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| **1 General information** |

PROEN Corp Public Company Limited (the “Company”) is a public limited company which listed on the Stock Exchange of Thailand. The company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

72 CAT Telecom Tower 4th, 18th Fl., Charoen Krung Rd., Bangrak Sub-district, Bangrak District, Bangkok.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

The Group is principally engaged in the business of IT equipment distributor, providing internet data center services and related services, providing internet security services and construction.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on   
25 February 2022.

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| **2 Significant events during the current year** |

Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) has adverse effects on operating results for the year ended   
31 December 2020. Management is therefore focusing on measures to mitigate the effects of the COVID-19 outbreak in order to enable the business to operate normally. Management has assessed the risks that may arise along with managing employees and customers base with consideration of future performance. In addition, the group also has a credit line that can be disbursed. Therefore, the impact of the Coronavirus 2019 outbreak does not have a significant impact on the group.

The Initial Public Offering (IPO)

During 21 - 23 April 2021, the Company initial public offered its ordinary shares of 86,000,000 with a par value of Baht 0.50 per share. The offering price of these shares was Baht 3.25 per share, totaling Baht 279,500,000. The Company’s ordinary shares are traded in the Market for Alternative Investment (mai) on 29 April 2021.

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| **3 Basis of preparation** |

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed specifically in Note 4.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

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| **4 Accounting policies** |

**4.1 Group accounting - investments in subsidiaries**

**(a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

**(b) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**4.2 Business combination**

*Business combination under common control*

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquire in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer’s interests in the carrying value of the acquiree is presented as “Surplus arising from business combination under common control” in equity and is derecognised when the investment is disposed transfer to retained earnings.

**4.3 Foreign currency translation**

**a) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the functional and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**4.4 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

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**4.5 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-45 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 5.1.2 (c).

**4.6 Inventories**

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

Cost of inventories is determined by the first-in, first-out method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

**4.7 Financial asset**

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the financial assets. The measurement which the Group classifies its debt instruments:

* Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
* FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, unbilled contract revenue and lease receivables which applies lifetime expected credit loss, from initial recognition, for all trade receivables, unbilled contract revenue and lease receivable.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

* probability-weighted estimated uncollectible amounts
* time value of money; and
* supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss.

**4.8 Property, plant and equipment**

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate cost to residual values over estimated useful lives, as follows:

Land improvements 5 years

Building and buildings improvements 5, 10, 20 years

Network equipment 5 years

Furniture fixture and office equipment 5 years

Vehicles 5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within profit or loss.

**4.9 Intangible assets**

**a) Acquired computer software**

Acquired computer software licenses is measured at cost. These costs are amortised over their estimated useful lives not over than 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

**b) Acquired IP Address**

Separately acquired IP address is measured at historical cost. IP Address which have an indefinite useful life are not subject to amortisation and are tested annually for impairment and carried at cost less accumulated impairment losses.

**4.10 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

**4.11 Leases**

**Leases - where the Group is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the property rental contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

* fixed payments (including in-substance fixed payments), less any lease incentives receivable
* variable lease payment that are based on an index or a rate
* amounts expected to be payable by the lessee under residual value guarantees
* the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
* payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

* the amount of the initial measurement of lease liability
* any lease payments made at or before the commencement date less any lease incentives received
* any initial direct costs, and
* restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**Leases - where the Group is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

**4.12 Financial liabilities**

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

* Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group’s own equity instruments.
* Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification easurement

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

**4.13 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

**4.14 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

*Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised

- investments in subsidiaries, associates, and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**4.15 Employee benefits**

**Defined benefit plans**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee’s latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method.   
The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

**4.16 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**4.17 Share capital**

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown as a deduction in equity.

**4.18 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group’s ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

Sale of goods

Revenue from the sale of goods is recognised when the Group sells a product to the customer which is the point that control of goods has transferred.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

IT consulting services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue from construction

Revenue from construction includes contracts to provide construction and foundation services for building and civil. Under the contracts, the Group’s construction activities create or enhance an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

The warranty of construction contract which accordance with terms in contract is dued within 2 years. However, there is no expenditure during warranty period according to the historical data. The Group does not recognise a provision and cost of construction.

*Contract assets and contract liabilities*

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing. The balance is shown as a current asset, under “Trade and other receivables”.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation. The balance is shown as a current liability, under “Trade and other payable”.

For each customer contract, contract liabilities is set off against contract assets.

*Financing components*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

**4.19 Dividend distribution**

Dividend distributed to the Company’s shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

**4.20 Legal reserve**

Legal Reserve is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution. The Company records the reserve in the current year. The appropriation will be subsequently approved by the Board of Directors and the Shareholders’ meeting.

**4.21 Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

• the amount determined in accordance with the expected credit loss model under TFRS 9; and

• the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

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| **5 Financial risk management** |

**5.1 Financial risk factors**

The Group’s activities expose it to a variety of financial risks, including the effects of changes in interest rates, counterparties do not comply with the contract, credit risk, liquidity risk and capital risk management. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group’s risk management is controlled by a treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group’s operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk as well as investment of excess liquidity.

The Group mainly engages in financial transactions denominated in a local currency where that company is based. The management has considered the risk from exchange rate is low.

**5.1.1 Market risk**

**Interest rate risk**

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, long-term loans to related parties, short-term borrowings, long-term borrowings and debentures. Most of the Group’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group assesses that the interest rate risk is insignificant as the interests from financial assets and financial liabilities are not significantly different. However, the Group will use interest rate swap to management the risk when necessary.

Significant financial assets and liabilities which are interest component categorized by interest rate and maturity date as shown below

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |
| **As at 31 December 2021** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |
| **Significant financial assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 127,119,551 | - | - | - | - | - | 127,119,551 | 0.125 - 0.375 |
| Restricted bank deposits | - | 80,849,700 | - | - | - | - | 80,849,700 | 0.125 - 0.25 |
| Lease receivables, net | 5,301,554 | 9,333,900 | - | - | - | - | 14,635,454 | 7.00 |
|  |  |  |  |  |  |  |  |  |
|  | 132,421,105 | 90,183,600 | - | - | - | - | 222,604,705 |  |
|  |  |  |  |  |  |  |  |  |
| **Significant financial liabilities** |  |  |  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 3,933,371 | - | - | 85,000,000 | - | - | 88,933,371 | 2.15 - 11.37 |
| Long-term loans from financial institutions, net | 6,273,988 | 13,098,735 | - | 13,029,932 | 27,178,117 | 1,805,097 | 61,385,869 | 2.00 - 6.95 |
| Lease liabilities, net | 17,435,864 | 12,134,604 | - | - | - | - | 29,570,468 | 4.91 - 8.75 |
|  |  |  |  |  |  |  |  |  |
|  | 27,643,223 | 25,233,339 | - | 98,029,932 | 27,178,117 | 1,805,097 | 179,889,708 |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |
| **As at 31 December 2020** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |
| **Significant financial assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 85,401,394 | - | - | - | - | - | 85,401,394 | 0.125 - 0.375 |
| Financial assets measured at amortised cost | 2,262,100 | - | - | - | - | - | 2,262,100 | 0.20 - 0.55 |
| Lease receivables, net | 4,944,142 | 14,635,455 | - | - | - | - | 19,579,597 | 7.00 |
| Restricted bank deposits | - | 70,849,700 | - | - | - | - | 70,849,700 | 0.125 - 0.25 |
|  |  |  |  |  |  |  |  |  |
|  | 92,607,636 | 85,485,155 | - | - | - | - | 178,092,791 |  |
|  |  |  |  |  |  |  |  |  |
| **Significant financial liabilities** |  |  |  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 45,987,600 | - | - | 44,887,439 | - | - | 90,875,039 | 2.20 - 11.37 |
| Long-term loans from financial institutions, net | 10,533,707 | 13,972,744 | - | 12,793,714 | 33,826,114 | 6,141,490 | 77,267,769 | 2.00 - 6.75 |
| Lease liabilities, net | 22,171,270 | 25,543,534 | - | - | - | - | 47,714,804 | 4.91 - 9.03 |
|  |  |  |  |  |  |  |  |  |
|  | 78,692,577 | 39,516,278 | - | 57,681,153 | 33,826,114 | 6,141,490 | 215,857,612 |  |

|  | **Separate financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |
| **As at 31 December 2021** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |
| **Significant financial assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 114,934,578 | - | - | - | - | - | 114,934,578 | 0.125 - 0.375 |
| Restricted deposits with financial institutions | - | 80,849,700 | - | - | - | - | 80,849,700 | 0.125 - 0.25 |
| Lease receivable, net | 5,301,554 | 9,333,900 | - | - | - | - | 14,635,454 | 7.00 |
|  |  |  |  |  |  |  |  |  |
|  | 120,236,132 | 90,183,600 | - | - | - | - | 210,419,732 |  |
|  |  |  |  |  |  |  |  |  |
| **Significant financial liabilities** |  |  |  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 930,664 | - | - | 85,000,000 |  |  | 85,930,664 | 2.15 - 11.37 |
| Long-term loans from financial institutions, net | 5,173,697 | 8,799,025 | - | 13,029,933 | 27,178,117 | 1,805,097 | 55,985,869 | 2.00 - 6.95 |
| Lease liabilities, net | 17,400,129 | 12,134,604 | - | - |  |  | 29,534,733 | 4.91 - 8.75 |
|  |  |  |  |  |  |  |  |  |
|  | 23,504,490 | 20,933,629 | - | 98,029,933 | 27,178,117 | 1,805,097 | 171,451,266 |  |

|  | **Separate financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |
| **As at 31 December 2020** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |
| **Significant financial assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 63,533,098 | - | - | - | - | - | 63,533,098 | 0.125 - 0.375 |
| Financial assets measured at amortised cost | 2,262,100 | - | - | - | - | - | 2,262,100 | 0.20 - 0.55 |
| Lease receivable, net | 4,944,142 | 14,635,455 | - | - | - | - | 19,579,597 | 7.00 |
| Short term loans to related parties | 62,477,572 | - | - | - | - | - | 62,477,572 | 8.00 |
| Restricted deposits with financial institutions | - | 70,849,700 | - | - | - | - | 70,849,700 | 0.125 - 0.25 |
|  |  |  |  |  |  |  |  |  |
|  | 133,216,912 | 85,485,155 | - | - | - | - | 218,702,067 |  |
|  |  |  |  |  |  |  |  |  |
| **Significant financial liabilities** |  |  |  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 44,115,163 | - | - | 44,887,439 | - | - | 89,002,602 | 2.20 - 11.37 |
| Long-term loans from financial institutions, net | 5,133,707 | 13,972,744 | - | 12,793,714 | 33,826,114 | 6,141,490 | 71,867,769 | 2.00 - 6.75 |
| Lease liabilities, net | 21,762,402 | 25,507,799 | - | - | - | - | 47,270,201 | 4.91 - 9.03 |
|  |  |  |  |  |  |  |  |  |
|  | 71,011,272 | 39,480,543 | - | 57,681,153 | 33,826,114 | 6,141,490 | 208,140,572 |  |

**5.1.2 Credit risk**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through profit or loss (FVPL) as well as credit exposures to customers, including outstanding receivables.

