

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2019



ANS Audit Co., Ltd.
100/72, 22nd Floor,
100/2 Vongvanij Building B, Rama 9 Rd.,
Huaykwang, Bangkok 10310, Thailand

Main +66 (0)2 645 0109
Fax +66 (0)2 645 0110
www.ans.co.th

Independent Auditor's Report

To the Shareholders and the Board of Directors of CMO Public Company Limited

Qualified Opinion

I have audited the consolidated and separate financial statements of CMO Public Company Limited and its subsidiaries, and of CMO Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2019, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, excepts for the effects of the matter described in the Basis for Qualified Opinion on the Consolidated Financial Statements section for my report, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the CMO Public Company Limited and its subsidiaries, and of CMO Public Limited, respectively, as at December 31, 2019, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Qualified Opinion on the Consolidated Financial Statements

According to Note to the Financial Statement No.5, I was unable to audit the fair value of the intangible assets which is the identifiable assets acquired as a result from the changes of control which is considered as a business acquisition of CMO Show Corp Co., Ltd. The Company is in process of appraising the fair value of the intangible assets which is the identifiable assets acquired. However, the Company has recorded these intangible assets using the book value as at the acquisition date. If I were able to audit the fair value of the consideration received from the acquired businesses, I may have noted some evidence to indicate that adjustments to the consolidated financial statements were necessary.

I have performed the audit according to the accounting standards. My responsibility is described in paragraphs of the auditor's responsibility for auditing financial statements in my report. I am independent from the group of companies in accordance with the code of conduct of the accounting professional as determined by the Federation of Accounting Professions in relation to the audit of financial statements. And I have followed other ethical responsibilities in accordance with these requirements I believe that the audit evidence I have obtained is sufficient and appropriate to serve as a basis for my conditional opinion.

Emphasis of Matter

I draw your attention to the Note to the interim financial statements No.28, on August 2, 2018, a subsidiary company was sued by a contractor for damages under Black Court Case No. 1453P/2017. The Court of First Instance ruled in favor to the Company while a subsidiary company must compensate the plaintiff in the amount of Baht 53.97 million. On January 25, 2019, the subsidiary company filed an appeal with the Appeals Court, according to Red Case No. 3803P/2018. Legal counsel representing both the Company and the subsidiary company, as well as the Management of the Company believe the case will not create material damage to the subsidiary company.

On November 29, 2018, the contractor appealed in the Appeal Court to claim the Company for damages, in the amount of Baht 53.97 million, according to Black Court No. 1453P/2017, under the Red Court No. 3803P/2018. Legal counsel and Management of the Company believe that the outcome of the case will not cause any damage. Therefore, the Company has not provisioned for any liabilities that may arise from the case.

My opinion is not modified in respect of these matters.

Key Audit Matters

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



Net Realizable Value of trade receivables

Risks

As discussed in Note to the Financial Statements No. 8, the Group has 12 months overdue trade receivables and unbilled receivables totaling of Baht 14.55 million. The Group is under the process of following up these overdue receivables. The overdue receivables are mainly caused by being under the process of verifying the delivery of the service by the customer. The management have to assess the net realizable value of these receivable based on collection experience and analysis of the current status of individual receivables.

Auditor's Response

I selected a sampling, and then tested the appropriateness, of the trade receivable aging reports and unbilled receivable aging reports. Then, I assessed the appropriateness of the allowance for doubtful accounts by checking:

- financial position of trade receivables and unbilled receivables whose balances are outstanding for more than 12 months and their subsequent receipt;
- appropriate contract approvals; and
- evidence in the form of a service delivery document or evidence of the event having occurred.

I then selected a sampling of trade receivables overdue for more than 12 months for which I requested confirmations. Further, for unbilled receivables which are overdue for more than 12 months, we checked the subsequent issuance of invoices.

Other Information

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

My opinion on the consolidated and separate financial statements does not cover the other information and I 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 consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance 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 TFRSs, 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 consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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



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

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

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



(Yuttapong Chuamuangpan)

Certified Public Accountant

Registration Number 9445

ANS Audit Co., Ltd.

Bangkok, February 26, 2020

CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2019	2018	2019	2018	
Assets						
Current assets						
	Cash and cash equivalents	7	58,602,100.93	46,068,346.01	12,056,401.97	18,955,625.10
	Trade and other current receivables - net	6, 8	300,132,895.95	341,947,818.79	136,141,934.74	173,555,625.49
	Current portion of finance lease receivables	6, 9	-	-	5,414,411.99	4,980,873.03
	Accrued dividend income	6	-	-	29,466,764.98	22,103,332.85
	Short-term loans to related parties	6	-	-	85,747,618.51	94,200,000.00
	Inventories - net	10	23,370,562.56	7,179,608.61	12,362,692.81	5,007,210.31
	Total current assets		382,105,559.44	395,195,773.41	281,189,825.00	318,802,666.78
Non-current assets						
	Restricted deposits at banks	16, 19	12,452,507.78	12,319,289.77	5,045,255.75	4,974,678.86
	Finance lease receivables - net	6, 9	-	-	4,021,898.32	9,436,310.31
	Long-term loans to related parties - net	6	-	38,948,980.81	30,272,000.57	59,775,272.91
	Investments in joint ventures - net	5, 11	-	-	-	-
	Investments in subsidiaries - net	5, 11	-	-	218,669,400.00	169,449,400.00
	Property, plant and equipment - net	12, 16, 19	644,029,601.88	608,082,122.00	64,122,151.55	68,407,089.64
	Intangible assets - net	13	24,819,124.75	4,801,042.19	2,580,818.64	2,782,000.00
	Goodwill	11	4,635,859.29	4,635,859.29	-	-
	Deferred tax assets - net	14	6,371,538.10	4,057,780.41	4,380,564.67	2,657,906.38
	Other non-current assets	15	111,338,011.77	88,881,605.75	81,543,347.01	71,313,578.91
	Total non-current assets		803,646,643.57	761,726,680.22	410,635,436.51	388,796,237.01
	Total assets		1,185,752,203.01	1,156,922,453.63	691,825,261.51	707,598,903.79



CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Liabilities and and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions					
16		247,669,780.87	260,234,762.22	158,014,692.22	185,707,627.94
6, 17	Trade and other current payables	184,777,969.56	180,941,972.10	97,483,143.60	102,133,764.23
18	Current portion of liabilities under financial lease agreements	30,812,337.76	25,624,590.62	1,784,247.68	928,194.44
19	Current portion of long-term loans from financial institutions	34,875,702.35	39,424,032.59	15,215,702.35	20,884,199.59
6	Short-term loan from related parties	-	-	10,000,000.00	-
	Dividend payables	9,708,475.25	12,913,300.07	-	-
Total current liabilities		507,844,265.79	519,138,657.60	282,497,785.85	309,653,786.20
Non-current liabilities					
Intercompany profit in the outstanding equipment of joint ventures					
		-	21,603,039.79	-	-
18	Liabilities under financial lease agreements - net	26,143,636.85	32,802,697.64	2,629,599.79	1,440,044.35
19	Long-term loans from financial institutions - net	21,437,995.21	29,834,496.49	467,995.21	15,724,496.49
14	Deferred tax liabilities - net	21,396,754.13	23,341,126.87	-	-
20	Non-current provision for employee benefits	52,774,168.04	30,139,531.00	17,104,624.48	8,491,333.00
Total non-current liabilities		121,752,554.23	137,720,891.79	20,202,219.48	25,655,873.84
Total liabilities		629,596,820.02	656,859,549.39	302,700,005.33	335,309,660.04
Shareholders' equity					
Share capital					
Authorized share capital					
	Common shares 255,462,733 shares at Baht 1 each	255,462,733.00	255,462,733.00	255,462,733.00	255,462,733.00
Issued and fully paid-up share capital					
	Common shares 255,462,733 shares at Baht 1 each	255,462,733.00	255,462,733.00	255,462,733.00	255,462,733.00
	Premiums on share capital	93,569,476.36	93,569,476.36	93,569,476.36	93,569,476.36
11	Discount on investments	4,907,142.73	4,907,142.73	-	-
11	Changes in the proportion held by non-controlling interests	115,335.89	303,380.88	-	-
Retained earnings (deficit)					
Appropriated					
	Appropriated to legal reserve	16,635,093.85	13,988,325.35	16,635,093.85	13,988,325.35
	Unappropriated	40,758,560.40	(15,454,992.25)	23,457,952.97	9,268,709.04
	Other components of shareholders' equity	113,381,693.40	129,490,042.79	-	-
Total shareholders' equity of the Company		524,830,035.63	482,266,108.86	389,125,256.18	372,289,243.75
11	Non-controlling interests	31,325,347.36	17,796,795.38	-	-
Total shareholders' equity		556,155,382.99	500,062,904.24	389,125,256.18	372,289,243.75
Total liabilities and shareholders' equity		1,185,752,203.01	1,156,922,453.63	691,825,261.51	707,598,903.79



CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	3, 6, 24				
Revenue from services		1,338,103,443.19	1,449,095,438.62	570,258,653.79	626,784,452.65
Cost of services		(1,056,774,003.58)	(1,100,353,463.54)	(450,611,867.92)	(477,335,955.72)
Gross profit		281,329,439.61	348,741,975.08	119,646,785.87	149,448,496.93
Other income		13,602,899.62	9,149,952.57	19,912,673.77	20,488,968.44
Selling expenses		(11,431,235.47)	(12,752,340.01)	(1,871,119.45)	(2,029,572.44)
Administrative expenses		(203,390,692.50)	(198,326,966.17)	(101,102,508.30)	(150,465,164.22)
Finance costs		(22,267,424.04)	(24,278,885.95)	(11,442,045.64)	(13,033,937.80)
Dividend income	6, 11	-	-	31,913,203.80	19,815,808.32
Share of profit (loss) from investments in joint ventures	5	45,714,436.82	(30,751,258.57)	-	-
Gain on business combinations	5	17,820,377.32	-	-	-
Profit before income tax		121,377,801.36	91,782,476.95	57,056,990.05	24,224,599.23
Tax expenses	14	(11,628,249.75)	(26,824,547.48)	(4,121,620.32)	(14,548,880.21)
Profit for the years		109,749,551.61	64,957,929.47	52,935,369.73	9,675,719.02
Other comprehensive income :					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Gain on changes of proportion in investment in joint ventures	5	(16,108,349.39)	-	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Actuarial loss - net tax	20	(6,454,703.41)	-	(2,889,267.01)	-
Total comprehensive income for the years		87,186,498.81	64,957,929.47	50,046,102.72	9,675,719.02
Profit attributable to					
Equity holders of the Company		98,612,734.15	52,931,065.91	52,935,369.73	9,675,719.02
Non-controlling interests		11,136,817.46	12,026,863.56	-	-
		109,749,551.61	64,957,929.47	52,935,369.73	9,675,719.02
Total comprehensive income attributable to					
Equity holders of the Company		75,962,062.06	52,931,065.91	50,046,102.72	9,675,719.02
Non-controlling interests		11,224,436.75	12,026,863.56	-	-
		87,186,498.81	64,957,929.47	50,046,102.72	9,675,719.02
Basic earnings per share		0.39	0.21	0.21	0.04
Weighted average number of ordinary shares (shares)		255,462,733	255,462,733	255,462,733	255,462,733



CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht														
Consolidated financial statements														
	Equity attributable to equity holders of the Company													
	Notes	Issued and paid-up share capital	Premiums on share capital	Discounts on investments	Changes in the proportion held in subsidiaries	Retained earnings (deficit)			Other components of shareholders' equity			Total		
						Appropriated to legal reserve	Unappropriated	Surplus on land revaluation	Gain on changes of proportion in investment in joint ventures	Actuarial loss	Total other components of shareholders' equity		Equity holders of the Company	Non-controlling interests
Balance as at January 1, 2018		255,462,733.00	93,569,476.36	4,907,142.73	303,380.88	13,504,539.40	(42,356,048.91)	113,381,693.40	16,108,349.39	-	129,490,042.79	454,881,266.25	12,619,121.77	467,500,388.02
Changes in shareholders' equity for the year:														
Appropriated to legal reserve	21	-	-	-	-	483,785.95	(483,785.95)	-	-	-	-	-	-	-
Dividends	22	-	-	-	-	(25,546,223.30)	(25,546,223.30)	-	-	-	-	(25,546,223.30)	(6,849,189.95)	(32,395,413.25)
Total comprehensive income for the year		-	-	-	-	52,931,065.91	52,931,065.91	-	-	-	-	52,931,065.91	12,026,863.56	64,957,929.47
Balance as at December 31, 2018		255,462,733.00	93,569,476.36	4,907,142.73	303,380.88	13,988,325.35	(15,454,992.25)	113,381,693.40	16,108,349.39	-	129,490,042.79	482,266,108.86	17,796,795.38	500,062,904.24
Changes in shareholders' equity for the year:														
Appropriated to legal reserve	21	-	-	-	-	2,646,768.50	(2,646,768.50)	-	-	-	-	-	-	-
Dividends	22	-	-	-	-	(33,210,090.30)	(33,210,090.30)	-	-	-	-	(33,210,090.30)	(5,495,376.34)	(38,705,466.64)
Changes in the proportion held in subsidiary	11	-	-	-	(188,044.99)	-	-	-	-	-	-	(188,044.99)	2,801,525.62	2,613,480.63
Increase in non-controlling interests	5	-	-	-	-	-	-	-	-	-	-	-	5,085,585.24	5,085,585.24
Total comprehensive income (loss) for the year		-	-	-	-	98,612,734.15	98,612,734.15	-	(16,108,349.39)	(6,542,322.70)	(22,650,672.09)	75,962,062.06	11,224,436.75	87,186,498.81
Transferred to the retained earnings	20	-	-	-	-	(6,542,322.70)	(6,542,322.70)	-	-	-	6,542,322.70	-	(87,619.29)	(87,619.29)
Balance as at December 31, 2019		255,462,733.00	93,569,476.36	4,907,142.73	115,335.89	16,635,093.85	40,758,560.40	113,381,693.40	-	-	113,381,693.40	524,830,035.63	31,325,347.36	556,155,382.99



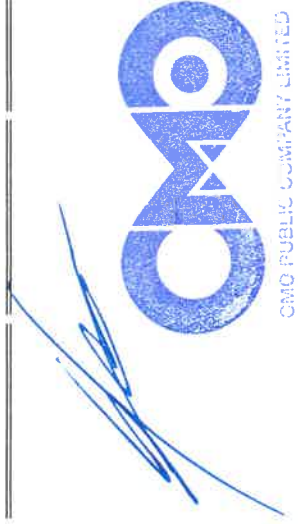
CMO PUBLIC COMPANY LIMITED

CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

Notes	Separate financial statements							Total
	Issued and paid-up share capital	Premiums on share capital	Retained earnings		Other components of shareholders' equity		Total	
			Appropriated to legal reserve	Unappropriated	Actuarial loss	other components of shareholders' equity		
Balance as at January 1, 2018	255,462,733.00	93,569,476.36	13,504,539.40	25,622,999.08	-	-	388,159,747.84	
Changes in shareholders' equity for the year:								
21 Appropriated to legal reserve	-	-	483,785.95	(483,785.95)	-	-	-	
22 Dividends	-	-	-	(25,546,223.11)	-	-	(25,546,223.11)	
Total comprehensive income for the year	-	-	-	9,675,719.02	-	-	9,675,719.02	
Balance as at December 31, 2018	255,462,733.00	93,569,476.36	13,988,325.35	9,268,709.04	-	-	372,289,243.75	
Changes in shareholders' equity for the year:								
21 Appropriated to legal reserve	-	-	2,646,768.50	(2,646,768.50)	-	-	-	
22 Dividends	-	-	-	(33,210,090.29)	-	-	(33,210,090.29)	
Total comprehensive income (loss) for the year	-	-	-	52,935,369.73	(2,889,267.01)	(2,889,267.01)	50,046,102.72	
Transferred to the retained earnings	-	-	-	(2,889,267.01)	2,889,267.01	-	-	
Balance as at December 31, 2019	255,462,733.00	93,569,476.36	16,635,093.85	23,457,952.97	-	-	389,125,256.18	

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CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Operating Activities:				
Profit for the years	109,749,551.61	64,957,929.47	52,935,369.73	9,675,719.02
Adjustments to reconcile profit for the years to net cash flow from operating activities:				
Tax expenses	11,628,249.75	26,824,547.48	4,121,620.32	14,548,880.21
Depreciation and amortization	107,969,030.60	105,200,968.39	11,511,887.64	15,934,163.84
Impairment loss on assets	3,323,101.84	-	-	-
Allowance for doubtful debt	3,518,883.41	2,763,651.78	966,153.81	503,437.69
(Reversal of)impairment loss on investments in subsidiaries and joint ventures	-	-	(9,100,000.00)	48,999,800.00
Gain on disposal of fixed assets	(2,870,562.75)	(2,387,517.04)	(1,186,913.89)	(450,756.49)
Supplies - lighting and other supplies transferred to expenses	4,679,601.20	16,538,021.61	-	-
Written off withholding tax	20,148.46	268,731.87	-	-
Non-current provision for employee benefits	14,961,572.76	3,068,474.00	5,001,707.72	640,085.00
Dividend income	-	-	(31,913,203.80)	(19,815,808.32)
Share of (profit) loss from investments in joint ventures	(45,714,437.05)	30,751,258.57	-	-
Gain on business combinations	(17,820,377.32)	-	-	-
Interest expenses	22,267,424.04	24,278,885.95	11,442,045.64	13,033,937.80
Profit from operating activities before changes in operating assets and liabilities	211,712,186.55	272,264,952.08	43,778,667.17	83,069,458.75
Operating assets (increase) decrease				
Trade and other current receivables	62,149,406.43	22,885,483.04	36,447,536.94	(6,588,682.63)
Work in process	(14,142,531.95)	13,985,893.70	(7,355,482.50)	5,208,668.10
Other non-current assets	2,079,923.97	40,888,592.46	1,081,284.88	13,603,160.27
Operating liabilities increase (decrease)				
Trade and other current payables	(51,297,514.75)	(22,509,467.56)	(4,717,602.63)	(3,409,081.25)
Cash from operating activities	210,501,470.25	327,515,453.72	69,234,403.86	91,883,523.24
Cash received from withholding tax refund	1,074,354.06	-	-	-
Non-current provision for employee benefits paid	(395,314.96)	-	-	-
Interest paid	(22,267,424.04)	(24,278,885.95)	(11,442,045.64)	(13,046,677.53)
Income tax paid	(40,993,008.96)	(69,057,633.10)	(16,433,014.84)	(29,081,072.16)
Net cash from operating activities	147,920,076.35	234,178,934.67	41,359,343.38	49,755,773.55



CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Investing Activities:				
Increase in restricted deposits at bank	(133,218.01)	(4,070,128.58)	(70,576.89)	(4,008,157.28)
Cash received from short-term loans to related parties	-	-	56,800,000.00	36,400,000.00
Cash payment for short-term loans to related parties	-	-	(48,347,618.51)	(27,500,000.00)
Cash received from long-term loans to related party	-	-	30,168,254.34	-
Cash payment for long-term loans to related party	-	(25,976,571.21)	(664,982.00)	(25,976,571.21)
Cash payment for investment in subsidiaries	-	-	(40,120,000.00)	-
Dividend income from investments	-	-	24,549,771.67	22,954,278.64
Purchase of fixed assets	(39,665,780.72)	(68,351,312.72)	(3,051,928.38)	(4,237,616.18)
Purchase of intangible assets	(262,000.00)	(1,008,000.00)	(262,000.00)	(962,000.00)
Cash received from disposal of fixed assets	3,363,408.58	3,435,624.78	1,186,915.89	1,498,617.03
Cash received from finance lease receivables	-	-	4,980,873.03	4,582,048.11
Net cash from (used in) investing activities	(36,697,590.15)	(95,970,387.73)	25,168,709.15	2,750,599.11
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdraft and short-term loans from financial institutions - net	(12,564,981.35)	(36,276,214.16)	(27,692,935.72)	(6,002,947.46)
Cash payments for liabilities under financial lease agreements	(31,662,572.79)	(21,485,231.69)	(1,599,251.13)	(861,113.49)
Cash received from short-term loans from related parties	-	-	10,000,000.00	13,000,000.00
Cash payment to short-term loan from related parties	-	-	-	(16,000,000.00)
Cash received from long-term loan from financial institutions	31,200,000.00	20,000,000.00	-	20,000,000.00
Cash payment to long-term loans from financial institutions	(44,144,831.52)	(41,326,339.36)	(20,924,998.52)	(20,089,695.36)
Dividend paid	(42,030,291.62)	(30,953,098.13)	(33,210,090.29)	(25,546,223.30)
Net cash used in financing activities	(99,202,677.28)	(110,040,883.34)	(73,427,275.66)	(35,499,979.61)
Net increase (decrease) in cash and cash equivalents	12,019,808.92	28,167,663.60	(6,899,223.13)	17,006,393.05
Increase in cash from business combinations	513,946.00	-	-	-
Cash and cash equivalents, Beginning of year	46,068,346.01	17,900,682.41	18,955,625.10	1,949,232.05
Cash and cash equivalents, End of year	58,602,100.93	46,068,346.01	12,056,401.97	18,955,625.10
Supplemental Disclosures of Cash Flows Information				
Increase in assets from financial lease agreements during the year	30,191,259.14	46,419,328.01	5,607,476.64	2,204,672.90
Payable to purchase of fixed assets increase (decrease) during the year	6,024,523.12	585,597.00	66,982.00	548,482.00



