)
Interest expenses	<u>71,867</u>	<u>69,967</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	71,615,636	(24,929,124)
Operating assets (increase) decrease		
Trade and other receivables	60,746,316	(22,963,710)
Inventories	18,492,708	2,583,569
Other current assets	5,866,738	519,475
Other non-current assets	-	(30,174)
Operating liabilities increase (decrease)		
Trade and other payables	(113,638,199)	(2,331,393)
Other current liabilities	(5,401,868)	(4,889,865)
Cash paid for long-term employee benefits	<u>(3,079,016)</u>	<u>(3,176,852)</u>
Cash flows from (used in) operating activities	34,602,315	(55,218,074)
Cash paid for interest expenses	(71,867)	(69,967)
Cash paid for income tax	<u>(876,964)</u>	<u>(13,866,804)</u>
<b>Net cash flows from (used in) operating activities</b>	<u>33,653,484</u>	<u>(69,154,845)</u>

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

**Cash flow statement** (continued)  
 Thai Poly Acrylic Public Company Limited  
 For the year ended 31 December 2019

	(Unit: Baht)	
	<u>2019</u>	<u>2018</u>
<b>Cash flows from (used in) investing activities</b>		
Improvements of plant and acquisition of machinery and equipment	(15,251,384)	(10,775,320)
Acquisitions of computer software	(554,400)	(515,300)
Cash received from sales of machinery and equipment	1,800,800	1,962
Cash received from interest	<u>762,837</u>	<u>1,711,151</u>
<b>Net cash flows used in investing activities</b>	<u>(13,242,147)</u>	<u>(9,577,507)</u>
<b>Cash flows from (used in) financing activities</b>		
Payment of liabilities under finance lease agreements	(1,397,595)	(840,875)
Dividend paid	<u>(54,675,000)</u>	<u>(36,450,000)</u>
<b>Net cash flows used in financing activities</b>	<u>(56,072,595)</u>	<u>(37,290,875)</u>
<b>Net decrease in cash and cash equivalents</b>	(35,661,258)	(116,023,227)
Unrealised exchange gain (loss) for cash and cash equivalents	9,848	(107,599)
<b>Cash and cash equivalents at beginning of year</b>	<u>198,395,426</u>	<u>314,526,252</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>162,744,016</u></u>	<u><u>198,395,426</u></u>
<b>Supplemental cash flow information</b>		
Non-cash transactions:		
Increase (decrease) in accounts payable from purchases		
of machinery and equipment	(5,753,520)	6,162,728

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

**Notes to financial statements**

**For the year ended 31 December 2019**

**1. General information**

Thai Poly Acrylic Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholders are Lucite International UK Overseas Holdco1 Limited, incorporated in England and Asiatic Acrylics Company Limited, incorporated in Thailand, with shareholdings of 42.3 percent and 34.1 percent, respectively. Lucite International UK Overseas Holdco1 Limited is a subsidiary of Mitsubishi Rayon Lucite Group Limited, incorporated in England and the ultimate controlling party of the Group is Mitsubishi Chemical Holding Corporation, incorporated in Japan.

The Company is principally engaged in the manufacture and distribution of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. The registered office of the Company is at 60 - 61 Moo 9, Putthamonthon Sai 4 Road, Krathumliom, Sampran, Nakornpathom (Its branch office is located at 134/5 Krung Thonburi Road, Klong Tonsai, Klong Sarn, Bangkok).

**2. Basis of preparation**

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

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

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



### 3 New financial reporting standards

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

During the year, the Company have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

##### **IFRS 15 Revenue from Contracts with Customers**

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

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

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

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

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

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

### Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company believes that adoption of these standards will not have any significant impact on the financial statements.

### TFRS 16 Leases

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

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

The Company plans to adopt TFRS 16 using the modified retrospective method of adoption of 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 management of the Company expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Company's assets by approximately Baht 3 million and the Company's liabilities by approximately Baht 3 million.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

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

###### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service.

##### **4.2 Cash and cash equivalents**

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

##### **4.3 Trade accounts receivable**

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

##### **4.4 Inventories**

Finished goods are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

#### 4.5 Property, plant and equipment and depreciation

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

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

Buildings	-	20 years
Building improvements	-	5 years
Machinery and equipment	-	3 - 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

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

#### 4.6 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and allowance for impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets are computer software with finite useful lives of approximately 5 years.

#### 4.7 Related party transactions

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

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



#### **4.8 Long-term leases**

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

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

#### **4.9 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.10 Impairment of assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.11 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits and other long-term employee benefits***

###### ***Defined contribution plans***

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

###### ***Defined benefit plans and other long-term employee benefits***

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit and loss.