**a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of ‘A’ are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For derivative financial instruments, management has established limits so that, at ay time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty.

The Group’s investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

1. **Security**

For some trade receivables the Group may obtain security in the form of guarantees, or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

**c) Impairment of financial assets**

The Group and the Company have following financial assets that are subject to the expected credit loss model:

* cash and cash equivalents
* trade receivable, unbilled contract revenue, retention receivables, and accrued income, accrued interest and other receivables (included in trade and other receivables)
* loans to related parties
* financial assets measured at amortised cost
* restricted deposits with financial institution
* lease receivables.

While cash and cash equivalents, financial assets measure at amortise cost, restricted deposits at financial institutions, retention receivables, accrued income, interest receivables, loans to related parties and lease receivables are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

*Trade receivables*

The Group and the Company considered the aging of receivables based on invoices’ due date of outstanding receivables balance as of reporting date as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **31 December 2021** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 96,105,064 | 19,203,637 | 3,538,572 | 18,747,475 | 27,748,790 | 165,343,538 |
| Loss allowance | - | - | 854,946 | 13,506,468 | 27,748,790 | 42,110,204 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **31 December 2020** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 39,301,360 | 12,715,323 | 2,799,969 | 2,375,692 | 21,742,328 | 78,934,672 |
| Loss allowance | - | - | 771,168 | 1,419,473 | 21,742,328 | 23,932,969 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **31 December 2021** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 97,180,951 | 19,053,190 | 4,374,547 | 5,673,359 | 27,287,309 | 153,569,356 |
| Loss allowance | - | - | 854,946 | 4,302,262 | 27,287,309 | 32,444,517 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **31 December 2020** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 40,342,444 | 11,695,034 | 2,585,541 | 2,375,692 | 21,189,738 | 78,188,449 |
| Loss allowance | - | - | 771,168 | 1,419,473 | 21,189,738 | 23,380,379 |

*Unbilled contract revenue*

Mostly unbilled contract revenue will be billed to customers within three months, unless otherwise agreed in customer contracts. However, the Group has mitigated credit risk by collection cash from customers in advance according to term of contract and present as ‘Unearned revenue from construction’ and slightly deduction with progress billing.

The Group and the Company considered the aging of unbilled contract revenue from outstanding balance as of reporting date as follows.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **31 December 2021** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - unbilled contract revenue | - | 109,189,440 | 7,787,374 | 6,852,788 | - | 123,829,602 |
| Loss allowance | - | - | - | - | - | - |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **31 December 2020** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - unbilled contract revenue | - | 57,993,441 | 21,120,595 | 6,576,684 | 9,329,961 | 95,020,681 |
| Loss allowance | - | 1,013,028 | - | 4,337,490 | 9,329,961 | 14,680,479 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **31 December 2021** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - unbilled contract revenue | - | 109,189,440 | 7,787,374 | 6,852,788 | - | 123,829,602 |
| Loss allowance | - | - | - | - | - | - |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **31 December 2020** | **Not yet due**  **Baht** | **Up to**  **3 months**  **Baht** | **3 - 6 months**  **Baht** | **6 - 12 months Baht** | **Over**  **12 months**  **Baht** | **Total**  **Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - unbilled contract revenue | - | 47,506,170 | 20,926,830 | - | - | 68,433,000 |
| Loss allowance | - | - | - | - | - | - |

The reconciliations of loss allowance for trade receivables and unbilled contract revenue for the year ended   
31 December:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **Trade receivables** | | **Unbilled contract revenue** | |
|  | **2021**  **Baht** | **2020**  **Baht** | **2021**  **Baht** | **2020**  **Baht** |
|  |  |  |  |  |
| **At 1 January** | 23,932,969 | 17,265,231 | 14,680,479 | - |
| Increase in loss allowance recognised  in profit or loss during the year | 18,268,344 | 15,241,043 | 478,183 | 14,680,479 |
| Receivable written off during the year  as uncollectible | - | (58,422) | (637,712) | - |
| Unused amount reversed | (91,109) | (8,514,883) | (14,520,950) | - |
|  |  |  |  |  |
| **At 31 December** | 42,110,204 | 23,932,969 | - | 14,680,479 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  | **Trade receivables** | | **Unbilled contract revenue** | |
|  | **2021**  **Baht** | **2020**  **Baht** | **2021**  **Baht** | **2020**  **Baht** |
|  |  |  |  |  |
|  |  |  |  |  |
| **At 1 January** | 23,380,379 | 8,197,758 | - | - |
| Increase in loss allowance recognised  in profit or loss during the year | 9,064,138 | 15,241,043 | - | - |
| Receivable written off during the year  as uncollectible | - | (58,422) | - | - |
| Unused amount reversed | - | - | - | - |
|  |  |  |  |  |
| **At 31 December** | **32,444,517** | **23,380,379** | **-** | **-** |

Impairment losses on trade receivables and unbilled contract revenue are presented as net impairment losses within profit before finance costs and income taxes. Subsequent recoveries of amounts previously written off are credited against the same line item.

*Loans to related parties*

The Company has loans to related parties measured at amortised cost. The 12-month expected credit loss allowance was recognised for those loans without any significant increase in credit risk. The lifetime expected credit loss was recognised for those loans with significant increase in credit risk.

**5.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 126,668,562 (2020: Baht 84,971,864) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the Group’s liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group’s liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

**a) Financing arrangements**

The Group has access to the following undrawn credit facilities as at 31 December as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Floating rate** |  |  |  |  |
| Expiring within one year |  |  |  |  |
| - Bank overdrafts | 1,997,293 | - | - | - |
| - Bank loans | 8,222,969 | - | 8,222,969 | - |
| - Working capitals | 259,000,000 | 326,609,637 | 259,000,000 | 323,480,515 |
|  |  |  |  |  |
| Expiring beyond one year |  |  |  |  |
| - Bank overdrafts | 46,169,337 | 22,880,330 | 46,169,337 | 13,509,534 |
| - Bank loans | 33,810,684 | 39,898,544 | 33,810,684 | 39,898,544 |
| - Working capitals | - | 13,509,534 | - | 22,880,330 |
|  |  |  |  |  |
|  | 349,200,283 | 402,898,045 | 347,202,990 | 399,768,923 |

**b) Maturity of financial liabilities**

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
| **Maturity of** **significant financial liabilities** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book value**  **Liability**  **Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2021** |  |  |  |  |  |
| Bank overdrafts and short-term  loans from financial institutions | 88,961,883 | - | - | 88,961,883 | 88,933,371 |
| Trade payables, net | 228,219,472 | - | - | 228,219,472 | 228,219,472 |
| Long-term loans from financial  institutions, net | 21,902,417 | 43,883,075 | 1,830,256 | 67,615,748 | 61,385,869 |
| Lease liabilities, net | 18,837,196 | 13,139,469 | - | 31,976,665 | 29,570,468 |
|  |  |  |  |  |  |
| **Total significant financial**  **liabilities that is not derivatives** | 357,920,969 | 57,022,544 | 1,830,256 | 416,773,769 | 408,109,180 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
| **Maturity of** **significant financial liabilities** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book value**  **Liability**  **Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |
| Bank overdrafts and short-term  loans from financial institutions | 90,875,039 | - | - | 90,875,039 | 90,875,039 |
| Trade payables, net | 109,617,180 | - | - | 109,617,180 | 109,617,180 |
| Long-term loans from financial  institutions, net | 26,966,296 | 53,513,190 | 6,642,009 | 87,121,495 | 77,267,769 |
| Lease liabilities, net | 29,307,169 | 29,505,493 | - | 58,812,662 | 47,714,804 |
|  |  |  |  |  |  |
| **Total significant financial**  **liabilities that is not derivatives** | 256,765,684 | 83,018,683 | 6,642,009 | 346,426,376 | 325,474,792 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
| **Maturity of** **significant financial liabilities** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book value**  **Liability**  **Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2021** |  |  |  |  |  |
| Bank overdrafts and short-term  loans from financial institutions | 85,959,176 | - | - | 85,959,176 | 85,930,664 |
| Trade payables, net | 219,134,630 | - | - | 219,134,630 | 219,134,630 |
| Long-term loans from financial  institutions, net | 20,558,796 | 39,335,016 | 1,830,256 | 61,724,068 | 55,985,869 |
| Lease liabilities, net | 18,801,196 | 13,139,469 | - | 31,940,665 | 29,534,733 |
|  |  |  |  |  |  |
| **Total significant financial**  **liabilities that is not derivatives** | 344,453,799 | 52,474,485 | 1,830,256 | 398,758,540 | 390,585,896 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
| **Maturity of** **significant financial liabilities** | **Within**  **1 year**  **Baht** | **1 - 5 years**  **Baht** | **Over**  **5 years**  **Baht** | **Total**  **Baht** | **Book value**  **Liability**  **Baht** |
|  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |
| Bank overdrafts and short-term  loans from financial institutions | 89,002,602 | - | - | 89,002,602 | 89,002,602 |
| Trade payables, net | 99,597,399 | - | - | 99,597,399 | 99,597,399 |
| Long-term loans from financial  institutions, net | 21,312,383 | 53,269,860 | 6,393,659 | 80,975,902 | 71,867,769 |
| Lease liabilities, net | 28,875,169 | 29,469,493 | - | 58,344,662 | 47,270,201 |
|  |  |  |  |  |  |
| **Total significant financial**  **liabilities that is not derivatives** | 238,787,553 | 82,739,353 | 6,393,659 | 327,920,565 | 307,737,971 |

**5.2** **Capital risk management**

**5.2.1 Risk management**

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

|  |
| --- |
| **6 Fair value estimation** |

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of investment in equity instrument in level one is based on the closing price by reference to the active markets.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates. Fair value for the following investments was determined by closing price of mutual fund management.