CMO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION

CMO Public Company Limited (“the Company”) was incorporated under Thai law on June 5, 1991, and on December 29, 2003 was converted from a juristic person under the Civil and Commercial Code as “a Company Limited” to a juristic person under the Public Company Limited Act B.E. 2535. The Company’s primary business is event management for public events, exhibitions and entertainment activities. The Company’s registered office is located at 4/18-19 Soi Nuanchan 56, Nuanchan, Buengkum Bangkok.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements are presented in compliance with stipulations of the Notification of the Department of Business Development, dated October 11, 2016, issued under the Accounting Act B.E. 2543.

These financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRSs”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.



Basis of consolidated financial statement preparation

- a) The consolidated financial statements included the financial statements of CMO Public Company Limited and its subsidiaries (that together referred to as the “Group”).

The details of the subsidiaries as at December 31, are as follows:

Name of subsidiaries	Country	Nature of business	% Equity interest and voting right owned by the Company	
			2019	2018
<u>The subsidiary held by the Company</u>				
PM Center Co., Ltd.	Thailand	Rental equipment for image, lighting, sound and effects.	99.99	99.99
The Eyes Co., Ltd.	Thailand	Production of multi-visual slides, videos, multimedia and computer graphics.	99.95	99.95
Exposition Technology Co., Ltd.	Thailand	Electrical and lighting services.	40.00	40.00
Momentum S Co., Ltd.	Thailand	Event management for private event, wedding ceremonies, birthday parties and other.	59.99	56.99
Muse Corporation Co., Ltd.	Thailand	Concert organizers, sound, lighting and all type of multimedia.	69.99	69.99
Imaginia Co., Ltd	Thailand	Amusement park and Theme park.	100.00	100.00
CMO Show Corp Co., Ltd.	Thailand	Development center show by mix up between Thai legendary and high technology as a presentation under the name "Himmaphan Avatar"	39.29	-

- b) The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commence until the date that control ceases.

- c) The financial statements of subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The balances between the Company and its subsidiaries, and significant intercompany transactions have been eliminated in the consolidated financial statements.

The financial statements of Exposition Technology Co., Ltd. and CMO Show Corp Co., Ltd., are included in the consolidated financial statements because the Company has control over their financial and operating policies, even though the Company's shareholding in each is less than 50 percent, therefore, they are regarded as subsidiary companies.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

The separate financial statements, which present investment in subsidiaries and joint ventures under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

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

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

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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.

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

The 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

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.

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The management of the Company and its subsidiaries is currently evaluating the impact of these standards to 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 Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue and Expenses Recognitions

Revenues and expenses are recognized on an accrual basis.

Revenues from event management of public shows, exhibitions and entertainment events are recognized when the services are completed. Revenues from completed but unbilled, service were presented in unbilled receivables which are also included in trade accounts receivable.

Revenues from decoration construction are recognized based on the percentage of completion calculated according to the proportion of actual cost incurred compared to the estimated total cost. Un-invoiced income is presented as unbilled receivables and is included as part of accounts receivable while the respective cost is presented in statement of profit or loss.

Revenues from rental service equipment and service are recognized as income according to the duration of the event.

Revenues from rental are recognized as an income on straight-line basis over the rental period.

Revenues from the production of slides, multi-visuals, videos, multimedia and computer graphics are recognized when the productions are delivered to the customers.

Cost of uncompleted jobs or undelivered jobs are recorded as work in process.

Cost of service of finished work is recorded according to the invoiced value after discount and rebate.



Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree to its acquisition-date fair value and recognize the resulting gain or loss in profit or loss.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit for the period immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

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Cash and Cash Equivalents

Cash and cash equivalents presented in the statements of cash flows and comprise of cash in hand, deposits at financial institutions with a maturity period not over 3 months except for cash at banks held as collateral.

Trade and other current receivable

Trade accounts receivable are stated at the net realizable value. The Company provides an allowance for doubtful accounts for the estimated losses that may be incurred in the collection of receivables by considering from debt collection experience and considering the current financial status of individual receivables.

Finance lease receivables

Finance lease receivables are stated at outstanding balances net of deferred interest income and unearned related service income and allowance for doubtful accounts (if any).

Inventory

Finished goods and supplies are stated at the lower of cost or net realizable value. Finished goods determined cost by using the first in, first out method and supplies determined cost by using the average method. Cost comprised of product price and other direct expenses for acquiring the product.

Cost of work not recognized as income will be recorded as work in progress stated at the lower of invoice less the discount or net realizable value.

Investments in Joint Ventures

Investments in joint venture are presented in consolidated financial statements by using the equity method, and presented in the separate financial statements by using the cost method, and adjusted impairment, if any.

Investments in Subsidiaries

Investments in subsidiaries are presented in the separate financial statements by using the cost method, and adjusted impairment, if any.

The Company presented the outstanding balance of the negative goodwill that had arisen from the acquisition of the investment in a subsidiary company as "Discount on Investments" under the shareholders' equity. This will be recognized in the statement of profit or loss when the investment is disposed.

Property, Plant and Equipment and Depreciation

Land is presented at the appraised value appraised by an independent appraiser, dated March 24, 2015 and September 8, 2016 by using the market value.

Buildings and equipment are stated at cost less accumulated depreciation and impairment loss from assets (if any).



Depreciation is computed by the straight-line method based on the estimated useful lives of the assets as follows:-

	<u>Useful life (years)</u>
Buildings	20 - 30
Building improvements	5
Operating equipment	3 - 9
Office equipment	3 and 5
Furniture and fixtures	5
Vehicles	5

Supplies are stated at cost by using First-In, First-Out Method and will be expended when used.

Depreciation method, useful life and the residual value will be reviewed at the end of the accounting period and is adjusted if appropriate. During the year 2016, the Group depreciation the newly by the sum-of-the-years method over 5 years purchased innovation equipment during the year.

Intangible assets

The intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortized 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 amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to profit or loss.

The Group's intangible assets with finite useful lives consist of text licenses, music licenses, image licenses and softwares, which have an estimated useful life of 3 - 10 years.

Finance lease

Finance lease which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized 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 other long-term payables, while the interest element is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.



Operating lease

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the profit or loss over the period of the lease.

Employee benefits

Short-term benefits

The Group salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined contribution plan

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The employee benefit obligation for severance payment under labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Group in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in the other comprehensive income and actuarial gains and losses arising from other long-term employee benefits are recognized immediately in the profit or loss.

Provisions

Provisions are recognized 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.



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CMO PUBLIC COMPANY LIMITED

Income tax

Income tax expenses represent the sum of corporate income tax currently payable and deferred tax.

Current tax

The Group record current income tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

The Group recognizes deferred income tax 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 recognizes deferred tax liabilities for all taxable temporary differences while it recognize 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 utilized.

At each reporting date, the Group review and reduce 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 utilized.

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

Transactions in foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies outstanding at the statement financial position date are translated into Baht at the exchange rates prevailing on those dates. Gain or losses on exchange rates are recognized as income or expenses for the year.

Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and subsidiaries 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 where there no active market for an identical asset or liability or when a quoted market price is not available, the Company and subsidiaries measures fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.



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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories 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 Company and subsidiaries determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year attributable to equity holders to the Company by the weighted average number of ordinary shares during the year.

Financial Instruments

The Group has no policy to speculate in or engage in the trading of any financial derivative instruments.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Entity recognizes revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

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- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
or

- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognized over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation.

Allowance for doubtful accounts

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

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory requires management to make judgments and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, that is estimated based on the approximate useful life of each type of inventory.

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 has been transferred, taking into consideration terms and conditions of the arrangement.

Property, plant and equipment / Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Group's plant and equipment and to review estimated useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodic 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 forecasts of future revenues and expenses relating to the assets subject to the review.



Impairment of investment in subsidiaries and Joint venture

In considering impairment of investment in a subsidiaries and Joint venture, the Company assesses the fair value of investment in its subsidiaries and Joint venture by the present value of future cash flows generated by the subsidiaries and Joint venture, discounted by a discount rate determined by the Company's management. The cash flow projections are based on financial budgets, which reflect the subsidiary and Joint venture's business plan, growth rates and expense to revenue ratios. The value derived from the afore-mentioned method may vary due to changes in competitive forces, revenue structure, cost structure, industrial conditions and economic conditions

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rate and staff turnover rates.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess of the results of the litigation and found that it is probable that loss will be incurred. Therefore, it recorded contingent liabilities with estimated future loss.

Goodwill

The initial recognition and measurement of goodwill, 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.

5. BUSINESS COMBINATIONS BY CHANGING CONTROLLING IN JOINT VENTURE

On September 25, 2019, the shareholder (group A), which was the joined investor in CMO Show Corp Co., Ltd., agreed to settle all disputes that the Company file a lawsuit to court by releasing the debt and had the related companies of group A shareholder released the loans and accrued interest, accrued rental fee, accrued service fee and all other accrual common service fee for CMO Show Corp Co., Ltd. totally Baht 187.91 million and agreed to repay the liabilities under financial lease amounted of Baht 8 million as well as sold all its shares to a new shareholder in the same proportion of 849,998 shares at Baht 1 per share.

