



2020 Annual Report รายงานประจำปี 2563



Unimit Engineering Public Company Limited
บริษัท ยูนิมิต เอนจิเนียริง จำกัด (มหาชน)





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1 | ข้อมูลสรุปทางการเงินโดยสรุปของบริษัท / FINANCIAL SUMMARY

ข้อมูลทางการเงิน ณ 31 ธันวาคม 2563 - 2561

Data from Financial Statement as of December 31, 2020 - 2018

รายการ Description	งบการเงินรวม (ตรวจสอบ) Consolidated (Audited)			งบการเงินเฉพาะกิจการ (ตรวจสอบ) Separate (Audited)		
	2563/2020 Million Baht	2562/2019 Million Baht	2561 / 2018 Million Baht	2563/2020 Million Baht	2562/2019 Million Baht	2561 / 2018 Million Baht
Total revenues รายได้รวม	799.69	950.22	880.28	797.82	952.25	880.27
Total Cost and Expenses ต้นทุนและค่าใช้จ่าย	774.92	1,109.34	919.36	756.32	1,094.97	916.81
Net Profit กำไรสุทธิ	35.87	-151.88	-37.23	52.61	-135.50	-34.69
Number of Paid-up Shares จำนวนหุ้นที่ชำระแล้ว	570.51	570.51	570.51	570.51	570.51	570.51
Total Assets สินทรัพย์รวม	1,474.85	1,561.60	1,646.83	1,522.22	1,593.21	1,656.86
Total Liabilities หนี้สินรวม	159.39	253.48	173.10	149.62	244.70	172.85
Shareholder's Equity ส่วนของผู้ถือหุ้น	1,315.46	1,308.12	1,473.73	1,372.60	1,348.51	1,484.01
Retained Earning (Urappropriated) กำไรสะสม (ที่ยังไม่ได้จัดสรร)	886.50	879.15	1,031.04	929.19	905.10	1,040.59

อัตราส่วนทางการเงิน / Financial Ratio

รายการ Description	Consolidated (Audited)			Separate (Audited)		
	2563/2020 Million Baht	2562/2019 Million Baht	2561 / 2018 Million Baht	2563/2020 Million Baht	2562/2019 Million Baht	2561 / 2018 Million Baht
Net Profit Margin อัตรากำไรสุทธิต่อรายได้รวม	4.49	-15.98	-4.23	6.59	-14.23	-3.94
Return on Equity อัตราผลตอบแทนต่อส่วนของผู้ถือหุ้น	2.73	-10.92	-2.48	3.87	-9.57	-2.30
Debt Equity Ration (time) อัตราส่วนหนี้สินต่อส่วนผู้ถือหุ้น (เท่า)	0.12	0.19	0.12	0.11	0.18	0.12
Net Profit Per Share (Baht) กำไรสุทธิต่อหุ้น	0.06	-0.27	-0.07	0.09	-0.24	-0.06
Book Value per share (Baht) มูลค่าหุ้นตามบัญชีต่อหุ้น (บาท)	2.31	2.29	2.58	2.41	2.36	2.60
Dividend per Share (Baht)* เงินปันผลต่อหุ้น (บาท)*	0.09	0.00	0.00	0.09	0.00	0.00

** เงินปันผลต่อหุ้นปี 2563 ประกอบด้วยเงินปันผลจ่ายระหว่างกาลเมื่อวันที่ 10 กันยายน 2563 อัตราหุ้นละ 0.05 บาทและเงินปันผลเพิ่มเติมอัตราหุ้นละ 0.04 บาท รวมเป็นอัตราหุ้นละ 0.09 บาท ซึ่งที่ประชุมคณะกรรมการครั้งที่ 1/2564 วันที่ 24 กุมภาพันธ์ 2564 มีมติเห็นควรให้นำเสนอต่อที่ประชุมผู้ถือหุ้นเพื่อพิจารณาอนุมัติ

** Dividend per share of 2020 consists of interim dividend paid on September 10, 2020 rate 0.05 Baht per share and additional dividend rate 0.04 Baht totally 0.09 Baht per share, which the Board of Director Meeting No.1/2021 held on February 24, 2021 approved to propose to the Annual General Meeting of the Shareholders.

2 | ประวัติกรรมการ



จากแถวบน ซ้ายไปขวา (Top row, left to right)

1. นายคีรินทร์ ชูธรรมสถิตย์	MR. KEERIN CHUTUMSTID	กรรมการ / DIRECTOR
2. นายประสิทธิ์ หาญปิยวัฒนสกุล	MR. PRASIT HANPIYAVATANASAKUL	กรรมการ / DIRECTOR
3. นายไทยลักษณ์ ลีถาวร	MR. THAILUCK LEETAVORN	กรรมการ / DIRECTOR
4. นายณัฐพล ลีลาวัฒนานันท์	MR. NATTHAPHON LILAWATTHANANUN	กรรมการอิสระ / INDEPENDENT DIRECTOR
5. นายวินัย เลหาประสิทธิ์	MR. VINAI LAOHAPRASIT	กรรมการอิสระ / INDEPENDENT DIRECTOR
6. นายพงศ์ศักดิ์ อุทัยสินธุเจริญ	MR. PONGSAK UTAISINCHAROEN	กรรมการ / DIRECTOR
7. นายพงศเฉลิม เฉลิมทรัพย์ากร	MR. PONGCHALERM CHALERMSAPHAYAKORN	กรรมการ / DIRECTOR

แถวล่างจากซ้ายไปขวา (Bottom row from left to right)

8. นายไพศาล สิริจันทร์ดิลก	MR. PAISAN SIRICHANTARADILOK	กรรมการ / DIRECTOR
9. นายไพบูลย์ เฉลิมทรัพย์ากร	MR. PHAIBUL CHALERMSAPHAYAKORN	ประธานกรรมการ / CHAIRMAN
10. นายพงษ์ศักดิ์ อังสุพันธุ์	MR. PONGSUK ANGSPUN	กรรมการอิสระ / INDEPENDENT DIRECTOR
11. นายสุชาติ ธรรมมาพิทักษ์กุล	MR. SUCHART THAMMAPITAGKUL	กรรมการอิสระ / INDEPENDENT DIRECTOR

2 | DIRECTOR PROFILE

1. MR.PHAIBUL CHALERMSAPHAYAKORN

Age	85 Years.
Nationality	Thai
Address	471 Soi 33, Mooban Panya, Pattanakarn Bangkok
Education	- MBA, University of Leicester, U.K. - B. Com. (Honors), University of Delhi, India
Training	- Director Certification Program (DCP) 64



Position / Date

Unimit Engineering Plc.	
07/04/2005 – Present	- Chairman / Executive Director

Listed Company	- No -
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Other Company	
2004 – Present	- Anwabeach Property Co., Ltd / Chairman / Executive Director

Shareholding Ratio	17,996,900 shares or 3.15%
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Conflict of interest	- No -
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2. MR.PAISAN SIRICHANTARADILOK

Age	65 Years.
Nationality	Thai
Address	38/7 Moo2 Banbueng, Banbueng, Chonburi
Education	- BA Faculty of Engineer, King Mongkut's University of Technology Thonburi
Training	- Director Accreditation Program (DAP) 56



Position / Date

Unimit Engineering Plc.	
07/04/2006 - Present	Director
2009 – 2017	Chairman of Executive Committee / CO-President
2019 – Present	Chairman of Executive Committee / President

Listed Company	- No -
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Other Company	- No -
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Shareholding Ratio	3,411,160 share or 0.60%
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Conflict of interest	- No -
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3. MR.PRASIT HANPIYAVATANASAKUL

Age	50 Years.
Nationality	Thai
Address	780/504 Supalai Casa Riva Vista1, Bangkho Laem Bangkho Leam, Bangkok
Education	- BA Accounting, University of the Thai Chamber of Commerce
Training	- Director Accreditation Program (DAP) 168/2020 - Chief Finance Officer in Practice Program 9/2019



Position / Date

Unimit Engineering Plc.	
13/11/2019 – 28/2/2021	Director / Executive Committee / CFO

Listed Company	- No -
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Other Company	Smith Wood Co.,Ltd.
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Shareholding Ratio	0 share or 0%
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Conflict of interest	- No -
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4. MR.THAILUCK LEETAVORN

Age	73 Years.
Nationality	Thai
Address	35/1 Soi Sukhumvit 46, Prakanong, Klongtyoey Bangkok
Education	- MA (Economics), Sul Ross State, USA. - BA (Commerce), Chulalongkorn University, Thailand
Training	- Director Accreditation Program (DAP) 37 - Director Certification Program (DCP) 64 - Executive Management Program # 4, Capital Market Academy - Advance Audit Committee Program (AACP) No.29 - TLCA Executive Development Program (EDP) No.1



Position / Date

Unimit Engineering Plc.	
07/04/2005 - Present	Director
2006 – 2009	Chairman of Executive Committee, President

Listed Company	
2012 – Present	Porn Prom Metal Plc. / Independent Director, Chairman of Audit Committee
2017 – Present	Eastern Commercial Leasing Plc. / Independent Director / Audit Committee

Other Company	- No -
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Shareholding Ratio	4,831,504 share or 0.85%
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Conflict of interest	- No -
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5. MR.PONGCHALERM CHALERMSAPHAYAKORN

Age	46 Years.
Nationality	Thai
Address	471 Soi 33, Mooban Panya, Pattanakarn, Suanlung, Bangkok
Education	<ul style="list-style-type: none"> - MBA, Business Management, Chulalongkorn University - MBA , Political Science, Ramkhamhaeng University - BA, BS. Entrepreneurs Studies/Finance, Babson College, USA
Training	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) 37 - TLCA Executive Development Program (EDP) No.10



Position / Date

Unimit Engineering Plc. 07/04/2005 – Present	Director
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Listed Company	- No -
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Other Company	
2002 – Present	Bangkok Beer and Beverage Co., Ltd. / Managing Director
2008 – Present	PBP Property Co., Ltd. / Executive Director
2005 – Present	Panwabeach Property Co., Ltd. / Executive Director

Shareholding Ratio	28,650,500 share or 5.02%
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Conflict of interest	- No -
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6. MR.KEERIN CHUTUMSTID

Age	57 Years.
Nationality	Thai
Address	51/99 Moo 7, Bangna Trad Rd., Bangkaew, Bangplee, Samutprakarn
Education	- MBA Thammasat University
Training	- Director Accreditation Program (DAP) 37



Position / Date

Unimit Engineering Plc. 09/05/2019 – Present	Director
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Listed Company	
Jan 2018 – Present	Director / Kiatana Transport Plc.

Other Company	
Feb 2016 – Present	Magnolia Quality Development Corporation Limited (MQDC) / President

Shareholding Ratio	0 share or 0%
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Conflict of interest	- No -
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7. MR. PONGSAK UTAISINCHAROEN

Age	59 Years.
Nationality	Thai
Address	2 Soi Ladprao 118, Wangthonglang, Bangkok
Education	- Ph.D.in Chemistry / Colorado State University U.S.A
Training	- Director Accreditation Program (DAP) 37



Position / Date	
Unimit Engineering Plc.	
07/04/2005 – Present	Director
Listed Company	- No -
Other Company	- No -
Shareholding Ratio	20 share or 0%
Conflict of interest	- No -

8. MR.PONGSUK ANGSPUN

Age	83 Years.
Nationality	Thai
Address	380 Mu 2 Tambol Bangkhen, Amphur Mung, Nonthaburi
Education	- Master of Economics, University of Canterbury, New Zealand
Training	- Director Accreditation Program (DAP) 10



Position / Date	
Unimit Engineering Plc.	
7/4/2005 – Present	Independent Director / Chairman of Audit Committee
22/2/2018 – Present	Nomination and Remuneration Committee
Listed Company	
2006 – Present	T.C.J. Asia Plc. / Independent Director / Chairman of Audit Committee
2001 – Present	Rojana Industries Park Plc. / Independent Director / Chairman of Director
2000 – Present	Siam Steel Service Center Plc. / Independent Director / Chairman of Audit Committee
Other Company	- No -
Shareholding Ratio	0 share or 0%
Conflict of interest	- No -

9. MR.NATTAPHON LILAWATHANANUN

Age	63 Years.
Nationality	Thai
Address	604/92 Mu 1 Soi Phetkasaem, North-Bangkhae, Bangkhae, Bangkok
Education	<ul style="list-style-type: none"> - Master of Business Administration, Chulalongkorn University - Master of Economic Development, (NIDA) - Bachelor of Sciences (Agriculture), Kasetsart University
Training	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) 10 - Director Certificate Program (DCP) No. 3



Position / Date

Unimit Engineering Plc.	
07/04/2005 – Present	Independent Director / Chairman of Audit Committee
22/02/2018 – Present	Nomination and Remuneration Committee
Listed Company	
2008 – Present	QTC Energy Plc. / Independent Director / Chairman of Audit Committee
Other Company	
2018 – Present	Job myway Co., Ltd. / Managing Director / Excellent Digital Development Co., Ltd.
2013 – Present	NBS Research and Consulting Co., Ltd. / Managing Director
1997 – Present	Excellent Business Management Co., Ltd. / Managing Director
Shareholding Ratio	0 share or 0%
Conflict of interest	- No -

10. MR.SUCHART THAMMAPITAGKUL

Age	73 Years.
Nationality	Thai
Address	230/57 Trogchansapan 3, Thungwatdon, Sathon, Bangkok
Education	<ul style="list-style-type: none"> - Master Degree, LL.M. Harvard Law School, USA. - Bachelor Degree, LL.B. Chulalongkorn University - BARRISTER-AT-LAW, Thai Bar Association
Training	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) No. 27 - Director Certificate Program (DCP) No. 60



Position / Date

Unimit Engineering Plc.	
07/04/2005 – President	Independent Director / Audit Committee
22/02/2018 – President	Chairman of Nomination and Remuneration Committee
Listed Company	
2012 – Present	Modernform Group Plc. / Independent Director / Chairman of Audit Committee
2012 – Present	M.F.E.C. Plc. / Independent Director / Chairman of Audit Committee
Other Company	- No -
Shareholding Ratio	0 share or 0%
Conflict of interest	- No -

11. MR.VINAI LAOHAPRASIT

Age	75 Years.
Nationality	Thai
Address	32/3 Soi Ramkhamhaeng 21, Navasri 4, Wangthonglang, Bangkok
Education	<ul style="list-style-type: none"> - Master Degree, M.A. in Economics, Major in International Trade - Bachelor Degree, Economics (English Courses), Major in Finance & Banking, Thammasat University - Northern Illinois University, DeKalb, U.S.A.
Training	- Director Accreditation Program (DAP) No. 144
Position / Date	
Unimit Engineering Plc.	
07/04/2005 – Present	Independent Director / Chairman of Audit Committee
22/02/2018 – Present	Nomination and Remuneration Committee / Chairman of Risk Management Committee and Corporate Governance.
Listed Company	- No -
Other Company	
1998 – Present	JVS Financial Advisory Co., Ltd./ President & CEO
Shareholding Ratio	1,114,500 shares or 0.20%
Conflict of interest	- No -



3 | CHAIRMAN REPORT

In 2020, total revenue was Baht 791 million, down 97 million from 2019's revenue of 888 million. However, 2020 recorded a net profit after tax of 53 million against a net loss of 135 million in 2019. On a consolidated basis, 2020 recorded a net profit after tax of 36 million against a net loss of Baht 152 million for 2019. Resulting from a better production planning and control, the Group, in 2020, had a Gross Profit against a Gross Loss in 2019. The Selling and Administrative Expenses for 2020 had also been significantly reduced.

In 2020, the highly contagious virus pushed the whole world into lockdown, In Thailand, Covid-19 caused low consumption of fuel and petrochemicals, and as a result, delay in the oil and gas and power expansion program. It is reported that Exxon Mobil Corporation's 330 billion Baht investment in ethylene cracker and refinery expansion project in Sri Racha, Chon Buri is delayed (Note 1). Meanwhile, many reports have suggested a lower demand of oil and gas caused by the pandemic. This is a negative news for Unimit, as these are business segments that Unimit serves.

Meanwhile, the current political uncertainties in Myanmar threaten a disrupt in investment in Myanmar's oil and gas and power sector. As Unimit Engineering Co. Ltd., Myanmar serves in this business segment, we are monitoring the situation carefully and are well prepared to meet with the challenges.

As for 2021, We have seen many economic indicators have been subject to constant revision. Most suggest, however, that the worst is about to be over. In the oil and gas segment, Goldman Sach's forecast Brent price will reach \$70bbl and \$75bbl in third quarter of 2021. This upward Brent price projection is positive news, as refinery expansion means business opportunities for Unimit. At the same time, the projected growth of electricity demand in Thailand as well as refinery expansion outside Thailand are business opportunities for Unimit.