Level 3: The fair value of financial instruments is not based on observable market data.

Fair values of financial assets and financial liabilities have similar value with carrying amounts as most of financial assets and financial liabilities are short term financial instruments except for borrowings according to disclosure in Note 20 that have the fair value.

The following table shows fair values of financial asset measured at fair value through profit or loss

|  |  |
| --- | --- |
|  | **31 December 2021** |
|  | **Level 1** |
|  | **Baht** |
| Financial assets measured at fair value through profit or loss |  |
| Fixed Income Fund | 149,572,705 |

|  |
| --- |
| **7 Critical accounting estimates and judgements** |

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Allowance for obsolete, slow-moving and defective inventories

The Group has made allowance, where necessary, for obsolete, slow moving and defective inventories by estimating the net realisable value was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses.  Furthermore, the calculation of the net realisable estimation was based on historical experience, management’s knowledge of the industry and future market trends.

b) Employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

c) Provision for decommissioning

According to building lease agreement, the Group has obligation to decommission furniture and fixtures at the end of lease term. The provision for decommissioning rely significantly on the exercise of judgment in determining assumptions about decommissioning costs, inflation rates, discount rates and timing of the decommissioning which depending on business plan of the Group. These assumptions are subject to change over time. The Group estimates provision for decommissioning by referencing to actual decommissioning costs in the market, reflect inflation rate, and discounted using market yield of government bonds that are denominated in the currency in which the provision will be paid, and that have terms to maturity approximating the terms of the related liability. Management reviews and adjusts relevant assumptions when those assumptions significantly change.

d) Construction revenue and costs

Construction revenue and construction costs are recognised by using the percentage of completion method. The stage of completion is measured by reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and customers. Construction costs are estimated based from management and engineer experience after taking into consideration of work progress and updated budget project costs incurred as part of the budget.

e) Provision for cost of construction

The Group recognised construction cost by using bill of quantities and labours used in each construction contract. The construction cost is estimated by engineer or project manager. The estimation can be changed if the substance of work change.

f) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group’s past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

|  |
| --- |
| **8 Segment information** |

The Group has three segments report which are comprised of IT equipment distribution, internet data center and related services and construction.

Reporting segments are referred from the Group’s internal report which is reviewed by chief operating decision-maker. Chief executive officer and chief financial officer decision-maker are the chief executive who makes decisions about resource allocation and assesses the segment performance by considering from revenue and segment results.

The Board of Directors consider the following reporting segments.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **IT equipment**  **distribution** | **Internet data**  **center and**  **related services** | **Construction** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **For the year ended 31 December 2021** |  |  |  |  |
| Revenue |  |  |  |  |
| Gross segment revenues | 528,472,850 | 311,697,118 | 229,551,793 | 1,069,721,761 |
| Revenue from inter - segment | (106,733) | (11,131,036) | - | (11,237,769) |
|  |  |  |  |  |
| Total revenue | 528,366,117 | 300,566,082 | 229,551,793 | 1,058,483,992 |
|  |  |  |  |  |
| Segment results | 43,738,177 | 80,723,561 | 21,561,985 | 146,023,723 |
| Other income |  |  |  | 3,079,539 |
| Unallocated costs |  |  |  | (102,157,613) |
| Finance costs |  |  |  | (9,768,249) |
|  |  |  |  |  |
| Profit before income tax expense |  |  |  | 37,177,400 |
| Income tax expense |  |  |  | (8,014,169) |
|  |  |  |  |  |
| Net profit for the year |  |  |  | 29,163,231 |
|  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |
| At a point in time | 528,366,117 | - | - | 528,366,117 |
| Over time | - | 300,566,082 | 229,551,793 | 530,117,875 |
|  |  |  |  |  |
| Total Revenue | 528,366,117 | 300,566,082 | 229,551,793 | 1,058,483,992 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **IT equipment**  **distribution** | **Internet data**  **center and**  **related services** | **Construction** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |
| Revenue |  |  |  |  |
| Gross segment revenues | 336,805,697 | 274,322,098 | 403,927,832 | 1,015,055,627 |
| Revenue from inter - segment | - | (13,947,439) | - | (13,947,439) |
|  |  |  |  |  |
| Total revenue | 336,805,697 | 260,374,659 | 403,927,832 | 1,001,108,188 |
|  |  |  |  |  |
| Segment results | 21,149,286 | 83,713,827 | 55,199,657 | 160,062,770 |
| Other income |  |  |  | 4,398,707 |
| Unallocated costs |  |  |  | (112,409,481) |
| Finance costs |  |  |  | (16,843,699) |
|  |  |  |  |  |
| Profit before income tax expense |  |  |  | 35,208,297 |
| Income tax expense |  |  |  | (9,933,338) |
|  |  |  |  |  |
| Net profit for the year |  |  |  | 25,274,959 |
|  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |
| At a point in time | 336,805,697 | - | - | 336,805,697 |
| Over time | - | 260,374,659 | 403,927,832 | 664,302,491 |
|  |  |  |  |  |
| Total Revenue | 336,805,697 | 260,374,659 | 403,927,832 | 1,001,108,188 |

**Information about major customers**

The details of major customers can be analysed by segment as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **For the period ended 31 December 2021** |  |  |  |  |
|  |  |  |  |  |
| Major customer 1 | 413,161,468 | 128,107,004 | - | 541,268,472 |
| Major customer 2 | - | - | 133,145,058 | 133,145,058 |
|  |  |  |  |  |
| **For the period ended 31 December 2020** |  |  |  |  |
|  |  |  |  |  |
| Major customer 1 | 297,386,024 | 114,348,980 | - | 411,735,004 |
| Major customer 2 | - | - | 387,087,098 | 387,087,098 |

|  |
| --- |
| **9 Cash and cash equivalents** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash on hand | 46,152 | 29,169 | 16,600 | 2,427 |
| Deposits held at call with banks | 126,668,562 | 84,971,864 | 114,807,063 | 63,423,667 |
| Fixed deposits less than 3 months | 404,837 | 400,361 | 110,915 | 107,004 |
|  |  |  |  |  |
|  | 127,119,551 | 85,401,394 | 114,934,578 | 63,533,098 |

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statements of cash flows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash and cash equivalent | 127,119,551 | 85,401,394 | 114,934,578 | 63,533,098 |
| Bank overdrafts (Note 20) | (3,933,371) | (12,723,324) | (930,664) | (10,850,887) |
|  |  |  |  |  |
|  | 123,186,180 | 72,678,070 | 114,003,914 | 52,682,211 |

|  |
| --- |
| **10 Trade and other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade receivables** |  |  |  |  |
| Trade receivables - third parties | 165,343,538 | 78,929,322 | 148,539,777 | 74,458,659 |
| Trade receivables - related parties (Note 32) | - | 5,350 | 5,029,579 | 3,729,790 |
|  |  |  |  |  |
| Total trade receivables | 165,343,538 | 78,934,672 | 153,569,356 | 78,188,449 |
|  |  |  |  |  |
| Less Impairment loss on |  |  |  |  |
| trade receivable (Note 5.1.2) | (42,110,204) | (23,932,969) | (32,444,517) | (23,380,379) |
|  |  |  |  |  |
| Trade receivables, net | 123,233,334 | 55,001,703 | 121,124,839 | 54,808,070 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Unbilled contract revenue (Note 5.1.2 and 25.1) | 123,829,602 | 95,020,681 | 123,829,602 | 68,433,000 |
| Less Impairment loss on other receivables  (Note 5.1.2 and 25.1) | - | (14,680,479) | - | - |
| Retention receivable from |  |  |  |  |
| construction contract | 40,595,069 | 40,729,866 | 34,583,769 | 36,043,618 |
| Advance payment for construction contract | 91,344,037 | 76,628,048 | 75,761,142 | 60,074,618 |
| Advance payment for goods and services | 5,410,036 | 18,843,689 | 5,401,116 | 18,802,756 |
| Accrued income | 23,203,814 | 6,753,027 | 29,771,880 | 10,095,400 |
| Prepayments | 16,143,972 | 11,719,514 | 15,494,993 | 11,285,304 |
| Accrued interest income | 26,336 | 62,666 | 5,431,085 | 6,034,883 |
| Other receivables | 867,155 | 7,614,552 | 14,894 | 6,562,063 |
| Advance payment | 104,901 | 137,563 | 49,958 | 87,563 |
|  |  |  |  |  |
|  |  |  |  |  |
| Other receivables, net | 301,524,922 | 242,829,127 | 290,338,439 | 217,419,205 |
|  |  |  |  |  |
| Total trade and other receivables, net | 424,758,256 | 297,830,830 | 411,463,278 | 272,227,275 |

**Impairment on trade receivables and unbilled contract revenue**

## Information of impairment on trade receivables and unbilled contract revenue disclose in Note 5.1.2 (c)

|  |
| --- |
| **11 Financial assets measured at fair value through profit or loss** |

Movements of short-term investments for period ended 31 December 2021 is as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate**  **financial information** |
|  | **Financial assets measured at**  **fair value through profit or loss** |
|  |  |
|  |  |
| **Opening net book value** | - |
| Addition | 150,000,000 |
| Change in fair value | (427,295) |
|  |  |
| **Closing net book value** | 149,572,705 |