As at September 30, 2019, the Company has outstanding investment in CMO Show Corp Co., Ltd. of Baht 55 million before allowance for impairment of investment and provided loans of Baht 62.22 million. The management of the Company considered that the Company exposed to investment risks more than the new shareholder, thus the Company consolidated the financial statement of CMO Show Corp Co., Ltd. that used to be joint venture on September 30, 2019 which is the date the Company has power of controlling.



Investments in CMO Show Corp Co., Ltd. before controlling is as follows:

	Unit : Thousands Baht
	Consolidated
	financial statements
Book value of investment prior to control date	
Book value of investment beginning as at January 1, 2019	(42,426)
Share of profit from investment in joint ventures	
For the period from January 1, 2019 until September 30, 2019	24,111
Add Intercompany profit adjustment in the outstanding equipment of the joint venture	21,603
Investments under equity method prior to reclassification as investments in subsidiary	3,288

Identifiable assets acquired and liabilities assumed

	(Unit : Thousands Baht)
Cash and cash equivalents	514
Trade receivables	321
Supplies	2,048
Other current assets	23,532
Equipment - net (Fair value)	73,090
Intangible assets - net	23,197
Trade and other payables	(24,596)
Other current liabilities	(4,319)
Long-term loans from related party	(79,969)
Deferred income tax liabilities	(1,089)
Net assets	12,729
Non-controlling interests of the acquiree	(7,729)
The fair value of investments existing at the date of control (September 30, 2019)	5,000
Investments under equity method prior to reclassification as investments in subsidiary	3,288
The fair value of investments is higher than book value.	1,712
Recognized gains from changes in shareholding in joint ventures in the past	16,108
Total gain on business combinations	17,820



The Company has a policy to continuously review the fair value of identifiable assets acquired; such as equipment and intangible assets and liabilities assumed; and their allocation at the date of control (acquisition date fair value) in accordance with TFRS No. 3 (revised 2018). If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

The Company is in process to appraise the fair value of identifiable assets acquired for the intangible assets, and allocation of acquisition-date fair value at the acquisition date. Up to the report date, the process of appraising the fair value is not completed.

Effect to separate financial statements

	Unit : Baht	
	Separate statements of financial position as at acquisition date	
	After adjusted	Before adjusted
Investments in joint venture	-	55,000
<u>Less</u> Allowance for impairment	-	(35,900)
Investments in joint venture - net	-	19,100
Investments in subsidiary	55,000	-
<u>Less</u> Allowance for impairment	(35,900)	-
Investments in subsidiary - net	19,100	-

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6. RELATED PARTY TRANSACTIONS

The followings present relationships with enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or have common directors or shareholders with the Company.

Related parties	Nature of relationships	% Equity interest	
		2019	2018
PM Center Co., Ltd.	Subsidiary company	99.99	99.99
The Eyes Co., Ltd.	Subsidiary company	99.95	99.95
Exposition Technology Co., Ltd.	Subsidiary company	40.00	40.00
Momentum S Co., Ltd.	Subsidiary company	59.99	56.99
Muse Corporation Co., Ltd.	Subsidiary company	69.99	69.99
Imaginia Co., Ltd.	Subsidiary company	100.00	100.00
CMO Show Corp Co., Ltd.	Subsidiary company	39.29	-
Rightman Co., Ltd.	Common directors and shareholdings	-	- <i>KK</i>



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The Company had business transactions with related parties. These parties are directly and indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the basis determined by the Company and the parties concerned. For the years ended December 31, 2019 and 2018, the significant transactions with related parties can be summarized as follows:

	Unit: Thousands Baht				Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2019	2018	2019	2018	
Subsidiaries					
Services income	-	-	1,247	611	At the agreed price
Dividend income	-	-	31,913	19,816	As announced by the company
Other income	-	-	7,374	8,009	As specified in agreement
Interest income	-	-	5,753	7,700	MOR Rate +1%
Cost of services	-	-	74,250	98,290	At the agreed price
Other expenses	-	-	1,988	2,507	As specified in agreement
Interest expenses	-	-	201	146	MOR Rate +1%
Joint Venture					
Services income	-	251	-	-	At the agreed price
Cost of services	-	400	-	200	At the agreed price
Related parties					
Services income	4,951	3,052	-	-	At the agreed price
Cost of services	605	-	-	-	At the agreed price
Other expenses	100	-	-	-	As specified in agreement
Director					
Other expenses	379	-	-	-	As specified in agreement

Management compensation – for key management personnel

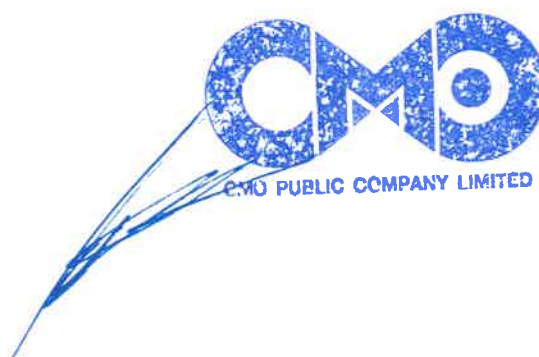
For the years ended December 31, management compensation – for key management personnel consist of the following:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term benefits	59,315,591.94	62,206,546.94	30,537,499.00	30,494,380.25
Post-employment benefits	7,093,727.25	1,256,590.15	3,775,380.83	431,176.36
Total	66,409,319.19	63,463,137.09	34,312,879.83	30,925,556.61



The outstanding balances for the above transactions as at December 31, 2019 and 2018 have been shown separately in the statements of financial position and consist of the following:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties				
The Eyes Co., Ltd.	-	-	193	-
CMO Show Corp Co., Ltd.	-	30,656	6,874	8,025
PM Center Co., Ltd.	-	-	1,070	-
Rightman Co., Ltd	2,687	1,888	-	-
Total trade receivables - related parties	2,687	32,544	8,137	8,025
Less: Allowance for doubtful accounts	-	(6,124)	(1,397)	(1,605)
Total trade receivables - related parties - net	2,687	26,420	6,740	6,420
Other current receivables - related parties				
PM Center Co., Ltd.	-	-	4,117	7,263
The Eyes Co., Ltd.	-	-	6,199	5,779
Imaginia Co.,Ltd	-	-	711	1,131
Muse Corporation Co., Ltd	-	-	5	5
CMO Show Corp Co., Ltd.	-	-	41	-
Total Other current receivables - related parties	-	-	11,073	14,178
Accrued interest income - related parties				
The Eyes Co., Ltd.	-	-	2	2
CMO Show Corp Co., Ltd.	-	204	204	204
Total accrued interest - related parties	-	204	206	206
Less: Allowance for doubtful accounts	-	(204)	(204)	(204)
Total accrued interest - related parties - net	-	-	2	2



Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued dividend income - related parties				
PM Center Co.,Ltd.	-	-	19,000	9,500
The Eyes Co., Ltd.	-	-	3,997	3,997
Exposition Technology Co., Ltd.	-	-	6,470	8,606
Total accrued dividend income				
- related parties	-	-	29,467	22,103
Finance lease receivables - related parties				
Imaginia Co.,Ltd	-	-	9,436	14,417
Total Finance lease receivables				
- related parties	-	-	9,436	14,417
Short-term loan to related parties				
PM Center Co., Ltd.	-	-	67,748	71,000
The Eyes Co., Ltd.	-	-	16,000	11,100
Momentum S Co., Ltd.	-	-	-	7,600
Muse Corporation Co., Ltd.	-	-	2,000	-
Imaginia Co.,Ltd	-	-	-	4,500
Total short-term loan to related parties-net	-	-	85,748	94,200
Long-term loan to related parties				
CMO Show Corp Co., Ltd.	-	61,557	32,053	61,557
Decreased share of loss from investments in joint ventures over cost of investments during the year	-	(20,827)	-	-
Less : Allowance for long-term loans to related parties	-	(1,781)	(1,781)	(1,781)
Total long-term loan to related parties-net	-	38,949	30,272	59,776



During the years ended December 31, the Company had movements on short-term and long-term loans to related parties as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans to related parties				
Subsidiaries				
Balance at beginning of the years	-	-	94,200	103,100
Increase during the years	-	-	48,348	27,500
Decrease during the years	-	-	(56,800)	(36,400)
Total short-term loans to related parties - net	-	-	85,748	94,200
Long-term loans to related parties				
CMO Show Corp Co., Ltd.				
Balance at beginning of the years	-	35,580	61,557	35,580
Increase during the years	-	25,977	664	25,977
Decrease during the years	-	-	(30,168)	-
Total long-term loans to related parties	-	61,557	32,053	61,557
Decrease during the years in joint ventures over cost of investments during the years	-	(20,827)	-	-
<u>Less</u> Provision for doubtful debt	-	(1,781)	(1,781)	(1,781)
Total long-term loans to related parties - net	-	38,949	30,272	59,776

The Company charged interest on loans to related parties at the annual rate of MOR+ 1% for subsidiaries. The Company stopped recognizing interest income when interest is overdue over 3 months.



On September 27, 2019, PM Center Co., Ltd. has entered into an asset pledge agreement with CMO Show Corp Co., Ltd. as a guarantee for repayment of the loan from PM Center Co., Ltd. of Baht 63 million. The money received from the loan are to be settled liabilities due to the Company as follows:

Period	Date	Amount : Baht	Objective
1	September 27, 2019	17,747,618.51	To pay off debt under hire purchase contract
2	October 31, 2019	15,084,127.17	For loan repayment
3	November 30, 2019	15,084,127.17	For loan repayment
4	December 31, 2019	15,084,127.17	For loan repayment

PM Center Co., Ltd. can utilize assets for business purposes and must pay an annual rental fee for the use of assets of Baht 12.30 million without charging interest on the loan.

PM Center Co., Ltd. can cancel the rental agreement by giving the notice to CMO Show Corp Co., Ltd. within 7 days and CMO Show Corp Co., Ltd. must repay the interest in the rate of MOR +1% of Bangkok Bank PCL. to PM Center Co., Ltd.

On October 9, 2019, the Company withdrew the litigation case for damages claim on long-term loans and investment against CMO Show Corp Co., Ltd. and the group of shareholders who jointly invested with the Company.

On October 17, 2019, the Company and PM Center Co., Ltd. withdrew the litigation case on CMO Show Corp Co., Ltd. due to CMO Show Corp Co., Ltd. agrees to settle trade debts on annually, at least Bath 1 million each, starting the first installment on December 31, 2020.

The damage which occurred from the above incident is recorded on profit or loss for the year ended on December 31, 2019.

