

SVI Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2019

Independent Auditor's Report

To the Shareholders of SVI Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of SVI Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of SVI Public Company Limited for the same period.

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

Since the Group sells their goods to customers under a variety of commercial terms. In addition, the economic slowdown has directly resulted in more intense competition in the electronics manufacturing services industry. Revenues are the key performance indicator to which users of financial statements focus. I therefore determined as a key audit matter by focusing on the occurrence and timing of revenue recognition.

I examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes issued after the period-end.
- Performing analytical procedures on disaggregated data of sales transactions throughout the period.

Allowance for diminution in value of inventories

Estimating the net realisable value of inventory, as disclosed in Note 5 and Note 10 to the consolidated financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle. Therefore, there is a risk that the amount of provision set aside for diminution in the value of inventory will be inadequate, causing the overstatement of the value of inventories of the Group.

I assessed the determination of the allowance for diminution in the value of inventories. The procedures that I performed are as follows:

- Gaining an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories, and reviewing the consistency of the application of that basis.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

Goodwill

As discussed in Note 4.10 and Note 16 to the consolidated financial statements, goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. I have focused my audit on the consideration of impairment of goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in using the financial model to calculate the realisable values and in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

I assessed the identified cash generating units and financial model and gained an understanding of and tested the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets and the discount rate applied by making enquiry of responsible executives and comparing details with sources of information about the Group and a whole sector.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 13 February 2020

SVI Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	865,671,112	344,065,512	735,690,649	255,129,011
Current investments	8	1,763,860,620	1,706,948,667	1,763,860,620	1,706,948,667
Trade and other receivables	6, 9	3,097,168,143	3,909,002,333	2,588,853,783	3,328,330,053
Inventories	10	3,158,776,097	4,381,887,327	2,338,199,788	3,632,197,554
Advance payment for purchasing of materials and equipment		1,862,959	15,900,430	523,852	15,685,763
Other current assets		67,528,271	65,065,635	34,232,217	11,675,560
Total current assets		8,954,867,202	10,422,869,904	7,461,360,909	8,949,966,608
Non-current assets					
Investments in associates	11	-	-	-	-
Investments in subsidiaries	12	-	-	212,133,955	212,093,473
Long-term loans and interest receivables to subsidiary	6	-	-	629,510,700	369,276,904
Other long-term receivable	6	-	-	29,455,404	125,858,951
Investment properties	13	189,545,936	193,541,901	189,545,936	193,541,901
Property, plant and equipment	14	1,911,975,721	1,994,336,022	1,483,211,146	1,564,063,705
Leasehold right to land	15	92,009,180	101,191,359	-	-
Goodwill	16	68,774,387	75,694,622	-	-
Intangible assets	17	75,227,904	78,411,990	36,813,302	18,310,019
Deferred tax assets	29	36,171,498	32,172,358	-	-
Other non-current assets		4,811,480	6,670,249	780,612	1,936,785
Total non-current assets		2,378,516,106	2,482,018,501	2,581,451,055	2,485,081,738
Total assets		11,333,383,308	12,904,888,405	10,042,811,964	11,435,048,346

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

SVI Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from banks	18	1,220,470,075	244,978,558	947,000,000	-
Trade and other payables	6, 19	2,953,692,585	4,126,191,903	2,523,417,140	3,653,898,810
Current portion of liabilities under					
financial lease/hire purchase agreements	21	15,095,175	19,537,648	5,888,671	3,349,085
Current portion of long-term loans from banks	22	571,936,874	-	571,936,874	-
Income tax payable		18,653,034	38,418,300	621,231	916,799
Advance receipt for purchasing materials					
and equipment for production		27,694,886	63,762,852	18,573,527	46,473,055
Other current liabilities	20	253,508,388	54,249,847	239,700,816	17,931,748
Total current liabilities		5,061,051,017	4,547,139,108	4,307,138,259	3,722,569,497
Non-current liabilities					
Liabilities under financial lease/hire purchase					
agreements - net of current portion	21	37,142,194	15,312,786	21,090,850	3,142,584
Long-term loans from banks	22	2,529,108,071	519,752,800	2,158,065,971	-
Provision for long-term employee benefits	23	238,662,808	176,065,576	138,593,363	84,397,449
Deferred tax liabilities	29	528,758	6,116,942	124,459	5,496,603
Total non-current liabilities		2,805,441,831	717,248,104	2,317,874,643	93,036,636
Total liabilities		7,866,492,848	5,264,387,212	6,625,012,902	3,815,606,133

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

SVI Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital	24				
Registered					
2,296,749,381 ordinary shares of Baht 1 each		<u>2,296,749,381</u>	<u>2,296,749,381</u>	<u>2,296,749,381</u>	<u>2,296,749,381</u>
Issued and paid up					
2,266,749,381 ordinary shares of Baht 1 each					
(2018: 2,265,749,381 ordinary shares of Baht 1 each)		2,266,749,381	2,265,749,381	2,266,749,381	2,265,749,381
Premium on ordinary shares		90,203,859	86,763,859	90,203,859	86,763,859
Capital reserve for share-based payment transactions	25	29,802,760	28,610,650	29,802,760	28,610,650
Treasury stocks	26	(499,448,896)	(424,383,644)	(499,448,896)	(424,383,644)
Retained earnings					
Appropriated					
Statutory reserve	27	229,674,938	229,674,938	229,674,938	229,674,938
Reserve for treasury stocks	26	499,448,896	424,383,644	499,448,896	424,383,644
Unappropriated		888,996,603	5,025,200,989	805,065,807	4,984,381,465
Other components of shareholders' equity		<u>(38,537,081)</u>	<u>4,501,376</u>	<u>(3,697,683)</u>	<u>24,261,920</u>
Total shareholders' equity		<u>3,466,890,460</u>	<u>7,640,501,193</u>	<u>3,417,799,062</u>	<u>7,619,442,213</u>
Total liabilities and shareholders' equity		<u>11,333,383,308</u>	<u>12,904,888,405</u>	<u>10,042,811,964</u>	<u>11,435,048,346</u>
		-	-	-	-

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

Directors

SVI Public Company Limited and its subsidiaries
Income statement
For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Sales	6, 32	14,961,544,042	15,609,547,439	11,511,264,644	11,911,690,286
Gain on exchange		-	63,248,310	-	89,780,887
Other income					
Reversal of consigned stock and equipment					
for production payable	19	63,537,862	-	63,537,862	-
Gain on sales of current investments	8	74,995,216	12,876,728	74,995,216	12,876,728
Others	6, 32	142,089,035	106,252,523	122,847,299	104,856,285
Total revenues		15,242,166,155	15,791,925,000	11,772,645,021	12,119,204,186
Expenses					
Cost of sales	6	14,013,146,615	14,233,350,656	11,016,893,300	11,049,845,011
Selling and distribution expenses		200,782,381	204,828,042	134,050,441	120,058,711
Administrative expenses		505,362,004	475,936,544	220,040,261	189,339,107
Loss on exchange		45,408,409	-	28,477,088	-
Total expenses		14,764,699,409	14,914,115,242	11,399,461,090	11,359,242,829
Profit before finance cost and					
income tax expenses		477,466,746	877,809,758	373,183,931	759,961,357
Finance cost		(31,861,551)	(21,600,076)	(11,482,377)	(4,617,024)
Profit before income tax expense		445,605,195	856,209,682	361,701,554	755,344,333
Income tax expense	29	(73,914,844)	(53,353,254)	(39,502,990)	(12,585,932)
Profit for the year		371,690,351	802,856,428	322,198,564	742,758,401
Earnings per share					
31					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.17	0.37	0.15	0.34
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.17	0.37	0.15	0.34

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

SVI Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit for the year		371,690,351	802,856,428	322,198,564	742,758,401
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		(15,078,854)	(4,460,027)	-	-
Loss on change in value of available-for-sale investments		(34,949,503)	(32,709,683)	(34,949,503)	(32,709,683)
Less: Income tax effect	29	6,989,900	6,541,937	6,989,900	6,541,937
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
- net of income tax		(43,038,457)	(30,627,773)	(27,959,603)	(26,167,746)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial losses		(44,490,572)	(481,960)	(35,983,210)	-
Less: Income tax effect	29	2,138,362	120,490	11,515	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
- net of income tax		(42,352,210)	(361,470)	(35,971,695)	-
Other comprehensive income for the year		(85,390,667)	(30,989,243)	(63,931,298)	(26,167,746)
Total comprehensive income for the year		286,299,684	771,867,185	258,267,266	716,590,655