At 31 December 2021, Fixed Income Fund measured at fair value by Net Asset Value (NAV) which announced by the financial institution.

|  |
| --- |
| **12 Financial assets and financial liabilities** |

As at 31 December, classification of the Group’s and the Company’s financial assets and financial liabilities are at amortised cost as follows:

|  | **Consolidated financial statements** | | | |
| --- | --- | --- | --- | --- |
|  | **Fair value through**  **profit or loss (FVPL)** | | **Amortised cost** | |
|  | **2021**  **Baht** | **2020**  **Baht** | **2021**  **Baht** | **2020**  **Baht** |
|  |  |  |  |  |
| **Significant financial assets** |  |  |  |  |
| Cash and cash equivalents | - | - | 127,119,551 | 85,401,394 |
| Trade receivables, net | - | - | 123,233,334 | 55,001,703 |
| Financial assets measured at fair value |  |  |  |  |
| through profit or loss | 149,572,705 | - | - | - |
| Lease receivable, net |  |  | 14,635,454 | 19,579,597 |
| Restricted deposits with financial institutions | - | - | 80,849,700 | 70,849,700 |
|  |  |  |  |  |
|  | 149,572,705 | - | 345,838,039 | 230,832,394 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Significant financial liabilities** |  |  |  |  |
| Bank overdrafts and short-term loans |  |  |  |  |
| from financial institutions | - | - | 88,933,371 | 90,875,039 |
| Trade payables, net | - | - | 228,219,472 | 109,617,180 |
| Long-term loans from financial institutions, net | - | - | 61,385,869 | 77,267,769 |
| Lease liabilities, net | - | - | 29,570,468 | 47,714,804 |
|  |  |  |  |  |
|  | - | - | 408,109,180 | 325,474,792 |

|  | **Separated financial statements** | | | |
| --- | --- | --- | --- | --- |
|  | **Fair value through**  **profit or loss (FVPL)** | | **Amortised cost** | |
|  | **2021**  **Baht** | **2020**  **Baht** | **2021**  **Baht** | **2020**  **Baht** |
|  |  |  |  |  |
| **Significant financial assets** | - | - | 114,934,578 | 63,533,098 |
| Cash and cash equivalents |  |  |  |  |
| Trade receivables, net | - | - | 121,124,839 | 54,808,070 |
| Financial assets measured at fair value |  |  |  |  |
| through profit or loss | 149,572,705 | - | - | - |
| Lease receivable, net | - | - | 14,635,454 | 19,579,597 |
| Loan to related parties |  |  | 54,058,203 | 62,477,572 |
| Restricted deposits with financial institutions | - | - | 80,849,700 | 70,849,700 |
|  |  |  |  |  |
|  | 149,572,705 | - | 385,602,774 | 271,248,037 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Significant financial liabilities** |  |  |  |  |
| Bank overdrafts and short-term loans |  |  |  |  |
| from financial institutions | - | - | 85,930,664 | 89,002,602 |
| Trade payables, net | - | - | 219,302,647 | 99,597,399 |
| Long-term loans from financial institutions, net | - | - | 55,985,869 | 71,867,769 |
| Lease liabilities, net | - | - | 29,534,733 | 47,270,201 |
|  |  |  |  |  |
|  | - | - | 390,753,913 | 307,737,971 |

|  |
| --- |
| **13 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw material | 160,295 | 105,695 | - | - |
| Work in process (Note 25) | 59,792,059 | 18,622,009 | 59,792,059 | 18,622,009 |
| Finished goods | 14,711,210 | 1,795,294 | 14,711,210 | 1,795,294 |
| Work in process under construction contract  (Note 25) | 29,052,291 | - | 29,052,291 | - |
|  |  |  |  |  |
| Total inventories | 103,715,855 | 20,522,998 | 103,555,560 | 20,417,303 |
| Less Allowance for diminution in value of inventories | - | (110,102) | - | (110,102) |
|  |  |  |  |  |
| Inventories, net | 103,715,855 | 20,412,896 | 103,555,560 | 20,307,201 |

#### The cost of inventories amounted to Baht 83,192,857 and Baht 83,138,257 (2020: Baht 946,443 and Baht 529,717) recognised as expense and included in cost of sales in consolidated comprehensive income and separate comprehensive income, respectively.

#### In 2021, there is no inventory is carried at net realisable value, this being lower than cost (2020: nil).

|  |
| --- |
| **14 Restricted cash** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2021** | **2020** |
|  | **Baht** | **Baht** |
|  |  |  |
| Saving deposits | 19,664,500 | 19,664,500 |
| Fixed deposits | 61,185,200 | 51,185,200 |
|  |  |  |
|  | 80,849,700 | 70,849,700 |

At 31 December 2021, the Company’s deposits are pledged with domestic financial institutions as collateral of letter guarantee, overdraft facilities and borrowing facilities of the company and subsidiaries (Note 20).

|  |
| --- |
| **15 Investments in subsidiaries** |

The movement in investments in subsidiaries can be analysed as follows:

|  |  |  |
| --- | --- | --- |
|  | **Separate**  **financial statements** | |
|  |  | |
|  | **2021** | **2020** |
|  | **Baht** | **Baht** |
|  |  |  |
| 1 January | 11,999,600 | 4,499,750 |
| Additions | - | 7,499,850 |
|  |  |  |
| 31 December | 11,999,600 | 11,999,600 |

As at 31 December 2021, the subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

The detail of investments in subsidiaries are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | | **Issued and paid-up** | | **Proportion of shares** | | **Investment in cost**  **method** | |
|  |  |  | **Registered share capital** | | **share capital** | | **held by parent** | |
|  |  |  | **31 December** | **31 December** | **31 December** | **31 December** | **31 December** | **31 December** | **31 December** | **31 December** |
|  | **Country of** | **Nature of** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| **Name** | **incorporation** | **business** | **Baht** | **Baht** | **Baht** | **Baht** | **%** | **%** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| Secure Network Operation Center  Company Limited | Thailand | Provide internet  securities services | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 100 | 100 | 1,999,800 | 1,999,800 |
|  |  |  |  |  |  |  |  |  |  |  |
| Proen Telebiz Company Limited | Thailand | Construction | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 100 | 100 | 9,999,800 | 9,999,800 |
|  |  |  |  |  |  |  |  |  |  |  |
| Joint Venture - Proen Fit | Thailand | Provide internet services | - | - | - | - | 97 | 97 | - | - |