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Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables from related parties				
PM Center Co., Ltd.	-	-	13,919	23,098
The Eyes Co., Ltd.	-	-	2,635	5,426
Exposition Technology Co., Ltd.	-	-	2,138	4,672
CMO Show Corp Co., Ltd.	-	321	-	-
Total trade payables related parties	-	321	18,692	33,196
Accrued expenses from related parties				
PM Center Co., Ltd.	-	-	164	164
Total accrued expenses from related parties	-	-	164	164
Short-term loan from related parties				
Exposition Technology Co., Ltd.				
(Interest rate 5% Per annum)	-	-	10,000	-
Total short-term loan from related parties	-	-	10,000	-

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During the years ended December 31, the Company had movements on the short-term loans from related parties as follows:-

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans from related parties				
Subsidiaries (Interest rate 5% per annum)				
Balance at beginning of the years	-	-	-	3,000
Increase during the years	-	-	10,000	13,000
Decrease during the years	-	-	-	(16,000)
Balance at end of the years	-	-	10,000	-
Total short-term loans from related parties	-	-	10,000	-

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	335,796.00	313,065.00	67,699.00	70,000.00
Cash at banks - saving accounts	57,378,538.36	40,704,019.90	11,988,702.97	18,833,075.33
Cash at banks - current accounts	887,766.57	5,051,261.11	-	52,549.77
Cash and cash equivalents	58,602,100.93	46,068,346.01	12,056,401.97	18,955,625.10



8. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivables - related parties	2,687,438.75	32,543,776.99	8,136,778.00	8,025,000.00
Trade receivables - other	257,186,428.93	298,354,201.58	107,167,019.26	140,149,330.39
Total trade receivables	259,873,867.68	330,897,978.57	115,303,797.26	148,174,330.39
<u>Less: Allowance for doubtful accounts</u>	<u>(5,226,369.16)</u>	<u>(12,198,706.91)</u>	<u>(1,632,391.31)</u>	<u>(1,742,172.08)</u>
Trade receivables – net	254,647,498.52	318,699,271.66	113,671,405.95	146,432,158.31
Other current receivables				
Other receivables	4,612,014.25	5,385,336.51	4,299,727.20	4,820,196.91
Other receivables - related parties	-	-	11,031,914.32	14,178,009.40
Advance to employees	2,177,000.50	3,257,889.36	1,395,312.01	1,543,459.00
Prepaid expenses	5,451,490.63	3,791,877.87	1,616,185.96	1,227,961.55
Deposit for purchase inventories	854,528.76	418,631.52	-	-
Undue input VAT	8,988,805.72	8,328,554.45	3,930,622.26	4,792,659.18
Accrued interest income - related parties	-	204,109.58	206,267.11	205,779.10
Revenue Department receivable	22,001,429.04	378,996.71	-	-
Other	1,572,676.52	1,733,935.71	241,284.51	606,186.62
Total other current receivables	45,657,945.42	23,499,331.71	22,721,313.37	27,374,251.76
<u>Less: Allowance for doubtful accounts</u>	<u>(172,547.99)</u>	<u>(250,784.58)</u>	<u>(250,784.58)</u>	<u>(250,784.58)</u>
Total other current receivables - net	45,485,397.43	23,248,547.13	22,470,528.79	27,123,467.18
Total trade and other current receivables - net	300,132,895.95	341,947,818.79	136,141,934.74	173,555,625.49

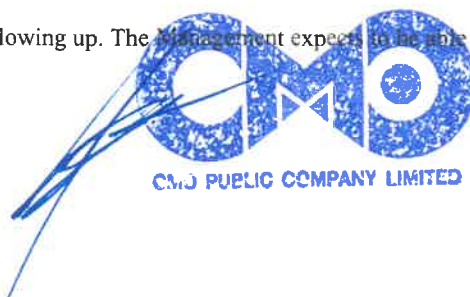


Trade receivables can be classified by age analysis as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables – related parties				
Not yet due	58,850.00	447,778.95	-	-
Past due				
Less than 3 months	16,103.50	-	1,070,000.00	-
Over 3 months but not over 6 months	1,680,568.75	84,556.75	193,028.00	-
Over 6 months but not over 12 months	744,720.00	-	-	-
Over 12 months	149,800.00	30,407,441.29	6,873,750.00	8,025,000.00
Unbilled receivables - related parties				
Not yet due	21,400.00	1,604,000.00	-	-
Past due				
Less than 3 months	15,996.50	-	-	-
Total trade receivables – related parties	2,687,438.75	32,543,776.99	8,136,778.00	8,025,000.00
Trade receivables - others				
Not yet due	124,349,493.07	116,222,342.48	57,059,282.41	43,478,167.26
Past due				
Less than 3 months	54,778,629.84	59,724,752.46	25,776,936.19	26,135,960.76
Over 3 months but not over 6 months	10,704,664.20	27,459,280.78	6,393,690.36	26,165,945.03
Over 6 months but not over 12 months	4,715,572.08	5,981,613.29	779,433.88	250,527.13
Over 12 months	12,962,758.04	7,593,085.23	718,718.81	563,191.66
Unbilled receivables - others				
Not yet due	31,137,532.85	60,016,836.82	14,026,028.41	40,064,048.02
Past due				
Less than 3 months	5,252,574.30	8,693,558.24	-	1,899,058.24
Over 3 months but not over 6 months	10,872,275.35	4,143,010.19	-	150,760.20
Over 6 months but not over 12 months	971,257.12	7,644,250.00	971,257.12	1,304,500.00
Over 12 months	1,441,672.08	875,472.09	1,441,672.08	137,172.09
Total trade receivables - others	257,186,428.93	298,354,201.58	107,167,019.26	140,149,330.39
Total	259,873,867.68	330,897,978.57	115,303,797.26	148,174,330.39
<u>Less: Allowance for doubtful accounts</u>	<u>(5,226,369.16)</u>	<u>(12,198,706.91)</u>	<u>(1,632,391.31)</u>	<u>(1,742,172.08)</u>
Trade receivables – net	254,647,498.52	318,699,271.66	113,671,405.95	146,432,158.31

The 12 months overdue receivables in financial statements, which the allowance for doubtful account has not been provided, are under the process of following up. The Management expects to be able to collect the full amount of such outstanding balances.

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9. FINANCE LEASE RECEIVABLES – NET

Finance lease receivables consisted of:

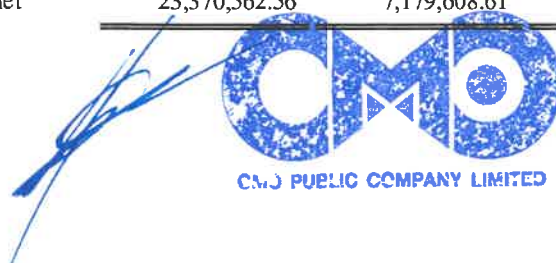
	Unit: Baht	
	Separate financial statements	
	2019	2018
Due within 1 year		
Minimum payments	6,000,000.00	6,000,000.00
Deferred interest	(585,588.01)	(1,019,126.97)
Present value of minimum payment	<u>5,414,411.99</u>	<u>4,980,873.03</u>
Due over 1 year not exceeding 5 years		
Minimum payments	4,154,000.00	10,154,000.00
Deferred interest	(132,101.68)	(717,689.69)
Present value of minimum payment	<u>4,021,898.32</u>	<u>9,436,310.31</u>

On February 1, 2017, the Company entered into an agreement to sell the operating equipment to a subsidiary amounting to Baht 36.65 million. The 1st payment of Baht 6 million was received on February 15, 2017. The 2nd payment of Baht 4 million was received on February 28, 2017. The 3rd to the 55th payment will be made monthly of Baht 0.50 million, on the 5th of the month starting February 2017 while the 56th payment will be Baht 0.15 million. The Company recorded gain from disposal of equipment under the agreement in the year ended December 31, 2017 amounting to Baht 0.58 million and gradually recorded the interest income at the effective interest rate over the life of the agreement, at the rate of 8.375% per annum, in the separate financial statements.

10. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finished goods	801,018.39	819,235.70	-	-
Work in process	15,336,094.91	7,222,755.47	12,362,692.81	5,007,210.31
Supply	8,095,831.82	-	-	-
Total Inventories	24,232,945.12	8,041,991.17	12,362,692.81	5,007,210.31
Loss on inventory devaluation	(862,382.56)	(862,382.56)	-	-
Total inventories - net	<u>23,370,562.56</u>	<u>7,179,608.61</u>	<u>12,362,692.81</u>	<u>5,007,210.31</u>



11. INVESTMENTS IN SUBSIDIARIES – NET

Investments in subsidiaries as presented in separate financial statement as at December 31, are as follows:

Subsidiaries	Country	Nature of business	Company's equity interest and voting rights (%)		Paid-up capital		Cost Method		Dividend income for the years ended	
			2019	2018	2019	2018	2019	2018	2019	2018
			Unit: Thousands Baht							
PM Center Co., Ltd.	Thailand	Rental equipment for image, lighting, sound and effects.	99.99	99.99	165,000	135,000	164,999	134,999	24,750	10,800
The Eyes Co., Ltd.	Thailand	Production of multi-visual slides, videos, multimedia and computer graphics.	99.95	99.95	15,000	15,000	14,601	14,601	-	-
Exposition Technology Co., Ltd.	Thailand	Electrical and lighting services.	40.00	40.00	2,000	2,000	5,400	5,400	2,263	2,786
Momentum S Co., Ltd.	Thailand	Event management for private events, wedding ceremonies, birthday parties and other.	59.99	56.99	2,000	2,000	1,260	1,140	-	-
Muse Corporation Co.,Ltd.	Thailand	Concert organizers, sound, lighting and all types of multimedia.	69.99	69.99	7,500	7,500	5,250	5,250	4,900	6,230
Imaginia Co.,Ltd.	Thailand	Amusement park and Theme park.	100.00	100.00	20,000	10,000	20,000	10,000	-	-
CMO Show Corp Co.,Ltd.	Thailand	Development center show by mix up between Thai legendary and high technology as a presentation under the name "Himmaphan Avatar"	39.29	-	140,000	-	55,000	-	-	-
Total investments in subsidiaries							256,510	171,390	31,913	19,816
Less: Impairment of investment							(47,840)	(1,940)		
Total investments in subsidiaries - net							208,670	169,450		



CMC PUBLIC COMPANY LIMITED

On November 4, 2019, the Extraordinary General Shareholders' Meeting of Imaginia Co., Ltd., a subsidiary, passed a resolution approving a registered capital increase, from Baht 10 million to Baht 20 million by issuing 100,000 new ordinary shares with a par value of Baht 100 per share. As the Company acquired all such additional ordinary shares, its shareholding remains unchanged at 100%.