(Note 1) Bangkok Post December 2020 Year-End Review



Regardless, Unimit has undertaking a cost-cutting drive and axed jobs to improve the bottom line.

I would ask for the staff and managers of Unimit, vendors, customers, and other stakeholders to give their strong support in 2021.

A handwritten signature in black ink, appearing to read 'Phaibul Chalermsoy'.

(Phaibul Chalermsoy)
Chairman

4 | REPORT OF AUDIT COMMITTEE

The Audit Committee of Unimit Engineering Public Company Limited consists of Mr. Pongsak Angsupun, Mr. Natthaphon Lilawatthanun, Mr. Suchart Thammakitagkul and Mr. Vinai Laohaprasit. The Audit Committee was appointed by the Board of Directors to perform the duties and responsibilities as defined by the Securities and Exchange Commission.

In 2020, The Audit Committee hold 4 meetings to consider the remarks of the Auditor and the Internal Auditor's Reports, then proposed to the Board of Director for consideration. Summary of the key audit matters are as follows;

1. Reviewed the interim and annual financial reports audited by the Auditor and found that the reports had disclosed adequate, reliable and accurate information to the general accepted accounting standard.

2. Reviewed business transactions with the related parties or transactions that would induce conflict of interest so as to ensure the reasonability and benefit to the company.

3. Approval the annual internal audit's plan and oversaw, followed up and assessed the implementation.

4. Reviewed the compliance with the applicable laws, and regulations to ensure that the company has complied with all the laws and regulations.

Accessed the independence and performance of the Auditor which resolves to proposed to the Board of Director to appoint Mr. Supachai Phanyawattano, Certified Public Accountant, registration number 3930, or Miss Krongkaew Limkittikul, Certified Public Accountant, registration number 5874, or Mr. Natthawut Santipet, Certified Public Accountant, registration number 5730 from EY Office Limited as auditors for the annual fee of 1,200,000 Baht.



A handwritten signature in black ink, appearing to read 'Pongsak Angsupun'.

Mr. Pongsak Angsupun
Chairman of the Audit Committee

5 | VISION MISSION NATURE OF BUSINESS

Vision

To be the pre-eminent diversified and fully integrated steel fabricator of choice for the global market.

Mission

- To provide value-added partnerships through consistent product quality and outstanding services to all our customers.
- To generate optimum returns for our stakeholders through strong and consistent management practices and planning.
- To accord top priority to the preservation of the environment and the safety of our workers, while fostering attractive conditions for our employees in which to work, learn, and grow professionally.

Nature of Business

During the early 1980s, natural gas was discovered in the Gulf of Thailand. With this discovery, the government supported the use of Liquefied Petroleum Gas (LPG), fostering strong demand for large gas storage tanks

On the 21 April 1982, Unimit Engineering Public Company Limited was established to fulfill that demand and minimize reliance on imports. Joining forces with a Taiwanese engineer, who possessed considerable knowledge, skill, and experience in the design and production of large gas tanks, the company started to design and produce tanks with point was tested and inspected by X-ray and Hydro-static tests.

Due to the increasing demand of its customers and the continuous expansion of its business, the company has increased its registered capital several times. Over the years, the company has developed new production processes to extend its business into sectors other than the petroleum and petrochemical industry, Even though Unimit started off solely as a manufacturer of LPG and other gas storage containers, at present, its business activities cover five categories:

1. Large pressure vessels and other facilities and parts (qualified ASME standard):
 - Spherical tanks, vertical columns, horizontal drums for the storage of pressurized gases such as LPG, ammonium (NH₃), carbon dioxide (CO₂), liquid nitrogen (N₂)
 - Transportable vessels/tanks to be installed on trucks or rail cars (i.e. lorry trucks)
 - Distillation towers/columns for oil refineries and petrochemical industry
 - Reactors used in various industries
 - Jacketed vessels, namely two-layered pressure vessels, used in the food industry
 - Boilers used in various industries
 - Heat exchangers used by oil refineries and petrochemical industry
 - Air receivers and steam drums (used in power plants)
 - Lorry Tank
 - Cryogenic Tank
 - Self – Supporting LPG Lorry Tank
2. Machinery Parts:
 - Fan casings for air pre-heater parts (used in power plants)
 - Emission stacks, incinerator parts (used by industrial plants)
 - Waste water treatment and seawater desalinization systems
3. Non-Pressure Tanks: large chemical API tanks for chemicals or resins, tank farms at oil refineries
4. Steel Structure: piping, stand, rack, support, mostly for the petrochemical, energy, and chemical sectors
5. Mechanical Installation and Assembly of Machinery Parts and Equipment: mostly in conjunction with supply of pressure vessels and steel structures, but also as standalone project.

Important Developments in Recent Times

- 1982 - Established on a 1.2-acre plot of land in Amphoe Phrapradaeng, Samutprakarn.
- 1989 - Built second factory built on an 8-acre plot of land in Amphoe Banbung, Chonburi.
- 1994 - Awarded certifications from the American Society of Mechanical Engineering, U.S.A. (ASME). The certification provides:
 - a) “U” Stamp – production and installation of pressure vessels
 - b) “U2” Stamp – production and installation of level 2 pressure vessels, according to the standards of the National Board of Boilers and Pressure Vessel Inspectors of the USA
 - c) “U2” Stamp – production and installation of boilers
 - d) “R” Stamp – certification for repair and upgrading of boilers and pressure vessels by the National Board of Boilers and Pressure Vessel Inspectors
- 1998 - Expanded factory area to 18 acres in Amphoe Banbung to increase production capacity.
- 2000 - Certified by RWTUV of Germany:
 - a) AD-Merkblatt HP 0/TRD 201 Standard Label – assembly and welding of equipment, testing of tools, and controls related to such testing
 - b) DIN EN 729-2 Standard Label – welding procedures
- 2005 - Registered as a public company (with trading name “UEC”) on the Market for Alternative Investment (MAI), on 25 November 2005.
- 2006 - Bought an additional 40- acres plot of land behind the existing factory, in Amphoe Bangbung to increase production capacity.
- 2007 - Registered trademark at trademark office, Department of Intellectual Property
 - Listed on Forbes Asia Magazine’s annual “Top 200 Best Under 1 Billion” list.
 - Selected to be 1 of 62 listed companies to participate in “Thailand Focus 2007 Platforms of Growth”
 - Listed as ASIAMONEY’s “Asia’s Best Managed Company, Small Cap Corporate of the Year”
- 2008 - Commissioned second factory in Banbung with BOI privilege.
- 2009 - Bought 24 Rai of land at Mab-ka sub district, Bankai District, Rayong Province
 - Listed on Forbes Asia Magazine’s annual “Top 200 Best Under 1 Billion” list.
 - Commissioned third factory at Rayong for final assembly of large-sized vessels to service the clients in the Rayong area
- 2010 - Certified for OHSAS 18001:2007 “The Occupational Health and Safety Management System”
 - Certified for ISO 14001:2004 “The Environmental Management System”
 - Re-Certified for ISO 9001:2008 “The Quality Management System Standard”
- 2011 - Certified for ISO 3834-2:2005 “Quality requirements for fusion welding of metallic materials.”
 - Certified for Corporate Social Responsibility (CSR-DIW) B.E.2111
 - Office building construction has been complete and be used since Q4/2554, located at the front of the 1st factory; address No. 10/7-8 Moo 3, Chonburi-Banbueng-Payub Road, Tumbol Nongsaak, Amphur Banbueng, Chonburi.20170.
- 2012 - Certified for Corporate Social Responsibility Network (CSR-DIW Networks)
 - Certified “CSR-DIW Continuous Award 2012” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.
- 2013 - Certified for Corporate Social Responsibility Network (CSR-DIW Networks)
 - Certified “CSR-DIW Continuous Award 2013” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.

- Certified “Green Industry by Ministry of Industry”. To ensure green industry level 3 (Green System) for the Systematic management of the environment, Continuous monitoring, evaluation and review for improvement From Ministry of Industry.
- Developed and patented self-supporting (chassis-free) lorry tank for the road transportation of LPG Liquefied Petroleum Gas)
- 2014 - Certified for Corporate Social Responsibility Network (CSR-DIW Networks)
- Certified “CSR-DIW Continuous Award 2014” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.
- Established Unimit (Hong Kong) Co., Limited a wholly-owned subsidiary to be a holding company for Unimit Engineering (Myanmar) Co., Limited.
- Registered Unimit Engineering (Myanmar) Co., Limited as a 100% foreign capital with intended principal business of shop fabrication, field installation and erection work of steel product.
- 2015 - Certified for Corporate Social Responsibility Network (CSR-DIW Networks)
- Certified “CSR-DIW Continuous Award 2015” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.
- To reduce the registered capital from 572,000,000 shares amount 143,000,000 baht (par value 0.25 baht each) to 570,510,600 shares amount 142,627,650 baht (par value 0.25 baht each) by deducting the number of treasury shares 1,489,400 shares (par value 0.25 baht each) amount 372,350 baht.
- 2016 - Certified “CSR-DIW Continuous Award 2016” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.
- Certified “Green Industry by Ministry of Industry”. To ensure green industry level 3 (Green System) for the systematic management of the environment, the evaluation follow up, and continuing review the development. Duration from September 2, 2016 to September 2019.
- 2017 - Certified “CSR-DIW Continuous Award 2017” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.
- Received a certificated of Environmental Governance Project Awarded from the Ministry of Industry as an industrial firm that operates in accordance with environmental governance principles.
- Increasing registered share capital of Unimit (Hong Kong) Co., Ltd. in December 2017 amount 98 Million Baht (USD 3 million dollars) for invest in factory building at indirect subsidiary, Unimit Engineering (Myanmar) Company Limited, Myanmar.
- 2018 - Self declaration to be member of Private Collective Action Coalition Against Corruption (CAC)
- Additional increasing registered share capital of Unimit (Hong Kong) Company Limited in October 2018 amount 49 Million Baht (USD 1.5 million dollars) for invest in factory building at indirect subsidiary, Unimit Engineering (Myanmar) Company Limited, Myanmar.
- Certified “CSR-DIW Continuous Award 2018” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.
- 2019 - Received a certificated as a member of Private Collective Action Coalition Against Corruption (CAC) from Thai Institute of Directors (IOD) by resolution of CAC’s board of director no.4/2018 dated 4 February 2019.
- Certified “CSR-DIW Continuous Award 2019” Standard for Corporate Social Responsibility, Department of Industrial Works: (CSR-DIW) by Ministry of Industry.
- Certified “Green Industry by Ministry of Industry”. To ensure green industry level 3 (Green System)
- The company receives a Certified paying tax within the period and consistently
- 2020 - Certified “CSR-DIW Continuous Award 2020” Standard for Corporate Social Responsibility, Department of Industrial Works : (CSR-DIW) by Ministry of Industry.

6 | REVENUE STRUCTURE

The Company had main revenue from the design, fabrication, erection, and modification of steel products for both domestic and export markets.

In 2020 major revenue of approximately 93% was from domestic projects, and 6% was from overseas projects. Revenue by Geographical Segment was showed as following

Geographical Segment	2020		2019		2018	
	Million Bath	%	Million Baht	%	Million Baht	%
Contract revenues - Domestic	744	93	826	87	781	89
Contract revenues - Export	50	6	62	6	65	7
Total	794	99	888	93	846	96
Others income (interest included)	6	1	62	7	34	4
Total revenues	800	100	950	100	880	100

Source of Revenues

Kind of Revenues	Revenues from UEC		Revenues from subsidiaries		Total Revenues	
	Million Bath	%	Million Baht	%	Million Baht	%
Contract revenues	791	99	3	100	794	99
Interest income	4	1	0	0	3	1
Net foreign exchange gain	1	0	0	0	1	0
Other income	2	0	0	0	2	6
Total income	798	100	3	100	800	100

Our main clients were from the energy, petrochemicals, and oil & gas industries. Main business segments can be divided into pressure vessels, non-pressure vessels, machinery parts, steel structures, and mechanical installation, with pressure vessels accounting for 81% of total work.

7 | STATE OF THE INDUSTRY AND COMPETITION

The situation of the coronavirus outbreak that has spread around the world since late 2019 has had a significant impact on the economy. The approval of the Coronavirus Vaccine 2019 and its continued economic stimulus policy resulting in a better forecast for the overall economy to recover

From a domestic investment plan of Oil, Gas and Petrochemical as well as a machinery improvement and maintenance including an expansion of the energy industry and power plants, a number of project has been launched continuously which give a company opportunity.

The competition is more and more tough. Also shortage of skill labor is become an issue.

8 | RISK FACTORS

Unimit is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. All risks were closely managed by The Board of Executive Director.

Industry Risk

Unimit's products and services are heavily concentrated in the Petrochemicals, Oil & Gas, and Energy sectors. Therefore, any factors which will impact the investment and capital expansion of Unimit's customers in these industries will also affect Unimit. As much as possible, Unimit will seek to minimize such risks by diversifying to new or related products and services as well as geographical markets.

Financial Risks

Interest Rate Risk

The Company currently has no outstanding long terms loans and is therefore not exposed to changing interest rates.

Foreign Currency Risk

The Company is exposed to foreign currency risk relating to purchase of imported materials and export sales which are denominated in foreign currencies. The company mitigates this risk by opening saving accounts in U.S. Dollars for liquidity of assets and liabilities which are denominated in foreign currency and utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

Credit Risk

Most of Unimit's customers are well-established and financially stable corporations in the energy and petrochemical industries. Management has analyzed the financial condition of each customer consistently. We found no significant credit risk from its debt collection.

Management will consider provision for bad debt on a case-by-case basis, according to the client's financial history and ability to resume business operations of the debtor.

Raw Material Risk

Material costs account for a substantial part of the total production costs. To control this portion of the production costs, Unimit will quote to customers based on quoted costs from the vendors. After an order is received from the customer, and provided that the offer is still within the validity date, Unimit will place order for the necessary raw materials with these vendors, based on the valid quotation received previously from the vendors. In this way, Unimit can try to minimize fluctuation in the costs of the raw materials, especially that of the steel plates.

According to long time business with continue good relation, Unimit has alliance supplier of raw material both local and abroad. To maintain alliance relation and minimize risk, the company has routine meetings with these suppliers.

Country Risk

Most of our major customers are private non-government entities; therefore, any changes in the political power balance will not have a significant direct impact on Unimit's line of business. However, any changes in government policies which affects business operations and investment environment in our related industries, and any factors which affect the government's ability to function properly, will have impact on Unimit's business.

The Company has monitored the political movement regularly.

Regulation Risk

Just as the current growth in the alternate energy sources is spearheaded by the government's energy policy, any changes or new regulations by the government will continue to impact, directly and indirectly, Unimit's business.

To reduce regulation risk that may affect the company, management has monitored new related regulation changes closely.

Social and Environment Risk

Any changes to the environmental policy and regulations (regarding emission, waste water, etc.) will also have an impact on the investments in the energy and petrochemical industries.

The Company's policy is friendly to the environment and to contribute back to the community, such as hiring an outside agency to properly dispose the waste materials that can be harmful (quantity), to participate community's useful activities in suitable occasions, providing CSR unit for this at.

In recent years, the company got award in the social and environmental as follows;

- | | |
|------|--|
| 2010 | - Certified for ISO 14001:2004 "The Environmental Management System" |
| 2013 | - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2013), BE 2013 (CSR-DIW), Department of Industrial Works . |
| | - Certified "Green Industry by Ministry of Industry". To ensure green industry level 3 (Green System) for the systematic management of the environment, the evaluation follow up, and continuing review the development. |
| 2014 | - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2014), BE 2014 (CSR-DIW), Department of Industrial Works. |
| 2015 | - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2015), BE 2015 (CSR-DIW), Department of Industrial Works. |
| 2016 | - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2015), BE 2016 (CSR-DIW), Department of Industrial Works. |
| | - Certified "Green Industry by Ministry of Industry". To ensure green industry level 3 (Green System) for the systematic management of the environment, the evaluation follow up, and continuing review the development Duration from September 2, 2016 to September 2019. |

- 2017 - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2017), BE 2017 (CSR-DIW), Department of Industrial Works .
- 2018 - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2018), BE 2018 (CSR-DIW), Department of Industrial Works.
- 2019 - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2019), BE 2019 (CSR-DIW), Department of Industrial Works.
- 2020 - Received a certificate of industrial enterprises' compliance to social responsibility standard in continuous (CSR-DIW Continuous Award-2020), BE 2020 (CSR-DIW), Department of Industrial Works .