|  |
| --- |
| **16 Property, plant and equipment** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
|  |  | **Buildings** |  | **Furniture** |  |  |  |
|  | **Land and** | **and** |  | **fixtures and** |  |  |  |
|  | **land** | **building** | **Network** | **office** |  | **Work** |  |
|  | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |
| **At 1 January 2020** |  |  |  |  |  |  |  |
| Cost | 12,988,416 | 20,788,258 | 76,667,519 | 33,084,976 | 14,485,916 | - | 158,015,085 |
| Less Accumulated depreciation | (49,765) | (6,111,718) | (50,058,916) | (20,932,250) | (6,688,556) | - | (83,841,205) |
|  |  |  |  |  |  |  |  |
| Net book value | 12,938,651 | 14,676,540 | 26,608,603 | 12,152,726 | 7,797,360 | - | 74,173,880 |
|  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |  |  |
| Opening net book value | 12,938,651 | 14,676,540 | 26,608,603 | 12,152,726 | 7,797,360 | - | 74,173,880 |
| Additions | 62,991,846 | - | 8,318,123 | 1,760,130 | - | 9,983,323 | 83,053,422 |
| Disposals, net | - | - | - | (155,705) | - | - | (155,705) |
| Transfer-in (out) | - | - | (7,359) | - | (1) | - | (7,360) |
| Depreciation charge | - | - | 1,430,000 | 7,103,413 | - | (8,533,413) | - |
|  | (35,162) | (1,732,658) | (10,769,561) | (5,997,709) | (2,486,985) | - | (21,022,075) |
| Closing net book value |  |  |  |  |  |  |  |
|  | 75,895,335 | 12,943,882 | 25,579,806 | 14,862,855 | 5,310,374 | 1,449,910 | 136,042,162 |
| **At 31 December 2020** |  |  |  |  |  |  |  |
| Cost |  |  |  |  |  |  |  |
| Less Accumulated depreciation | 75,980,262 | 20,788,258 | 86,408,042 | 38,670,619 | 11,869,581 | 1,449,910 | 235,166,672 |
|  | (84,927) | (7,844,376) | (60,828,236) | (23,807,764) | (6,559,207) | - | (99,124,510) |
| Closing net book value |  |  |  |  |  |  |  |
|  | 75,895,335 | 12,943,882 | 25,579,806 | 14,862,855 | 5,310,374 | 1,449,910 | 136,042,162 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
|  |  | **Buildings** |  | **Furniture** |  |  |  |
|  | **Land and** | **and** |  | **fixtures and** |  |  |  |
|  | **land** | **building** | **Network** | **office** |  | **Work** |  |
|  | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2021** |  |  |  |  |  |  |  |
| Opening net book value | 75,895,335 | 12,943,882 | 25,579,806 | 14,862,855 | 5,310,374 | 1,449,910 | 136,042,162 |
| Additions | - | - | 18,159,204 | 4,992,921 | - | 2,425,520 | 25,577,645 |
| Write-off, net | - | - | - | - | - | - | - |
| Disposals, net | - | - | (244,367) | - | (285,776) | - | (530,143) |
| Transfer-in (out) | - | 762,850 | 2,145,000 | 967,580 | - | (3,875,430) | - |
| Depreciation charge | (35,067) | (1,828,607) | (13,505,285) | (5,861,513) | (1,868,733) | - | (23,099,205) |
|  |  |  |  |  |  |  |  |
| Closing net book value | 75,860,268 | 11,878,125 | 32,134,358 | 14,961,843 | 3,155,865 | - | 137,990,459 |
|  |  |  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |  |  |
| Cost | 75,980,262 | 21,551,108 | 106,407,246 | 44,631,120 | 8,111,581 | - | 256,681,317 |
| Less Accumulated depreciation | (119,994) | (9,672,983) | (74,272,888) | (29,669,277) | (4,955,716) | - | (118,690,858) |
|  |  |  |  |  |  |  |  |
| Closing net book value | 75,860,268 | 11,878,125 | 32,134,358 | 14,961,843 | 3,155,865 | - | 137,990,459 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
|  |  | **Buildings** |  | **Furniture** |  |  |  |
|  | **Land and** | **and** |  | **fixtures and** |  |  |  |
|  | **land** | **building** | **Network** | **office** |  | **Work** |  |
|  | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |
| **At 1 January 2020** |  |  |  |  |  |  |  |
| Cost | 12,988,416 | 20,788,258 | 74,597,983 | 32,780,543 | 12,285,916 | - | 153,441,116 |
| Less Accumulated depreciation | (49,765) | (6,111,718) | (49,548,155) | (20,845,632) | (5,389,050) | - | (81,944,320) |
|  |  |  |  |  |  |  |  |
| Net book value | 12,938,651 | 14,676,540 | 25,049,828 | 11,934,911 | 6,896,866 | - | 71,496,796 |
|  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |  |  |
| Opening net book value | 12,938,651 | 14,676,540 | 25,049,828 | 11,934,911 | 6,896,866 | - | 71,496,796 |
| Additions | 62,991,846 | - | 8,312,123 | 1,760,130 | - | 9,983,323 | 83,047,422 |
| Disposals, net | - | - | - | (155,705) | - | - | (155,705) |
| Transfer-in (out) | - | - | (7,359) | - | (1) | - | (7,360) |
| Depreciation charge | - | - | 1,430,000 | 7,103,413 | - | (8,533,413) | - |
|  | (35,162) | (1,732,658) | (10,354,667) | (5,937,572) | (2,046,985) | - | (20,107,044) |
| Closing net book value |  |  |  |  |  |  |  |
|  | 75,895,335 | 12,943,882 | 24,429,925 | 14,705,177 | 4,849,880 | 1,449,910 | 134,274,109 |
| **At 31 December 2020** |  |  |  |  |  |  |  |
| Cost |  |  |  |  |  |  |  |
| Less Accumulated depreciation | 75,980,262 | 20,788,258 | 84,332,506 | 38,366,186 | 9,669,581 | 1,449,910 | 230,586,703 |
|  | (84,927) | (7,844,376) | (59,902,581) | (23,661,009) | (4,819,701) | - | (96,312,594) |
| Closing net book value |  |  |  |  |  |  |  |
|  | 75,895,335 | 12,943,882 | 24,429,925 | 14,705,177 | 4,849,880 | 1,449,910 | 134,274,109 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
|  |  | **Buildings** |  | **Furniture** |  |  |  | |
|  | **Land and** | **and** |  | **fixtures and** |  |  |  | |
|  | **land** | **building** | **Network** | **office** |  | **Work** |  | |
|  | **improvement** | **improvement** | **equipment** | **equipment** | **Vehicles** | **in progress** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | |
|  |  |  |  |  |  |  |  | |
| **For the year ended 31 December 2021** |  |  |  |  |  |  |  | |
| Opening net book value | 75,895,335 | 12,943,882 | 24,429,925 | 14,705,177 | 4,849,880 | 1,449,910 | 134,274,109 | |
| Additions | - | - | 18,159,204 | 4,991,301 | - | 2,425,520 | 25,576,025 | |
| Write-off, net | - | - | - | - | - | - | - | |
| Disposals, net | - | - | (244,367) | - | (285,776) | - | (530,143) | |
| Transfer-in (out) | - | 762,850 | 2,145,000 | 967,580 | - | (3,875,430) | - | |
| Depreciation charge | (35,067) | (1,828,607) | (13,090,185) | (5,803,614) | (1,428,733) | - | (22,186,206) | |
|  |  |  |  |  |  |  |  | |
| Closing net book value | 75,860,268 | 11,878,125 | 31,399,577 | 14,860,444 | 3,135,371 | - | 137,133,785 | |
|  |  |  |  |  |  |  |  | |
| **At 31 December 2021** |  |  |  |  |  |  |  | |
| Cost | 75,980,262 | 21,551,108 | 104,331,710 | 44,325,067 | 5,911,581 | - | 252,099,728 | |
| Less Accumulated depreciation | (119,994) | (9,672,983) | (72,932,133) | (29,464,623) | (2,776,210) | - | (114,965,943) | |
|  |  |  |  |  |  |  |  | |
| Closing net book value | 75,860,268 | 11,878,125 | 31,399,577 | 14,860,444 | 3,135,371 | - | 137,133,785 | |

As at 31 December 2021, the land and buildings at net book value of Baht 87.74 million (2020: Baht 25.85 million) in the consolidated and separate financial statements are mortgaged as collateral for borrowings from financial institutions of the Company and subsidiary (Note 20).

Depreciation expense has been charged to statement of comprehensive income as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cost of sales | 17,066,769 | 13,978,853 | 17,066,769 | 13,978,853 |
| Administrative expenses | 6,032,436 | 7,043,222 | 5,119,437 | 6,128,191 |
|  |  |  |  |  |
| Total | 23,099,205 | 21,022,075 | 22,186,206 | 20,107,044 |

|  |
| --- |
| **17 Right-of-use assets** |

Movements of right-of-use assets for the period ended 31 December 2021 are as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate financial information** |
|  | **Baht** |
|  |  |
|  |  |
| Balance as at 1 January 2020 | 13,748,248 |
| Additions | 5,732,563 |
| Amortisation | (7,526,799) |
|  |  |
| Balance as at 31 December 2020 | 11,954,012 |
|  |  |
| Balance as at 1 January 2021 | 11,954,012 |
| Additions | 5,922,465 |
| Amortisation | (9,155,659) |
|  |  |
| Balance as at 31 December 2021 | 8,720,818 |

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and Separate financial information** | |
|  | **2021** | **2020** |
|  | **Baht** | **Baht** |
|  |  |  |
| Expense relating to short-term leases | 322,558 | 442,157 |
| Total cash outflow for lease | 322,558 | 442,157 |

|  |
| --- |
| **18 Intangible assets** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  | **Computer** |  |  | |
|  | **program** | **IP address** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | |
|  |  |  |  | |
| **At 1 January 2020** |  |  |  | |
| Cost | 5,601,118 | 2,275,789 | 7,876,907 | |
| Less Accumulated amortisation | (2,973,868) | - | (2,973,868) | |
|  |  |  |  | |
| Net book value | 2,627,250 | 2,275,789 | 4,903,039 | |
|  |  |  |  | |
| **For the year ended 31 December 2020** |  |  |  | |
| Opening net book value | 2,627,250 | 2,275,789 | 4,903,039 | |
| Addition | 443,097 | - | 443,097 | |
| Amortisation charge | (1,728,255) | - | (1,728,255) | |
|  |  |  |  | |
| Closing net book value | 1,342,092 | 2,275,789 | 3,617,881 | |
|  |  |  |  | |
| **At 31 December 2020** |  |  |  | |
| Cost | 6,044,215 | 2,275,789 | 8,320,004 | |
| Less Accumulated amortisation | (4,702,123) | - | (4,702,123) | |
|  |  |  |  | |
| Net book value | 1,342,092 | 2,275,789 | 3,617,881 | |
|  |  |  |  | |
| **For the year ended 31 December 2021** |  |  |  | |
| Opening net book value | 1,342,092 | 2,275,789 | 3,617,881 | |
| Addition | 179,590 | - | 179,590 | |
| Amortisation charge | (1,013,461) | - | (1,013,461) | |
|  |  |  |  | |
| Closing net book value | 508,221 | 2,275,789 | 2,784,010 | |
|  |  |  |  | |
| **At 31 December 2021** |  |  |  | |
| Cost | 6,223,805 | 2,275,789 | 8,499,594 | |
| Less Accumulated amortisation | (5,715,584) | - | (5,715,584) | |
|  |  |  |  | |
| Net book value | 508,221 | 2,275,789 | 2,784,010 | |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **Computer** |  |  | |
|  | **program** | **IP address** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | |
|  |  |  |  | |
| **At 1 January 2020** |  |  |  | |
| Cost | 5,507,978 | 2,275,789 | 7,783,767 | |
| Less Accumulated amortisation | (2,947,964) | - | (2,947,964) | |
|  |  |  |  | |
| Net book value | 2,560,014 | 2,275,789 | 4,835,803 | |
|  |  |  |  | |
| **For the year ended 31 December 2020** |  |  |  | |
| Opening net book value | 2,560,014 | 2,275,789 | 4,835,803 | |
| Addition | 443,097 | - | 443,097 | |
| Amortisation charge | (1,697,213) | - | (1,697,213) | |
|  |  |  |  | |
| Closing net book value | 1,305,898 | 2,275,789 | 3,581,687 | |
|  |  |  |  | |
| **At 31 December 2020** |  |  |  | |
| Cost | 5,951,075 | 2,275,789 | 8,226,864 | |
| Less Accumulated amortisation | (4,645,177) | - | (4,645,177) | |
|  |  |  |  | |
| Net book value | 1,305,898 | 2,275,789 | 3,581,687 | |
|  |  |  |  | |
| **For the year ended 31 December 2021** |  |  |  | |
| Opening net book value | 1,305,898 | 2,275,789 | 3,581,687 | |
| Addition | 179,590 | - | 179,590 | |
| Amortisation charge | (982,419) | - | (982,419) | |
|  |  |  |  | |
| Closing net book value | 503,069 | 2,275,789 | 2,778,858 | |
|  |  |  |  | |
| **At 31 December 2021** |  |  |  | |
| Cost | 6,130,665 | 2,275,789 | 8,406,454 | |
| Less Accumulated amortisation | (5,627,596) | - | (5,627,596) | |
|  |  |  |  | |
| Net book value | 503,069 | 2,275,789 | 2,778,858 | |