On February 7, 2019, the Company received a transfer of 600 shares from the shareholder of Momentum S Co., Ltd., at the total price of Baht 120,000. As a result, the Company's shareholding in the subsidiary increased from 56.99% to 59.99%. The book value of net assets in proportion of the increase has a capital deficiency of Baht 68,044.99. As a result, the Company presented, loss on Changes in subsidiary interest amount of Baht 188,044.99 in the statements of changes shareholders' equity.

On February 1, 2019, the Extraordinary General Shareholders' Meeting of PM Center Co., Ltd., a subsidiary, passed a resolution approving a registered capital increase, from Baht 135 million to Baht 165 million, or Baht 30 million in all, by issuing 300,000 new ordinary shares with a par value of Baht 100 per share. As the Company acquired all such additional ordinary shares, its shareholding remains unchanged at 99.99%.

During the year 2016, the Group sold its investment in Momentum S Co., Ltd. of 3.01 percent, resulting the remained of investments at 56.99 percent. The Group received proceeds from the sale of investments of Baht 300,000. The capital deficiency according to the proportion of sales of Baht 3,380.88 was transferred to non-controlling interests. The difference of Baht 303,380.88 between decreasing in non-controlling interest and cash received is presented as part of the owners of the parent.

On July 1, 2008, the Company acquired 4,000 ordinary shares of Exposition Technology Co., Ltd., at Baht 1,250 per share (Par value of Baht 100 per share), totaling Baht 5 million. According to the unaudited or un-reviewed financial statements, the acquisition incurred costs of Baht 4.64 million in excess of the book value of the subsidiary company as at July 1, 2008.

The significant of non-controlling interests of subsidiaries are as follows:

Subsidiaries	Country	Non-controlling interests (%)	(Unit: Thousands Baht)	
			Comprehensive income (loss) attributable to non-controlling interests	Retained non-controlling interests
CMO Show Corp Co., Ltd.	Thailand	61%	(412)	8,598
Exposition Technology Co., Ltd.	Thailand	60%	7,234	16,445
Other subsidiaries	Thailand	0.01% - 60.01%	4,402	6,282
Total			11,224	31,325



Financial information of subsidiaries before eliminated transaction is as follows:

(Unit: Thousands Baht)

	Exposition Technology Co., Ltd.		CMO Show Corp		Other subsidiaries		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	43,203	43,769	41,071	202,381	195,300	202,381	279,574	246,150
Non-current asset	27,017	27,460	84,064	484,993	528,969	484,993	640,050	512,453
Current liabilities	(36,794)	(43,473)	(25,465)	(335,564)	(346,119)	(335,564)	(408,378)	(379,037)
Non-current liabilities	(6,040)	(6,769)	(91,978)	(82,661)	(86,869)	(82,661)	(184,887)	(89,430)
Non-controlling interests	16,445	13,903	4,670	3,894	10,210	3,894	31,325	17,797
Non-controlling interests (%)	60%	60%	61%	0.01% - 60.01%	0.01% - 60.01%	0.01% - 60.01%	0.01% - 60.01%	0.01% - 60.01%
Revenues	193,024	189,843	6,367	740,722	662,325	740,722	861,716	930,565
Net profit (loss) during the year of								
Non-controlling interests	7,176	5,841	(412)	6,186	4,373	6,186	11,137	12,027
Net comprehensive income of								
Non-controlling interests	58	-	-	-	30	-	88	-
Net cash from (used in)								
Operating activities	22,149	8,742	-	175,718	106,380	175,718		
Investing activities	(10,373)	1,018	-	(60,340)	(101,085)	(60,340)		
Financing activities	(12,227)	(5,439)	-	(108,538)	(749)	(108,538)		
Net increase (decrease) in cash	(451)	4,321	-	6,840	4,546	6,840		



12. PROPERTY, PLANT AND EQUIPMENT – NET

Property, plant and equipment as at December 31, 2019 consisted of:

	Unit : Baht				
	Consolidated financial statements				
	As at	Increase from	Movement during the year		As at
January 1, 2019	business combination	Increase	Disposal	December 31, 2019	
Cost					
Land					
- At cost	65,702,303.07	-	-	-	65,702,303.07
- Revaluation surplus	144,749,220.00	-	-	-	144,749,220.00
At appraised value	210,451,523.07	-	-	-	210,451,523.07
Buildings	290,621,985.92	-	-	-	290,621,985.92
Building improvements	58,643,956.08	-	702,982.00	-	59,346,938.08
Building and equipment on leased space	538,103.74	-	51,546.00	-	589,649.74
Operating equipment	747,553,223.71	102,216,150.00	64,691,710.35	5,640,354.16	908,820,729.90
Office equipment	75,722,184.75	525,649.60	174,745.37	38,273.20	76,384,306.52
Furniture and fixtures	3,573,672.77	72,243,763.25	252,497.99	-	76,069,934.01
Vehicles	37,116,982.34	-	7,636,476.64	4,718,936.44	40,034,522.54
Supplies - lighting	2,232,559.33	-	2,371,604.63	1,538,286.36	3,065,877.60
Other supplies	3,252,590.18	-	-	3,141,314.84	111,275.34
Total	1,429,706,781.89	174,985,562.85	75,881,562.98	15,077,165.00	1,665,496,742.72
Accumulated depreciation					
Buildings	83,340,428.69	-	10,214,463.78	-	93,554,892.47
Building improvements	39,479,483.57	-	4,018,669.15	-	43,498,152.72
Building and equipment on leased space	361,745.84	-	41,059.99	-	402,805.83
Operating equipment	598,168,395.80	29,865,795.12	81,960,839.58	5,679,585.69	704,315,444.81
Office equipment	72,045,907.38	333,074.52	2,430,307.27	38,271.20	74,771,017.97
Furniture and fixtures	2,206,051.96	71,696,645.22	539,478.18	-	74,442,175.36
Vehicles	22,128,796.91	-	5,323,764.27	4,186,861.08	23,265,700.10
Total	817,730,810.15	101,895,514.86	104,528,582.22	9,904,717.97	1,014,250,189.26
Allowance for impairment	3,893,849.74	-	3,323,101.84	-	7,216,951.58
Net booked value	608,082,122.00				644,029,601.88

Depreciations for the years ended December 31, 2019 and 2018, amounted to Baht 104.53 million and Baht 103.13 million, respectively, in the Company's consolidated statements of profit or loss.

As at December 31, 2019 and 2018, the Group's equipment and vehicles amounting to Baht 612.18 million and Baht 498.08 million, respectively, were fully depreciated but still in use.



Unit : Baht

	Separate financial statements			
	Movement during the year			As at December 31, 2019
	As at January 1, 2019	Increase	Disposal	
Cost				
Land	390,000.00	-	-	390,000.00
Buildings	75,375,926.66	-	-	75,375,926.66
Building improvements	35,278,758.78	355,400.00	-	35,634,158.78
Operating equipment	52,500,414.26	761,693.06	-	53,262,107.32
Office equipment	14,386,264.02	39,200.49	-	14,425,464.51
Vehicles	8,537,955.14	5,607,476.64	4,091,188.78	10,054,243.00
Total	186,469,318.86	6,763,770.19	4,091,188.78	189,141,900.27
Accumulated depreciation				
Buildings	18,238,883.71	3,763,883.36	-	22,002,767.07
Building improvements	31,853,452.08	3,142,191.12	-	34,995,643.20
Operating equipment	46,503,085.18	1,640,367.27	-	48,143,452.45
Office equipment	13,569,759.69	646,387.89	-	14,216,147.58
Vehicles	4,898,849.68	1,855,876.64	4,091,186.78	2,663,539.54
Total	115,064,030.34	11,048,706.28	4,091,186.78	122,021,549.84
Allowance for impairment	2,998,198.88			2,998,198.88
Net booked value	68,407,089.64			64,122,151.55

Depreciations for the years ended December 31, 2019 and 2018, amounted to Baht 11.05 million and Baht 15.93 million, respectively, in the Company's separate statements of profit or loss.

As at December 31, 2019 and 2018, the Company's equipment and vehicles amounting to Baht 94.27 million and Baht 53.69 million, respectively, were fully depreciated but still in use.

The Group's land and construction are mortgaged as collateral for letters of guarantee, bank overdrafts and loans from financial institutions.

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13. INTANGIBLE ASSETS – NET

Intangible assets as at December 31, 2019, consisted of:

	Unit : Baht				
	Consolidated financial statements				
	As at	Increase from business combination	Movements during the year		As at
	January 1, 2019		Increase	Decrease / transfer	December 31, 2019
Cost					
Computer software under development	2,828,000.00	-	278,625.00	3,060,625.00	46,000.00
License fee	229,497.54	-	-	-	229,497.54
Computer software	10,698,260.18	-	3,044,000.00	-	13,742,260.18
Development show					
Himmaphan Avatar	-	32,208,500.00	-	-	32,208,500.00
Total	13,755,757.72	32,208,500.00	3,322,625.00	3,060,625.00	46,226,257.72
Accumulated amortization					
License fee	176,489.53	-	52,446.19	-	228,935.72
Computer software	8,778,226.00	-	2,485,496.38	-	11,263,722.38
Development show					-
Himmaphan Avatar	-	9,011,969.06	902,505.81	-	9,914,474.87
Total	8,954,715.53	9,011,969.06	3,440,448.38	-	21,407,132.97
Net booked value	4,801,042.19				24,819,124.75

	Unit : Baht			
	Separate financial statements			
	As at	Movements during the year		As at
		January 1, 2019	Increase	
Cost				
Computer software under development	2,782,000.00	278,625.00	3,060,625.00	-
Computer software	-	3,044,000.00	-	3,044,000.00
Total	2,782,000.00	3,322,625.00	3,060,625.00	3,044,000.00
Accumulated amortization				
Computer software	-	463,181.36	-	463,181.36
Net booked value	2,782,000.00			2,580,818.64

Amortization for the year ended December 31, 2019 and 2018, in the consolidated financial statements of Baht 3.44 million and Baht 2.07 million, respectively, are included in the statements of profit or loss.