CSR Report: https://www.unimit.com/th/report/sm_69

9 | STRUCTURE OF SHAREHOLDING AND MANAGEMENT

Major Shareholder of December 31, 2020

No.	Name	No. of Share	Percentage
1	Ms. Patra Chalernsaphayakorn	29,430,000	5.16
2	Ms. Pannida Chalernsaphayakorn	28,780,000	5.04
3	Mr. Pongchalerm Chalernsaphayakorn	28,650,500	5.02
4	Mr. Anuthra Asawanonda	22,656,164	3.97
5	Mr. Jit Sriwannawit	22,564,000	3.96
6	Mr. Pongthep Utaisinchaoen	22,293,880	3.91
7	Mr. Phaibul Chalernsaphayakorn	17,996,900	3.15
8	Mrs. Pimpa Utaisinchaoen	17,258,520	3.03
9	Mrs. LU PAI, CIN-ZU	16,000,000	2.80
10	Mrs. LI-CHU CHAO	15,161,120	2.66
Total		220,791,084	38.70

The Board of Director of the company in 2020

No.	Name	Position	Share of 31.12.2020	During 2019	Share of 31.12.2019	Director Skill and Responsibility Training 2020
1	Mr. Phaibul Chalernsaphayakorn	Chairman (Spouse or underage children)	17,996,900 0	102,800 0	17,894,100 0	
2	Mr. Paisan Sirichantaradilok	Director (Spouse or underage children)	3,411,160 0	0 0	3,411,160 0	
3	Mr. Prasit Hanpiyavatanasakul	Director (Spouse or underage children)	0 0	0 0	0 0	- DAP 168/2020
4	Mr. Thailuck Leetavorn	Director (Spouse or underage children)	4,831,504 0	0 0	4,831,504 0	
5	Mr. Pongchalem Chalernsaphayakorn	Director (Spouse or underage children)	28,650,500 0	0 0	28,650,500 0	
6	Mr. Keerin Chutumstid	Director (Spouse or underage children)	0 0	0 0	0 0	
7	Mr. Pongsak Utaisincharoen Ms. Chalanda Utaisincharoen	Director Spouse	20 800	0 0	20 800	
8	Mr. Pongsak Angsupun	Independent Director (Spouse or underage children)	0 0	0 0	0 0	
9	Mr. Natthaphon Lilawatthanun	Independent Director (Spouse or underage children)	0 0	0 0	0 0	
10	Mr. Suchart Thammapiatagkul	Independent Director (Spouse or underage children)	0 0	0 0	0 0	
11	Mr. Vinai Laohaprasit	Independent Director (Spouse or underage children)	1,114,500 0	0 0	1,114,500 0	
Total			56,005,384	102,800	55,902,584	

Meeting sessions of each Board during 2020

No.	Board of Director's Name	Position	Board of Director	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee and Corporate Governance
1	Mr. Phaibul Chalernsaphayakorn	Chairman	6/6	12/12	-	-	-
2	Mr. Paisan Sirichantaradilok	Director	6/6	12/12	-	-	-
3	Mr. Prasit Hanpiyavatanasakul	Director	6/6	12/12	-	-	-
4	Mr. Thailuck Leetavorn	Director	6/6	-	-	-	-
5	Mr. Pongchalem Chalernsaphayakorn	Director	6/6	-	-	-	-
5	Mr. Pongsak Utaisincharoen	Director	6/6	-	-	-	-
7	Mr. Keerin Chutumstid	Director	6/6	-	-	-	-
8	Mr. Pongsak Angsupun	Independent Director	6/6	-	4/4	2/2	-
9	Mr. Natthaphon Lilawatthanun	Independent Director	5/6	-	3/4	1/2	-
10	Mr. Suchart Thammakitagkul	Independent Director	6/6	-	4/4	2/2	-
11	Mr. Vinai Laohaprasit	Independent Director	6/6	-	4/4	2/2	1/1
Total			98.48%	100%	93.75%	87.50%	100%

Director's Remuneration 2020

No.	Board of Director's Name	Position	Board of Director	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee and Corporate Governance
1	Mr. Phaibul Chalernsaphayakorn	Chairman	352,400	157,600	-	-	-
2	Mr. Paisan Sirichantaradilok	Director	341,400	157,600	-	-	-
3	Mr. Prasit Hanpiyavatanasakul	Director	341,400	157,600	-	-	-
4	Mr. Thailuck Leetavorn	Director	341,400	-	-	-	-
5	Mr. Pongchalem Chalernsaphayakorn	Director	341,400	-	-	-	-
6	Mr. Pongsak Utaisincharoen	Director	341,400	-	-	-	-
7	Mr. Keerin Chutumstid	Director	341,400	-	-	-	-
8	Mr. Pongsak Angsupun	Independent Director	341,400	-	158,100	8,000	-
9	Mr. Natthaphon Lilawatthanun	Independent Director	341,400	-	87,100	8,000	-
10	Mr. Suchart Thammakitagkul	Independent Director	341,400	-	87,100	10,000	-
11	Mr. Vinai Laohaprasit	Independent Director	341,400	-	87,100	8,000	15,000
Total			3,766,400	472,800	419,400	34,000	15,000
Total amount							4,707,600

Education and Shareholding of Management as of December 31, 2020

No.	Name	Position	Education	Share of 31.12.2020	During 2018	Share of 31.12.2019
1	Mr. Paisan Sirichantaradilok	President (Spouse or underage children)	Bachelor Degree	3,411,160 0	0 0	3,411,160 0
*2	Mr. Prasit Hanpiyavatanasakul	Vice President Account & Finance (Spouse or underage children)	Bachelor Degree	0 0	0 0	0 0
3	Mr. Bundit Lertprasertsuk	Vice President Marketing (Spouse or underage children)	Master Degree	280,000 0	0 0	280,000 0
4	Mr. Suphanchai Vorasaeng	Vice President Quality Assurance (Spouse or underage children)	Bachelor Degree	200,000 0	0 0	200,000 0
**5	Mr. Suchart Vilaivaravit	Assistant Vice President Finance (Spouse or underage children)	Master Degree	0 0	0 0	0 0
6	Mr. Nikorn Khoonkaew	Assistant Vice President HR&GA (Spouse or underage children)	Bachelor Degree	0 0	0 0	0 0
7	Mr. Apichai Nitaskusol Mrs. Suwanna Nitaskusol	Assistant Vice President Factory Spouse	Hight Vocational	0 805,320	0 0	0 805,320
8	Mr. Chairat Keawha	Assistant Vice President Factory (Spouse or underage children)	Bachelor Degree	80,000 0	0 0	80,000 0

* Resigned

** Retirement

Remuneration of Directors and Executives

Detail of financial remuneration of Directors and Executive in fiscal year 2020 consisted of

- Director's Remuneration 2020 : 11 Directors of the company were awarded at total of 4.707 million Baht by approval from 2020 Annual General Meeting date 19 August, 2020.
- Travelling Allowance : Paid to Directors whose attended Directors Meeting amount 5,000 Baht each attendance.
- Executives' Remuneration : Total 8 Assistant Vice President and higher positions person were awarded in form of salaries and bonus of 17.95 million Baht, provident fund contributions, social welfare tax and group health insurance of 0.97 million Baht.

Dividend Policy

The company has the policy to annually pay dividend no less than 40% of the net profit corporate tax and reserve each year, except the company has necessary to use the cash to expand business. The dividend payment shall be approved by the shareholder meeting.

10 | SUPERVISION OF BUSINESS

1. Supervision of Business

The Board of Directors of the Company is always adhered to the principle of good governance for listed companies. The Board of Directors will determine policy and directions of the Company's business, and will supervise operation of the management to ensure guidelines are followed. The supervision covers such aspects as rights and equality of shareholders and interested parties, including roles, duties, responsibilities and independence of the Board of Directors, disclosure of information and transparency, risk control and management and business code.

2. Rights and Equality of Shareholders

The company recognizes the importance of shareholders and has developed policy on equal treatment to all shareholders in accordance with the law. The policy includes such matters as right to attend shareholders' meeting, right to express opinion and advice and right to consider any business matters of the company, right of proxy and right to vote by proxy, right of election and remove each director, right to vote for appointment and to determine fees for auditors and right to access database of operating result and administrative policy of the Company.

3. Rights of Interested Parties

The Company recognizes the importance of all groups of interested parties such as shareholders, clients, business partners, management, staff, society and environment. The Company also recognizes the right of interested parties by complying with the laws and ensuring that such rights will be protected and that the principle of equal treatment is adhered to. The Company supports good collaboration among interested companies and parties with the aim to create stability, more employments and even steadier position in the business.

4. Shareholders' Meeting

The Company highly considers the importance of shareholders' meeting. This is well reflected in annual ordinary meeting that is held once in every year. The Board of Directors will consider and determine what agenda to be put in the meeting, and what other agenda that will be required in order to allow equal rights for all shareholders to raise questions, express opinion and give advice to the meeting following those agenda.

The Company operates his policy of running a meeting that is transparent and in accordance with the laws and regulations of the Stock Exchange of Thailand. All shareholders will enjoy the right and equality in having the access to sufficient information required for making their decision. In addition, shareholders will be assured of convenience in votes will be given to shareholders before the meeting actually takes place.

5. Leadership and Visions of the Board of Directors

The Board of Directors consists of professionals that demonstrate leadership, good vision and independence to make decision and to take responsibility of supervising the Company's business to maximize benefits for the Company and all shareholders. The role of the Board of Directors is to consider and give approval for the determination of mission, goals, business plans and budgets of the Company as proposed by the management. Its role is also to supervise and ensure that the operation is carried out following the established guidelines effectively. There is a clear separation of roles and duties between the Board of Director and the management, and between the Board of Directors and shareholders.

6. Related Transaction and Prevention of Conflicts of Interest

The Board of Directors is always cautious about the related transactions and conflicts of interest. The Company has carefully determined steps and processes of consideration based on the principle of good faith, sound reasons and independence within the scope of good business ethics. The Company also values sufficient disclosure of information to prevent any conflicts of interest. As regards the use of internal information, no directors and management of the Company may use and/or disclose the information for the purpose of purchase, sell, transfer and take the transfer of securities issued by the Company prior to the public disclosure of information. All directors and management officers acknowledge the requirements of the SEC and the SET in respect of disclosing information on the security trading and strictly comply with such requirements.

7. Business Ethics

To ensure that the Code of Business Conduct is strictly adhered to, the Company promotes transparent business guidelines based on the principle of good faith and fairness. The Board of Directors, management officers and all staff are well informed of the Company's missions and objectives including scope of liability under the laws and the Company's regulations.

8. Balance of Powers of Non-Executive Directors

The Board of Directors of the Company consists of no less than 5 directors. The Board of Directors shall select one of them to become the Chairman of the Board of Directors. The Board of Directors may also select one or several directors to become the Vice-Chairman if it is deemed appropriate.

The Board of Directors of the Company consists of independent directors at least one-third of the Board of Directors, but no less than 4 directors for the purpose of balancing the power of the directors. The Board of Directors has the term of office of 2 years.

As at year end 2020 there are in total 11 directors:

- 9 Non-Executive Directors
- 2 Executive Director
- 4 Independent Directors

9. Amalgamation or Separation of Powers

The Company has separated powers and determined interrelated roles and duties in developing policies on supervision and routine management. No one may hold the position of Chairman of the Board of Directors the same time when holding the position of Managing Director. In addition, the Board of Directors of the Company consists of independent directors resulting in the balance of powers and in the supervision of performance. There is also separation of powers and determination of interrelated roles and duties in developing policies on supervision and routine management in a manner that no one in the Board of Directors may have absolute and unlimited powers.

10. Remunerations

The Company has fixed remunerations for directors taking into consideration transparency and approval from shareholders. The remunerations are fixed commensurate with roles and duties that each director has and with the financial status of the Company. Each director that is assigned to take the position of director in other boards will be entitled to receive additional remunerations proportionate to the increased works.

Remunerations of executives and staff are fixed in accordance with policies, criteria and rates established by the Board of Directors by taking into consideration operating results of the Company and the performance of each executive and staff.

11. Meeting of the Board of Directors

The Company has fixed one meeting of the Board of Directors in every 3 months. There may be additional meeting when necessary. The Secretary of the Board of Directors will distribute invitation to meeting and other necessary documents to the Board of Directors approximately 7 days in advance of the date scheduled for meeting in order to allow sufficient time for the Board of Directors to consider any matter. Clearly provided in the invitation to the meeting are agenda and related documents. The matters discussed in the meeting will be recorded in writing and minutes of meeting will be certified by the Board of Directors before inspection by related parties.

Attendance of no less than one-half of all directors will be required to constitute a quorum in each meeting. The final decision of the meeting shall be reached by the majority of the meeting.

12. Sub-Committee

The Company has a number of sub-committees to perform the duties of carrying out studies and scrutinizing business matters when necessary, especially in case when neutral opinion is required in reaching a decision and when there is a need to determine policies, roles, duties and work process Example is the case when there is a meeting and the minutes of meeting are required for the Board of Directors' inspection. Sub-Committees consist of:

12.1 Audit Committee

The Board of Directors appoint Audit Committee to have the duties of supervising business of the Company by auditing and ensuring that the Company operates business in accordance with policies and regulations of the Company. Other duties include ensuring that the Company has internal control system and careful risk management system that is appropriate, timely and effective.

Audit Committee has 4 members. At least one of these 4 members must have good knowledge of accounting / finance. Audit Committee must possess qualifications of independence pursuant to the notifications of the Stock Exchange of Thailand regarding qualifications and scope of works of Audit Committee. Each member of the Audit Committee has the term of office of 2 years.

12.2 Executive Committee

The Board of Directors appoint Executive Committee to have the duties of supervising business of the Company by auditing and ensuring that the Company operates business in accordance with policies and regulations of the Company. Included setting management policy as well as resolving operation problem closely.

12.3 Nomination and Remuneration Committee (NRC).

The Nomination and Remuneration Committee was established by the resolution of the Board of Directors' Meeting No.1/2018 on February 22, 2018 to support the good governance of the company. The committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors and sub-committees. Also, to recruit, select, and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and /or The Share holders' Meeting of such case.

The Nomination and Remuneration Committee has 4 members by more than one-half of the total number of NRC's members must be independent directors. Each member of the Nomination and Remuneration Committee has the term of office of 3 years.

12.4 Risk Management Committee and Corporate Governance.

The Risk Management Committee and Corporate Governance was established by the resolution of the Board of Directors' Meeting No. 1/2018 held on February 22, 2018. Having realized the importance in developing the company's internal risk management system, which is one of the key tools in managing the company's group. And to encourage to uphold good corporate governance principles so that they could undertake business management with efficiency and transparency and strengthen confidence among their shareholders, investors and stakeholders, as well as add value and promote sustainable growth in order to encourage the business operation of the company's group in accordance with the Principles of Good Corporate Governance.

The Risk Management Committee and Corporate Governance has not less than five persons who are directors and executives.

13. Internal Control and Audit System

The Board of Directors has arranged to have internal control and audit system that covers all aspects of business, namely financial control, operational control and risk management with the aim to ensure compliance with related laws, rules and regulations. P&L Internal Audit Company Limited is an independent work unit having duties of carrying out internal control and audit for the Company, assessing sufficiency and appropriateness of internal control and audit, and reporting results of audit directly to the managing director and the audit committee.

The internal Control and Audit Office also has duties of providing measures that prevent directors and executives from trading securities by using insider trading and from committing abusive self-dealing.

14. Report of the Directors

The Board of Directors of the Company has powers and duties to operate business of the Company in accordance with laws, objectives and regulations of the Company and with the resolution of the shareholders' meeting in good faith and in the interest of the Company. The Board of Directors also has to comply with criteria and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission, and to take the highest level of liability for the approval given to the financial statements of the Company. The Board of Directors has thoroughly considered and viewed that such annual reports are prepared in accordance with accounting principles, and that there has been sufficient disclosure of important information in the notes to the financial statements.

15. Relationship with Investors

The Board of Directors operates a policy of disclosing necessary information, either financial or non-financial, on the business and operating results of the Company in a manner that is correct, sufficient, timely and transparent with the aim to ensure equal access to information for all shareholders and interested parties of the Company. There are representatives of the Company to be responsible for investor relations and to convey useful information to shareholders, investors, securities analysts and any concerned persons. The Company disseminates its information via medium of the Stock Exchange of Thailand, newspapers and website of the Company.