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

SVI Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements										
								Other components of equity			
								Other comprehensive income			
			Capital reserve for		Retained earnings			Exchange	Surplus	Total other	Total
	Issued and	Premium	share-based		Appropriated			differences on	on changes	components of	shareholders'
	paid-up	on ordinary shares	payment	Treasury stocks	Statutory	Reserve for	Unappropriated	translation of	in value of	shareholders' equity	shareholders' equity
	share capital		transactions		reserve	treasury stocks		financial	available-for-sale		
								statements in	investments		
								foreign currencies			
Balance as at 1 January 2018	2,265,749,381	86,763,859	25,928,401	(225,244,478)	229,674,938	225,244,478	4,601,923,347	(15,300,517)	50,429,666	35,129,149	7,245,169,075
Profit for the year	-	-	-	-	-	-	802,856,428	-	-	-	802,856,428
Other comprehensive income for the year	-	-	-	-	-	-	(361,470)	(4,460,027)	(26,167,746)	(30,627,773)	(30,989,243)
Total comprehensive income for the year	-	-	-	-	-	-	802,494,958	(4,460,027)	(26,167,746)	(30,627,773)	771,867,185
Treasury stocks during the year (Note 26)	-	-	-	(199,139,166)	-	-	-	-	-	-	(199,139,166)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	199,139,166	(199,139,166)	-	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(180,078,150)	-	-	-	(180,078,150)
Capital reserve for share-based payment transactions (Note 25)	-	-	2,682,249	-	-	-	-	-	-	-	2,682,249
Balance as at 31 December 2018	2,265,749,381	86,763,859	28,610,650	(424,383,644)	229,674,938	424,383,644	5,025,200,989	(19,760,544)	24,261,920	4,501,376	7,640,501,193
Balance as at 1 January 2019	2,265,749,381	86,763,859	28,610,650	(424,383,644)	229,674,938	424,383,644	5,025,200,989	(19,760,544)	24,261,920	4,501,376	7,640,501,193
Profit for the year	-	-	-	-	-	-	371,690,351	-	-	-	371,690,351
Other comprehensive income for the year	-	-	-	-	-	-	(42,352,210)	(15,078,854)	(27,959,603)	(43,038,457)	(85,390,667)
Total comprehensive income for the year	-	-	-	-	-	-	329,338,141	(15,078,854)	(27,959,603)	(43,038,457)	286,299,684
Increase in capital from exercise of warrants (Note 24)	1,000,000	3,440,000	-	-	-	-	-	-	-	-	4,440,000
Treasury stocks during the year (Note 26)	-	-	-	(75,065,252)	-	-	-	-	-	-	(75,065,252)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	75,065,252	(75,065,252)	-	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(4,390,477,275)	-	-	-	(4,390,477,275)
Capital reserve for share-based payment transactions (Note 25)	-	-	1,192,110	-	-	-	-	-	-	-	1,192,110
Balance as at 31 December 2019	2,266,749,381	90,203,859	29,802,760	(499,448,896)	229,674,938	499,448,896	888,996,603	(34,839,398)	(3,697,683)	(38,537,081)	3,466,890,460

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

SVI Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements							Other components of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Treasury stocks	Retained earnings			Other comprehensive income Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
					Appropriated					
					Statutory reserve	Reserve for treasury stocks	Unappropriated			
Balance as at 1 January 2018	2,265,749,381	86,763,859	25,928,401	(225,244,478)	229,674,938	225,244,478	4,620,840,380	50,429,666	50,429,666	7,279,386,625
Profit for the year	-	-	-	-	-	-	742,758,401	-	-	742,758,401
Other comprehensive income for the year	-	-	-	-	-	-	-	(26,167,746)	(26,167,746)	(26,167,746)
Total comprehensive income for the year	-	-	-	-	-	-	742,758,401	(26,167,746)	(26,167,746)	716,590,655
Treasury stocks during the year (Note 26)	-	-	-	(199,139,166)	-	-	-	-	-	(199,139,166)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	199,139,166	(199,139,166)	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(180,078,150)	-	-	(180,078,150)
Capital reserve for share-based payment transactions (Note 25)	-	-	2,682,249	-	-	-	-	-	-	2,682,249
Balance as at 31 December 2018	2,265,749,381	86,763,859	28,610,650	(424,383,644)	229,674,938	424,383,644	4,984,381,465	24,261,920	24,261,920	7,619,442,213
Balance as at 1 January 2019	2,265,749,381	86,763,859	28,610,650	(424,383,644)	229,674,938	424,383,644	4,984,381,465	24,261,920	24,261,920	7,619,442,213
Profit for the year	-	-	-	-	-	-	322,198,564	-	-	322,198,564
Other comprehensive income for the year	-	-	-	-	-	-	(35,971,695)	(27,959,603)	(27,959,603)	(63,931,298)
Total comprehensive income for the year	-	-	-	-	-	-	286,226,869	(27,959,603)	(27,959,603)	258,267,266
Increase in capital from exercise of warrants (Note 24)	1,000,000	3,440,000	-	-	-	-	-	-	-	4,440,000
Treasury stocks during the year (Note 26)	-	-	-	(75,065,252)	-	-	-	-	-	(75,065,252)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	75,065,252	(75,065,252)	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(4,390,477,275)	-	-	(4,390,477,275)
Capital reserve for share-based payment transactions (Note 25)	-	-	1,192,110	-	-	-	-	-	-	1,192,110
Balance as at 31 December 2019	2,266,749,381	90,203,859	29,802,760	(499,448,896)	229,674,938	499,448,896	805,065,807	(3,697,683)	(3,697,683)	3,417,799,062
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

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

SVI Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	445,605,195	856,209,682	361,701,554	755,344,333
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	355,960,392	328,922,581	273,084,085	252,278,201
Allowance for doubtful accounts (reversal)	(8,127,282)	10,481,561	(6,753,316)	8,563,421
Reduction of inventory to net realisable value	25,966,962	27,740,966	18,897,953	29,437,588
Amortisation for financial fees	2,845	-	2,845	-
Reserve for warranty	4,902,820	2,385,987	4,725,057	2,385,987
Provision for long-term employee benefits	42,243,559	15,839,056	30,581,307	9,288,517
Reversal for consigned stock and equipment for production payable	(63,537,862)	-	(63,537,862)	-
Gain on sales of equipment	(365,017)	(420,229)	(507,758)	(16,135,423)
Loss on write-off of fixed assets	566,538	408,106	34,216	408,106
Unrealised (gain) loss on exchange	(5,366,304)	5,872,724	14,932,895	11,881,232
Gain on sale of current investments	(74,995,216)	(12,876,728)	(74,995,216)	(12,876,728)
Share-based payment transactions	1,192,110	2,682,249	1,192,110	2,682,249
Interest income	(27,842,604)	(29,079,151)	(38,201,384)	(34,427,954)
Dividend income from current investments	(32,915,560)	(41,985,091)	(32,915,560)	(41,985,091)
Interest expense	17,817,766	15,409,474	6,559,857	413,089
Profit from operating activities before change in operating assets and liabilities	681,108,342	1,181,591,187	494,800,783	967,257,527
Operating assets (increase) decrease				
Trade and other receivables	836,934,003	(1,141,904,063)	768,182,823	(1,238,831,540)
Inventories	1,159,882,214	(1,659,259,527)	1,246,006,198	(1,547,798,888)
Other current assets	15,730,848	(16,566,958)	(3,238,734)	(10,141,070)
Other non-current assets	1,858,769	4,705,369	1,156,173	794,286
Operating liabilities increase (decrease)				
Trade and other payables	(1,057,455,640)	1,355,896,680	(1,020,820,569)	1,387,339,339
Cash paid for consigned stock and equipment for production payable	(15,868,710)	-	(15,868,710)	-
Other current liabilities	196,332,865	(7,171,279)	222,197,493	(637,779)
Cash paid for employee benefits	(15,414,924)	(11,192,597)	(12,368,601)	(6,430,733)
Cash flows from (used in) operating activities	1,803,107,767	(293,901,188)	1,680,046,856	(448,448,858)
Cash paid for interest expense	(20,662,883)	(15,849,001)	(6,328,111)	(413,089)
Cash paid for corporate income tax	(93,997,952)	(27,972,432)	(38,169,287)	(13,509,229)
Net cash flows from (used in) operating activities	1,688,446,932	(337,722,621)	1,635,549,458	(462,371,176)

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

SVI Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash paid for purchasing current investments	(2,365,889,389)	(1,890,739,530)	(2,365,889,389)	(1,890,739,530)
Increase in investments in subsidiaries	-	-	(40,482)	(227,744)
Increase in long-term loans to subsidiaries	-	-	(196,358,003)	(112,226,260)
Cash received from dividends of current investments	32,915,560	41,985,091	32,915,560	41,985,091
Interest income	27,834,164	29,086,659	39,423,128	33,617,600
Cash paid for purchasing plant and equipment	(328,697,841)	(394,460,931)	(270,899,918)	(264,322,373)
Cash paid for purchasing of computer software	(12,669,088)	(6,214,839)	(10,409,455)	(5,976,309)
Proceeds from sales of equipment	365,017	820,000	21,467,899	16,223,024
Proceeds from sales of current investments	2,349,481,668	2,648,488,814	2,349,481,668	2,648,488,814
Net cash flows from (used in) investing activities	(296,659,909)	428,965,264	(400,308,992)	466,822,313
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from banks	997,888,210	117,882,595	947,000,000	-
Cash paid for liabilities under financial				
lease/hire purchase agreements	(19,457,335)	(26,492,134)	(6,131,248)	(6,845,025)
Cash paid for treasury stocks	(75,065,252)	(199,139,166)	(75,065,252)	(199,139,166)
Dividend paid	(4,390,477,275)	(180,078,150)	(4,390,477,275)	(180,078,150)
Cash received from exercise of warrants	4,440,000	-	4,440,000	-
Increase in long-term loans from banks	2,800,000,000	-	2,800,000,000	-
Repayment of long-term loans from banks	(101,193,300)	(148,500,800)	-	-
Cash paid for financial fees	(28,000,000)	-	(28,000,000)	-
Net cash flows used in financing activities	(811,864,952)	(436,327,655)	(748,233,775)	(386,062,341)
Decrease in translation adjustment	(51,871,418)	(30,623,860)	-	-
Effects of changes in exchange rate on cash and cash				
equivalents	(6,445,053)	9,951,047	(6,445,053)	9,951,047
Net increase (decrease) in cash and cash equivalents	521,605,600	(365,757,825)	480,561,638	(371,660,157)
Cash and cash equivalents at beginning of year	344,065,512	709,823,337	255,129,011	626,789,168
Cash and cash equivalents at end of year (Note 7)	865,671,112	344,065,512	735,690,649	255,129,011
	-	-	-	-

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

SVI Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Supplemental cash flows information:				
Non-cash items consist of :				
Unrealised loss on the change in value of investments				
- net of income tax	27,959,603	26,167,746	27,959,603	26,167,746
Increase in other receivable from selling of machinery	-	-	(87,964,419)	(103,968,530)
Increase in liabilities under financial lease/ hire purchase agreements from acquisition of vehicles and equipment	34,436,917	12,931,585	26,619,099	1,050,579
Increase in accrued financial fees	(42,000,000)	-	(42,000,000)	-
Actuarial loss - net of income tax	42,352,210	361,470	35,971,695	-
Transfer other long-term receivable to long-term loan to subsidiary	-	-	(79,641,037)	-
Transfer provision for warranty to decrease trade accounts receivable	(3,603,868)	-	(3,603,868)	-