14. DEFERRED TAX ASSETS AND LIABILITIES - NET

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

	Unit: Thousands Baht			
	Consolidated financial statements			
	As at	Movement increase (decrease)		As at
	January 1,	Other		December 31,
2019	Profit or loss	comprehensive income	2019	
Deferred tax assets :				
Allowance for doubtful accounts	1,057	(221)	-	836
Loss on inventory devaluation	173	-	-	173
Allowance for impairment	768	21	-	789
Provision for employee benefit obligations	6,028	2,913	1,614	10,555
Provision	360	-	-	360
Depreciation of supply	371	(185)	-	186
Depreciation	910	1,175	-	2,085
Deferred tax liabilities :				
Surplus on land revaluation	28,950	1,060	-	30,010
Deferred tax assets - net	4,058	1,531	783	6,372
Deferred tax liabilities - net	23,341	(1,113)	(831)	21,397

	Unit: Thousands Baht			
	Separate financial statements			
	As at	Movement increase (decrease)		As at
	January 1,	Other		December 31,
2019	Profit or loss	comprehensive income	2019	
Deferred tax assets :				
Allowance for impairment	600	-	-	600
Provision for employee benefit obligations	1,698	1,001	722	3,421
Provision	360	-	-	360
Total deferred tax assets	2,658	1,001	722	4,381

Tax expenses for the years ended December 31, are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit before income tax	121,378	91,782	57,057	24,225
Income tax rate	20%	20%	20%	20%
Current income tax as tax rate	24,276	18,356	11,411	4,845
Non-deductible expenses by the Revenue Code	395	11,652	(743)	10,737
Double expenses by the Revenue Code	(2,576)	(2,946)	(164)	(253)
Dividend income	-	-	(6,383)	(3,963)
Inter-company transactions	476	(10,393)	-	-
Share of (profit) loss of investment in joint ventures	(9,143)	6,746	-	-
Gain on business combinations	(3,564)	-	-	-
Unutilized tax loss carry forward	2,153	1,956	-	-
Utilized tax loss carry forward unrecord	(389)	(1,135)	-	-
Unrealize gain from sales of inventories				
to joint venture	-	(596)	-	-
Adjust unutilized defertax assets	-	3,184	-	3,183
Tax expenses	11,628	26,824	4,121	14,549
The average effective tax rate	10%	29%	7%	60%

The Group and the Company has unused tax loss carry forward as at December 31, 2019, amounting to Baht 28.49 million. Due to the uncertainty of the utilization, therefore, the management considers not to recognize this deferred tax.

The Group used the income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2019 and 2018.

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15. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Withholding income tax	102,665,453.00	78,765,644.15	74,524,000.59	63,118,806.47
Deposits	8,672,558.77	10,115,961.60	7,019,346.42	8,194,772.44
Total other non-current assets	111,338,011.77	88,881,605.75	81,543,347.01	71,313,578.91

16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	18,610,703.05	45,298,782.57	5,560,586.16	17,840,862.22
Factoring transactions	-	17,544,335.35	-	5,073,485.35
<u>Less prepaid interest</u>	-	(151,412.44)	-	(54,835.93)
Factoring - net	-	17,392,922.91	-	5,018,649.42
Promissory notes	230,000,000.00	198,600,000.00	153,000,000.00	163,600,000.00
<u>Less discount</u>	(940,922.18)	(1,056,943.26)	(545,893.94)	(751,883.70)
Promissory notes - net	229,059,077.82	197,543,056.74	152,454,106.06	162,848,116.30
Total bank overdrafts and short-term loans from financial institutions	247,669,780.87	260,234,762.22	158,014,692.22	185,707,627.94

As at December 31, 2019 and 2018, the Group had bank overdrafts and short-term loans facilities as follows:-

	Unit: Million Baht	
	2019	2018
CMO Public Company Limited and subsidiaries	777.20	581.00
CMO Public Company Limited	399.00	313.00



As at December 31, 2019 and 2018, bank overdrafts, short-term loans, and long-term loan from financial institutions, incurring interest rates between the market rate and MOR, are guaranteed by certain directors of the Company' and the subsidiaries, by a mortgage of the Group's land and constructions, and by restricted deposits at banks and guarantees by the Company and its subsidiary.

17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - related parties	-	321,000.00	18,691,717.65	33,195,594.76
Trade payables - other	116,517,990.72	114,773,250.10	55,034,715.63	48,655,661.42
Total trade payables	116,517,990.72	115,094,250.10	73,726,433.28	81,851,256.18
Other current payables				
Other current payables	4,025,606.47	2,286,532.03	633,923.39	758,966.36
Accrued expenses	11,757,226.99	17,448,307.74	2,612,361.45	1,416,119.15
Accrued withholding tax	6,319,717.67	5,621,130.41	4,198,855.38	3,276,334.03
Accounts payable for purchases of fixed assets	6,617,945.12	593,422.00	66,982.00	556,507.00
Unearned income received from customers	6,872,568.32	7,535,180.17	3,664,373.69	2,668,886.60
Revenue Department payable	5,312,897.30	3,263,793.02	2,866,413.20	1,777,355.25
Undue output VAT	17,641,358.32	19,144,021.96	6,688,572.21	7,201,592.66
Deposit	2,842,748.63	2,691,950.43	895,671.00	511,171.00
Provisions	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00
Other	5,069,910.02	5,463,384.24	329,558.00	315,576.00
Total other current payables	68,259,978.84	65,847,722.00	23,756,710.32	20,282,508.05
Total trade and other current payables	184,777,969.56	180,941,972.10	97,483,143.60	102,133,764.23



18. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Due within 1 year				
Minimum payments	33,256,836.91	28,356,065.53	2,032,598.15	1,032,919.65
Deferred interest	(2,444,499.15)	(2,731,474.91)	(248,350.47)	(104,725.21)
Present value of minimum payment	30,812,337.76	25,624,590.62	1,784,247.68	928,194.44
Due over 1 year not exceeding 5 years				
Minimum payments	27,278,468.08	34,424,022.12	2,824,633.63	1,501,902.87
Deferred interest	(1,134,831.23)	(1,621,324.48)	(195,033.84)	(61,858.52)
Present value of minimum payment	26,143,636.85	32,802,697.64	2,629,599.79	1,440,044.35
Net book value of equipment				
under finance leases agreements	81,535,058.34	78,071,476.30	7,262,745.89	3,473,138.58

The Group entered into lease agreements with a bank and certain companies for operating equipment and vehicles. The leases agreements have the terms of three to five years and bear interest rates of 2.07% to 8.15% per annum.

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long-term loans from financial institutions as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term loans from banks	56,313,697.56	69,258,529.08	15,683,697.56	36,608,696.08
<u>Less</u> current portion	(34,875,702.35)	(39,424,032.59)	(15,215,702.35)	(20,884,199.59)
Long-term loans - net	21,437,995.21	29,834,496.49	467,995.21	15,724,496.49

All long-term loans from financial institutions are guaranteed by a mortgage certain of the Group's land and constructions, restricted deposits at banks, and guarantees by the Company and its subsidiary.



Movement in the long-term loans during the years ended December 31, are summarized below.

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Balance as at January 1,	69,258,529.08	90,584,868.44	36,608,696.08	36,698,391.44
Increase during the year	31,200,000.00	20,000,000.00	-	20,000,000.00
Decrease during the year	(44,144,831.52)	(41,326,339.36)	(20,924,998.52)	(20,089,695.36)
Balance as at December 31,	56,313,697.56	69,258,529.08	15,683,697.56	36,608,696.08

The Company

As at December 31, 2019 and 2018, the Company's long-term loans from banks carried interest at MLR minus certain rate, as stipulated in the agreement. The repayments of the principle and interest are to be made monthly. Full settlement of these loans is to be made within May 2020 to January 2021.

Subsidiaries

As at December 31, 2019 and 2018, the subsidiaries' long-term loans from banks carried interest at MLR minus certain rate, as stipulated in the agreement. The repayments of the principle and interest are to be made monthly. Full settlement of these loans is to be made within March 2021 to March 2024.

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

All long-term loans from financial institution are guaranteed by a mortgage of the Company's and its subsidiary's land and constructions, pledge of fixed deposits, and guarantees by the Company and its subsidiary.

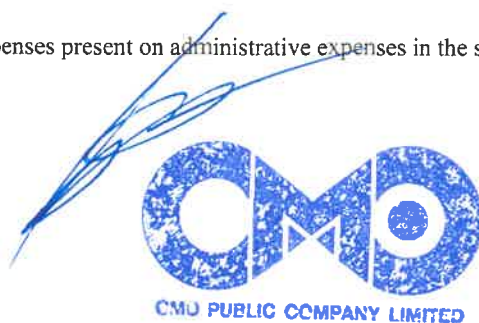


20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement of the present value of non-current provision for employee benefit for the years ended December 31, is as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Non-current provisions for employee benefit				
at beginning of year	30,139,531.00	27,071,057.00	8,491,333.00	7,851,248.00
Included in profit or loss:				
Current service cost	3,197,188.98	2,282,486.00	644,629.16	426,531.00
Past service cost	10,723,792.69	-	4,045,703.38	-
Interest cost	1,040,591.09	785,988.00	311,375.18	213,554.00
Included in other comprehensive income:				
Actuarial losses arising from				
Demographic assumptions	1,380,470.57	-	1,079,561.31	-
Financial assumptions changes	1,115,709.60	-	117,124.98	-
Experience adjustments	5,572,199.07	-	2,414,897.47	-
Benefit paid during the year	(395,314.96)	-	-	-
Non-current provisions for employee benefit at end of year	52,774,168.04	30,139,531.00	17,104,624.48	8,491,333.00

Employee benefit expenses present on administrative expenses in the statements of profit or loss.