16. Code of Conduct

To comply standard operation in business by substantial, the Company has prepared written code of conduct. The code of conduct adapts Unimit's working practice to rules, regulations and guidelines from the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The handbook is prepared as operation manual of all level employees to acknowledge and practice. And to ensure all stakeholders that Unimit run business with ethics and comply with law and regulation. The code of conduct guides to following eight topics;

1. To comply with laws and regulations.
2. To do duty with responsibility, honesty, assiduous and discipline.
3. Conflicts of Interest
4. To keep confidential information of the company.
5. To take care company's assets.
6. Anti-corruption, bribery and providing incentives for performance.
7. To exercise of social and political issues.
8. To treat stakeholders fairly.

Details are set out in Unimit's code of conduct.

Download Code of conduct: <https://www.unimit.com/th/about/about-sense/23>

17. Whistle Blowing and Request

UNIMIT Board of Directors will organize the measuring of whistle blowing to covering any breaking the law, ethic, or any acting which might be caused to the bribery and corruption of UNIMIT personnel and agents. This to be included the Invalid financial report, internal control defective and mechanisms for protection of the informant in order to have overall taking care of company's benefit from any shareholder.

SUBJECT OF INFORMATION FOR WHISTLE BLOWING AND REQUEST

- Any breaking of the law, company rule, bribery and corruption by UNIMIT personnel and agents.
- Irregular of financial report and internal control system.
- Any effect to the benefit or reputation of the company.

NOTIFICATION CHANNEL FOR WHISTLE BLOWING AND REQUEST

- Feedback Box inside the Company.
- E-mail Address of the President at paisansi@unimit.com
- Letter to:

UNIMIT President

UNIMIT Engineering Public Company Limited (Prapadaeng office)

109/92-95 Village No. 19 Soi Suksawat 66, Suksawat Road

Bangpueng Sub-district, Prapadaeng District, Samutprakarn Province 10130

Thailand

And, the internal auditor address following;

P&L Internal Audit Company Limited

73/290-294 The fifth AVENUE Building-B First Floor Krung Thep- Nonthaburi Road

Bangkhen Sub-district, Nonthaburi Province 1100

Thailand

- www.unimit.com

11 | COMPANY INFORMATION

Company Name

Company name	: Unimit Engineering Public Company Limited Listed on MAI Stock Exchange
Business Type	: Business engineering design, shop fabrication, field installation and erection of steel products Used in the production process of industrial plants at local and export.
Trading Name	: UEC
Established	: April 21, 1982
Registration No.	: 0107548000323 (Previous No. 0107574800323)
Address-Office	: 109/92-95 Moo 19, Soi Suksawat 66, Suksawat Road, Phrapradaeng, Samutprakarn 10130 Tel. 02 4630100 Fax. 02 4631910 Email : finance@unimit.com
Address-Factory 1	: 10/7-8 Moo 3, Chonburi-Banbung-Payub Road, Nongchak, Bangbung, Chonburi 20170 Tel. 038 485561-4 Fax. 038 485565 Email : marketing@unimit.com
Address-Factory 2	: 10/4 Moo 1 Nongchak, Banbung, Chonburi 20170 Tel. 038 485561-4 Fax. 038 485565
Address-Factory 3	: 99/9 Moo 8, Mabka, Nikompattana, Rayong 21180 Tel. 038 636120
Website	: www.unimit.com, www.unimit.co.th
Capital-Registered	: 142,627,650 Baht (Previous 143,000,000 Baht)
Capital-Paidup	: 142,627,650 Baht (Previous 143,000,000 Baht)
Par Value per Share	: 0.25 Baht
No. of Share	: 570,510,600 Ordinary share (Previous 572,000,000 Ordinary share)
Registrar	: Thailand Securities Depository Co.,Ltd. The Capital Market Academy Building 2/7 Moo 4, North Park, Viphavadi Rangsit 62 Road., Laksi District, Bangkok 10210 Tel. 02 5969000 Fax. 02 8394994
Auditor	: Ms. Chanarat Chanwa CPA (Thailand) Registration No.9052 KPMG Phomchai Audit Co., Ltd. 21 Floor, Empire Tower, 195 South Sathorn Road, Bangkok 10120 Tel. 02 6772000 Fax. 02 6772222
Auditor's fee	: 1,470,000 Baht
Other fee	: None

Internal Auditor	: P&L Internal Audit Company Limited 73/290-94 The Fifth Avenue Building B, 2nd Floor, Bangkok-Nonthaburi Rd., Bangkhen, Muang, Nonthaburi 11000 Tel. 02 5266100 Fax. 02 5267811
Other company in which the proportion of share held is 10% or greater	: None
Other references	: None

Direct Subsidiary

Company name	: Unimit (Hong Kong) Co. Limited
Type of business	: Investing in other company
Owenership interest	: 100%
Address-Office	: Suite B, 12th Floor, Two Chinachem Plaza, 135 Des Voeux Road Central
Capital-Registered	: USD 6,560,000
Capital-Paidup	: USD 6,560,000

Indirect Subsidiary

Company name	: Unimit Engineering (Myanmar) Company Limited
Type of business	: Shop fabrication, field installation and erection of steel products
Owenership interest	: 100%
Address-Office	: Lot No.C-11, Thilawa Special Economic Zone A, Yangon Region, Myanmar
Capital-Registered	: USD 6,500,000
Capital-Paidup	: USD 6,500,000

THE COMPANY'S GROUP CHART AS AT 31 December 2019

Company Name	Share Holder Name	No. of shares (shares)	share hold (%)	Par value (Baht)	Paid up capital (Baht)
Unimit Engineering Public Company Limited (UEC)		570,510,600		0.25	142,627,650

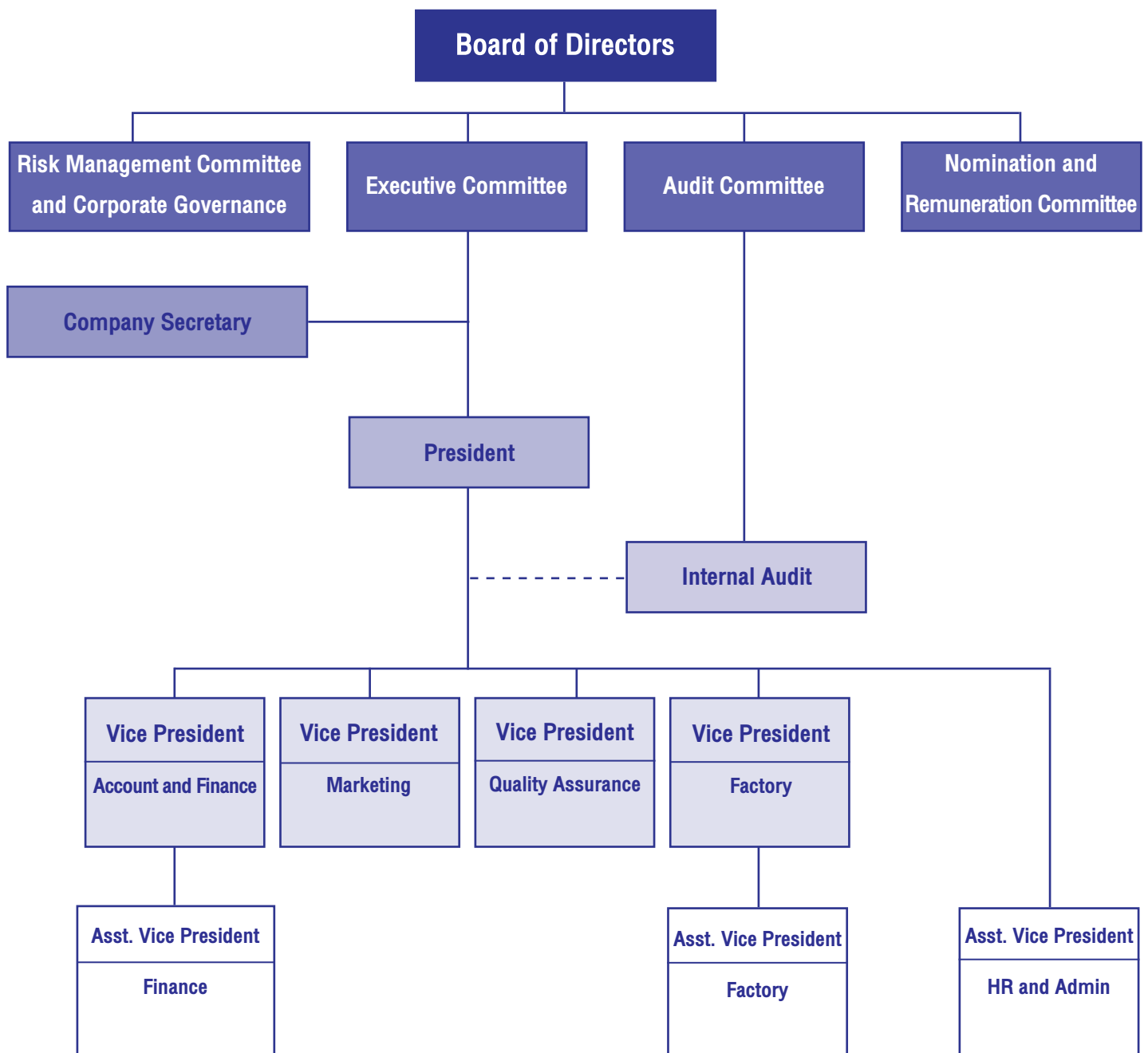
100%

Company Name	Share Holder Name	No. of shares (shares)	share hold (%)	Par value (USD)	Paid up capital (USD)
Unimit (Hong Kong) Company Limited (UHK)	Unimit Engineering Public Company Limited (UEC)	6,560,000	100	1	6,560,000

100%

Company Name	Share Holder Name	No. of shares (shares)	share hold (%)	Par value (USD)	Paid up capital (USD)
Unimit Engineering (Myanmar) Company Limited (UEM)	Unimit (Hong Kong) Company Limited (UHK)	650,000	100	10	6,500,000

12 | ORGANIZATION CHART



13 | MANAGEMENT DISCUSSION AND ANALYSIS: MD&A

“Group of company” consist of Unimit Engineering Public Company Limited (“Company”) in Thailand and its subsidiaries Unimit (Hong Kong) Company Limited (“Unimit Hong Kong”) and Unimit Engineering (Myanmar) Company Limited (“Unimit Myanmar”)

Overview of business

Unimit Engineering Plc. in Thailand (“Company”) has 100% wholly-owned direct subsidiary Unimit (Hong Kong) Co., Limited which was established in Hong Kong on August 4, 2014. The principal business is to invest in other companies as a holding company. As of December 31, 2020, its registered capital was US\$ 6.56 Million (Baht 214 Million) with the Company’s holding 100% equity shares. The Company also has another indirect subsidiary Unimit Engineering (Myanmar) Co., Limited, which was established in Myanmar on December 26, 2014 and is 100% wholly-owned by Unimit Hong Kong. The principal businesses are shop fabrication, field installation and erection of steel products. As of December 31, 2020, Unimit Myanmar has authorized capital US\$6.5 Million (Baht 212 Million)

As at December 31, 2020, the Company and its subsidiaries have total assets of Baht 1,475 million, of which Baht 926 million are Current assets (cash and bank deposit Baht 505 million, accounts receivable Baht 154 million, unbilled contract work in progress Baht 137 million, inventory Baht 130 million) and Baht 549 million are Non-current assets (property, plant, equipment Baht 493 million, land use rights in Myanmar Baht 39 million and others Baht 17 million). Total Liabilities of Baht 159 million are made up of current liabilities Baht 100 million and Non-current liabilities Baht 59 million, with most of the current liabilities being trade accounts payable. The company had no long-term loan or long-term debt. Shareholders’ equity of Baht 1,316 million included un-appropriate retained earnings Baht 887 million.

The company financial structure has sufficient liquidity to invest or expand in suitable opportunity. Year 2020’s liquidity ratio is 9.2 times (2019: 5.0 times), debt equity ratio is 0.1 times (2019: 0.2 times).

Business in 2020 was challenging among very intense competition. This was mainly due to delay of related industry investment.

For the year 2020, the company’s group had net profit of Baht 36 million, or profit increased by Baht 188 million from last year net loss Baht 152 million. Total revenue Baht 800 million, decreased by Baht 150 million from last year (Baht 950 million). The main cause for the lower revenue was because of lower work volume. Cost of contract work and selling & administrative expenses of Baht 775 million (2019: Baht 1,109 million) was also lower by Baht 334 million (30%) from last year. The year 2020 had a reversal of impairment loss determined in according with TFRS 9 of Baht -18 million (of which a write-back of a provision on doubtful bad debt in the year 2019 and collection in 2020) and a corporate tax expenses of Baht 7 million.

The company’s group had gross margin 15.3% (2019: -8.0%), operating margin 3.1% (2019: -17.9%), net profit margin 4.5% (2019: -16%), return on equity (ROE) 2.7% (2019: -10.9%), return on assets (ROA) 2.4% (2019: -9.5%) respectively.

As the Thai’s un-recovery economic and the company’s group performance had continue faced intense competition in this year. In addition, Myanmar performance was not meet the target due to twice shutdown of all factories cause from corona virus outbreak, also the coup since Feb 2021 effect most project halt or delay.

Therefore, the performance of 2021 is challenged. The company has policy to more reduce unnecessaries cost and expenses.

However, the Board of directors considered to propose shareholder’s meeting to additional pay dividend payment of 2020’s performance in rate Baht 0.04 per share additional from interim paid on September 2020 rate Baht 0.05 per share, totally Baht 0.09 per share (2019: no dividend). This needs to be approved at the annual shareholder’s meeting.

Discussion and Analysis: MD&A Financial Position of Company and its subsidiaries

Total assets

As at December 31, 2020 the company and its subsidiaries' total assets amounted to Baht 1,475 million down Baht 87 million (5.6%) from the last year. The major cause was from decreases in trade account receivable, inventories, property plant and equipment total amount more than Baht 208 million and increases in cash Baht 101 million, others net increase Baht 20 million.

Majority of Unimit assets are in Thailand and Myanmar, except Baht 504 million for the cash and cash equivalents in subsidiaries' bank deposits at Hong Kong and Myanmar Baht 0.5 million and Baht 6 million respectively, land lease rights Baht 39 million, plant and machine-net Baht 177 million in Myanmar.

Changes in financial statement

Current assets

- Cash and cash equivalents Baht 505 million (34% of total assets) increased by Baht 101 million (25%) from last year. It resulted from cash inflow from operating activities Baht 129 million, from investment activities Baht 1 million and pay in financing activities included dividend Baht 29 million. Major cash deposited in Thailand. The company's cash management policy is to look for highest return and lowest risk without compromising liquidity

- Trade accounts receivable of Baht 84 million (6% of total assets) decreased by Baht 116 million (58%) from last year according to payment term of contract.

Aging analysis and payments are tracked regularly. The allowance for doubtful accounts is assessed primarily on payment histories and future payment expectations of customer. Bad debts are written off when incurred. With major overdue account receivable to be settled within 2021. Any outstanding debt overdue of more than 12 months will be notified by lawyer as necessary and economical. No bad debt in the year 2020.

- Others receivable Baht 70 million increased by Baht 20 million (40%). Major accounts receivable is Revenue Department, increase of Baht 18 million to be Baht 58 million (due to withholding tax more than income tax expenses of 2020 amounting of Baht 18 million, 2019 amounting of Baht 24 million and 2018 amounting of Baht 17 million). The rest are normal trading transaction.

Others receivable consisting mainly of account receivable Revenue Department, advance pay for procurement of goods or service, prepaid expenses, etc.

- Unbilled contract work in process of Baht 137 million (9% of total assets) showed an increase of Baht 9 million (8%) from last year. This was a consequence of work completion and billing to customer according to term of agreement.

Unbilled contract work in progress is a pro-rated value of the portion of work in progress, calculated by the percentage of work completed method, instead of according to payment terms of contract.

The company has regularly reviewed the progress of work. Any expected loss on a contract is immediately recognized in profit or loss.

- Inventories of Baht 130 million (9% of total assets) decreased by Baht 52 million (29%) from last year, and mainly consisted of Baht 104 million of key raw materials such as steel plates, tank accessories, pipes, flanges and pipe fittings and others such as work in progress, spare parts and supplies, goods in transit and allowance for decline in value.

According to company's policy, procurement would be made after customer confirmed order. Allowance for decline in value of inventories for Baht 6 million set up from disposal inventory.