Amortisation of Baht 1,013,461 and 982,419 (2020: Baht 1,728,255 and 1,697,213) is included in administrative expenses in consolidated and separate financial statements.

|  |
| --- |
| **19 Deferred income taxes** |

The analysis of deferred tax assets and deferred tax liability is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Deferred tax assets: | 14,955,141 | 14,711,652 | 14,859,835 | 14,622,572 |
| Deferred tax liabilities: | (3,673,758) | (4,567,058) | (3,673,758) | (4,567,058) |
|  |  |  |  |  |
| **Deferred income taxes (net)** | 11,281,383 | 10,144,594 | 11,186,077 | 10,055,514 |

The movement of deferred income tax is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| 1 January | 10,144,594 | 7,656,477 | 10,055,514 | 7,580,555 |
| Charged to profit or loss (Note 30) | 1,136,789 | 2,488,117 | 1,130,563 | 2,474,959 |
|  |  |  |  |  |
| 31 December | 11,281,383 | 10,144,594 | 11,186,077 | 10,055,514 |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  |  | **Charged to** |  |
|  | **At 1 January** | **profit or** | **At 31 December** |
|  | **2021** | **loss** | **2021** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| **Deferred tax assets** |  |  |  |
| Impairment loss on financial assets | 4,676,077 | 1,812,828 | 6,488,905 |
| Allowance for diminution in value of inventories | 22,019 | (22,019) | - |
| Employee benefit obligations | 2,326,678 | 481,915 | 2,808,593 |
| Provision for decommissioning | 1,596,074 | 128,980 | 1,725,054 |
| Liabilities under leases | 6,090,804 | (2,158,215) | 3,932,589 |
|  |  |  |  |
|  | 14,711,652 | 243,489 | 14,955,141 |
|  |  |  |  |
| **Deferred tax liabilities** |  |  |  |
| Right of use assets | (4,567,058) | 893,300 | (3,673,758) |
|  |  |  |  |
| **Deferred income taxes (net)** | 10,144,594 | 1,136,789 | 11,281,383 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  |  | **Charged to** |  |
|  | **At 1 January** | **profit or** | **At 31 December** |
|  | **2020** | **loss** | **2020** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| **Deferred tax assets** |  |  |  |
| Impairment loss on financial assets | 1,662,889 | 3,013,188 | 4,676,077 |
| Allowance for diminution in value of inventories | 33,096 | (11,077) | 22,019 |
| Employee benefit obligations | 1,768,024 | 558,654 | 2,326,678 |
| Provision for decommissioning | 1,091,445 | 504,629 | 1,596,074 |
| Liabilities under leases | 7,526,785 | (1,435,981) | 6,090,804 |
|  |  |  |  |
|  | 12,082,239 | 2,629,413 | 14,711,652 |
|  |  |  |  |
| **Deferred tax liabilities** |  |  |  |
| Right of use assets | (4,425,762) | (141,296) | (4,567,058) |
|  |  |  |  |
| **Deferred income taxes (net)** | 7,656,477 | 2,488,117 | 10,144,594 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  |  | **Charged to** |  |
|  | **At 1 January** | **profit or** | **At 31 December** |
|  | **2021** | **loss** | **2021** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| **Deferred tax assets** |  |  |  |
| Impairment loss on financial assets | 4,676,077 | 1,812,828 | 6,488,905 |
| Allowance for diminution in value of inventories | 22,019 | (22,019) | - |
| Employee benefit obligations | 2,326,678 | 481,915 | 2,808,593 |
| Provision for decommissioning | 1,596,074 | 128,980 | 1,725,054 |
| Liabilities under leases | 6,001,724 | (2,164,441) | 3,837,283 |
|  |  |  |  |
|  | 14,622,572 | 237,263 | 14,859,835 |
|  |  |  |  |
| **Deferred tax liabilities** |  |  |  |
| Right of use assets | (4,567,058) | 893,300 | (3,673,758) |
|  |  |  |  |
| **Deferred income taxes (net)** | 10,055,514 | 1,130,563 | 11,186,077 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  |  | **Charged to** |  |
|  | **At 1 January** | **profit or** | **At 31 December** |
|  | **2020** | **loss** | **2020** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| **Deferred tax assets** |  |  |  |
| Impairment loss on financial assets | 1,662,889 | 3,013,188 | 4,676,077 |
| Allowance for diminution in value of inventories | 33,096 | (11,077) | 22,019 |
| Employee benefit obligations | 1,768,024 | 558,654 | 2,326,678 |
| Provision for decommissioning | 1,091,445 | 504,629 | 1,596,074 |
| Liabilities under leases | 7,450,863 | (1,449,139) | 6,001,724 |
|  |  |  |  |
|  | 12,006,317 | 2,616,255 | 14,622,572 |
|  |  |  |  |
| **Deferred tax liabilities** |  |  |  |
| Right of use assets | (4,425,762) | (141,296) | (4,567,058) |
|  |  |  |  |
| **Deferred income taxes (net)** | 7,580,555 | 2,474,959 | 10,055,514 |

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets amounting to Baht 2.55 million (2020: Baht 2.57 million) to carry forward against future taxable income; these tax losses of Baht 12.73 million (2020: Baht 12.84 million) will expire in 2026 and 2025, respectively.

|  |
| --- |
| **20 Borrowings** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Current** |  |  |  |  |
| Bank overdrafts | 3,933,371 | 12,723,324 | 930,664 | 10,850,887 |
| Short-term borrowings from |  |  |  |  |
| financial institutions | 85,000,000 | 78,151,715 | 85,000,000 | 78,151,715 |
| Current portion of long-term |  |  |  |  |
| borrowings from financial |  |  |  |  |
| institutions | 19,303,920 | 17,927,421 | 18,203,630 | 17,927,421 |
|  |  |  |  |  |
| Total current borrowings | 108,237,291 | 108,802,460 | 104,134,294 | 106,930,023 |
|  |  |  |  |  |
| **Non-current** |  |  |  |  |
| Long-term borrowings from |  |  |  |  |
| financial institutions | 42,081,949 | 59,340,348 | 37,782,239 | 53,940,348 |
|  |  |  |  |  |
| Total non-current borrowings | 42,081,949 | 59,340,348 | 37,782,239 | 53,940,348 |
|  |  |  |  |  |
| **Total borrowings** | 150,319,240 | 168,142,808 | 141,916,533 | 160,870,371 |

**20.1 Bank overdraft**

As at 31 December 2021, bank overdraft are secured by saving deposits and fixed deposits (Note 14), land and properties on land of Director and also secured by the Director of the Company.

**20.2 Short-term borrowings from financial institutions**

As at 31 December 2021, short-term borrowings represent notes payable from financial institutions denominated in Thai Baht. The short-term borrowings are secured by saving deposits of the Company (Note 14), partial of investment in debt security, land and properties of the Company (Note 16), land and properties of Director, and also secured by Director of the Company, the Company’s subsidiary and Director of the Company’s subsidiary.

**20.3 Long-term borrowings from financial institutions**

The movements in long-term borrowings can be analysed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| 1 January | 77,267,769 | 34,357,948 | 71,867,768 | 34,357,948 |
| Addition of loan | 2,045,510 | 60,184,333 | 2,045,510 | 54,784,334 |
| Repayment of loan | (18,146,525) | (16,902,356) | (18,146,525) | (16,902,356) |
| Prepayment front end fee | - | (600,000) | - | (600,000) |
| Amortisation of front end fee | 219,115 | 227,844 | 219,116 | 227,844 |
|  |  |  |  |  |
| 31 December | 61,385,869 | 77,267,769 | 55,985,869 | 71,867,769 |

As at 31 December 2021 long-term borrowings from financial institutions denominated in Thai Baht. The long-term borrowings are secured by partial of investment in debt security, land and properties of the Company (Note 16), land and properties of Director, and also secured by Director of the Company, the Company’s subsidiary and Thai Credit Guarantee Corporation.

The carrying amount and fair value of certain long-term borrowing are as follows:

|  | **Consolidated financial statements** | | | |
| --- | --- | --- | --- | --- |
|  | **Total carrying amount** | | **Total fair value amount** | |
|  | **31 December 2021** | **31 December 2020** | **31 December 2021** | **31 December 2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long term loans from financial institutions | 61,385,869 | 77,267,769 | 61,548,241 | 77,982,912 |

|  | **Separated financial statements** | | | |
| --- | --- | --- | --- | --- |
|  | **Total carrying amount** | | **Total fair value amount** | |
|  | **31 December 2021** | **31 December 2020** | **31 December 2021** | **31 December 2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long term loans from financial institutions | 55,985,869 | 71,867,769 | 56,088,911 | 72,523,583 |

The fair value are based on future cash flow according to loan contract using a discount rate based upon the borrowing rate which the company expect to pay as date of statement of financial position and are within level 2 of the fair value hierarchy.