Principal actuarial assumptions at the valuation date are as follow:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.47 - 3.48	2.62 - 3.64	2.47	2.72
Future salary increase rate	4 - 6	3 - 6	5	5
Mortality rate	105	80	105	80
	of Thai Mortality Ordinary Tables of 2017	of Thai Mortality Ordinary Tables of 2008	of Thai Mortality Ordinary Tables of 2017	of Thai Mortality Ordinary Tables of 2008

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provisions for employee benefit as at December 31, 2019 are summarized below:

	Unit : Baht				
	Rate	Consolidated financial statements		Separate financial statements	
		Increase	Decrease	Increase	Decrease
Discount rate	0.5%	(1,650,482.20)	1,758,730.59	(319,566.04)	341,296.28
Salary rate increases in the future	1%	3,750,425.69	(3,362,652.43)	804,685.64	(726,802.19)
Turnover rate	20 - 50%	(4,911,245.45)	6,217,064.91	(1,858,806.96)	2,582,660.05

As at December 31, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within 1 year	17,202,197.54	332,186.00	11,422,845.00	-
Over 1 year but not over 5 years	13,716,817.02	15,738,642.00	2,207,265.91	7,016,571.00
Over 5 years	90,040,028.96	56,733,278.00	14,169,331.49	7,939,043.00

On April 5, 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 May 5, 2019. This change is considered a post-employment benefits plan amendment. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.



21. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company set aside as a legal reserve at least 5% of its net profit until the reserve equal 10% of the authorized share capital. This reserve is not available for dividend distribution.

22. DIVIDEND PAYMENT

Pusuant to the Meeting of Board of Directors No. 2/2019, held on May 10, 2019, approved to pay the interim dividend from the profit for the three-month period ended March 31, 2019 to shareholders whose name appeared in the shareholder registration book on May 28, 2019 of Baht 0.13 per share, totalling Baht 33.21 million. The dividend was paid on June 7, 2019.

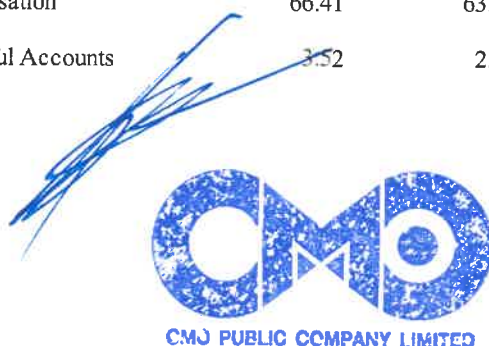
Pursuant to Annual Meeting of Shareholders, held on April 25, 2018 the shareholders authorized the payment of eligible shareholders a dividend from the profit the year 2017 to shareholders of Baht 0.10 per share, amounting to Baht 25.55 million. The dividend was paid on May 24, 2018.

23. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, are as follows:

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of service	816.34	899.65	366.13	402.11
Employee benefits	284.30	275.27	129.46	115.53
Depreciation and amortization	107.97	105.20	11.51	15.93
Advertising fee	1.36	0.95	0.68	0.72
Management compensation	66.41	63.46	34.31	30.93
Allowance for Doubtful Accounts	3.52	2.76	0.97	0.50



24. FINANCIAL INFORMATION BY SEGMENT

The Group engages in the business of event management operate for public, exhibition and various entertainment activities in Thailand. The revenues separated by business segments are as follows:

For the years ended December 31, 2019

	Unit : Thousands Baht							Total
	Consolidated Financial Statements							
	Organizer	Rental Equipment	Production of Media	Installation supplies and Electrical	Theme park	Show	Eliminated	
Revenues								
Marketing and								
Promotion Events	187,414							
Trade Shows and								
Exhibitions	156,614							
Public Events	272,878							
Professional								
Exhibition Organizer	21,316							
Meeting	36,323							
Museum	58,403							
Total	732,948	428,779	41,846	192,779	22,686	-	(80,935)	1,338,103
Cost of services								(1,056,774)
Gross profit								281,329
Other income								13,603
Selling expenses								(11,431)
Administrative expenses								(203,391)
Finance costs								(22,266)
Share of profit from investments								
in joint ventures								45,714
Gain on business combinations								17,820
Profit before income tax								121,378
Tax expenses								(11,628)
Profit for the year	65,383	15,387	(536)	11,961	(10,890)	(679)	29,124	109,750
Profit attributable to								
Equity holders of the Company								98,613
Non-controlling interests								11,137
								109,750
As at December 31, 2019								
Trade and other								
receivables - net	166,850	120,228	16,651	20,243	313	23,847	(47,999)	300,133
Property plant and								
equipment - net	65,034	373,540	32,199	19,088	1,634	61,770	90,765	644,030
Other	99,811	119,139	6,212	30,888	4,484	39,518	(468,462)	241,590
Total assets	331,695	612,907	55,062	70,219	6,431	125,135	(425,697)	1,185,753



For the year ended December 31, 2018

Unit : Thousands Baht

Consolidated Financial Statements							
	Organizer	Rental Equipment	Production of Media	Installation supplies and Electrical	Amusement park	Eliminated	Total
Revenues							
Marketing and							
Promotion Events	399,641						
Trade Shows and							
Exhibitions	106,174						
Public Events	217,247						
Professional							
Exhibition Organizer	20,372						
Museum	53,083						
Total	796,517	486,015	50,625	189,737	27,143	(100,941)	1,449,095
Cost of services							(1,100,353)
Gross profit							348,742
Other income							9,150
Selling expenses							(12,752)
Administrative expenses							(198,327)
Finance costs							(24,279)
Share of loss from investments using the equity method							(30,751)
Profit before income tax							91,783
Tax expense							(26,825)
Profit (loss) for the year	28,401	33,008	1,149	9,712	(9,848)	2,535	64,958
Profit attributable to							
Equity holders of the Company							52,931
Non-controlling interests							12,027
							64,958
As at December 31, 2018							
Trade and other							
receivables - net	194,479	146,694	17,313	30,359	830	(47,728)	341,948
Property plant and							
equipment - net	69,682	388,120	33,863	20,957	9,887	85,573	608,082
Other	481,446	47,247	4,337	20,582	5,104	(351,824)	206,892
Total Assets	745,607	582,061	55,513	71,898	15,821	(313,979)	1,156,922



25. FINANCIAL INSTRUMENTS

Financial Risk Management

The Group is exposed to risks from changes in market interest rates, and from nonperformance of contractual obligations by counterparties. The Group does not use derivative instruments to manage such risks. They do not hold or issue derivative instruments for speculative or trading purposes.

Interest rate risk

The interest rate risk constitutes future movements in market interest rates that will affect the results of the Group's operations and its cash flows. The Group's exposure to interest rate risk relates primarily to its deposits with and loans from financial institutions, and short-term loans from related parties.

Since the majority of these financial assets and liabilities are short-term and long-term loans bear floating interest rates, the Group's believe that there will be no material impact on their respective financial statements.

Foreign currency risk

Foreign exchange rate risk arises from purchasing equipment in foreign currency. The management believes that the Group's foreign exchange rate risk is minimal, so there is no any contract to hedge such risk.

Credit Risk

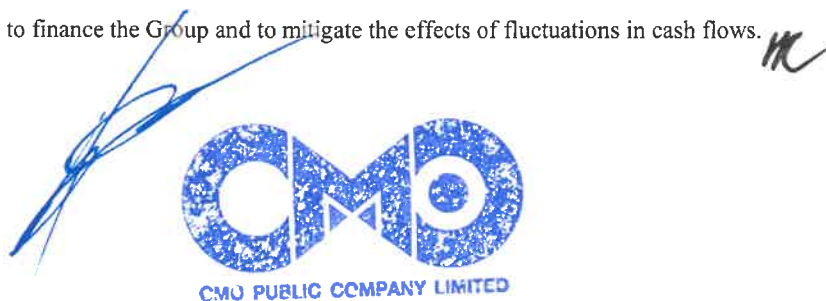
The Group provides credit terms to each customer after confirming her credit worthiness. The collection of accounts receivables is closely monitored and will focus on the overdue receivables and the Group will make a provision for accounts receivable that is overdue for more than 365 days. Presently, the Group's management believe that there is no significant loss arising from the uncollected receivables

Fair Value

As the majority of financial assets and liabilities are short-term and long-term loans bearing floating interest rates, the Company's and the subsidiaries' management believe that their carrying values of financial assets and liabilities do not materially differ from their fair value.

The risk of liquidity

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



Capital management

The Board's policies are to maintain a strong capital base so as to provide assurance to shareholders, investors, creditors and maintain market confidence, and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary

26. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2552. Both employees and the Company contribute to the fund on a monthly basis at the rate of 3% - 15% of salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. Total contributions by the Group for the years ended December 31, 2019 and 2018 amounted to approximately Baht 8.09 million and Baht 6.37 million respectively, in the consolidated financial statement, and amounted to Baht 3.88 million and Baht 2.85 million respectively, in the separated financial statement.

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2019 and 2018, the Group has contingent liabilities in relation to letters of guarantee issued by banks amounting to Baht 85.94 million and Baht 85.60 million, respectively.

The Group has commitments with regard to operating lease agreements where the Group is the lessee, with lease terms of 1 - 3 years. The contract cannot be terminated.

As at December 31, 2019 and 2018, the Group had obligations to render lease payments in the future as follow:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Due within 1 year	1.52	4.41	0.09	1.97
Due over 1 year but not over 5 years	0.44	1.57	0.02	0.07
Total	1.96	5.98	0.11	2.04



28. LITIGATION

On August 2, 2018, a subsidiary company was sued by a contractor for damages under Black Court Case No. 1453P/2017. The Court of First Instance ruled in favor to the Company while a subsidiary company must compensate the plaintiff in the amount of Baht 53.97 million. On January 25, 2019, the subsidiary company filed an appeal with the Appeals Court, according to Red Case No. 3803P/2018. Legal counsel representing both the Company and the subsidiary company, as well as the Management of the Company believe the case will not create material damage to the subsidiary company.

On November 29, 2018, the contractor appealed in the Appeal Court to claim the Company for damages, in the amount of Baht 53.97 million, according to Black Court No. 1453P/2017, under the Red Court No. 3803P/2018. Legal counsel and Management of the Company believe that the outcome of the case will not cause any damage. Therefore, the Company has not provisioned for any liabilities that may arise from the case.

29. EVENT AFTER THE REPORTING PERIOD

On February 21, 2020, the Company purchases 849,998 common shares of CMO Show Crop Co., Ltd. from a shareholder in the total price amount of Baht 0.60 million, as a result the Company's shareholding in the subsidiary increased from 39.29% to 99.99%.

Board of Directors' Meeting No. 1/2020, held on February 26, 2020, resolved pay a dividend from its operating result for the year ended December 31, 2019 for 255,462,733 shares at the rate of Baht 0.075 per share, amounting Baht 19.16 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

30. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Board of Directors for issuance on February 26, 2020. *nk*