Non-current assets

- Property, plant and equipment net amount of Baht 493 million (33% of total assets) decreased by Baht 40 million (8%) from last year due to have depreciation of the year 2020 Baht 41 million. Fixed assets' increasing Baht 1 million for improve capacity and maintenance or replacement purpose. All Property, plant and equipment are owned by the company and free from obligation.

- Right-of-use assets (2019: Land use right) amounting of Baht 39 million (3% of total assets) decreased by Baht 1 million from last year due to amortization.

On 25 March 2015, subsidiary in Myanmar (UEM) entered in land use rights agreement with a company to use right in Myanmar in the amount of USD 1.55 million. This land use right has contract period for 49 years 2 months and will expire in June 2064.

- Intangible assets (mostly software patents) amounted to Baht 4 million (0.3 % of total assets), nearly same as last year.

- Deferred tax assets amounted to Baht 13 million, decrease of Baht 7 million from last year. Major deferred tax assets derived from temporary difference between the accounting and the tax base of allowance for possible expenses and provision of the future liabilities.

Deferred tax assets and liabilities are the amount of income tax paid or repaid in the future, respectively. This is caused by the temporary difference between the carrying amounts of assets and liabilities presented in the statement of financial position and the tax base of the assets and liabilities and unused tax losses.

- Other non-current assets Baht 0.2 million nearly same last year.

Total Liabilities

As at December 31, 2020 the Company and its subsidiaries' total liabilities amounted to Baht 159 million, decreased by Baht 94 million (37%) from 2019, majority change of liabilities is normal course of business. The company had no long-term loan or long-term debt.

Total liabilities consisted of trade accounts payable Baht 58 million, other payables Baht 30 million, excess of progress billings over contract work in progress Baht 11 million, others included current portion of lease liabilities Baht 1 million, lease liabilities (2019: Finance lease liabilities) Baht 1 million and non-current provisions for employee benefit Baht 58 million.

Changes in financial statement

Current liabilities

Current liabilities amount Baht 100 million decreasing of Baht 93 million (48%) from 2019. This decrease was due to lower balance in trade accounts payable Baht 78 million, others account payable Baht 17 million and higher balance excess of progress billings over contract work in progress Baht 2 million.

Non-current liabilities

Non-current liability amount Baht 59 million nearly same as last year. Majority was non-current provisions for employee benefits Baht 58 million. Remaining were lease liabilities (2019 : finance lease liabilities) amount Baht 1 million.

Non-current provisions for employee benefits were liability set up in accordance with the latest changes in labor protection act, the employee benefit obligation was provided for, based on actuarial which estimated future expenses for retiring employee.

Shareholders' Equity of company and subsidiary

As at 2020, yearend shareholders' equity increased by Baht 7 million (1%) to Baht 1,316 million by un-appropriated retain earning. This consist of issue and paid up share capital Baht 143 million, share premium Baht 286 million, legal reserved Baht 14 million, un-appropriated retained earnings Baht 887 million, others components of equity Baht -14 million (Foreign exchange translation differences).

The group of company's Debt Equity Ratio changed to 0.1 times at the end of 2020 from 0.2 times at the end of 2019.

Discussion and Analysis: MD&A Result of Operation of company and its subsidiaries

Overview Result of company and its subsidiary

In 2020, the Company and its subsidiaries' total earnings amounted to Baht 800 million decreased by Baht 150 million (16%). The main cause for the lower revenue was because of lower contract revenue by Baht 95 million due to continue delay of investment in the related industry. Gain on sell of land decreased by Baht 55 million due to gain from sales a plot of land in 2019.

Cost of contract work and selling & administrative expenses of Baht 775 million (2019: Baht 1,109 million) was also lower by Baht 334 million (30%) from last year. Major reduced from cost of contract amount Baht 287 million and reduced of selling and administrative expenses Baht 44 million, foreign exchange loss in 2019 reduced Baht 3 million to gain in 2020. Another a reversal of impairment loss determined in accordance with TFRS 9 Baht -18 million (due to a write-back of a provision on doubtful bad debt in the year 2019 and collection in 2020).

The major source of revenue and profit of the year 2020 were from its operations in Thailand. The subsidiary in Myanmar is in early stage of operation.

Major revenue of the Company and subsidiaries came from the design, fabrication, erection, and modification of steel products for both domestic and export markets of which approximately 93% was from domestic projects, and remain was from overseas projects. Revenue by Geographical Segment is shown as below;

Revenue by Geographical Segment

Geographical Segment	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Contract revenues - Domestic	743	93	826	87	781	89
Contract revenues - Export	50	6	62	7	65	7
Total contract revenue	793	99	888	94	846	96
Others income (interest included)	7	1	62	6	34	4
Total income	800	100	950	100	880	100

Our main clients were from the energy, petrochemicals, and oil & gas industries. Main business segments can be divided into pressure vessels, non-pressure vessels, machinery parts, steel structures, and mechanical installation, with pressure vessels accounting for 81% of total work in 2020.

Revenue by product and service

Products and Services	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Pressure Vessels	645	81	650	68	565	64
Machinery Parts	16	2	99	11	42	5
Steel Structure	-	-	-	-	-	-
Chemical Tank	105	13	49	5	96	11
Mechanical Installation	27	3	90	9	143	16
Total contract revenue	793	99	888	93	846	96
Other incomes	7	1	62	7	34	4
Total income	800	100	950	100	880	100

The company has recognized over time based on stage of completion of the contract.

Group's Corporate Revenue

In 2020, the Company and its subsidiaries' total earnings amounted to Baht 800 million, decreased by Baht 150 million (16%) according to lower work volume, consisting of contract revenue Baht 793 million, interest and others income Baht 6 million, gain on sales land Baht 0 million and gain on rate exchange Baht 1 million.

The changings are as follow:

Contract revenue of 2020 amounting of Baht 793 million decreased by Baht 95 million or 11% from last year (2019 : Baht 888 million) as stated reason above.

Interest income amounting of Baht 4 million nearly same as last year.

Gain on sale of land reduced Baht 55 million to Baht 0 million due to gain from land sold in 2019.

Gain on rate exchange Baht 1 million (2019: loss Baht 3 million)

Other income amounting of Baht 2 million nearly same as last year.

Costs and Expenses

In 2020, total costs and expenses is amounting of Baht 775 million, decreased by Baht 334 million (30%) from last year.

This resulted from manufacturing cost reduce Baht 287 million, major was from decrease of work volume, selling and operating expenses decreased by Baht 44 million from expense saving which included onetime expense in 2019 (doubtful bad debt amount Baht 18 million) and loss on rate exchange decreased Baht 3 million to none (2020: gain Baht 1 million).

In 2020, there is a reversal of impairment loss determined in accordance with TFRS amount Baht -18 million due to booked doubtful bad debt in 2019 and collection in 2020.

The changings are as follow:

Cost of contract work amounting to Baht 672 million decreased by Baht 287 million (30%) effect from above mentioned.

Selling and administration expenses amount to Baht 103 million decreased by Baht 44 million (30%) from last year. Partial was from doubtful bad debt of the year 2019 amount Baht 18 million.

Loss on rate exchange reduced Baht 3 million to Baht 0 million (2020 : gain Baht 1 million)

Reversal of impairment loss determined in according with TFRS 9 amount Baht -18 million , due to booked expense of one doubtful bad debt in 2019 and collection in 2020 as above mentioned.

Tax expense (- income)

2020's Tax expense amounting of Baht 7 million. The corporate income tax rate at 20% is the same as last year.

Net Profit/-Loss

For the year 2020, the Company and its subsidiaries' net profit amounting to Baht 36 million (2019: Net Loss Baht 152 million).

Using the weighted average method, profit per share were Baht 0.06 and Baht -0.27 for the year 2020 and 2019 (par 0.25 Baht/share) respectively.

Liquidity

As of December 31, 2020, the group of Company's liquidity are in cash and cash equivalent totally amounting to Baht 505 million, increased by Baht 101 million from last year (2019 : Baht 404 million).

Cash generate in 2020 came from operating activities Baht 130 million, get of Baht 1 million from investing activities and use in financing activities Baht 30 million (pay dividend Baht 29 million).

Group of company's Liquidity ratio was 9.3 times (2019: 5.0 times). Cash flow liquidity ratio equal to 0.9 times (2019: -0.8 times). The Company continues to maintain sufficient liquidity for its ongoing operations.

Return on investment and dividend to shareholders

Return on Equity (ROE) of 2020, 2019 and 2018 was 2.7, -10.9, -2.5 times respectively.

Mentioned return of the year 2020 had included additional dividend which the board of directors no. 1/2021 held on 24 February 2021 had a resolution approving to propose shareholder's meeting to pay more dividend of 2020's operating results in rate Baht 0.04 per share, of which included interim dividend paid at rate 0.05 Baht per share, totally 2020 dividend were 0.09 Baht per share. However, this resolution must be approved at the annual general meeting of the shareholders.

Discussion and Analysis: MD&A Result of Operation of company

Total assets

As at December 31, 2020 the company's total assets amounted to Baht 1,522 million down Baht 71 million (4%) from the last year. This resulted from decreasing in trade account receivable, inventory, fixed asset (property plant and equipment) intangible asset and deferred tax assets and increasing in cash, others account receivable.

Changes in financial statement

Current assets

- Cash and cash equivalents Baht 498 million (33% of total assets) increased by Baht 112 million (29%) from last year. It resulted from cash inflow from operating activities Baht 139 million, interest received of Baht 5 million, used cash for office building, equipment and intangible assets of Baht 3 million and pay out dividend Baht 29 million. The company's cash management policy is to look for highest return and lowest risk without compromising liquidity.

Trade accounts receivable of Baht 83 million (6% of total assets) decreased by Baht 116 million (58%) from last year according to payment term of contract.

Aging analysis and payments are regularly tracked. The allowance for doubtful accounts is assessed primarily on payment histories and future payment expectations of customer. Bad debts are written off when incurred. At the end of year 2020, allowance for doubtful accounts was assessed at Baht 0.12 million. With major overdue account receivable to be settled within 2021. Any outstanding debt overdue of more than 12 months will be notified by lawyer as necessary and economical.

-Others receivable Baht 68 million increased by Baht 20 million (41%). Major accounts receivable are Revenue Department increase of Baht 18 million to be Baht 58 million (due to withholding tax more than income tax expenses of 2020 amounting of Baht 18 million, 2019 amounting of Baht 24 million and 2018 amounting of Baht 16 million). The rest are normal trading transaction.

Others receivable consisting mainly of account receivable Revenue Department, advance pay for procurement of goods or service, prepaid expenses, etc.

- Unbilled contract work in process of Baht 136 million (9% of total assets) showed an increase of Baht 9 million (7%) from last year. This was a consequence of work completion and billing to customer according to term of agreement.

Unbilled contract work in progress is a pro-rated value of the portion of work in progress, calculated by the percentage of work completed method, instead of according to payment terms of contract.

The company has regularly reviewed the progress of work. Any expected loss on a contract is immediately recognized in profit or loss.

- Inventories amount of Baht 130 million (9% of total assets) decreased by Baht 53 million (29%) from last year, and mainly consisted of Baht 104 million of key raw materials such as steel plates, tank accessories, pipes, flanges and pipe fittings and others such as work in progress, spare parts and supplies, goods in transit and allowance for decline in value.

According to company's policy, procurement would be made after customer confirmed order. Allowance for decline in value of inventories for Baht 6 million set up from disposal inventory.

Non-current assets

- Investment in Subsidiaries amounting of Baht 214 million (14% of total assets) unchanged.

Unimit Engineering Plc. in Thailand ("Company") has 100% wholly owned direct subsidiary Unimit (Hong Kong) Co., Limited which was established in Hong Kong on August 4, 2014. The principal business is to invest in other companies as a holding company. As of December 31, 2020, its registered capital was \$6.56 Million (Baht 214 Million) with the Company's holding 100% equity shares. The Company also has another indirect subsidiary Unimit Engineering (Myanmar) Co., Limited, which was established in Myanmar on December 26, 2014 and is 100% wholly own by Unimit Hong Kong. The principal businesses are shop fabrication, field installation and erection of steel products. As of December 31, 2020, Unimit Myanmar has authorized capital \$6.5 Million (Baht 212 Million)

- Long term loan amount Baht 60 million unchanged. Of which loan to subsidiary in Myanmar invest in plant property and equipment including working capital purpose.

- Property, plant and equipment net amount of Baht 316 million (21% of total assets) decreased by Baht 35 million (10%) from last year due to investing in fixed asset to improve and to replace some items amounting of Baht 1 million. There were depreciation Baht 36 million. Fixed assets' increasing for improve capacity and maintenance or replacement purpose. All Property, plant and equipment are owned by the company and free from obligation.

- Intangible assets (mostly software patents) amounted to Baht 4 million (0.3 % of total assets), nearly same as last year.

- Deferred tax assets amounted to Baht 13 million, decrease of Baht 6 million from last year. Major deferred tax assets derived from temporary difference between the accounting and the tax base of allowance for possible expenses and provision of the future liabilities.

Deferred tax assets and liabilities are the amount of income tax paid or repaid in the future respectively. This is caused by the temporary difference between the carrying amounts of assets and liabilities presented in the statement of financial position and the tax base of the assets and liabilities and unused tax losses.

- Other non-current assets Baht 0.2 million nearly same last year.

Total Liabilities

As at December 31, 2020, the Company total liabilities amounted to Baht 150 million, decreased by Baht 95 million (39%) from 2019, majority change of liabilities is normal course of business. The company had no long-term loan or long-term debt.

Total liabilities consisted of trade accounts payable Baht 58 million, other payables Baht 20 million, excess of progress billings over contract work in progress Baht 11 million, current portion of lease liabilities Baht 1 million, other current liability Baht 1 million, liability under lease contract Baht 1 million and employee benefit obligations Baht 58 million.

Changes in financial statement

Current liabilities

Current liabilities amounting of Baht 91 million a decreasing of Baht 94 million (51%) from 2019. This decrease was due to lower balance in trade accounts payable Baht 78 million, others account payable Baht 18 million and increasing of excess of progress billings over contract work in progress Baht 2 million, other current liability unchanged.

Non-current liabilities

Liability under lease contract amount Baht 1 million decreasing of Baht 1 million.

Non-current provision for employee benefit amount 58 million was unchanged.

Shareholders' Equity of company

As at 2020, year end shareholders' equity increased by Baht 24 million (2%) from Baht 1,348 million to Baht 1,372 million. This increased by the un-appropriate retained earnings of Baht 24 million from Baht 53 million to Baht 29 million.

The increase of un-appropriate retained earnings Baht 24 million was due to company net operating profit in 2020 Baht 53 million less dividend payment Baht 29 million.

The company's Debt Equity Ratio changed to 0.1 times at the end of 2020, from 0.2 times at the end of 2019.

Discussion and Analysis: MD&A Result of Operation of company

Overview Result of company

Major revenue of the Company came from the design, fabrication, erection, and modification of steel products for both domestic and export markets of which approximately 93% was from domestic projects, and remain was from overseas projects. Revenue by Geographical Segment is shown as below;

Revenue by Geographical Segment

Geographical Segment	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Contract revenues - Domestic	741	93	826	87	781	89
Contract revenues - Export	50	6	62	6	65	7
Total	791	99	888	93	846	96
Others income (interest included)	7	1	64	7	34	4
Total revenues	798	100	952	100	880	100

Our main clients were from the energy, petrochemicals, and oil & gas industries. Main business segments can be divided into pressure vessels, non-pressure vessels, machinery parts, steel structures, and mechanical installation, with pressure vessels accounting for 81% of total work in 2020.

Revenue by product and service

Products and Services	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Pressure Vessels	643	81	650	68	565	64
Machinery Parts	16	2	99	11	42	5
Steel Structure	-	-	-	-	-	-
Chemical Tank	105	13	49	5	96	11
Mechanical Installation	27	3	90	9	143	16
Total contract revenue	791	99	888	93	846	96
Other incomes	7	1	64	7	34	4
Total income	798	100	952	100	880	100

The company has recognized over time based on stage of completion of the contract.

Corporate Revenue

In 2020, the Company's total earnings amounted to Baht 798 million, consisting of contract revenue Baht 791 million, interest Baht 4 million, profit from rate exchange Baht 1 million and others income Baht 2 million, totally decreased Baht 154 million or 16% from 2019.

The changings are as follow:

Contract revenue of 2020 amounting of Baht 791 million decreased by Baht 97 million or 11% from last year (2019 : Baht 888 million) as stated reason above.

Interest income amounting of Baht 4 million nearly same as last year.

Gain from sales a plot of land amounting of Baht 0 million (2019 : gain Baht 55 million)

Profit from rate exchange amounting of Baht 1 million (2019 : loss 3 million)

Others income amounting of Baht 2 million decreased Baht 3 million from last year.