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

#### **4.12 Provisions**

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



#### **4.13 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.14 Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

#### **4.15 Fair value measurement**

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

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

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

#### **5. Significant accounting judgements and estimates**

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

##### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

**Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

**Property, plant and equipment and depreciation**

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

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

**Deferred tax assets**

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

**Post-employment benefits under defined benefit plans and other long-term employee benefits**

The obligations under the defined benefit plans and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

During the years, 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)		
	<u>2019</u>	<u>2018</u>	<u>Transfer pricing policies</u>
<u>Transactions with related parties</u>			
Purchases of raw materials	356	606	As agreed with reference to market price
Service expenses	3	5	Contract price and as agreed

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

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<u>Trade and other payables - related parties (Note 12)</u>		
Fellow subsidiaries:		
Shanghai Delight Trading Company Limited	469	1,387
Lucite Korea	-	1,091
Lucite (Darwen) UK	83	121
Lucite International Singapore Pte Ltd	5	5
Subsidiaries of ultimate parent:		
Thai MMA Company Limited	96,662	197,976
Diapolyacrylate Company Limited	2,382	6,412
Total trade and other payables - related parties	<u>99,601</u>	<u>206,992</u>

### Directors and management's benefits

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

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Short-term employee benefits	19,652	23,829
Post-employment benefits	3,737	1,812
Total	<u>23,389</u>	<u>25,641</u>

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Cash	50	50
Bank deposits	162,694	118,345
Bank of Thailand bond	-	80,000
Total	<u>162,744</u>	<u>198,395</u>

As at 31 December 2019, bank deposits in saving accounts and Bank of Thailand Bond carried interests between 0.15 and 1.00 percent per annum (2018: between 0.15 and 1.40 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	179,582	233,185
Past due		
Up to 3 months	45,686	52,083
Over 12 months	5,656	6,140
Total	<u>230,924</u>	<u>291,408</u>
Less: Allowance for doubtful debts	<u>(6,555)</u>	<u>(6,140)</u>
Total trade receivables - unrelated parties, net	<u>224,369</u>	<u>285,268</u>
<u>Other receivables</u>		
Loans to employees	428	387
Others	24	132
Total other receivables	<u>452</u>	<u>519</u>
Total trade and other receivables - net	<u>224,821</u>	<u>285,787</u>

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	30,322	36,406	(2,896)	(2,654)	27,426	33,752
Raw materials	41,870	39,376	(4,326)	(4,246)	37,544	35,130
Spare parts and factory supplies	32,492	35,010	(3,500)	(4,427)	28,992	30,583
Goods in transit	2,933	15,318	-	-	2,933	15,318
Total	<u>107,617</u>	<u>126,110</u>	<u>(10,722)</u>	<u>(11,327)</u>	<u>96,895</u>	<u>114,783</u>

During the current year, the Company reversed the write-down of cost of inventories by Baht 1 million (2018: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.





MODEN GLAS

## Thai Poly Acrylic Public Company Limited

### 11. Property, plant and equipment

	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
(Unit: Thousand Baht)							
<b>Cost</b>							
1 January 2018	136,331	184,098	464,299	19,069	13,582	9,097	826,476
Additions	-	256	1,882	424	-	14,376	16,938
Disposals/Write-off	-	-	(5)	(77)	-	-	(82)
Transfer in (out)	-	695	5,137	2,577	-	(8,409)	-
31 December 2018	136,331	185,049	471,313	21,993	13,582	15,064	843,332
Additions	-	95	1,321	1,026	-	7,056	9,498
Disposals	-	(719)	(2,783)	(2,830)	(3,499)	-	(9,781)
Transfer in (out)	-	8,402	3,294	65	-	(11,761)	-
31 December 2019	136,331	192,847	473,145	20,254	10,133	10,359	843,049
<b>Accumulated depreciation</b>							
1 January 2018	-	142,280	389,533	16,586	9,121	-	557,520
Depreciation for the year	-	4,562	13,027	1,411	1,710	-	20,710
Depreciation on disposals/Write-off	-	-	(2)	(77)	-	-	(79)
31 December 2018	-	146,842	402,558	17,920	10,831	-	578,151
Depreciation for the year	-	5,480	12,360	1,821	935	-	20,596
Depreciation on disposals	-	(718)	(2,633)	(2,810)	(2,006)	-	(8,167)
31 December 2019	-	151,604	412,285	16,931	9,760	-	590,580
<b>Net book value</b>							
31 December 2018	136,331	38,207	68,755	4,073	2,751	15,064	265,181
31 December 2019	136,331	41,223	60,860	3,323	373	10,359	252,469
<b>Depreciation for the year</b>							
2018 (Baht 17 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							20,710
2019 (Baht 17 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							20,596

As at 31 December 2019, the Company has motor vehicles with net book value of Baht 0.4 million (2018: Baht 3 million) which were acquired under finance lease agreements.