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

SVI Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

1. Corporate information

SVI Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is Khun Pongsak Lothongkam which total shareholding is 72.54 percent (2018: 45.32 percent). The Company is principally engaged in the manufacture and distribution of electronic manufacturing services (EMS). The registered office of the Company is at 141-142 Moo 5, Bangkadi Industrial Park, Tiwanon Road, Bangkadi, Muang, Pathumthani. The Company’s factory is located at 33/10 Moo 4, Chaeng Wattana Road, Bangtalad, Pakkred, Nontaburi.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of SVI Public Company Limited and the following subsidiaries (“the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
			Percent	Percent
<u>Subsidiaries held by the Company</u>				
SVI A/S	Raw material sourcing service	Denmark	100	100
SVI Public (HK) Limited	Raw material sourcing service	Hong Kong	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 Percent	2018 Percent
SVI (AEC) Company Limited	Manufacturing electronic equipment	Cambodia	100	100
SVI Japan Company Limited	Raw material sourcing service	Japan	100	100
SVI (HKG) Limited	Raw material sourcing service	Hong Kong	100	-
<u>Subsidiaries held by SVI Public (HK) Limited</u>				
SVI (Austria) GmbH	Manufacturing electronic equipment	Austria	100	100
<u>Subsidiaries held by SVI (Austria) GmbH</u>				
SVI Hungary Limited Liability Company	Manufacturing electronic equipment	Hungary	100	100
SVI Slovakia s.r.o.	Manufacturing electronic equipment	Slovak	100	100
<u>Subsidiaries held by SVI (HKG) Limited</u>				
SVI-GDL, S.A.P.I. DE C.V.	Manufacturing electronic equipment	Mexico	100	-
<u>Associates held by SVI (Austria) GmbH</u>				
Emsiso d.o.o.	Design and development of products	Slovenia	23	23
Sementis Engineering GmbH	Design and development of products	Austria	20	20

- In 2018, the Company acquired the investment in SVI Japan Company Limited, a company newly established in Japan. The Company invested in 100 percent of the share capital of such company and paid-up share capital amounted to JPY 0.75 million or approximately Baht 0.2 million.

The consolidated financial statements for the year ended 31 December 2018 included the statement of financial position of such company as at 31 December 2018 and the statement of comprehensive income for the period as from the date of incorporation to 31 December 2018 which the financial statements were prepared by the management and had not been audited by its auditor since such company had just operated and had income and expenses approximately amounted to Baht 1.8 million and Baht 1.8 million, respectively.

- In 2019, the Company established new subsidiaries as follows.

In May 2019, the Company established “SVI (HKG) Limited” in Hong Kong Special Administrative Region of the People’s Republic of China, which the Company has shareholding at 100 percent of HKD 10,000 registered share capital. Such company was completed for incorporation on 7 May 2019 and became the Company’s subsidiary since thereon as stipulated in Note 12 to financial statements. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

In August 2019, the Company established “SVI-GDL, S.A.P.I. DE C.V.” in Mexico with the registered share capital of MXN 10,000. SVI (HKG) Limited has 99.99 percent of shareholding and the Company has 0.01 percent of shareholding. Such company was completed for incorporation on 8 August 2019 and became the Company’s subsidiary since thereon as stipulated in Note 12 to financial statements. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

These consolidated financial statements include the statement of financial position of such both subsidiaries as at 31 December 2019 and the statement of comprehensive income for the period as from the date of incorporation to 31 December 2019 which the financial statements were prepared by the management and have not been audited by its auditor since such companies have yet operated.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statement of changes in shareholders’ equity.

- f) Material balances and transactions between the Group, have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

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

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

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue Recognition

Sales of goods

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

Service income

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

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the first-in, first-out method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, supplies and spare parts are valued at the lower of weighted average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries are accounted for in the separate financial statements using the cost method less on impairment of investments (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment / depreciation

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

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

Buildings	20 years
Land and building improvements	5 - 20 years
Machinery and equipment	5 - 10 years
Furniture, fixtures and office equipment	5 - 10 years
Motor vehicles	3 - 5 years

Depreciation is included in determining income.

No depreciation is provided on land, work under construction and machinery under installation.

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

4.8 Leasehold right to land and amortisation

Leasehold right to land is stated at cost less accumulated amortisation and allowance for loss on impairment (if any). Amortisation is calculated using the straight-line method over the leasehold period of 50 years.

The amortisation is included in determining income.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Computer software	5 - 10 years
Customer relationship	5 - 8 years

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining income.

4.12 Related party transactions

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

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

4.13 Long-term lease

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

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

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of reporting period, the Group performs impairment reviews in respect of the investment properties, property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

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

4.17 Provisions

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

4.18 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in “Capital reserve for share-based payment transactions” in shareholders’ equity.

4.19 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.20 Derivatives

Forward exchange contracts

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

4.21 Fair value measurement

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

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

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

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

5. Significant accounting judgments and estimates

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

Leases

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory requires management to exercise judgment in estimating losses on outstanding inventory, based on the selling price expected in the ordinary course of business, minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

Investment properties and Property plant and equipment / Depreciation

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

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets on the acquisition date, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

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

Provision for warranty

In determining a provision for warranty, the management needs to make judgements and estimates based on past experience of the level of repairs and returns and related expenses.

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

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

Equity-settled share-based payment transactions

Estimating fair value for share-based payment transactions requires the management to exercise judgement, using general accepted valuation techniques and model, and to apply appropriate assumptions as to the expected life of the share options, share price volatility and dividend yield.

6. Related party transactions

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

	(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	757	728	99.99 percent of customer charge
Sales of fixed assets	-	-	13	122	Net book value plus 2.00 percent
Purchases of raw materials	-	-	1,110	1,359	At cost
Raw materials sourcing fee	-	-	25	25	Actual charge and actual charge plus margin 0.25 to 0.60 percent
Selling expense	-	-	31	18	At cost
Interest income	-	-	11	6	2.00 percent per annum (2018: 1.80 to 2.00 percent per annum)
<u>Transactions with associates</u>					
Sales of goods and raw materials	2	1	-	-	At cost
Development expenses of tooling	1	5	-	-	Actual charge plus margin of 1.50 - 3.00 percent

The relationships between the Company and the related parties are summarised below.

List of related companies	Relationship
SVI A/S	Subsidiary
SVI Public (HK) Limited	Subsidiary
SVI (AEC) Company Limited	Subsidiary
SVI Japan Company Limited	Subsidiary
SVI (HKG) Limited	Subsidiary
SVI (Austria) GmbH	Subsidiary (Held by subsidiary)
SVI Hungary Limited Liability Company	Subsidiary (Held by subsidiary)
SVI Slovakia s.r.o.	Subsidiary (Held by subsidiary)
SVI-GDL, S.A.P.I. DE C.V.	Subsidiary (held by subsidiary)
Emsiso d.o.o.	Associated company (Held by subsidiary)
Sementis Engineering GmbH	Associated company (Held by subsidiary)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	244,215	334,080
Associates	4	647	-	-
Total trade receivables - related parties	4	647	244,215	334,080
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	25,117	31,572
Total other receivables - related parties	-	-	25,117	31,572
<u>Long-term loans and interest receivable to subsidiary</u>	-	-	629,511	369,277
<u>Other long-term receivable - related parties</u>				
Subsidiaries	-	-	29,455	125,859
Total other long-term receivable	-	-	29,455	125,859
<u>Trade accounts payable - related parties (Note 19)</u>				
Subsidiaries	-	-	233,080	421,364
Associates	197	-	-	-
Total trade accounts payable - related parties	197	-	233,080	421,364
<u>Other payables - related parties (Note 19)</u>				
Subsidiaries	-	-	9,527	15,488
Total other payables - related parties	-	-	9,527	15,488
<u>Accrued expenses - related parties (Note 19)</u>				
Subsidiaries	-	-	39	-
Total accrued expenses - related parties	-	-	39	-

Long-term loans to subsidiary amounting to USD 21.0 million (2018: USD 11.4 million) carry interest at a rate of 2.0 percent per annum (2018: 2.0 percent per annum). The loans are unsecured and due within 5 years since the agreement date and able to extend another 5 years by written request prior to this loan repayment date. However, the Company does not intent to call for repayment of these loans in short term and the Company therefore classifies them as non-current assets. Movements in the balances of the loans during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	1 January		Effect on	31 December
	2019	Increase	Decrease	exchange rate
<u>Long-term loans and interest receivables to subsidiary</u>				
SVI (AEC) Company Limited				
Principals	368,047	275,999	-	(14,535)
Interest receivables	1,230	11,145	(12,386)	11
Total	369,277	287,144	(12,386)	(14,524)

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses of their directors and management as below.

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	104,903	102,603	54,446	47,783
Post-employment benefits	6,286	4,885	6,273	4,872
Total	111,189	107,488	60,719	52,655

Commitment to related company

All subsidiaries have guarantee commitment to the parent company's long-term loans from bank as stipulated in Note 22 to financial statements.

7. Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash	499	645	214	302
Deposit at banks	865,172	343,421	735,477	254,827
Total	865,671	344,066	735,691	255,129

As at 31 December 2019, bank deposits in savings accounts carried interests between 0.01 to 0.50 percent per annum (2018: 0.01 to 0.38 percent per annum) (The Company only: 0.01 to 0.50 percent per annum (2018: 0.01 to 0.38 percent per annum)).

8. Current investments

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2019	2018
Foreign currency deposits	1,111,908	209,118
Available-for-sale securities		
Equity securities		
Listed securities	487,406	611,572
Add: Unrealised gains (losses) on the change in value of listed securities	(10,053)	38,377
Listed securities - net	477,353	649,949
Unit trusts	-	390,074
Add: Unrealised losses on the change in value of unit trusts	-	(212)
Unit trusts - net	-	389,862
Debt securities		
Private sector - debentures	169,168	465,857
Add: Unrealised gains (losses) on the change in value of debentures	5,431	(7,837)
Debt securities - net	174,599	458,020
Total available-for-sale securities	651,952	1,497,831
Total current investments	1,763,860	1,706,949

As at 31 December 2019, foreign currency deposits carried interest at a rate 1.31 percent per annum (2018: 1.07 percent per annum).