Costs and Expenses

In 2020, the Company's total cost and expenses amounted to Baht 756 million decreased by Baht 339 million (31%) from last year. This resulted from reduce of manufacturing cost Baht 296 million according to reduce of work volume. And another reason is a decrease in the selling and operating expenses of Baht 39 million by expenses saving included different from 2019's one-time expense (doubtful bad debt) 18 million.

Otherwise was loss from exchange rate reduced Baht 4 million to Baht -0- million (2020: gain Baht 1 million)

In 2020, there is a reversal of impairment loss determined in accordance with TFRS 9 amount Baht -18 million which was doubtful bad debt in 2019 and collected in 2020.

The changings are as follow:

Cost of contract work amounting to Baht 663 million decreased by Baht 296 million (31%) effect from above mentioned.

Selling and administration expenses is amounting of Baht 94 million decreased by Baht 39 million (29%) from last year.

Loss on rate exchange decreased Baht 4 million to Baht -0- million (2020 : gain Baht 1 million).

Reversing entry of impairment comply to accounting standard TFRS 9 amount Baht -18 million.

Tax expense (- income)

2020's Tax expense amounting of Baht 7 million. The corporate income tax rate at 20% is the same as last year.

Net Profit

For the year 2020, the Company net profit was amounting of Baht 53 million (2019: Net loss Baht 135 million)

Using the weighted average method, basic loss per share were Baht 0.09 and Baht -0.24 for the year 2020 and 2019 (par 0.25 Baht/share) respectively.

Liquidity

As of December 31, 2020, the Company's liquidity is in cash and cash equivalent totally amounting to Baht 498 million, increased by Baht 112 million from last year (2019 : Baht 386 million).

Cash generate in 2020 was Baht 386 million, which came from cash at beginning of the year, of which Baht 139 million get from operating activities, get of Baht 2 million from investment activities and used in dividend payment Baht t29 million.

The Company's Liquidity ratio was 10.1 times (2019: 5.1 times). Cash flow liquidity ratio equal to 1.0 times (2019: -0.7 times). The Company continues to maintain sufficient liquidity for its ongoing operations.

Return on investment and dividend to shareholders

Return on Equity (ROE) of 2020, 2019 and 2018 was 3.9, -9.6, -2.3 times respectively.

Mentioned return of the year 2020 have included additional dividend which the board of directors no. 1/2021 held on 24 February 2021 had a resolution approving to propose shareholder's meeting to pay more dividend of 2020's operating results in rate Baht 0.04 per share, of which included interim dividend paid at rate 0.05 Baht per share, totally 2020 dividend is 0.09 Baht per share. However, this resolution must be approved at the annual general meeting of the shareholders.

Unimit Engineering Public Company Limited and its Subsidiaries

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Unimit Engineering Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Unimit Engineering Public Company Limited and its subsidiaries (the "Group"), and of Unimit Engineering Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Contract revenue and expense recognition	
Refer to Note 3 (s), 7 and 18 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>According to the contracting nature of the business, revenue recognition involves a significant degree of judgment, with estimates being made with respect to:</p> <ul style="list-style-type: none"> - assessing the total contract costs; including forecasted costs to complete; - assessing the stage of completion of the contract; and - appropriately providing for loss making contracts <p>Because of the magnitude of the amounts and the judgments and estimates involved, this is a focused area in my audit.</p>	<p>In this area, my audit procedures included:</p> <ul style="list-style-type: none"> - reading key contracts and inquiring of the Company to gain an understanding of the contractual terms and specific risks to assist me in considering the appropriateness of the recognition of the revenue and contract expenditure; - assessing and testing the operating effectiveness of internal controls related to recognition of the contract revenue and expenditure; - assessing the estimates of the Company on a sample basis to test through the examination of externally generated evidence, such as customer correspondence about stage of work in progress as identified in contracts. Also, inquiring and evaluating key judgments used in the Company's estimates for total contract costs and forecasted costs to complete by taking into account the accuracy of historical estimates and comparing such estimates to the recognition of the actual costs historically incurred and current progress of the contracts and testing the calculations; and - assessing the adequacy of the disclosures in accordance with the Thai Financial Reporting Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made





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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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 consolidated and separate 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.

(Chanarat Chanwa)
Certified Public Accountant
Registration No. 9052

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2021

15 | FINANCIAL STATEMENTS

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	504,434,715	403,659,321	497,831,687	385,597,219
Trade accounts receivable	25	83,951,757	199,961,455	83,552,713	199,961,455
Other accounts receivable	4, 6	70,003,233	49,943,585	67,704,851	47,857,848
Unbilled contract work in progress	7	137,420,113	127,745,328	136,694,051	127,745,328
Inventories	8	130,085,180	182,555,768	129,697,459	182,555,768
Total current assets		925,894,998	963,865,457	915,480,761	943,717,618
Non-current assets					
Investments in subsidiaries	9	-	-	214,000,000	214,000,000
Long-term loans	4	-	-	59,734,800	59,953,400
Property, plant and equipment	10	492,662,506	532,944,342	315,824,540	350,924,973
Right-of-use assets (2019 : Land use right)	12	39,119,072	40,177,521	-	-
Intangible assets	13	4,033,657	4,905,499	4,033,657	4,905,499
Deferred tax assets	22	12,970,278	19,533,567	12,970,278	19,533,567
Other non-current assets		172,000	174,400	172,000	174,400
Total non-current assets		548,957,513	597,735,329	606,735,275	649,491,839
Total assets		1,474,852,511	1,561,600,786	1,522,216,036	1,593,209,457

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

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Trade accounts payable	14	58,094,947	136,212,462	58,094,947	136,212,462
Other accounts payable	15	29,521,345	46,683,545	20,080,607	37,900,035
Excess of progress billings over contract work in progress	7	11,228,901	9,169,346	10,894,134	9,169,346
Current portion of lease liabilities		637,195	600,178	637,195	600,178
(2019 : Current portion of finance lease liabilities)					
Other current liabilities		764,372	1,029,531	764,372	1,029,531
Total current liabilities		100,246,760	193,695,062	90,471,255	184,911,552
Non-current liabilities					
Lease liabilities (2019 : Finance lease liabilities)		1,111,764	1,748,960	1,111,764	1,748,960
Non-current provisions for employee benefits	16	58,032,478	58,038,165	58,032,478	58,038,165
Total non-current liabilities		59,144,242	59,787,125	59,144,242	59,787,125
Total liabilities		159,391,002	253,482,187	149,615,497	244,698,677
Equity					
Share capital					
Authorised share capital					
(570,510,600 ordinary shares, par value at Baht 0.25 per share)					
		142,627,650	142,627,650	142,627,650	142,627,650
Issued and paid-up share capital					
(570,510,600 ordinary shares, par value at Baht 0.25 per share)					
		142,627,650	142,627,650	142,627,650	142,627,650
Share premium					
Share premium on ordinary shares		286,487,187	286,487,187	286,487,187	286,487,187
Retained earnings					
Appropriated					
Legal reserve	17	14,300,000	14,300,000	14,300,000	14,300,000
Unappropriated		886,504,507	879,153,529	929,185,702	905,095,943
Other components of equity	17	(14,457,835)	(14,449,767)	-	-
Total equity		1,315,461,509	1,308,118,599	1,372,600,539	1,348,510,780
Total liabilities and equity		1,474,852,511	1,561,600,786	1,522,216,036	1,593,209,457

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

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Income					
Contract revenue	18	793,275,920	888,222,907	790,631,283	888,222,907
Interest income		3,491,717	3,815,097	4,273,479	4,252,203
Gain on sales of land	19	-	55,445,482	-	55,445,482
Net foreign exchange gain		1,041,855	-	1,041,855	-
Other income		1,880,659	2,737,693	1,874,824	4,325,360
Total income		799,690,151	950,221,179	797,821,441	952,245,952
Expenses					
Contract costs	8, 21	671,684,511	958,858,749	662,606,976	958,858,749
Distribution costs	21	14,189,806	26,365,176	13,860,023	26,365,176
Administrative expenses	21	89,048,572	120,756,744	79,848,399	106,394,374
Net foreign exchange loss		-	3,356,655	-	3,356,655
Total expenses		774,922,889	1,109,337,324	756,315,398	1,094,974,954
Profit (loss) from operating activities		24,767,262	(159,116,145)	41,506,043	(142,729,002)
Finance costs		124,622	55,288	124,622	55,288
Reversal of impairment loss determined in accordance with TFRS 9		(17,879,521)	-	(17,879,521)	-
Loss from changes in fair value of financial assets measured at fair value through profit or loss		83,879	-	83,879	-
Profit (loss) before income tax		42,438,282	(159,171,433)	59,177,063	(142,784,290)
Tax expense (income)	22	6,563,289	(7,289,399)	6,563,289	(7,289,399)
Profit (loss) for the year		35,874,993	(151,882,034)	52,613,774	(135,494,891)
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		(8,068)	(13,725,349)	-	-
Other comprehensive income for the year		(8,068)	(13,725,349)	-	-
Total comprehensive income for the year		35,866,925	(165,607,383)	52,613,774	(135,494,891)
Basic earnings (loss) per share (in Baht)	23	0.06	(0.27)	0.09	(0.24)

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

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of changes in equity

	Consolidated financial statements				
	Retained earnings		Other components of equity		Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Translating foreign operations	
Year ended 31 December 2019					
Balance at 1 January 2019	142,627,650	286,487,187	14,300,000	1,031,035,563	(724,418) 1,473,725,982
Comprehensive income for the year					
Loss	-	-	-	(151,882,034)	- (151,882,034)
Other comprehensive income	-	-	-	-	(13,725,349) (13,725,349)
Total comprehensive income for the year	-	-	-	(151,882,034)	(13,725,349) (165,607,383)
Balance at 31 December 2019	142,627,650	286,487,187	14,300,000	879,153,529	(14,449,767) 1,308,118,599

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

Unimit Engineering Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Consolidated financial statements					Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated	Translating foreign operations	
					(in Baht)		
Year ended 31 December 2020							
Balance at 1 January 2020		142,627,650	286,487,187	14,300,000	879,153,529	(14,449,767)	1,308,118,599
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	24	-	-	-	(28,524,015)	-	(28,524,015)
<i>Total distributions to owners of the Company</i>		-	-	-	(28,524,015)	-	(28,524,015)
Comprehensive income for the year							
Profit		-	-	-	35,874,993	-	35,874,993
Other comprehensive income		-	-	-	-	(8,068)	(8,068)
Total comprehensive income for the year		-	-	-	35,874,993	(8,068)	35,866,925
Balance at 31 December 2020		142,627,650	286,487,187	14,300,000	886,504,507	(14,457,835)	1,315,461,509

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

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements				
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Total equity
			Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2019					
Balance at 1 January 2019	142,627,650	286,487,187	14,300,000	1,040,590,834	1,484,005,671
Comprehensive income for the year					
Loss	-	-	-	(135,494,891)	(135,494,891)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(135,494,891)	(135,494,891)
Balance at 31 December 2019	142,627,650	286,487,187	14,300,000	905,095,943	1,348,510,780

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

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements				
	Retained earnings				Total equity
Note	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2020					
Balance at 1 January 2020	142,627,650	286,487,187	14,300,000	905,095,943	1,348,510,780
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividends to owners of the Company	-	-	-	(28,524,015)	(28,524,015)
<i>Total distributions to owners of the Company</i>	-	-	-	(28,524,015)	(28,524,015)
Comprehensive income for the year					
Profit	-	-	-	52,613,774	52,613,774
Total comprehensive income for the year	-	-	-	52,613,774	52,613,774
Balance at 31 December 2020	142,627,650	286,487,187	14,300,000	929,185,702	1,372,600,539

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

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
<i>Cash flows from operating activities</i>					
Profit (loss) for the year		35,874,993	(151,882,034)	52,613,774	(135,494,891)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax expense (income)	22	6,563,289	(7,289,399)	6,563,289	(7,289,399)
Finance costs		124,622	55,288	124,622	55,288
Depreciation and amortisation	21	44,598,851	39,099,795	38,448,842	37,987,039
Reversal of impairment loss recognised in profit or loss	25	(17,879,521)	-	(17,879,521)	-
Non-current provisions for employee benefits	16	10,545,511	22,968,123	10,545,511	22,968,123
Unrealised loss on exchange		39,622	1,343,667	258,222	1,343,667
Bad and doubtful debts expenses	25	-	17,879,521	-	17,879,521
Loss from changes in fair value of financial assets measured at fair value through profit or loss		83,879	-	83,879	-
Reversal of loss on inventories devaluation	8	-	(464,407)	-	(464,407)
Gain on disposal and write-off of land and equipment		(132,412)	(60,884,979)	(132,412)	(57,923,221)
Interest income		(3,491,717)	(3,815,097)	(4,273,479)	(4,252,203)
		76,327,117	(142,989,522)	86,352,727	(125,190,483)
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		133,744,297	(136,186,624)	134,143,340	(136,186,626)
Other accounts receivable		(2,042,403)	4,593,343	(2,266,863)	6,378,459
Unbilled contract work in progress		(9,674,785)	101,237,498	(8,948,723)	101,237,498
Inventories		52,470,588	7,819,627	52,858,309	7,819,627
Other non-current assets		2,400	-	2,400	-
Trade accounts payable		(78,097,182)	41,231,215	(78,097,182)	41,231,215
Other accounts payable		(18,068,111)	30,801,272	(18,725,341)	22,267,398
Excess of progress billings over contract work in progress		2,060,643	(30,383)	1,725,877	(30,383)
Other current liabilities		640,754	(2,738,547)	640,754	(2,738,547)
Exchange differences on translating foreign operations		722,600	(529,503)	-	-
Net cash generated from (used in) operating activities		158,085,918	(96,791,624)	167,685,298	(85,211,842)
Provisions for employee benefits paid	16	(10,551,198)	(15,591,014)	(10,551,198)	(15,591,014)
Income tax paid		(18,017,247)	(23,756,659)	(18,017,247)	(23,756,659)
Income tax refunded		-	14,680,698	-	14,680,698
Net cash from (used in) operating activities		129,517,473	(121,458,599)	139,116,853	(109,878,817)

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

Unimit Engineering Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Interest received		3,491,717	4,263,933	4,710,585	4,263,933
Decrease in short-term deposits					
at financial institutions		-	250,000,000	-	250,000,000
Acquisition of building and equipment	10	(2,773,853)	(105,984,487)	(2,133,027)	(7,997,791)
Proceeds from sale of property and equipment		160,000	67,289,456	160,000	67,289,456
Acquisition of intangible assets	13	(371,128)	-	(371,128)	-
Loans to related party	4	-	-	-	(59,953,400)
Net cash from investing activities		506,736	215,568,902	2,366,430	253,602,198
<i>Cash flows from financing activities</i>					
Payment of lease liabilities					
(2019 : Payment by a lessee for reduction of the					
outstanding liabilities relating to finance leases)		(724,800)	(278,000)	(724,800)	(278,000)
Dividends paid to owners of the Company	24	(28,524,015)	-	(28,524,015)	-
Net cash used in financing activities		(29,248,815)	(278,000)	(29,248,815)	(278,000)
Net increase in cash and cash equivalents		100,775,394	93,832,303	112,234,468	143,445,381
Cash and cash equivalents at 1 January		403,659,321	309,827,018	385,597,219	242,151,838
Cash and cash equivalents at 31 December	5	504,434,715	403,659,321	497,831,687	385,597,219
<i>Non-cash transaction</i>					
Purchase of property, plant and equipment					
under finance leases		-	2,571,850	-	2,571,850

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

Unimit Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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Unimit Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2021.

1 General information

Unimit Engineering Public Company Limited, the “Company”, is incorporated in Thailand. The Company was listed on the Market for Alternative Investment (MAI) in November 2005 and has its registered office at:

Head office : 109/92 - 95, Moo 19, Soi Suksawat 66, Suksawat Road, Tambon Bangpueng, Amphur Prapradaeng, Samutprakarn, 10130.

Factory 1 : 10/7 - 8 Moo 3, Chonburi-Ban Bung-Pa Yub Road, Tambon Nong Chark, Amphur Ban Bung, Chonburi, 20170.

Factory 2 : 10/4 Moo 1, Tambon Nong Chark, Amphur Ban Bung, Chonburi, 20170.

Factory 3 : 99/9 Moo 8, Tambon Mabka, Aumthur Nikompattana, Rayong, 21180.