As at 31 December 2019, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 433 million (2018: Baht 428 million).

**12. Trade and other payables**

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Trade payables - related parties	99,044	204,388
Trade payables - unrelated parties	68,857	74,278
Other payables - related parties	557	2,604
Other payables - unrelated parties	9,000	12,986
Accrued expenses	23,437	26,914
Total trade and other payables	<u>200,895</u>	<u>321,170</u>

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

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and other long-term employee benefits, namely long service awards, was as follows:

	(Unit: Thousand Baht)		
	2019		
	Severance payment plan	Long service awards	Total
<b>Provision for long-term employee benefits</b>			
at beginning of year	25,513	733	26,246
Included in profit or loss:			
Current service cost	3,936	408	4,344
Interest cost	792	24	816
Past service cost	6,414	-	6,414
Included in other comprehensive income:			
Actuarial loss arising from			
- Financial assumptions changes	4,154	-	4,154
Benefits paid during the year	(2,991)	(88)	(3,079)
<b>Provision for long-term employee benefits</b>			
at end of year	<u>37,818</u>	<u>1,077</u>	<u>38,895</u>

(Unit: Thousand Baht)

	2018		
	Severance payment plan	Long service awards	Total
<b>Provision for long-term employee benefits</b>			
at beginning of year	22,092	1,262	23,354
Included in profit or loss:			
Current service cost	5,187	193	5,380
Interest cost	769	35	804
Actuarial gain	-	(617)	(617)
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
- Demographic assumptions changes	2,498	-	2,498
- Financial assumptions changes	473	-	473
- Experience adjustments	(2,469)	-	(2,469)
Benefits paid during the year	(3,037)	(140)	(3,177)
<b>Provision for long-term employee benefits</b>			
at end of year	25,513	733	26,246

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 6.4 million as a result. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Company expects to pay Baht 3.4 million of long-term employee benefits within next year (2018: Baht 2.4 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 9 years (2018: 9 years).

Significant actuarial assumptions are summarised below:

	2019	2018
Discount rate	1.3%	2.7%
Salary increase rate	4.0%	4.0%
Turnover rate	0% - 27.0%	0% - 27.0%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

	2019			
	Severance payment plan		Long service awards	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3.2)	3.6	(0.1)	0.1
Salary increase rate	4.0	(3.5)	-	-
Turnover rate	(3.4)	2.3	(0.1)	0.1

(Unit: Million Baht)

	2018			
	Severance payment plan		Long service awards	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.1)	2.4	(0.1)	0.1
Salary increase rate	2.4	(2.1)	-	-
Turnover rate	(2.2)	1.5	(0.1)	0.1

#### 14. Undrawn credit facilities

As at 31 December 2019, undrawn credit facilities of the Company granted by financial institutions amounted to approximately Baht 325 million (2018: Baht 318 million).

#### 15. Statutory reserve

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

**16. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Raw materials and consumables used	607,247	934,572
Salaries, wages and other employee benefits	134,116	126,434
Fuel and utility expenses	55,367	52,949
Transportation expenses	23,226	21,931
Depreciation and amortisation	20,948	20,883
Repair and maintenance expenditure	14,102	10,490
Changes in finished goods	6,085	8,650

**17. Income tax**

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

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<b>Current income tax</b>		
Current income tax charge	1,952	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	6,249	(10,188)
<b>Income tax expenses (benefits) reported in profit or loss</b>	<u>8,201</u>	<u>(10,188)</u>

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

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial losses	<u>(831)</u>	<u>(100)</u>

The reconciliation between accounting profit (loss) and income tax is shown below.