During the year 2019, the Company sold available-for-sale securities with book values totaling Baht 2,274 million (2018: Baht 2,636 million) and recognised gains on the sales in profit or loss, amounting to Baht 75 million (2018: Baht 13 million). During the year, losses (after tax) on valuation of available-for-sale securities in other comprehensive income amounted to Baht 28 million (2018: Baht 26 million).

9. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	1	647	136,635	228,630
Past due				
Up to 3 months	3	-	54,408	89,294
3 - 6 months	-	-	53,172	16,156
6 - 12 months	-	-	-	-
Total trade accounts receivable				
- related parties	4	647	244,215	334,080
<u>Trade accounts receivable - third parties</u>				
Aged on the basis of due dates				
Not yet due	2,288,040	3,081,095	1,676,534	2,296,871
Past due				
Up to 3 months	646,937	728,461	502,049	575,319
3 - 6 months	103,126	85,709	83,753	77,579
6 - 12 months	38,793	6,558	37,165	6,270
Over 12 months	5,291	5,469	3,670	2,990
Total	3,082,187	3,907,292	2,303,171	2,959,029
Less: Allowance for doubtful debts	(4,123)	(12,250)	(2,369)	(9,122)
Total trade accounts receivable				
- third parties, net	3,078,064	3,895,042	2,300,802	2,949,907
<u>Other receivables - related parties</u>	-	-	25,117	31,572
<u>Other receivables - third parties</u>	19,100	13,313	18,720	12,771
Total trade and other receivables - net	3,097,168	3,909,002	2,588,854	3,328,330

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	301,285	285,248	(8,303)	(14,925)	292,982	270,323
Work in process	278,547	369,045	-	-	278,547	369,045
Raw materials	2,491,259	3,146,803	(127,416)	(97,579)	2,363,843	3,049,224
Supplies and spare parts	78,762	109,985	(1,488)	(761)	77,274	109,224
Raw materials in transit	146,130	584,071	-	-	146,130	584,071
Total	3,295,983	4,495,152	(137,207)	(113,265)	3,158,776	4,381,887

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	219,656	217,879	(7,962)	(14,721)	211,694	203,158
Work in process	163,935	259,018	-	-	163,935	259,018
Raw materials	1,936,600	2,671,124	(104,316)	(78,660)	1,832,284	2,592,464
Supplies and spare parts	1,527	1,533	-	-	1,527	1,533
Raw materials in transit	128,760	576,024	-	-	128,760	576,024
Total	2,450,478	3,725,578	(112,278)	(93,381)	2,338,200	3,632,197

During the current year, the Group reduced cost of inventories by Baht 31 million (2018: Baht 28 million) (The Company only: Baht 25 million (2018: Baht 30 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 7 million (2018: Baht 1 million) (The Company only: Baht 6 million (2018: Baht 0.5 million)) and reduced the amount of inventories recognised as expenses during the year.

11. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts - net	
			2019	2018	2019	2018	2019	2018	2019	2018
			(Percent)	(Percent)						
Sementis Engineering GmbH	Design and development of products	Austria	20	20	9,935	9,935	(9,935)	(9,935)	-	-
Emsiso d.o.o.	Design and development of products	Slovenia	23	23	9,935	9,935	(9,935)	(9,935)	-	-
Total					19,870	19,870	(19,870)	(19,870)	-	-

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up share capital		Shareholding percentage		Cost method	
	2019	2018	2019	2018	2019	2018
			(Percent)	(Percent)		
SVI A/S	DKK 0.50 million	DKK 0.50 million	100	100	3,269	3,269
SVI Public (HK) Limited	HKD 36.94 million	HKD 36.94 million	100	100	174,143	174,143
SVI (AEC) Company Limited	USD 1.00 million	USD 1.00 million	100	100	34,454	34,454
SVI Japan Company Limited	JPY 0.75 million	JPY 0.75 million	100	100	227	227
SVI (HKG) Limited	HKD 0.01 million	-	100	-	41	-
Total investments in subsidiaries					212,134	212,093

On 11 August 2017, a meeting of the Board of Directors of the Company approved the resolution to establish a new company named SVI Japan Company Limited which the registered share capital comprised of 1,500 shares at par value of JPY 1,000 per share, totaling JPY 1.5 million. The Company had a 100 percent of shareholding in such company. Subsequently, on 11 May 2018, a meeting of the Board of Directors of the Company approved the resolution to increase in the registered share capital to be 20,000 shares at par value of JPY 1,000 per share, totaling JPY 20 million. Its percentage shareholding in such company remained unchanged. Such subsidiary was incorporated on 29 May 2018. During the year 2018, the Company paid-up for share capital in such company for 750 shares at par value of JPY 1,000 per share, totaling JPY 0.75 million.

On 22 February 2019, a meeting of the Board of Directors of the Company approved the resolutions as follows:

- To establish a subsidiary at Hong Kong Special Administrative Region of the People's Republic of China to operate in the business of purchasing raw materials, with a registered share capital of HKD 5 million. The Company will invest at 100 percent.
- To establish a subsidiary in Mexico to operate the business of producing materials relating to the electronic and computer manufacturing industry, with a registered share capital of USD 400,000 or equivalent. The Company would hold at 0.01 percent (1 share) and its subsidiary (SVI (HKG) Limited) would hold the remaining shares at 99.99 percent.

In May 2019, the Company established “SVI (HKG) Limited” in Hong Kong Special Administrative Region of the People’s Republic of China, which the Company had shareholding at 100 percent of HKD 10,000 registered share capital. Such company was completed for incorporation on 7 May 2019 and became the Company’s subsidiary since thereon. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

In August 2019, the Company established “SVI-GDL, S.A.P.I. DE C.V.” in Mexico with the registered share capital of MXN 10,000. SVI (HKG) Limited had 99.99 percent of shareholding and the Company had 0.01 percent of shareholding. Such company was completed for incorporation on 8 August 2019 and became the Company’s subsidiary since thereon. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

On 9 August 2019, a meeting of the Board of Directors of the Company approved the resolution for establishment of a subsidiary in India to provide the provision of IT service for the Group. The Company would hold at 100 percent of INR 1 million registered share capital. However, on 13 February 2020, a meeting of the Board of Directors of the Company has approved the resolution for cancellation of the corporation establishment in India as stipulated in Note 39 to financial statements.

During the current year, SVI (Austria) GmbH recognised dividend income from SVI Hungary Limited Liability Company amounting to EUR 0.3 million.

13. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 are presented below.

	(Unit: Thousand Baht)		
	Consolidated / Separate financial statements		
	Land awaiting sales	Buildings and land and building improvements	Total
31 December 2019			
Cost	171,697	106,273	277,970
Less: Accumulated depreciation	-	(88,424)	(88,424)
Net book value	171,697	17,849	189,546

	(Unit: Thousand Baht)		
	Consolidated / Separate financial statements		
	Land awaiting sales	Buildings and land and building improvements	Total
31 December 2018			
Cost	171,697	106,273	277,970
Less: Accumulated depreciation	-	(84,428)	(84,428)
Net book value	171,697	21,845	193,542

A reconciliation of the net book value of investment properties for the year 2019 and 2018 are presented below.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2019	2018
Net book value at beginning of year	193,542	-
Transfer to change in asset type	-	193,542
Depreciation	(3,996)	-
Net book value at end of year	189,546	193,542

The fair value of the investment properties as at 31 December 2019 and 2018 are stated below:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2019	2018
Land awaiting sales	282,900	282,900
Buildings and land and building improvements	46,340	50,600

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land awaiting sales and buildings and land and building improvements which located in Nontaburi, has been determined based on market prices. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land	Buildings and land improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Work under construction and machinery under installation	Total
Cost							
1 January 2018	547,991	975,290	1,436,813	215,677	25,858	232,453	3,434,082
Additions	-	567	44,938	6,817	1,050	344,859	398,231
Disposal/written-off	-	(9,266)	(87,991)	(272)	(1,998)	-	(99,527)
Transfer in (out)	5,957	237,849	300,920	7,099	1,127	(552,952)	-
Transfer to investment properties	(171,697)	(106,273)	-	-	-	-	(277,970)
Translation adjustment	-	(3,347)	(21,308)	(6,385)	(422)	(1,036)	(32,498)
31 December 2018	382,251	1,094,820	1,673,372	222,936	25,615	23,324	3,422,318
Additions	-	1,297	28,264	27,627	3,829	206,670	267,687
Disposal/written-off	-	(368)	(2,677)	(1,033)	(5,496)	(164)	(9,738)
Transfer in (out)	2,530	33,701	99,416	6,456	1,614	(143,717)	-
Translation adjustment	(544)	(20,842)	(47,226)	(12,138)	(945)	(2,352)	(84,047)
31 December 2019	384,237	1,108,608	1,751,149	243,848	24,617	83,761	3,596,220
Accumulated depreciation							
1 January 2018	-	296,671	813,004	180,856	16,210	-	1,306,741
Depreciation for the year	-	56,894	227,674	14,188	2,691	-	301,447
Depreciation on disposal/ written-off	-	(7,604)	(57,802)	(107)	(1,652)	-	(67,165)
Depreciation on transfer to investment properties	-	(84,428)	-	-	-	-	(84,428)
Translation adjustment	-	(2,782)	(19,346)	(6,108)	(377)	-	(28,613)
31 December 2018	-	258,751	963,530	188,829	16,872	-	1,427,982
Depreciation for the year	-	55,429	252,070	16,315	3,221	-	327,035
Depreciation on disposal/ written-off	-	-	(2,669)	(1,008)	(5,494)	-	(9,171)
Translation adjustment	-	(5,337)	(44,345)	(11,201)	(719)	-	(61,602)
31 December 2019	-	308,843	1,168,586	192,935	13,880	-	1,684,244
Net book value							
31 December 2018	382,251	836,069	709,842	34,107	8,743	23,324	1,994,336
31 December 2019	384,237	799,765	582,563	50,913	10,737	83,761	1,911,976
Depreciation for the year							
2018 (Baht 283 million included in manufacturing cost, and the balance in selling and administrative expense)							301,447
2019 (Baht 307 million included in manufacturing cost, and the balance in selling and administrative expense)							327,035