The principal businesses of the Company and its subsidiaries (the “Group”) are design, shop fabrication, field installation and erection of steel products and construction works according to contracts entered into with customers such as pressurised equipment and vessel, non-pressure storage, mechanical parts and piping system, etc.

Detail of subsidiaries as at 31 December 2020 and 2019, were as follows:

	Type of business	Country	Ownership interest	
			2020	2019
(%)				
Direct subsidiary				
Unimit (Hong Kong) Co., Limited (“UHK”)	Investing in other company	Hong Kong Special Administrative Region of the People’s Republic of China	100.00	100.00
Indirect subsidiary				
Unimit Engineering (Myanmar) Company Limited (“UEM”)	Shop fabrication, field installation and erection, work of steel products	Republic of the Union of the Myanmar	100.00	100.00

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2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases which have no material impact on the financial statements.

TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group elected to use the following practical expedients;

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- rely on previous assessments whether the contract is a burden contract to as an option to review impairment.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

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(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

3(l) and 11 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- | | |
|----|--|
| 8 | Measurement at the lower of cost or net realisable value; |
| 16 | Measurement of defined benefit obligations: key actuarial assumptions; |
| 22 | Recognition of deferred tax assets; |
| 25 | Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; |
| 25 | Determining the fair value of financial instruments on the basis of significant unobservable inputs. |

Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

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(a) Impairment of assets

The Group considered impairment of trade accounts receivable under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment and investments in subsidiaries.

(b) Deferred tax assets

The Group elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

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

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

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(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 January 2020

Derivative

Derivatives are used to manage exposure to foreign exchange arising from operational, financial and investment activities. Derivatives financial instruments are not used for trading purposes. However, derivative that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of future foreign currency transactions

The Company has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to Thai Baht at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains/losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out principle and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

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(h) Contract work in progress

Unbilled contracts work in progress are contract assets which represent the gross amount expected to be collected from customers for unbilled contract work in progress performed to date. They are recognised when the Group has an unconditional right to receive consideration. They are measured at costs incurred plus profits recognised to date (see note 3 (s)) less progress billings and recognised losses. Cost of contract work includes all expenditure related directly to specific contracts and an allocation of fixed and variable costs incurred in the Group's contract activities based on normal operating capacity. Unbilled contracts work in progress is presented separately under current assets in the statement of financial position.

If progress billings and recognised losses exceed costs incurred plus recognised profits, then the difference is presented as excess of progress billings over contracts work in progress under current liabilities in the statement of financial position. They are contract liabilities. A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has unconditional right to receive non-refundable consideration from the customer before the Group recognised the related revenue.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5 and 20	years
Buildings	20 and 44	years
Machinery and equipment	5, 10 and 15	years
Furniture and fixtures	3 and 5	years
Vehicles	5	years

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Land use rights*

For 2019, Land use rights are measured at cost less accumulated amortisation. Amortisation is recognised in profit or loss on a straight-line basis over 49 years and 2 months in accordance with the terms indicated in the land use right agreement.

(k) *Intangible assets*

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licences	3	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(l) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

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When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'other income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

(m) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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(p) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(s) Revenues

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Contract revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments. Contract revenue is recognised over time based on stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed and the proportion of costs incurred to the reporting date compared to the estimated final costs of the contract at completion. The related costs are recognised in profit or loss when they are incurred. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

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(t) Investment income

Investment income comprises interest income from bank deposits. Interest income is recognised in profit or loss as it accrues.

(u) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(v) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) *Earnings (loss) per share*

The Group presents basic earnings (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(x) *Related parties*

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(y) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly e.g. corporate assets, administrative expenses, and tax assets and liabilities.

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For the year ended 31 December 2020

4 Related parties

Relationships with subsidiaries are described in note 1 and 9. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationship
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Management benefit expenses	As approved by the directors or board of directors (for management benefit expenses except for directors' remuneration) and the shareholders (for directors' remuneration)
Interest income	Contractually agreed price at 1.25% per annum

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary				
Interest income	-	-	782	437
Key management personnel compensation				
Short-term employee benefits	22,797	25,372	22,797	25,372
Post-employment benefits	1,390	1,577	1,390	1,577
Total	24,187	26,949	24,187	26,949

Management benefit expenses are benefits paid to directors and executives of the Group. They comprise compensation such as salaries and related benefits and directors' remuneration such as meeting allowance and annual bonus.

Balances as at 31 December with related parties were as follows:

Other accounts receivable	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Indirect subsidiary				
Unimit Engineering (Myanmar) Company Limited	-	-	-	437

Unimit Engineering Public Company Limited and its Subsidiaries
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Movement of loans to related party transactions for the years ended 31 December were as follows:

	Interest rate		Separate finance statements		
	31 December 2020 (% per annum)	31 December 2019	31 December 2019	Increase Decrease (in million US Dollars)	31 December 2020
Unimit Engineering (Myanmar) Company Limited	1.25	1.25	2	-	2
Total			2		2

As at 31 December 2020, the long-term loans to Unimit Engineering (Myanmar) Company Limited amounting to US Dollars 2 million or equivalent to Baht 59.73 million (2019: Baht 59.95 million) which will be repaid during 2023 to 2025 and bear interest at the rate of 1.25% per annum.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	158	146	136	136
Cash at banks - current accounts	8,978	23,499	3,161	7,027
Cash at banks - savings accounts	495,299	380,014	494,535	378,434
Total	504,435	403,659	497,832	385,597

Most of the Group's cash at banks - saving accounts bear interest at the rates ranging between 0.5% to 0.6% per annum.

6 Other accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Receivable from Revenue Department		58,433	40,415	58,433	40,415
Prepaid expenses		2,949	3,395	2,876	3,395
Advances to suppliers		2,113	998	2,113	998
Other accounts receivable					
- related party	4	-	-	-	437
Others		6,508	5,136	4,283	2,613
Total		70,003	49,944	67,705	47,858

Unimit Engineering Public Company Limited and its Subsidiaries
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For the year ended 31 December 2020

7 Contract work in progress

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Contract assets</i>				
<i>Unbilled contract work in progress</i>				
Costs and attributable profit	1,768,792	1,223,491	1,766,209	1,223,491
Less Progress billings	<u>(1,631,372)</u>	<u>(1,095,746)</u>	<u>(1,629,515)</u>	<u>(1,095,746)</u>
Net	<u>137,420</u>	<u>127,745</u>	<u>136,694</u>	<u>127,745</u>
<i>Contract liabilities</i>				
<i>Excess of progress billings over contract work in progress</i>				
Progress billings	193,425	378,163	193,090	378,163
Less Costs and attributable profit	<u>(182,196)</u>	<u>(368,994)</u>	<u>(182,196)</u>	<u>(368,994)</u>
Net	<u>11,229</u>	<u>9,169</u>	<u>10,894</u>	<u>9,169</u>

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Raw materials	104,487	128,988	103,919	128,988
Work in progress	11,479	12,885	11,675	12,885
Spare parts and supplies	15,163	19,746	15,147	19,746
Goods in transit	<u>5,180</u>	<u>27,161</u>	<u>5,180</u>	<u>27,161</u>
Total	<u>136,309</u>	<u>188,780</u>	<u>135,921</u>	<u>188,780</u>
Less Allowance for decline in value	<u>(6,224)</u>	<u>(6,224)</u>	<u>(6,224)</u>	<u>(6,224)</u>
Net	<u>130,085</u>	<u>182,556</u>	<u>129,697</u>	<u>182,556</u>
 Inventories recognised as an expense in 'contract costs'				
- Cost	671,685	959,324	662,607	959,324
- Reversal of write-down	<u>-</u>	<u>(465)</u>	<u>-</u>	<u>(465)</u>
Total	<u>671,685</u>	<u>958,859</u>	<u>662,607</u>	<u>958,859</u>

Unimit Engineering Public Company Limited and its Subsidiaries
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9 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019 were as follows:

	Separate financial statements											
	Authorised capital		Called-up capital		Paid-up capital		At cost		Impairment		At cost - net	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019

During 2020 and 2019, the Company did not receive dividends and there was no movement of investments in subsidiaries.

Unimit Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

10 Property, plant and equipment

	Consolidated financial statements				
	Land and improvements	Buildings	Machinery and equipment	Furniture and fixtures (in thousand Baht)	Vehicles
					Assets under construction and installation
					Total
Cost					
At 1 January 2019	212,891	338,934	366,870	58,343	44,829
Additions	-	50	4,663	1,898	2,588
Disposals	(8,063)	-	(1,285)	(507)	(1,428)
Effect of movements in exchange rates	-	-	-	(38)	-
At 31 December 2019 and 1 January 2020	204,828	338,984	370,248	59,696	45,989
Additions	-	417	362	1,837	-
Transfer	658	172,244	23,716	-	-
Disposals	-	-	(1,075)	(256)	(190)
Effect of movements in exchange rates	-	(13,983)	(1,854)	5	-
At 31 December 2020	205,486	497,662	391,397	61,282	45,799
					5,753
					1,207,379
Accumulated depreciation					
At 1 January 2019	56,956	199,301	286,688	55,806	42,953
Depreciation charge for the year	3,725	13,811	17,453	1,400	580
Disposals	(1,761)	-	(1,209)	(480)	(1,428)
At 31 December 2019 and 1 January 2020	58,920	213,112	302,932	56,726	42,105
Depreciation charge for the year	3,638	17,288	18,943	1,715	832
Disposals	-	-	(1,056)	(250)	(188)
At 31 December 2020	62,558	230,400	320,819	58,191	42,749
					-
					673,795
					42,416
					(1,494)
					714,717

Unimit Engineering Public Company Limited and its Subsidiaries
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	Consolidated financial statements					
	Land and improvements	Buildings	Machinery and equipment	Furniture and fixtures (in thousand Baht)	Vehicles	Assets under construction and installation
<i>Net book value</i>						
At 31 December 2019						
Owned assets	145,908	125,872	67,316	2,970	1,485	186,994
Assets under finance leases	-	-	-	-	2,399	-
Total	145,908	125,872	67,316	2,970	3,884	186,994
						530,545
						2,399
						532,944
At 31 December 2020						
Owned assets	142,928	267,262	70,578	3,091	1,076	5,753
Right-of-use assets	-	-	-	-	1,974	-
Total	142,928	267,262	70,578	3,091	3,050	5,753
						490,688
						1,974
						492,662

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Separate financial statements

	Land and improvements	Buildings	Machinery and equipment	Furniture and fixtures (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2019	212,891	338,934	366,870	58,185	44,829	6,481	1,028,190
Additions	-	50	4,663	1,122	2,588	2,147	10,570
Disposals	(8,063)	-	(1,285)	(507)	(1,428)	(2,961)	(14,244)
At 31 December 2019 and 1 January 2020	204,828	338,984	370,248	58,800	45,989	5,667	1,024,516
Additions	-	-	257	1,787	-	89	2,133
Transfer	658	(658)	-	-	-	-	-
Disposals	-	-	(1,075)	(256)	(190)	-	(1,521)
At 31 December 2020	205,486	338,326	369,430	60,331	45,799	5,756	1,025,128
Accumulated depreciation							
At 1 January 2019	56,956	199,301	286,688	55,772	42,953	-	641,670
Depreciation charge for the year	3,725	13,811	17,453	1,230	580	-	36,799
Disposals	(1,761)	-	(1,209)	(480)	(1,428)	-	(4,878)
At 31 December 2019 and 1 January 2020	58,920	213,112	302,932	56,522	42,105	-	673,591
Depreciation charge for the year	3,638	13,811	17,453	1,472	832	-	37,206
Disposals	-	-	(1,056)	(250)	(188)	-	(1,494)
At 31 December 2020	62,558	226,923	319,329	57,744	42,749	-	709,303

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Separate financial statements							
	Land and improvements	Buildings	Machinery and equipment	Furniture and fixtures (in thousand Baht)	Vehicles	Assets under construction and installation	Total
<i>Net book value</i>							
At 31 December 2019							
Owned assets	145,908	125,872	67,316	2,278	1,485	5,667	348,526
Assets under finance leases	-	-	-	-	2,399	-	2,399
Total	145,908	125,872	67,316	2,278	3,884	5,667	350,925
At 31 December 2020							
Owned assets	142,928	111,403	50,101	2,587	1,076	5,756	313,851
Right-of-use assets	-	-	-	-	1,974	-	1,974
Total	142,928	111,403	50,101	2,587	3,050	5,756	315,825

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The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 328.52 million (2019: Baht 327.24 million).

At 31 December 2020, the Group and the Company had unutilised credit facilities with several local banks totalling Baht 2,184.03 million (2019: Baht 2,099.52 million). Some of the Group and Company's credit facilities has given negative pledges to the banks and not committed in its existing and future property, plant, machinery and equipment.

11 Leases

As a lessee

<i>At 31 December 2020</i>	<i>Note</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
<i>Right-of-use assets</i>			
Land	12	39,119	-
Vehicles	10	1,974	1,974
Total		41,093	1,974

In 2020, the Group had no movement in right-of-use assets.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
(2019: Land use right)				
- Land	940	-	-	-
- Vehicles	424	174	424	174
Interest on lease liabilities	125	55	125	55
Expenses relating to short-term leases	2,143	-	1,199	-
Amortisation of land use rights	-	942	-	-
Lease expense	-	2,452	-	1,199

In 2020, total cash outflow for leases of the Group and Company were Baht 2.9 million and Baht 1.9 million.

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12 Right-of-use assets

On 25 March 2015, UEM entered into land use rights agreement with a company and paid full amount to use land in Republic of the Union of Myanmar in the amount of US Dollars 1.55 million or equivalent to Baht 51.56 million. The contract period of this land use rights is 49 years and 2 months and will be expired in June 2064.

	Consolidated financial statements
	Right-of-use assets (in thousand Baht)
<i>Cost</i>	
At 1 January 2019	50,275
Decrease	(2,043)
Effect of movements in exchange rates	(3,556)
At 31 December 2019 and 1 January 2020	44,676
Effect of movements in exchange rates	(174)
At 31 December 2020	44,502
<i>Accumulated amortisation</i>	
At 1 January 2019	3,856
Amortisation for the year	942
Effect of movements in exchange rates	(300)
At 31 December 2019 and 1 January 2020	4,498
Amortisation for the year	940
Effect of movements in exchange rates	(55)
At 31 December 2020	5,383
<i>Net book value</i>	
At 31 December 2019	40,178
At 31 December 2020	39,119

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Notes to the financial statements
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13 Intangible assets

	Consolidated and separate financial statements Software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2019	18,823
Additions	-
At 31 December 2019 and 1 January 2020	18,823
Additions	372
At 31 December 2020	19,195
<i>Accumulated amortisation</i>	
At 1 January 2019	12,729
Amortisation for the year	1,189
At 31 December 2019 and 1 January 2020	13,918
Amortisation for the year	1,243
At 31 December 2020	15,161
<i>Net book value</i>	
At 31 December 2019	4,905
At 31 December 2020	4,034

14 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Trade accounts payable				
- other parties	51,584	127,259	51,584	127,259
Retention payables	6,511	8,953	6,511	8,953
Total	58,095	136,212	58,095	136,212

15 Other accounts payable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Accrued operating expenses	21,582	21,409	12,141	12,625
Payable to the Revenue				
Department	5,122	5,640	5,122	5,640
Fine payable	-	16,706	-	16,706
Others	2,818	2,929	2,818	2,929
Total	29,522	46,684	20,081	37,900

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16 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Statement of financial position obligation for:				
Post employment benefits	58,032	58,038	58,032	58,038
Total	58,032	58,038	58,032	58,038

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Present value of the defined benefit obligations				
At 1 January	58,038	50,661	58,038	50,661
Include in profit or loss:				
Current service costs	8,711	8,070	8,711	8,070
Past service cost	1,834	13,280	1,834	13,280
Interest on obligation	-	1,618	-	1,618
	10,545	22,968	10,545	22,968
Others				
Benefits paid	(10,551)	(15,591)	(10,551)	(15,591)
	(10,551)	(15,591)	(10,551)	(15,591)
At 31 December	58,032	58,038	58,032	58,038

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Principal actuarial assumptions				
Discount rate	2.53	2.53	2.53	2.53
Salary increase rate	3	3	3	3
Employee turnover	0 - 48	0 - 48	0 - 48	0 - 48

Assumptions regarding future mortality are based on published statistics and morality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 18.22 years (2019: 19.13 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements / Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(6,009)	(5,610)	6,880	6,437
Future salary growth	7,605	6,340	(6,738)	(5,636)
Employee turnover	(6,349)	(5,930)	1,702	1,668
Future mortality	458	462	(455)	(423)

17 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Foreign exchange translation differences

Currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of the foreign operations.