	(Unit: Thousand Baht)	
	2019	2018
Accounting profit (loss) before tax	41,251	(49,251)
Applicable tax rate	20 percent	20 percent
Accounting profit (loss) before tax multiplied by income tax rate	8,250	(9,850)
Effects of:		
Non-deductible expenses	147	26
Additional expense deductions allowed	(191)	(364)
<b>Income tax expenses (benefits) reported in profit or loss</b>	<b>8,201</b>	<b>(10,188)</b>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	2019	2018
<b>Deferred tax assets</b>		
Provision for long-term employee benefits	7,779	5,249
Reduction of inventory cost to net realisable value	2,144	2,265
Allowance for doubtful accounts	1,311	1,228
Provision for expenses	980	470
Unused tax loss	-	9,363
Others	-	22
<b>Total</b>	<b>12,214</b>	<b>18,597</b>
<b>Deferred tax liabilities</b>		
Difference depreciation for accounting and tax purpose	(5,740)	(6,701)
Others	-	(4)
<b>Total</b>	<b>(5,740)</b>	<b>(6,705)</b>
<b>Deferred tax assets - net</b>	<b>6,474</b>	<b>11,892</b>

#### 18. Earnings per share

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



## 19. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is engaged principally in the manufacture and sale of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. Each of these products is considered part of the same line of business, which is regarded as a single operating segment. As a result, all of the revenues, operating profit (loss) and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

### Geographic information

Sales and service income are based on locations of the customers for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Million Baht)	
	2019	2018
Thailand	567	671
Overseas	369	478
Total	936	1,149

### Major customers

For the year 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## 20. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 1 June 1999. Both employees and the Company contribute to the fund monthly at the rate of 3 or 5 or 7 percent of basic salary. The fund, which is managed by a fund manager, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 4 million (2018: Baht 4 million) were recognised as expenses.

## 21. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
Final dividend for 2017	Annual General Meeting of the shareholders on 27 April 2018	36.5	0.30
Final dividend for 2018	Annual General Meeting of the shareholders on 24 April 2019	54.7	0.45

## 22. Commitments and contingent liabilities

### 22.1 Capital commitments

As at 31 December 2019, the Company had capital commitments relating to the acquisitions of building improvements, machinery and equipment totaling Baht 3 million (2018: Nil).

### 22.2 Operating lease and service commitments

The Company has entered into lease agreements in respect of the lease of buildings and service agreements. The terms of the agreements are generally between 1 and 3 years.

Future minimum payments required under these operating lease and service agreements were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2019</u>	<u>2018</u>
Payable:		
In up to 1 year	2	2
In over 1 and up to 3 years	2	1

### 22.3 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 7 million (2018: Baht 7 million) issued by a bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business to guarantee electricity usage and others.

## **23. Financial instruments**

### **23.1 Financial risk management**

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investment, trade and other receivables, trade and other payables, and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, as stated in the statement of financial position.

#### ***Interest rate risk***

The Company's exposed to interest rate risk related primarily to its deposits at financial institutions and liabilities under finance lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2019					
	Fixed interest rates					Effective interest rate (% p.a.)
	Within		Floating	Non-interest		
	1 year	1 - 5 years	interest rate	bearing	Total	
<u>Financial assets</u>						
Cash and cash equivalents	-	-	163	-	163	0.15 - 1.00
Current Investment	1	-	-	-	1	1.25
Trade and other receivables	-	-	-	226	226	-
	1	-	163	226	390	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	201	201	-
	-	-	-	201	201	

(Unit: Million Baht)

2018						
	Fixed interest rates					Effective interest rate (% p.a.)
	Within		Floating	Non-interest		
	1 year	1 - 5 years	interest rate	bearing	Total	
<u>Financial assets</u>						
Cash and cash equivalents	80	-	118	-	198	0.15 - 1.40
Trade and other receivables	-	-	-	286	286	-
Restricted bank deposits	1	-	-	-	1	1.25
	81	-	118	286	485	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	321	321	-
Liabilities under finance lease agreements	1	1	-	-	2	0.32 - 0.66
	1	1	-	321	323	

### Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from the purchases/sales of goods that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.5	3.4	1.0	1.0	30.1084	32.4498
Australian dollar	1.0	1.2	-	0.1	21.0131	22.8411
Japanese yen	-	-	13.2	12.9	0.2754	0.2931
Euro	-	-	-	0.1	33.6780	37.1252

The outstanding forward exchange contracts of the Company are summarised below.

31 December 2018			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.2	32.114	25 January 2019

As at 31 December 2019, the Company has no outstanding balances of forward exchange contract.

## 23.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and bank deposits bear interest rates which are close to the market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

## 24. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2019, the Company's debt-to-equity ratio was 0.48:1 (2018: 0.67:1).



**25. Event after the reporting period**

On 19 February 2020, the Board of Directors' meeting passed a resolution to propose the payment of a dividend of Baht 0.45 per share, or a total of Baht 54.7 million, to its shareholders. The dividend payment will be proposed to the 2020 Annual General Meeting of the Company's shareholders for approval.

**26. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2020.





**MODEN GLAS**

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