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings and land and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Work under construction and machinery under installation	Total
Cost							
1 January 2018	547,991	906,617	965,527	82,326	17,199	139,120	2,658,780
Additions	-	287	24,422	3,061	-	195,585	223,355
Disposal/written-off	-	(2,000)	(151,084)	(272)	(1,920)	-	(155,276)
Transfer to investment properties	(171,697)	(106,273)	-	-	-	-	(277,970)
Transfer in (out)	-	27,933	174,039	3,004	-	(204,976)	-
31 December 2018	376,294	826,564	1,012,904	88,119	15,279	129,729	2,448,889
Additions	-	416	5,067	23,492	3,816	164,279	197,070
Disposal/written-off	-	-	(24,115)	(561)	(3,000)	-	(27,676)
Transfer in (out)	-	32,413	196,291	5,771	-	(234,475)	-
31 December 2019	376,294	859,393	1,190,147	116,821	16,095	59,533	2,618,283
Accumulated depreciation							
1 January 2018	-	242,634	462,977	56,855	8,818	-	771,284
Depreciation for the year	-	45,378	190,743	10,587	2,073	-	248,781
Depreciation on disposal/ written-off	-	(337)	(48,794)	(107)	(1,574)	-	(50,812)
Depreciation on transfer in (out)	-	(2)	2	-	-	-	-
Depreciation on transfer to investment properties	-	(84,428)	-	-	-	-	(84,428)
31 December 2018	-	203,245	604,928	67,335	9,317	-	884,825
Depreciation for the year	-	42,656	208,011	12,305	2,279	-	265,251
Depreciation on disposal/ written-off	-	-	(11,468)	(536)	(3,000)	-	(15,004)
31 December 2019	-	245,901	801,471	79,104	8,596	-	1,135,072
Net book value							
31 December 2018	376,294	623,319	407,976	20,784	5,962	129,729	1,564,064
31 December 2019	376,294	613,492	388,676	37,717	7,499	59,533	1,483,211
Depreciation for the year							
2018 (Baht 236 million included in manufacturing cost, and the balance in selling and administrative expense)							248,781
2019 (Baht 255 million included in manufacturing cost, and the balance in selling and administrative expense)							265,251

As at 31 December 2019, the Group had vehicles and equipment under finance lease/hire purchase agreements with net book value amounting to Baht 43 million (2018: Baht 37 million) (The Company only: Baht 19 million (2018: Baht 10 million)).

As at 31 December 2019, certain plant and equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 614 million (2018: Baht 553 million) (The Company only: Baht 280 million (2018: Baht 187 million)).

15. Leasehold right to land

The net book value of leasehold right to land as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Cost	119,229	119,229
Less: Accumulated amortisation	(10,086)	(8,003)
Translation adjustment	(17,134)	(10,035)
Net book value	92,009	101,191

A reconciliation of the net book value of leasehold right to land for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Net book value at beginning of year	101,191	104,105
Amortisation	(2,084)	(2,169)
Translation adjustment	(7,098)	(745)
Net book value at end of year	92,009	101,191

In 2015, a subsidiary in Cambodia made a contract with one company which subsequently resulted in acquiring the right to use land for the purpose of constructing the plant which the leasehold right has a period of 50 years.

16. Goodwill

The Company allocated goodwill arising from business combination to each cash-generating unit for the purpose of performing annual impairment testing, as follows:

(Unit: Thousand Baht)

	SVI Hungary Limited Liability Company	SVI Slovakia s.r.o.	Total
Goodwill	17,811	119,665	137,476

The Company assessed the recoverable amount of each cash-generating unit based on the value in use of the assets, using projections of cash inflows that were prepared with reference to financial projections approved by the management and that covered a 5-year period for both companies.

The significant assumptions used in determining the value in use were as follows:

	SVI Hungary Limited Liability Company	SVI Slovakia s.r.o.
Growth rate	2.5%	5%
Pre-tax discount rate	13.23%	11.06%
Inflation rate	0%	0%

The management determined the growth rates of each subsidiary based on historical operating results, markets, competitors, customer demand and production capacity. SVI Hungary Limited Liability Company is an extension of the production line of SVI (Austria) GmbH and a consistent business growth rate at 2.5 percent was set, while SVI Slovakia s.r.o. has attracted more customers and has started receiving orders from some of these, which can be seen from an increase in sales occurred during 2019. As a result, its projected revenues set growth rates of at least 5 percent since 2020 to 2024. The pre-tax discount rates reflect the specific risk of each company.

The net book value of goodwill as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht) Consolidated financial statements
Cost	
1 January 2018	79,573
Translation adjustment	(3,878)
31 December 2018	75,695
Translation adjustment	(6,921)
31 December 2019	68,774
Net book value	
31 December 2018	75,695
31 December 2019	68,774

17. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht) Consolidated financial statements		
	Customer relationships	Computer software	Total
Cost			
1 January 2018	123,099	127,671	250,770
Additions	-	6,700	6,700
Translation adjustment	(6,000)	(2,246)	(8,246)
31 December 2018	117,099	132,125	249,224
Additions	-	24,598	24,598
Disposal	-	(69)	(69)
Translation adjustment	(10,705)	(4,029)	(14,734)
31 December 2019	106,394	152,625	259,019
Amortisation			
1 January 2018	39,704	110,480	150,184
Amortisation	20,250	5,056	25,306
Translation adjustment	(2,480)	(2,198)	(4,678)
31 December 2018	57,474	113,338	170,812
Amortisation	18,445	4,400	22,845
Amortisation on disposal	-	(69)	(69)
Translation adjustment	(5,795)	(4,002)	(9,797)
31 December 2019	70,124	113,667	183,791
Net book value			
31 December 2018	59,625	18,787	78,412
31 December 2019	36,270	38,958	75,228

	(Unit: Thousand Baht)
	Separate
	financial statements
	Computer software
Cost	
1 January 2018	81,593
Additions	6,462
31 December 2018	88,055
Additions	22,338
31 December 2019	110,393
Amortisation	
1 January 2018	66,248
Amortisation	3,497
31 December 2018	69,745
Amortisation	3,835
31 December 2019	73,580
Net book value	
31 December 2018	18,310
31 December 2019	36,813

18. Bank overdrafts and short-term loans from banks

		(Unit: Thousand Baht)			
	Interest rate	Consolidated		Separate	
	(percent per	financial statements		financial statements	
	annum)	2019	2018	2019	2018
Bank overdrafts	1.05 - 1.50	273,470	-	-	-
Short-term loans from banks	1.25 - 2.47	947,000	244,979	947,000	-
Total		1,220,470	244,979	947,000	-

As at 31 December 2019, the Company has short-term loans from bank in form of promissory notes amounting to Baht 947 million bearing interest rates between 2.00 to 2.47 percent per annum. These promissory notes will be due in March 2020 and unsecured. The subsidiaries have bank overdrafts amounting to EUR 8.1 million or Baht 273.5 million, which are secured by letter of guarantees that issued by a local bank on behalf of the Company (2018: the subsidiaries had short-term loans from banks amounting to EUR 6.6 million or Baht 245.0 million bear interest rates between 1.25 to 1.50 percent per annum, which were unsecured).

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade payables - related parties	197	-	233,080	421,364
Trade payables - third parties	2,284,899	3,702,409	1,693,504	2,882,374
Other payables - related parties	-	-	9,527	15,488
Other payables - third parties	70,772	69,183	56,632	64,260
Liabilities for acquisition of machine and equipment	20,792	108,736	20,791	108,736
Accrued expenses - related parties	-	-	39	-
Accrued expenses - third parties	577,033	166,457	509,844	82,270
Consigned stock and equipment for production payable	-	79,407	-	79,407
Total trade and other payables	<u>2,953,693</u>	<u>4,126,192</u>	<u>2,523,417</u>	<u>3,653,899</u>

During the year, the Company paid for consigned stock and equipment for production payable, which was claim for damaged goods, amounting to Baht 15.9 million. The Company received confirmation that there will be no further claim. Therefore, the Company reversed all remaining balance by Baht 63.5 million of consigned stock and equipment for production payable and recognised as other income presented in income statement for this year.

20. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Payables from forward exchange contracts	-	665	-	665
Withholding tax payables	232,833	14,543	227,142	5,925
Provisions for warranty	12,753	11,488	12,238	11,117
Value added tax payable	7,432	13,731	-	-
Others	490	13,823	321	225
Total other current liabilities	<u>252,508</u>	<u>54,250</u>	<u>239,701</u>	<u>17,932</u>

As at 31 December 2019, withholding tax payable amounting to Baht 222 million presented in the consolidated and separate financial statements, was withholding tax payable from interim dividend payment of the Company in December 2019. The Company has submitted such amount to the Revenue Department on 7 January 2020.

The Group recognised a provision for expected warranty claims on products sold during last year, based on past experience of the level of repairs and returns. The Group expects most of these costs to be incurred in the next financial year and all to have been incurred within one year of the reporting date. In calculating the provision for warranties, the Group applied assumptions based on current sales levels and current information available about returns of products with one-year warranty periods for all types of product sold.