18 Segment information and disaggregation of revenue

Segment information is presented in respect of the Group and the Company's geographical information, based on the Company's management and internal reporting structure.

Business segment

Management considers that the Group operates in a single line of business, namely steel products, and has, therefore, only one reportable segment.

Geographical information

In presenting information on the basis of geographical information, segment revenues and expenses are based on the geographical location of customers. Segments assets are based on the geographical location of assets.

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Information about reportable segments:

Segment 1	Thailand
Segment 2	Other countries

Reconciliations of reportable segment revenues, profit or loss and disaggregation of revenue

For the year ended 31 December	Consolidated financial statements					
	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
			(in thousand Baht)			
Contract revenue	737,639	826,159	55,637	62,064	793,276	888,223
Other income	-	-	283	601	283	601
Total revenues	737,639	826,159	55,920	62,665	793,559	888,824
Segment profit (loss) before income tax	126,699	(86,024)	(13,326)	4,750	113,373	(81,274)
Unallocated revenues					6,131	61,397
Unallocated expenses					(83,629)	(132,005)
Profit (loss) for the year					35,875	(151,882)

For the year ended 31 December	Separate financial statements					
	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
			(in thousand Baht)			
Contract revenue	737,661	826,159	52,970	62,064	790,631	888,223
Total revenues	737,661	826,159	52,970	62,064	790,631	888,223

The Group applies the practical expedient not to disclose revenue expected to be recognised in the future related to performance obligations that are unsatisfied as at 31 December 2020 and 2019 when it is initially expected that the contracts have original durations of one year or less. The Group recognises revenue in an amount that corresponds directly with the value to the customer of the date on which the performance obligations are satisfied.

Reconciliations of reportable segment assets and liabilities and other items

For the year ended 31 December	Consolidated financial statements					
	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
			(in thousand Baht)			
Trade accounts receivable	78,058	196,364	5,894	3,597	83,952	199,961
Unbilled contracts work in progress	135,585	122,587	1,835	5,158	137,420	127,745
Property, plant and equipment	315,824	350,925	176,838	182,019	492,662	532,944
Unallocated assets					760,819	700,951
Total assets					1,474,853	1,561,601

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<i>For the year ended 31 December</i>	Consolidated financial statements					
	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Excess of progress billings over contracts work	10,894	9,169	335	-	11,229	9,169
Unallocated liabilities					148,162	244,313
Total liabilities					159,391	253,482
Interest income	3,492	3,815	-	-	3,492	3,815
Capital expenditures	2,505	7,608	641	100,948	3,146	108,556
Depreciations and amortisation	38,450	37,987	6,149	1,113	44,599	39,100
Gain on sales and disposal of land and equipment	132	57,923	-	2,961	132	60,884

Major customers

Revenue from the major customers of the Group's segment 1 and 2 represents approximately Baht 337.90 million (2019: Baht 217.43 million) comprising 42.81% (2019: 24.48%) of total revenue of the Group.

19 Gain on sales of land

During 2019, the Company sold a plot of land in Chonburi to a company. The Company received cash payment amounting to Baht 66.78 million. Cost of land was Baht 8.06 million.

20 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Management				
Salaries, wages and bonus	17,944	20,251	17,944	18,669
Director remuneration	4,791	5,049	4,791	5,049
Defined contribution plan	907	849	907	849
Defined benefit plan	482	728	482	728
Others	63	72	63	72
	24,187	26,949	24,187	25,367
Other employees				
Salaries, wages and bonus	186,277	199,972	180,738	194,152
Overtime	44,166	56,361	44,166	56,361
Defined benefit plan	10,063	22,240	10,063	22,240
Defined contribution plan	4,840	5,631	4,840	5,631
Others	12,938	13,857	12,938	13,857
	258,284	298,061	252,745	292,241
Total employee benefit expenses	282,471	325,010	276,932	317,608

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Defined benefit plan

Details of the defined benefit plan are given in note 16.

Defined contribution plan

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at the rates ranging from 3% to 5% of their basic salaries and by the Group at rates ranging from 3% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed fund manager.

21 Expenses by nature

The statement of comprehensive income includes an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Included in costs of contract:</i>				
Raw materials and consumables used	244,446	305,771	242,930	305,771
Employee benefit expenses	210,841	241,968	208,667	241,968
Subcontract labour cost	116,527	278,942	116,527	278,942
Depreciation and amortisation	37,422	33,065	32,977	33,065
Others	62,449	99,112	61,506	99,112
Total	671,685	958,858	662,607	958,858
<i>Included in distribution costs:</i>				
Employee benefit expenses	14,058	15,693	13,728	15,693
Others	132	10,672	132	10,672
Total	14,190	26,365	13,860	26,365
<i>Included in administrative expenses:</i>				
Employee benefit expenses	57,572	67,349	54,537	59,947
Depreciation and amortisation	7,177	6,036	5,472	4,923
Rental expenses	2,006	2,452	1,199	1,199
Penalty fee	20	265	20	265
Allowance for doubtful accounts	-	17,880	-	17,880
Others	22,274	26,775	18,621	22,180
Total	89,049	120,757	79,848	106,394

22 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Deferred tax expense				
Movements in temporary differences	6,563	(7,289)	6,563	(7,289)
Total tax expense (income)	6,563	(7,289)	6,563	(7,289)

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<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax		42,438		(159,171)
Income tax using the Thai corporation tax rate	20.0	8,488	20.0	(31,834)
Expenses with additional deduction for tax proposes		(357)		(514)
Expenses not deductible for tax purposes		1,403		58
Recognition of previously unrecognised tax losses		(2,971)		-
Current year losses for which no deferred tax asset was recognised		-		25,001
Total	13.9	6,563	4.2	(7,289)

	Separate financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax		59,177		(142,784)
Income tax using the Thai corporation tax rate	20.0	11,835	20.0	(28,557)
Expenses with additional deduction for tax proposes		(357)		(514)
Expenses not deductible for tax purposes		1,403		58
Recognition of previously unrecognised tax losses		(6,318)		-
Current year losses for which no deferred tax asset was recognised		-		21,724
Total	10.3	6,563	5.1	(7,289)

<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
Total	13,029	19,733	(59)	(200)
Set off of tax	(59)	(200)	59	200
Net deferred tax assets	12,970	19,533	-	-

<i>Deferred tax</i> <i>At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
Total	13,029	19,733	(59)	(200)
Set off of tax	(59)	(200)	59	200
Net deferred tax assets	12,970	19,533	-	-

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Deferred tax

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated and separate financial statements		
	At 1 January 2020	(Charged) / credited to Profit or loss (in thousand Baht)	At 31 December 2020
<i>Deferred tax assets</i>			
Trade accounts receivable (Allowance for expected credit loss)	3,601	(3,576)	25
Inventories (Allowance for decline in value)	1,245	-	1,245
Other current liabilities (Provision for loss from contract work)	3,235	(3,082)	153
Non-current provisions for employee benefits	11,608	(2)	11,606
Total	19,689	(6,660)	13,029
<i>Deferred tax liability</i>			
Lease liabilities	44	(60)	(16)
Forward contracts	(200)	157	(43)
Total	(156)	97	(59)
Net	19,533	(6,563)	12,970

	Consolidated and separate financial statements		
	At 1 January 2019	(Charged) / credited to Profit or loss (in thousand Baht)	At 31 December 2019
<i>Deferred tax assets</i>			
Trade accounts receivable (Allowance for expected credit loss)	25	3,576	3,601
Inventories (Allowance for decline in value)	1,338	(93)	1,245
Other current liabilities (Provision for loss from contract work)	753	2,482	3,235
Non-current provisions for employee benefits	10,132	1,476	11,608
Lease liabilities	-	44	44
Total	12,248	7,485	19,733
<i>Deferred tax liability</i>			
Forward contracts	(4)	(196)	(200)
Total	(4)	(196)	(200)
Net	12,244	7,289	19,533

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Unutilised tax losses that have not been recognised as deferred tax asset in the financial statements as at 31 December 2020 and 2019 were as follow:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Tax losses	91,849	90,364	23,843	59,434
Total	91,849	90,364	23,843	59,434

The tax losses expire in 2021 to 2024. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

23 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2020 and 2019 were based on the loss for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(thousand shares / in thousand Baht)</i>			
<i>Profit (loss) attributable to ordinary shareholders for the year ended 31 December</i>				
Profit (loss) for the year attributable to ordinary shareholders of the Company	35,875	(151,882)	52,614	(135,495)
Number of ordinary shares outstanding	570,511	570,511	570,511	570,511
Basic earnings (loss) per share (in Baht)	0.06	(0.27)	0.09	(0.24)

24 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2020				
Interim dividend	11 August 2020	September 2020	0.05	28.52

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25 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements				
	Carrying amount	Fair value			
	Fair value through profit or loss	Amortised cost - net	Level 1	Level 2	Level 3
		(in thousand Baht)			
At 31 December 2020					
Deposits at financial institutions	-	504,435	-	504,435	-
Currency forward sale contract	(84)	-	-	(84)	-
At 31 December 2019					
Deposits at financial institutions	-	403,659	-	403,659	-
Purchase currency forward contract	-	-	-	(1,552)	-
	Separate financial statements				
	Carrying amount	Fair value			
	Fair value through profit or loss	Amortised cost - net	Level 1	Level 2	Level 3
		(in thousand Baht)			
At 31 December 2020					
Deposits at financial institutions	-	497,832	-	497,832	-
Long-term loans to related party	-	59,735	-	-	51,950
Currency forward sale contract	(84)	-	-	(84)	-
At 31 December 2019					
Deposits at financial institutions	-	497,832	-	497,832	-
Long-term loans to related party	-	60,390	-	-	52,343
Purchase currency forward contract	-	-	-	(1,552)	-

For disclosure purposes, the Group determines Level 2 fair values for forward exchange contracts based on counterparties' quotes. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk. The Group determines Level 3 fair values for loans to related party based on discounted cash flows. The valuation model considers the present value of expected cash receipts, discounted using a risk-adjusted discount rate.

The fair values of the current portion of financial assets and liabilities such as trade and other accounts receivable, and trade and other accounts payable, are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

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(b) Financial risk management policies

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade accounts receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18.

The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, industry information and in some cases bank references.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

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The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

	Consolidated financial statements		Separate financial statements	
	Trade accounts receivable	Allowance for impairment losses	Trade accounts receivable	Allowance for impairment losses
<i>At 31 December 2020</i>				
		(in thousand Baht)		
Within credit terms	42,472	-	42,073	-
Overdue:				
1 - 30 days	12,765	-	12,765	-
61 - 90 days	3,934	-	3,934	-
More than 90 days	2,904	(124)	2,904	(124)
Total	62,075	(124)	61,676	(124)
Less allowance for impairment	(124)		(124)	
Net	61,951		61,552	
Retention receivables	22,001		22,001	
Total	83,952		83,553	
Reversal of impairment loss recognised in profit or loss	(17,880)		(17,880)	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

	Consolidated financial statements	Separate financial statements
<i>Trade accounts receivable</i>		
	(in thousand Baht)	
<i>At 31 December 2019</i>		
Within credit terms	86,587	86,587
Overdue:		
Less than 3 months	102,429	102,429
3 - 6 months	6,237	6,237
Over 12 months	1,454	1,454
	196,707	196,707
Less allowance for doubtful accounts	(18,004)	(18,004)
Net	178,703	178,703
Retention receivables	21,258	21,258
Total	199,961	199,961
Doubtful expense for the year	17,880	17,880

The normal credit term granted by the Group ranges from 30 days to 90 days.

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

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(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

At 31 December 2020	Consolidated financial statements					
	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	More than 5 years	
Non-derivative financial liabilities						
Trade payables	58,095	58,095	-	-	-	58,095
Other payables	29,521	29,521	-	-	-	29,521
Lease liabilities	1,749	724	724	448	-	1,896
	<u>89,365</u>	<u>88,340</u>	<u>724</u>	<u>448</u>	<u>-</u>	<u>89,512</u>

At 31 December 2020	Separate financial statements					
	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	More than 5 years	
Non-derivative financial liabilities						
Trade payables	58,095	58,095	-	-	-	58,095
Other payables	20,081	20,081	-	-	-	20,081
Lease liabilities	1,749	724	724	448	-	1,896
	<u>79,925</u>	<u>78,900</u>	<u>724</u>	<u>448</u>	<u>-</u>	<u>80,072</u>

At 31 December 2019	Separate financial statements				
	Effective interest rate (% per annum)	Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
Financial asset					
Loans to related party	1.25	-	59,953	-	59,953
Total		<u>-</u>	<u>59,953</u>	<u>-</u>	<u>59,953</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

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(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

<i>Assets and liabilities denominated in the foreign currencies as at 31 December</i>	Consolidated financial statements			
	US Dollars	Euro	Others	Total
		<i>(in thousand Baht)</i>		
2020				
Cash and cash equivalents	4,798	-	2,266	7,064
Trade accounts receivable	6,082	5,553	-	11,635
Trade accounts payable	(2,922)	-	(153)	(3,075)
Gross statement of financial position exposure	7,958	5,553	2,113	15,624
Currency forwards sales	(5,683)	(5,553)	-	(11,236)
Net exposure	2,275	-	2,113	4,388
2019				
Cash and cash equivalents	34,252	-	1,554	35,806
Trade accounts receivable	4,280	-	-	4,280
Trade accounts payable	(64,502)	(2,247)	-	(66,749)
Gross statement of financial position exposure	(25,970)	(2,247)	1,554	(26,663)
Currency forwards purchase	64,502	2,247	-	66,749
Currency forwards sales	(4,280)	-	-	(4,280)
Net exposure	34,252	-	1,554	35,806
<i>Assets and liabilities denominated in the foreign currencies as at 31 December</i>	Separate financial statements			
	US Dollars	Euro	Others	Total
		<i>(in thousand Baht)</i>		
2020				
Cash and cash equivalents	441	-	20	461
Trade accounts receivable	5,683	5,553	-	11,236
Loans to related party	59,735	-	-	59,735
Trade accounts payable	(2,922)	-	(153)	(3,075)
Gross statement of financial position exposure	62,937	5,553	(133)	68,357
Currency forwards sales	(5,683)	(5,553)	-	(11,236)
Net exposure	57,254	-	(133)	57,121

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<i>Assets and liabilities denominated in the foreign currencies as at 31 December</i>	Separate financial statements			
	US Dollars	Euro	Others	Total
		<i>(in thousand Baht)</i>		
2019				
Cash and cash equivalents	17,724	-	20	17,744
Trade accounts receivable	4,280	-	-	4,280
Loans to related party	59,953	-	-	59,953
Trade accounts payable	(64,502)	(2,247)	-	(66,749)
Gross statement of financial position exposure	17,455	(2,247)	20	15,228
Currency forward purchase	64,502	2,247	-	66,749
Currency forwards sale	(4,280)	-	-	(4,280)
Net exposure	77,677	-	20	77,697

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Euro or US dollar at 1% against all other currencies at 31 December 2020 would not have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 4). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Financial instruments with fixed interest rates</i>				
Financial assets	504,435	403,659	557,567	445,550
Financial liabilities	(1,749)	(2,349)	(1,749)	(2,349)
	502,686	401,310	555,818	443,201

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 1% in interest rates would not have significantly increased or decreased in equity. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Land lease commitments</i>				
Within one year	1,175	1,210	1,101	1,101
After one year but within five years	168	840	168	840
Total	1,343	2,722	1,269	1,941
<i>Other commitments</i>				
Bank guarantees	295,095	228,778	295,095	228,778
Letter of credits	546	76,409	546	76,409
Purchase orders for goods and supplies	333	36	333	36
Total	295,974	305,223	295,974	305,223

As at 31 December 2020 and 2019, the Group had:

- land lease agreement for the Group's office location expiring on 31 March 2022.
- letters of guarantee issued by banks in favor of certain private companies and a government agency for performance guarantees to its customers and electricity usage.
- During 2020, the Group leased car parking and photocopier for 1 years and paid fixed and variable lease payment that are based on usage over the lease term. These payment terms are common in Thailand.
- During 2020, the Group leased apartment and vehicle for 6 months to 1 years and paid fixed lease payment that are based on usage over the lease term. These payment terms are common in Myanmar.

27 Events after the reporting period

- At the meeting of the board of directors of the Company held on 24 February 2021 proposed a resolution approving a dividend payment in respect of the results of the operations in 2020 in addition to interim dividends as disclosed in note 24, of Baht 0.04 per share. However, this resolution must be approved at the annual general meeting of the shareholders.
- As disclosed in note 2, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

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The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.