**20.4 Reconciliation of liabilities arising from financing activities**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Non-cash changes** | |  |
|  |  |  |  | **- payable** |  |
|  |  |  | **- amortisation** | **arising from** |  |
|  | **1 January** | **Net** | **of prepaid** | **lease** | **31 December** |
|  | **2021** | **cash flow** | **front end fee** | **agreement** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| **Consolidated financial statements** |  |  |  |  |  |
|  |  |  |  |  |  |
| Bank overdrafts | 12,723,324 | (8,789,953) | - | - | 3,933,371 |
| Short-term borrowings |  |  |  |  |  |
| from financial institutions | 78,151,715 | 6,848,285 | - | - | 85,000,000 |
| Long-term borrowings |  |  |  |  |  |
| from financial institutions | 77,267,769 | (16,101,015) | 219,115 | - | 61,385,869 |
| Lease liabilities | 47,714,804 | (23,472,264) | - | 5,327,928 | 29,570,468 |
|  |  |  |  |  |  |
| **Separate financial statements** |  |  |  |  |  |
|  |  |  |  |  |  |
| Bank overdrafts | 10,850,887 | (9,920,223) | - | - | 930,664 |
| Short-term borrowings |  |  |  |  |  |
| from financial institutions | 78,151,715 | 6,848,285 | - | - | 85,000,000 |
| Long-term borrowings |  |  |  |  |  |
| from financial institutions | 71,867,769 | (16,101,015) | 219,115 | - | 55,985,869 |
| Lease liabilities | 47,270,201 | (23,063,396) | - | 5,327,928 | 29,534,733 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Non-cash changes** | |  |
|  |  |  |  | **- payable** |  |
|  |  |  | **- amortisation** | **arising from** |  |
|  | **1 January** | **Net** | **of prepaid** | **lease** | **31 December** |
|  | **2020** | **cash flow** | **front end fee** | **agreement** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| **Consolidated financial statements** |  |  |  |  |  |
|  |  |  |  |  |  |
| Bank overdrafts | 36,419,793 | (23,696,469) | - | - | 12,723,324 |
| Short-term borrowings |  |  |  |  |  |
| from financial institutions | 121,937,710 | (43,785,995) | - | - | 78,151,715 |
| Long-term borrowings |  |  |  |  |  |
| from financial institutions | 34,357,948 | 42,681,977 | 227,844 | - | 77,267,769 |
| Lease liabilities | 50,806,819 | (22,926,403) | - | 19,834,388 | 47,714,804 |
|  |  |  |  |  |  |
| **Separate financial statements** |  |  |  |  |  |
|  |  |  |  |  |  |
| Bank overdrafts | 36,419,793 | (25,568,906) | - | - | 10,850,887 |
| Short-term borrowings |  |  |  |  |  |
| from financial institutions | 107,261,159 | (29,109,444) | - | - | 78,151,715 |
| Long-term borrowings |  |  |  |  |  |
| from financial institutions | 34,357,948 | 37,281,977 | 227,844 | - | 71,867,769 |
| Lease liabilities | 49,988,005 | (22,552,192) | - | 19,834,388 | 47,270,201 |

|  |
| --- |
| **21 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade accounts payable** |  |  |  |  |
| Trade accounts payable - third parties | 228,219,472 | 109,617,180 | 219,134,630 | 99,347,179 |
| Trade accounts payable |  |  |  |  |
| - related parties (Note 32) | - | - | 168,017 | 250,220 |
|  |  |  |  |  |
| Total trade accounts payable | 228,219,472 | 109,617,180 | 219,302,647 | 99,597,399 |
|  |  |  |  |  |
| **Other accounts payable** |  |  |  |  |
| Accrued expense | 25,685,889 | 19,263,039 | 42,559,368 | 29,663,938 |
| Accrued costs of services | 25,014,539 | 9,999,308 | 25,014,539 | 9,999,308 |
| Accrued costs of construction | 149,277,189 | 66,311,561 | 146,976,372 | 63,127,669 |
| Unearned income (Note 25) | 3,396,914 | 34,996,539 | 3,160,400 | 34,914,025 |
| Advance received for services (Note 25) | 6,739,066 | 5,375,534 | 6,739,066 | 5,375,534 |
| Advance received for construction contract  (Note 25) | 3,934,704 | 17,914,560 | 3,820,295 | 17,800,151 |
| Retention payable | 3,804,242 | 3,451,370 | - | - |
| Other payables | 2,220,802 | 1,846,803 | 1,563,887 | 684,219 |
| Interest payables | 377,700 | 209,587 | 138,246 | 116,046 |
|  |  |  |  |  |
| Total other accounts payable | 220,451,045 | 159,368,301 | 229,972,173 | 161,680,890 |
|  |  |  |  |  |
| Total trade and other payables | 448,670,517 | 268,985,481 | 449,274,820 | 261,278,289 |

|  |
| --- |
| **22 Employee benefit obligations** |

Employee benefit obligation is retirement benefits. Post-retirement benefits recognised in financial statements as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Statement of financial position** |  |  |  |  |
| Liability in the statement of financial position | 14,669,493 | 12,011,299 | 14,042,967 | 11,633,392 |
|  |  |  |  |  |
| **Profit or loss charge included in** |  |  |  |  |
| **operating profit for:** | 3,218,018 | 2,972,469 | 2,969,399 | 2,793,272 |

The movement in the defined benefit obligation over the year is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| At 1 January | 12,011,299 | 9,038,830 | 11,633,392 | 8,840,120 |
| Current service cost | 2,889,507 | 2,729,677 | 2,653,811 | 2,557,280 |
| Interest cost | 328,511 | 242,792 | 315,588 | 235,992 |
|  |  |  |  |  |
|  | 15,229,317 | 12,011,299 | 14,602,791 | 11,633,392 |
| Payment from plans: |  |  |  |  |
| Benefit payment | (559,824) | - | (559,824) | - |
|  |  |  |  |  |
| At 31 December | 14,669,493 | 12,011,299 | 14,042,967 | 11,633,392 |

The principal actuarial assumptions used were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **%** | **%** | **%** | **%** |
|  |  |  |  |  |
| Discount rate | 2.85 - 3.42 | 2.85 - 3.42 | 2.85 | 2.85 |
| Salary growth rate | 5.00 - 7.00 | 5.00 - 7.00 | 5 | 5 |
| Staff turnover rate | 0 - 26 | 0 - 26 | 0 - 26 | 0 - 26 |

Sensitivity analysis for each significant assumption used is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  |  | | **Impact on defined benefit obligation** | | | |
|  | **Change in assumption** | | **Increase in assumption** | | **Decrease in assumption** | | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | |
|  |  |  |  |  |  |  | |
| Discount rate | 1.0% | 1.0% | Decrease by  6.20 % | Decrease by  6.87 % | Increase by  6.88 % | Increase by  7.64 % | |
| Salary growth rate | 1.0% | 1.0% | Increase by  9.39 % | Increase by  9.11 % | Decrease by 8.49 % | Decrease by 8.27 % | |
| Staff turnover rate | 1.0% | 1.0% | Decrease by  6.90 % | Decrease by  7.64 % | Increase by  3.56 % | Increase by  3.96 % | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
|  |  | | **Impact on defined benefit obligation** | | | |
|  | **Change in assumption** | | **Increase in assumption** | | **Decrease in assumption** | |
|  | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |  |  |
| Discount rate | 1.0% | 1.0% | Decrease by 5.93 % | Decrease by 6.66 % | Increase by 6.56 % | Increase by 7.38 % |
| Salary growth rate | 1.0% | 1.0% | Increase by 9.08 % | Increase by 8.86 % | Decrease by 8.24 % | Decrease by 8.07 % |
| Staff turnover rate | 1.0% | 1.0% | Decrease by 6.58 % | Decrease by 7.40 % | Increase by 3.24 % | Increase by 3.69 % |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

|  |  |
| --- | --- |
| Changes in bond yields | A decrease in Government bond yields will increase plan liabilities. |
|  |  |
| Inflation risk | Some of the Group retirement benefit obligations are linked to inflation, and higher  inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). |

The weighted average duration of the defined benefit obligation is 22.59 years (2020: 22.59 years).

Expected maturity analysis of undiscounted retirement benefits:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | **Less than** | **Between** | **Between** | **Over** |  |
|  | **a year** | **1 - 2 years** | **2 - 5 years** | **5 years** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| 31 December 2020 | - | - | 8,954,906 | 181,923,082 | 190,877,988 |
| 31 December 2021 | - | 4,440,478 | 4,514,428 | 181,923,082 | 190,877,988 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Less than** | **Between** | **Between** | **Over** |  |
|  | **a year** | **1 - 2 years** | **2 - 5 years** | **5 years** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| 31 December 2020 | - | - | 8,954,906 | 148,609,368 | 157,564,274 |
| 31 December 2021 | - | 4,440,478 | 4,514,428 | 148,609,368 | 157,564,274 |

|  |
| --- |
| **23 Share capital** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Authorised**  **share capital** | | **Issued and paid-up**  **share capital** | | **Share premium** |
|  |  | |  | |  |
|  | **Shares** | **Baht** | **Shares** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| **1 January 2020** | 200,000,000 | 100,000,000 | 200,000,000 | 100,000,000 | - |
| Issue of shares | 116,000,000 | 58,000,000 | 30,000,000 | 15,000,000 | - |
|  |  |  |  |  |  |
| **31 December 2020** | 316,000,000 | 158,000,000 | 230,000,000 | 115,000,000 | - |
|  |  |  |  |  |  |
| **1 January 2021** | 316,000,000 | 158,000,000 | 230,000,000 | 115,000,000 | - |
| Issue of shares | - | - | 86,000,000 | 43,000,000 | 228,732,200 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **31 December 2021** | 316,000,000 | 158,000,000 | 316,000,000 | 158,000,000 | 228,732,200 |

On 15 January 2020 at the Board of Directors meeting no. 1/2020, the meeting approved to increase the shares amounting to Baht 10 million. The authorised number of ordinary shares is 20,000,000 shares with a par value of   
Baht 0.5 per share. As a result, the number of authorised shares will increase from 200,000,000 shares to 220,000,000 shares with a par value of Baht 0.5 per share.

On 18 February 2020 at the Board of Directors of Shareholders no. 2/2020, the meeting approved to increase the shares amounting to Baht 48 million. The authorised number of ordinary shares is 96,000,000 shares with a par value of Baht 0.5 per share. As a result, the number of authorised shares will increase from 220,000,000 shares to 316,000,000 shares with a par value of Baht 0.5 per share.

The total authorised number of ordinary shares is 316,000,000 shares (31 December 2020: 316,000,000 shares) with a par value of Baht 0.5 per share (31 December 2020: Baht 0.5 per share). The number of ordinary shares is 316,000,000 shares were issued and fully paid-up. (31 December 2020: All 230,000,000 ordinary shares were issued and fully paid).