Movement of provision for warranty account during the year ended 31 December 2019 and 2018 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	9,489	9,489
Increase during the year	2,768	2,386
Utilised	(758)	(758)
Translation adjustment	(11)	-
Balance as at 31 December 2018	11,488	11,117
Increase during the year	4,903	4,725
Utilised	(3,604)	(3,604)
Translation adjustment	(34)	-
Balance as at 31 December 2019	12,753	12,238

21. Liabilities under finance lease/hire purchase agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Liabilities under finance lease/ hire purchase agreements	55,446	35,864	29,615	7,000
Less: Deferred interest expenses	(3,209)	(1,013)	(2,635)	(508)
Total	52,237	34,851	26,980	6,492
Less: Portion due within one year	(15,095)	(19,538)	(5,889)	(3,349)
Liabilities under finance lease/ hire purchase agreements - net of current portion	37,142	15,313	21,091	3,143

The Group has entered into the finance lease/hire purchase agreements with leasing companies for rental of vehicles and equipment for use in its operation, whereby it is committed to pay rental/installment on a monthly basis. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under the finance lease/hire purchase agreements were as follows:

	(Unit: Million Baht)		
	Consolidated financial statements		
	As at 31 December 2019		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	16.3	39.1	55.4
Deferred interest expenses	(1.2)	(2.0)	(3.2)
Present value of future minimum lease payments	15.1	37.1	52.2

	(Unit: Million Baht)		
	Consolidated financial statements		
	As at 31 December 2018		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	20.1	15.8	35.9
Deferred interest expenses	(0.5)	(0.5)	(1.0)
Present value of future minimum lease payments	19.6	15.3	34.9

	(Unit: Million Baht)		
	Separate financial statements		
	As at 31 December 2019		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	6.9	22.7	29.6
Deferred interest expenses	(1.0)	(1.6)	(2.6)
Present value of future minimum lease payments	5.9	21.1	27.0

	(Unit: Million Baht)		
	Separate financial statements		
	As at 31 December 2018		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	3.6	3.4	7.0
Deferred interest expenses	(0.2)	(0.3)	(0.5)
Present value of future minimum lease payments	3.4	3.1	6.5

22. Long-term loans from banks

			(Unit: Thousand Baht)			
			Consolidated		Separate	
	Interest rate		financial statements		financial statements	
Loan	(%)	Repayment schedule	2019	2018	2019	2018
1	1.1 - 1.3	Repayment on maturity date (3 May 2022)	371,042	519,753	-	-
2	THBFIX + Fix rate	Repayment by quarterly basis starting first quarter ending March 2020 and last quarter ending December 2023	2,800,000	-	2,800,000	-
Total			3,171,042	519,753	2,800,000	-
Less: Deferred financial fees			(69,997)	-	(69,997)	-
Loans - net			3,101,045	-	2,730,003	-
Less: Current portion			(571,937)	-	(571,937)	-
Long-term loans, net of current portion			2,529,108	519,753	2,158,066	-

Movement of the long-term loan account during the year ended 31 December 2019 is summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	519,753	-
Add: Additional borrowings	2,800,000	2,800,000
Less: Repayment	(101,193)	-
Financial fees	(70,000)	(70,000)
Amortisation of financial fees	3	3
Translations adjustment	(47,518)	-
Balance as at 31 December 2019	3,101,045	2,730,003

As at 31 December 2019, the Company has long-term loans from a domestic bank amounting to Baht 2,800 million for the purpose of the Company's working capital and operating business including for the dividend payment to the Company's shareholders. Such loans are secured by letter of guarantees on behalf of all subsidiaries. On 5 February 2020, the Company repaid partial of loan amounting to Baht 650 million.

As at 31 December 2019, a subsidiary has long-term loans from an overseas bank amounting to EUR 11 million (2018: EUR 14 million). Such loans are secured by letter of credit which issued by a domestic bank on behalf of the Company.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2019, the Group withdrawn all long-term loans in accordance with loan agreements in full credit facilities received from the banks.

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of year	176,065	175,703	84,397	81,540
Included in profit or loss:				
Current service cost	14,141	12,304	9,502	7,261
Interest cost	4,503	3,535	2,861	2,027
Past service costs	23,600	-	18,218	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Financial assumptions changes	19,491	(3,177)	12,043	-
- Experience adjustments	25,000	274	23,941	-
Benefits paid during the year	(15,415)	(11,193)	(12,369)	(6,431)
Translation adjustment	(8,722)	(1,381)	-	-
Provision for long-term employee benefits at end of year	<u>238,663</u>	<u>176,065</u>	<u>138,593</u>	<u>84,397</u>

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities. During the current period, the Company reflected the effect of the change by recognising past service costs as expenses amounting to Baht 18 million in the income statement.

The Group expects to pay Baht 23 million of long-term employee benefits during the next year (2018: Baht 3 million) (The Company only: Baht 20 million (2018: Baht 1 million)).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 12 - 20 years (2018: 11 - 15 years) (The Company only: 12 - 20 years (2018: 11 - 12 years)).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Discount rate	1.0 - 2.0	1.9 - 2.8	1.7 - 2.0	2.7 - 2.8
Salary increase rate	2.5 - 4.0	2.5 - 4.0	4.0	4.0
Turnover rate	3.8 - 45.8	3.8 - 45.8	3.8 - 45.8	3.8 - 45.8

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

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December 2019					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation	(6)	6	11	(11)	(5)	6

	(Unit: Million Baht)					
	Consolidated financial statements					
	As at 31 December 2018					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation	(12)	14	15	(13)	(1)	1

	(Unit: Million Baht)					
	Separate financial statements					
	As at 31 December 2019					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation	(6)	6	11	(10)	(5)	6

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2018					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation	(0.2)	0.2	1	(1)	(1)	1

24. Share capital

The registered ordinary shares that have not been issued and paid-up are reserved for the exercise of warrants.

During the current year, there was exercise of warrants as details below.

Type of warrant	Date of exercise	Quantity of exercised warrants	Ordinary shares issued for exercise warrants	Exercise price	Date of registration with the Ministry of Commerce	Date that the Stock Exchange of Thailand approved ordinary shares as listed securities
		(Units)	(Shares)	(Baht)		
SVI-W3	15 July 2019	1,000,000	1,000,000	4.44	26 August 2019	1 November 2019

On 26 August 2019, the Company registered paid-up capital and amended the Company's memorandum of association with the Ministry of Commerce. After the registration of increased shares, the issued and paid-up share capital was Baht 2,266,749,381 comprising of 2,266,749,381 shares with a par value of Baht 1 per share.

On 24 September 2019, the Company received the conditional voluntary tender offer from a major shareholder ("the offeror") which the offer price of the Company's ordinary shares is Baht 4.85 per share and the offer price of warrants (SVI-W3) is Baht 0.41 per unit. The tender offer period is 25 business days starting from 26 September 2019 to 1 November 2019. If upon the expiry of the tender offer period, the number of shares which the Company's shareholders have intention to sell in this tender offer is less than 415,321,965 shares or equivalent to less than 19.29 percent of the Company's total issued and paid-up share capital (net from treasury stocks held by the Company) and less than 19.29 percent of total voting rights of the business, the offeror may consider cancelling the tender offer.

Upon the expiry of the tender offer period, there are number of the Company's shareholders intended to sell their shares to the offeror which is 26.83 percent of the Company's total issued and paid-up share capital (net from treasury stocks held by the Company). Such offeror purchase all those shares, as a result, the shareholding increases from 45.71 percent to 72.54 percent. The registration of change in shareholder was completed on 4 November 2019. In addition, there was no any person offered to sell the warrants (SVI-W3) to the offeror.

25. Right to purchase ordinary shares

On 18 March 2015, the Company received approval from the Office of the Securities and Exchange Commission to issue the warrants. There warrants are transferrable and the directors and employees can trade the warrants allotted each year on the Stock Exchange of Thailand. The details are as follows:

No. of warrants offered:	31,000,000 units
No. of shares reserved for exercise:	31,000,000 shares
Term of warrants:	5 years
Offering date:	27 March 2015
Expiry date:	26 March 2020
Exercise price:	4.44 Baht per share
Exercise ratio:	1 ordinary share per 1 warrant
Exercise period:	The warrants can be exercised once a year, with the warrant holders to exercise in each year not more than 20% of the total warrants allotted to them, plus unexercised warrants from previous years. The warrants can be exercised on 15 July of each year for a period of 5 years, with the first exercise date is on 15 July 2015 and the last exercise date is on 26 March 2020.
Conditions for Right Adjustment:	The person who will receive the right of allotment must be the directors and/or employees on the date of right allotment. In case, the directors or employees resign from the Company before the expiry date of the warrants, the remaining warrants which have not transferred or traded in the Stock Exchange of Thailand will be expired, The Company will report to TSD for locking up the remaining unreleased warrants on yearly basis.

The Company will reduce the register share capital reserved for these warrants when this program ended.

During the current year, the Company did not allot additional warrant to the employees. The total number of allotted warrants is 22.7 million units. The Company recognised expenses of this scheme (SVI-W3) amounting to Baht 1.2 million (2018: Baht 0.7 million) which included in personnel expenses.

As at 31 December 2019, the Company had capital reserve for share-based payment amounting to Baht 29.8 million (2018: Baht 28.6 million) and 8.3 million warrants remain unallotted (2018: 8.3 million warrants).

Reconciliation of unallotted number of SVI-W3

	(Unit: Million units) Consolidated/Separate financial statements
Number of warrants as at 1 January 2019	8.3
Allotted during the year	-
Number of warrants as at 31 December 2019	8.3

On 6 December 2019, a meeting of the Board of Directors of the Company approved the resolution for the interim dividend payment from the net profit and unappropriated retained earnings pursuant to the separate financial statement at the rate of Baht 1.9282 per share, is equal to the dividend payout ratio of approximately 792.3 percent and falls under Clause 3.3.1 (e) of the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of SVI-W3 Warrants, which states that the Company shall adjust the exercise price and/or exercise ratio of SVI-W3 Warrants, in the event that the Company distributes dividends in cash in excess of 80 percent of the Company's net profit after income tax under the standalone financial statements of the Company of any relevant fiscal year.

The adjustment of the exercise ratio and the exercise price of the SVI-W3 warrants are as follows:

	Before adjustment	After adjustment
Exercise ratio	1 ordinary share per warrant	1.5098 ordinary shares per warrant
Exercise price	Baht 4.44 per share	Baht 2.9408 per share

Such adjustment was effective from 19 December 2019 onwards.

Details of the allotted warrants of the Company are as follows:

Type of warrant	Exercise price per share	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2019	Number of warrants exercised during the year	Number of expired warrants since the employee resigned	Number of warrants outstanding as at 31 December 2019
	(Baht)		(Units)	(Units)	(Units)	(Units)
SVI-W3	2.9408	1 unit of warrant per 1.5098 existing shares	22,713,000	(1,000,000)	(3,649,400)	18,063,600

26. Treasury stocks

26.1 On 2 October 2017, a meeting of the Board of Directors of the Company approved a share repurchase program for the purpose of financial management and to manage the Company's excess liquidity. The details are as follows:

- The maximum amount available for repurchasing the shares is Baht 1,400 million.
- A maximum of 200 million shares with par value of Baht 1 per share are available for repurchase, equivalent to 8.83 percent of the total paid-up capital as at 2 October 2017.
- These shares are to be repurchased through the Stock Exchange of Thailand. The repurchase price must not exceed 115 percent of the weighted average closing price over the five trading days before each repurchase is made.
- The repurchase period is from 18 October 2017 to 12 April 2018.
- Any shares bought back are to be resold on the Stock Exchange of Thailand, during the period from 13 October 2018 to 12 April 2021 (after 6 months but no later than 3 years after the completion date of the share repurchase scheme). Reselling of shares, cancellations of the repurchased shares and reductions of share capital are to conform to the 2001 ministerial regulations regarding principles and procedures for the repurchase and resale of shares. The resale price is to be set at not lower than 85 percent of the weighted average closing price over the five trading days before each resale is made.
- The treasury stocks carry no rights to receive dividend.

26.2 On 22 February 2019, a meeting of the Board of Directors approved a share repurchase program for the purpose of the management regarding the Company's finance and excess liquidity. The details are as follows:

- a) The maximum amount available for repurchasing the shares is Baht 1,000 million.
- b) A maximum of 130 million shares with par value of Baht 1 per share are available for repurchase, equivalent to 5.74 percent of the total paid-up capital as at 22 February 2019.
- c) These shares are to be repurchased through the Stock Exchange of Thailand. The repurchase price must not exceed 115 percent of the weighted average closing price over the five trading days before each repurchase is made.
- d) The repurchase period is from 17 April 2019 to 16 October 2019.
- e) Any shares bought back are to be resold on the Stock Exchange of Thailand, during the period from 17 April 2020 to 16 October 2022 (after 6 months but no later than 3 years after the completion date of the share repurchase scheme). Reselling of shares, cancellations of the repurchased shares and reductions of share capital are to conform to the 2001 Ministerial regulations regarding principles and procedures for the repurchase and resale of shares. The resale price is to be set at not lower than 85 percent of the weighted average closing price over the five trading days before each resale is made.
- f) The treasury stocks carry no rights to receive dividend.

The Company's treasury stocks have details below.

	Consolidated/ Separate financial statements	
	2019	2018
Number of shares (shares)	113,539,400	96,133,100
Average price per share of treasury stocks (Baht)	4.40	4.42

As at 31 December 2019, the Company's treasury stocks, amounting to Baht 499.45 million (2018: Baht 424.38 million), were presented as a deduction item in shareholders' equity under the cost method. The market price of the treasury stocks, which is based on the closing price quoted on the Stock Exchange of Thailand on the last day of period, was approximately Baht 408.74 million (2018: Baht 469.13 million).

The Company has to set aside an amount from retained earnings equal to the cost of the treasury stocks to a separate reserve account, with such reserve to remain outstanding until either the stocks are sold or paid-up capital is reduced by the cancellation of any remaining unsold stocks. As at 31 December 2019, the Company had reserved Baht 499.45 million (2018 Baht 424.38 million) of its retained earnings; an amount equal to the cost of the treasury stocks. Such reserve has been presented as “Appropriated retained earnings - reserve for treasury stocks” in the statements of financial position.

27. Statutory reserve

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

28. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Salary and wages and other				
employee benefits	1,768,274	1,736,314	993,464	959,718
Depreciation	331,032	295,175	269,249	252,278
Amortisation	24,928	25,001	3,835	3,496
Raw materials and consumables used	11,807,195	11,773,453	9,139,554	8,967,409
Changes in inventories of finished				
goods and work in progress	(74,461)	64,133	(93,307)	59,414

29. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Current corporate income tax charge for the year	77,409	55,522	37,874	12,823
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,494)	(2,169)	1,629	(237)
Income tax expenses reported in the income statement	73,915	53,353	39,503	12,586

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial losses	(2,138)	(120)	(12)	-
Deferred tax relating to losses from the change in value of available-for-sale investments	(6,990)	(6,542)	(6,990)	(6,542)
Total income tax reported in the comprehensive income statement	(9,128)	(6,662)	(7,002)	(6,542)

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	445,605	856,210	361,702	755,344
Applicable tax rate	9% - 25%	9% - 25%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	106,674	189,434	72,340	151,069
Effects of:				
Promotional privileges (Note 30)	(27,679)	(133,678)	(27,679)	(133,678)
Non-deductible expenses (tax exemption income/additional expense deductions allowed)	(5,080)	(2,403)	(5,158)	(4,805)
Total	(32,759)	(136,081)	(32,837)	(138,483)
Income tax expenses reported in the income statement	73,915	53,353	39,503	12,586

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax assets				
Unrealised loss on valuation of available-for-sale investments	924	-	924	-
Provision for long-term employee benefits	25,489	23,458	864	298
Tooling	102	268	102	268
Unused tax losses from non-promoted operations	296	509	-	-
Intangible assets	7,930	6,476	-	-
Liabilities under finance lease agreements	6,098	6,824	-	-
Others	3,661	3,290	-	3
Total	44,500	40,825	1,890	569
Deferred tax liabilities				
Unrealised gain on valuation of available-for-sale investments	-	6,065	-	6,065
Machinery and equipment	6,841	8,084	-	-
Deferred financial fees	2,016	-	2,016	-
Others	-	621	-	-
Total	8,857	14,770	2,016	6,065
Deferred tax assets (liabilities) - net	35,643	26,055	(124)	(5,496)

As at 31 December 2019, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised, is Baht 272 million (2018: Baht 211 million).

30. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Company are as follows.

Details						
1. Certificate No.	1065(2)/2550	1296(2)/2554	2724(2)/2555	5152(2)/2556	1587(2)/2558	1595(2)/2558
2. Promotional privileges for	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products and hand-microphone	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products	Manufacturing of Submount, electronic products
3. The significant privileges are						
3.1 Exemption of corporate income tax for net profit from promotional privileges and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	5 years (Transfer right to 5152(2)/2556)	5 years (Transfer right to 5152(2)/2556)	5 years	8 years	5 years	5 years
3.2 Allowance for 5% of the increment in export income over the preceding year for ten years, providing that the export income of that particular year should not be lower than the average export income over the three preceding years except for the first two years.	Non-granted	Non-granted	Non-granted	Non-granted	Non-granted	Non-granted
3.3 Exemption of import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted	Granted	Granted
3.4 Exemption of import duty on raw materials and significant supplies used in export production for a period of one year from the first import date.	Granted	Granted	Granted	Granted	Granted	Granted
4. Date of first earning promotional privileges under the promotion certificates						
- Raw materials	24 Apr 2008	1 May 2011	-	17 Jun 2013	1 Oct 2017	-
- Machinery	27 Dec 2006	25 Jan 2011	3 Oct 2012	17 Jun 2013	2 Mar 2015	23 Mar 2015
- Income tax	14 May 2008	13 May 2011	Not yet exercised	17 Jun 2013	10 Oct 2017	-

The Company's operating revenues for the years divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Export sales	11,031,850	11,710,952	479,414	200,738	11,511,264	11,911,690
Other income	11,579	10,796	249,801	106,937	261,380	117,733
	<u>11,043,429</u>	<u>11,721,748</u>	<u>729,215</u>	<u>307,675</u>	<u>11,772,644</u>	<u>12,029,423</u>

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year (net from treasury stocks held by the Company as discussed in Note 26 to the financial statements).

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year (net from treasury stocks held by the Company) plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2019	2018	2019	2018	2019	2018	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	371,690	802,856	2,160,893	2,176,417	0.17	0.37
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,274	3,745		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	371,690	802,856	2,162,167	2,180,162	0.17	0.37
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2019	2018	2019	2018	2019	2018	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	322,199	742,758	2,160,893	2,176,417	0.15	0.34
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,274	3,745		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	322,199	742,758	2,162,167	2,180,162	0.15	0.34

32. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows:

- Industrial Control System
- Communication network
- Automotive & Transportation

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	Industrial Control System		Communication network		Automotive & Transportation		Others		Total reportable segments		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	4,593	4,418	5,206	5,828	1,554	1,495	3,609	3,869	14,962	15,610	-	-	14,962	15,610
Inter-segment revenue	267	256	389	455	-	-	1,237	1,376	1,893	2,087	(1,893)	(2,087)	-	-
Total revenue	4,860	4,674	5,595	6,283	1,554	1,495	4,846	5,245	16,855	17,697	(1,893)	(2,087)	14,962	15,610
Segment operating profit	214	353	493	648	100	165	249	328	1,056	1,494	(108)	(118)	948	1,376
Unallocated income and expenses:														
Gain (loss) on exchange													(45)	63
Other income													281	119
Selling and distribution expense													(201)	(205)
Administrative expense													(505)	(476)
Finance cost													(32)	(21)
Income tax expense													(74)	(53)
Profit for the year													372	803

The operations of the Group are carried on in geographic area in Asia and Europe. Below is the consolidated financial information for the years ended 31 December 2019 and 2018 of the Company and its subsidiaries presented by geographical segment.

(Unit: Million Baht)								
	Asia		Europe		Eliminations		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	11,063	11,201	3,899	4,409	-	-	14,962	15,610
Inter segment revenues	813	811	1,080	1,276	(1,893)	(2,087)	-	-
Total revenues	<u>11,876</u>	<u>12,012</u>	<u>4,979</u>	<u>5,685</u>	<u>(1,893)</u>	<u>(2,087)</u>	<u>14,962</u>	<u>15,610</u>

The following table presents segments assets of the Group operating segments as at 31 December 2019 and 2018.

(Unit: Million Baht)								
	Asia		Europe		Eliminations		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
Property, plant and equipment	1,758	1,838	161	178	(7)	(22)	1,912	1,994
Unallocated assets							9,421	10,911
Total assets							<u>11,333</u>	<u>12,905</u>

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)		
	2019	2018
Scandinavia	7,857,441	8,344,453
The United States of America	1,389,789	1,458,047
Europe	3,864,480	3,978,057
Global (customers who have related parties in many countries)	1,470,366	1,206,767
Others	379,468	622,223
Total	<u>14,961,544</u>	<u>15,609,547</u>

Major customers

During the year 2019, the Company had revenue from two major customers in amount of Baht 3,408 million and Baht 955 million, arising from sales by industrial control system (2018: Baht 3,592 million and Baht 1,126 million derived from two major customers).

33. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3 to 15 percent of their basic salaries, and by the Company at rates of 3 to 5 percent and will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 14 million (2018: Baht 12 million) were recognised as expenses.

34. Dividends paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2017	Annual General Meeting of the shareholders on 27 April 2018	180,078	0.083
Total for 2018		180,078	0.083
Dividends for 2018	Annual General Meeting of the shareholders on 26 April 2019	238,658	0.110
Interim dividends for 2019	Board of Directors' meeting on 6 December 2019	4,151,819	1.928
Total for 2019		4,390,477	2.038

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of Baht 16 million (2018: Baht 106 million), relating to the installation of machinery and equipment (The Company only: Baht 16 million (2018: Baht 97 million)).

35.2 Operating lease commitments

- a) The Group has entered into several lease agreements in respect of the lease of motor vehicles, equipment and building space agreements. The terms of the agreements are generally between 1 year and 4 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Payable:				
In up to 1 year	26	14	20	7
In over 1 and up to 5 years	14	12	10	2

- b) The subsidiary has entered into an office rental agreement in the People's Republic of China for a period from 1 January 2017 to 31 December 2020, under which the rental fee is RMB 21,995 per month.

35.3 Commitment in respect of uncalled investments

As at 31 December 2019, the Company is committed to pay the uncalled portion of investment in SVI Japan Company Limited amounting to JPY 19.25 million (2018: JPY 19.25 million)

35.4 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 16 million (2018: Baht 18 million) (The Company only: Baht 14 million (2018: Baht 16 million)) issued by the banks on the behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to government agency, a state enterprise and other companies.

35.5 Letter of credit

As at 31 December 2019, the Company has unused foreign currency letter of credit amounting to EUR 21.0 million (2018: EUR 23.5 million).

35.6 Other commitment

As at 31 December 2019, there was a total of Baht 412 million (2018: Baht 191 million) consigned stock for products kept at the Company's factory that have yet to be consumed.

36. Fair value hierarchy

As at 31 December 2019, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated / Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	477	-	-	477
Debt instruments	-	175	-	175
Assets for which fair value are disclosed				
Investment properties	-	329	-	329

(Unit: Million Baht)

	Consolidated / Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	1,040	-	-	1,040
Debt instruments	-	458	-	458
Forward contracts	-	292	-	292
Liabilities measured at fair value				
Forward contracts	-	74	-	74
Assets for which fair value are disclosed				
Investment properties	-	334	-	334

37. Financial instrument

37.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instrument: Disclosure and Presentation", principally comprise cash and cash equivalents, current investments, trade and other receivable, long-term loans and interest receivables to subsidiaries, trade and other payables, liabilities under finance lease/hire purchase agreements and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, current investments with interest bearing, bank overdrafts and short-term loans from banks and long-term loans with interest bearing. Most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Group's interest rate risk is expected to be minimal.

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

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2019							
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Average interest rates (Percent per annum)	
		Within 1 year	1 - 5 years			Floating rate	Fixed rate
<u>Financial assets</u>							
Cash and cash equivalents	841	-	-	25	866	0.01 - 0.50	-
Current investments	-	1,112	-	652	1,764	-	1.07 - 1.31
Trade and other receivables	-	-	-	3,097	3,097	-	-
<u>Financial liabilities</u>							
Bank overdraft and short-term loans from banks	-	1,220	-	-	1,220	-	1.05 - 2.47
Trade and other payables	-	-	-	2,954	2,954	-	-
Liabilities under financial lease/ hire purchase agreements	-	15	37	-	52	-	0.31 - 4.17
Long-term loans from banks	3,101	-	-	-	3,101	1.10 - 4.15	-

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2018

						Average interest rates	
	Floating	Fixed interest rate		Non-interest	Total	(Percent per annum)	
		Within	1 - 5			Floating	Fixed
	interest rate	1 year	years	bearing		rate	rate
<u>Financial assets</u>							
Cash and cash equivalents	262	-	-	82	344	0.01 - 0.38	-
Current investments	-	209	-	1,498	1,707	-	0.80 - 1.07
Trade and other receivables	-	-	-	3,909	3,909	-	-
<u>Financial liabilities</u>							
Bank overdraft and short-term loans							
from banks	-	245	-	-	245	-	1.25 - 1.50
Trade and other payables	-	-	-	4,126	4,126	-	-
Liabilities under financial lease/							
hire purchase agreements	-	20	15	-	35	-	1.25 - 4.09
Long-term loans from bank	520	-	-	-	520	1.30	-

(Unit: Million Baht)

Separate financial statements

As at 31 December 2019

		Fixed interest rate				Average interest rates (Percent per annum)	
	Floating interest rate	Within 1 year	1 - 5 years	Non-interest bearing	Total	Floating rate	Fixed rate
<u>Financial assets</u>							
Cash and cash equivalents	736	-	-	-	736	0.01 - 0.50	-
Current investments	-	1,112	-	652	,1764	-	1.07 - 1.31
Trade and other receivables	-	-	-	2,589	2,589	-	-
Long-term loans and interest							
receivables to subsidiary	-	-	630	-	630	-	2.00
Bank overdrafts and short-term loans	-	947	-	-	947	-	2.00 - 2.47
from banks							
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	2,523	2,523	-	-
Liabilities under financial lease/							
hire purchase agreements	-	6	21	-	27	-	2.15 - 4.17
Long-term loans from banks	2,730	-	-	-	2,730	4.15	-

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2018							
		Fixed interest rate				Average interest rates (Percent per annum)	
	Floating interest rate	Within 1 year	1 - 5 years	Non-interest bearing	Total	Floating rate	Fixed rate
<u>Financial assets</u>							
Cash and cash equivalents	255	-	-	-	255	0.01 - 0.38	-
Current investments	-	209	-	1,498	1,707	-	0.80 - 1.07
Trade and other receivables	-	-	-	3,328	3,328	-	-
Long-term loans and interest receivables to subsidiary	-	-	369	-	369	-	2.00
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	3,654	3,654	-	-
Liabilities under financial lease/ hire purchase agreements	-	3	3	-	6	-	2.30 - 4.09

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts and currency option agreements when it considers appropriate. Generally, the forward contracts and currency option agreements mature within one year.

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

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	214	98	131	79	30.15	32.45
Euro	21	6	24	6	33.73	37.13
Japanese Yen	26	-	102	326	0.28	0.29
Danish Krona	-	-	3	2	4.52	4.98
Hungarian Forint	7	-	60	-	0.10	0.12
Swedish Krona	-	-	14	4	3.23	3.60

Separate financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
					31 December	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	156	108	58	70	30.15	32.45
Euro	6	6	6	6	33.73	37.13
Japanese Yen	7	-	85	326	0.28	0.29
Danish Krona	-	-	3	2	4.52	4.98
Swedish Krona	-	-	1	1	3.23	3.60

As at 31 December 2019, there was no any forward exchange contract and as at 31 December 2018, forward exchange contracts outstanding are summarised below.

			2018		
	Bought	Sold	Contractual exchange rate		Contractual
Foreign currency	amount	amount	Bought	Sold	maturity date
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US Dollar	-	9	-	32.39 - 33.16	9 January 2019 - 25 February 2019
Euro	2	-	37.40 - 38.06	-	22 January 2019 - 18 March 2019

37.2 Fair values of financial instruments

Since the majority of the Group's financial instruments assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable, accounts payable and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- For equity securities, their fair value is generally derived from quoted market prices.

- d) For long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- e) For fixed rate long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- f) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

38. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders' value. As at 31 December 2019, the group's debt-to-equity ratio was 2.27:1 (2018: 0.69:1) and the Company's was 1.94:1 (2018: 0.50:1).

39. Events after the reporting period

On 13 February 2020, a meeting of the Board of Directors of the Company approved the resolutions as follows:

- Approved to propose to the Annual General Meeting of the shareholders to approval for increase in the Company's registered share capital amounting to Baht 15,294,000 which is from Baht 2,296,749,381 to Baht 2,312,043,381 by issuing 15,294,000 new ordinary shares at the par value of Baht 1 for right adjustment of SVI-W3 warrants in accordance with the warrants' conditions as stipulated in Note 25 to financial statements.
- Approved to propose to the Annual General Meeting of the shareholders to approval for revision of the Company's memorandum of association in accordance with increase in registered share capital from 2,296,749,381 shares to 2,312,043,381 shares.
- Approved guarantee commitment of loan agreement to an oversea subsidiary for credit facility amounting to EUR 5.2 million.
- Approved for cancellation of incorporation establishment of a subsidiary in India.

40. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 13 February 2020.