In April 2021, the Company made an initial public offering of 86,000,000 ordinary shares with a par value of Baht 0.50 per share, offering price of Baht 3.25 per share, totalling Baht 279,500,000. The Company recorded the cost of distribution of shares, net of tax, at the amount of Baht 7,767,800 which deducted in the account of premium on paid-up capital of ordinary shares. The Company’s ordinary shares has started trading on the Market for Alternative Investment (MAI) since 29 April 2021.

|  |
| --- |
| **24 Legal reserve** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial statements** | |
|  | **2021** | **2020** |
|  | **Baht** | **Baht** |
|  |  |  |
| 1 January | 7,000,000 | 4,600,000 |
| Appropriation during the year | 1,850,000 | 2,400,000 |
|  |  |  |
| 31 December | 8,850,000 | 7,000,000 |

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

|  |
| --- |
| **25 Assets and liabilities relating to with customers** |

**25.1 Contract assets**

The group has recognised the following assets related to contracts as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Contract assets |  |  |  |  |
|  |  |  |  |  |
| - Unbilled contract revenue  (Note 5.1.2 and 10) | 123,829,602 | 95,020,681 | 123,829,602 | 68,433,000 |
| Less Allowance for impairment  (Note 5.1.2 and 10) | - | (14,680,479) | - | - |
|  |  |  |  |  |
| **Total contract assets** | 123,829,602 | 80,340,202 | 123,829,602 | 68,433,000 |

Mostly unbilled contract revenue will be billed to customers within three months, unless otherwise agreed in customer contracts. However, the Group has mitigated credit risk by collection cash from customers in advance according to term of contract.

**Significant changes in contract assets**

Contract assets have increased which was due to the number of contract and the progress of construction during the year exceed the payment.

**Costs to fulfil a contract**

The asset recognised cost of services and cost of construction by percentage of completion from capitalising the costs to fulfil internet data center and related services and construction contract is included in inventories in the statement of financial position.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Statements of financial position:** |  |  |  |  |
| Assets recognised from costs  to fulfil a contract |  |  |  |  |
| * Work in process (Note 13) | 59,792,059 | 18,622,009 | 59,792,059 | 18,622,009 |
| * Work in process under   construction contract (Note 13) | 29,052,291 | - | 29,052,291 | - |
|  |  |  |  |  |
| **Total Assets recognised** |  |  |  |  |
| **from costs to fulfil a contract** | 88,844,350 | 18,622,009 | 88,844,350 | 18,622,009 |
|  |  |  |  |  |
| **Statements of comprehensive income:** |  |  |  |  |
| Service cost | 18,622,009 | - | 18,622,009 | - |
| Construction cost | - | 18,802,152 | - | 18,802,152 |

The Group has no an impairment loss in 2021 because there is no the excess of the capitalized cost over the expected remaining consideration less any unrecognised directly related costs.

**25.2 Contract liabilities**

The Group has recognised the following liabilities related to contracts with customers:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Contract liabilities |  |  |  |  |
| * Unearned income (Note 21) | 3,396,914 | 34,996,539 | 3,160,400 | 34,914,025 |
| * Advance received for services (Note 21) | 6,739,066 | 5,375,534 | 6,739,066 | 5,375,534 |
| * Advance received for construction contract (Note 21) | 3,934,704 | 17,914,560 | 3,820,295 | 17,800,151 |
|  |  |  |  |  |
| Total contract liabilities | 14,070,684 | 58,286,633 | 13,719,761 | 58,089,710 |

**Significant changes in contract liabilities**

Contract liabilities for internet data center and related services have decreased which was due to recognition the increase of providing service revenue on contract.

Contract liabilities for construction contracts have decreased which was due to recognition the increase of progress of construction from contract activity.

**Revenue recognised in relation to contract liabilities**

Revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Revenue recognised that was included  in the contract liability balance  at the beginning of the period |  |  |  |  |
| - Internet data center and related services  contract | 34,996,539 | 7,491,451 | 34,914,025 | 6,418,951 |
| - IT consulting services | 5,375,534 | 1,940,009 | 5,375,534 | 1,940,009 |
| - Construction contract | 13,979,856 | 68,094,923 | 13,979,856 | 35,682,404 |
|  |  |  |  |  |
|  | 54,351,929 | 77,526,383 | 54,269,415 | 44,041,364 |

**25.3 Unsatisfied long-term contracts**

The following table shows unsatisfied performance obligations resulting from contracts as at 31 December 2021 and 2020.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Construction contracts - |  |  |  |  |
| 115 KV Loop Line | - | 19,449,801 | - | 19,449,801 |
| Construction Contracts - |  |  |  |  |
| System’s improvement  Provide underground cable line | - | 18,835,305 | - | 18,835,305 |
| Construction contracts - Drain system | 124,516,213 | 180,686,591 | - | - |
| The electrical station improvement  Contract for IEC 61850 | 32,842,500 | 61,428,000 | 32,842,500 | 61,428,000 |
| M&E system application for the |  |  |  |  |
| Yellow-line skytrain station contract | 27,685,763 | - | 27,685,763 | - |
| Under ground cable application for the  Green-line skytrain contract | 287,824,349 | - | 287,824,349 | - |
|  |  |  |  |  |
| Total unsatisfied performance |  |  |  |  |
| obligations resulting |  |  |  |  |
| from long-term contracts | 472,868,825 | 280,399,697 | 348,352,612 | 99,713,106 |

The Group expect to realise revenue from unsatisfied performance obligations resulting from long-term contracts within 1 year.

The transaction price allocated to unsatisfied other contracts with periods one year or less is not disclosed.

|  |
| --- |
| **26 Dividends** |

**2021**

On 12 May 2021, the Extraordinary General Meeting of Shareholders approved interim dividends payment in respect of the 31 December 2020 and 31 March 2021 operating results by cash of Baht 0.1 per share, totalling of Baht 31.6 million. The dividends were distributed to the shareholders on 11 June 2021.

**2020**

On 14 November 2019, the Board of Director's meeting approved interim dividends payment in respect of retained earnings from period ended 30 September 2019 by cash of Baht 0.10 per share, totalling of Baht 20 million according to the shareholders' registration on 17 November 2019. The dividends of Baht 12.60 million were distributed to the shareholders on 24 December 2019 and the remaining dividends of Baht 7.40 million were distributed to the shareholders in February 2020.

|  |
| --- |
| **27 Other income** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Interest income | 1,534,647 | 1,950,749 | 1,525,248 | 1,936,051 |
| Interest income - related parties (Note 32) | - | - | 4,200,454 | 3,972,144 |
| Gain on disposal of vehicles and equipment | 929,177 | 1,839,762 | 929,177 | 1,839,762 |
| Management fee income - related parties |  |  |  |  |
| (Note 32) | - | - | 5,174,436 | 4,974,748 |
| Rental income | - | - | 208,800 | 208,800 |
| Others | 615,715 | 608,196 | 549,714 | 608,196 |
|  |  |  |  |  |
| Total | 3,079,539 | 4,398,707 | 12,587,829 | 13,539,701 |

|  |
| --- |
| **28 Finance costs** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Finance cost: |  |  |  |  |
| Bank borrowings | 7,109,274 | 10,673,087 | 6,807,926 | 9,731,921 |
| Lease liabilities | 2,608,613 | 3,959,819 | 2,585,481 | 3,902,030 |
| Provision for decommissioning | 50,362 | 2,210,793 | 50,362 | 2,210,793 |
|  |  |  |  |  |
| Total | 9,768,249 | 16,843,699 | 9,443,769 | 15,844,744 |

|  |
| --- |
| **29 Expense by nature** |

The following expenses are included in profit before finance cost and income tax can be classified by nature as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Purchase | 459,427,856 | 447,918,754 | 451,747,976 | 439,767,543 |
| Changes in inventories | 83,192,857 | (946,443) | 83,138,257 | (529,717) |
| Loss for diminution in value |  |  |  |  |
| of inventories (Reversal) | (110,102) | (55,384) | (110,102) | (55,384) |
| Internet and network service fee | 50,023,186 | 62,186,533 | 57,818,715 | 71,191,830 |
| Subcontract cost | 178,994,151 | 221,242,152 | 178,994,151 | 208,102,313 |
| Salaries, wages and other employee benefits | 74,267,309 | 70,869,381 | 72,390,909 | 67,533,264 |
| Utilities | 80,037,479 | 55,747,871 | 80,037,479 | 55,747,871 |
| Depreciation and amortisation | 33,268,322 | 30,277,129 | 32,324,281 | 29,331,056 |
| Service fee | 12,188,531 | 8,871,595 | 12,188,531 | 8,704,555 |
| Consultancy fee | 7,453,486 | 7,410,724 | 5,166,486 | 4,973,724 |
| Bank fees and other fees | 6,200,716 | 8,107,569 | 5,122,532 | 6,998,834 |
| Insurance premium | 2,226,643 | 3,234,715 | 2,226,643 | 3,234,715 |
| Advertising and marketing expense | 1,976,399 | 1,997,231 | 1,976,399 | 1,976,391 |
| Expected credit loss | 4,134,468 | 21,406,639 | 9,064,138 | 15,241,043 |

|  |
| --- |
| **30 Income tax expense** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current tax: |  |  |  |  |
| Current tax | 9,150,958 | 12,421,455 | 9,107,463 | 12,160,324 |
|  |  |  |  |  |
| **Total current tax** | 9,150,958 | 12,421,455 | 9,107,463 | 12,160,324 |
|  |  |  |  |  |
| Deferred tax: |  |  |  |  |
| Increase in deferred tax assets (Note 19) | (243,489) | (2,629,413) | (237,263) | (2,616,255) |
| Increase in deferred tax Liabilities (Note 19) | (893,300) | 141,296 | (893,300) | 141,296 |
|  |  |  |  |  |
| **Total deferred tax** | (1,136,789) | (2,488,117) | (1,130,563) | (2,474,959) |
|  |  |  |  |  |
| **Total income tax expense** | 8,014,169 | 9,933,338 | 7,976,900 | 9,685,365 |

The tax on the Group’s profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Profit before tax | 37,177,400 | 35,208,297 | 44,943,917 | 53,664,455 |
|  |  |  |  |  |
| Tax calculated at a tax rate of 20% (2020: 20%) | 7,435,480 | 7,041,680 | 8,988,783 | 10,732,891 |
| Tax effect of: |  |  |  |  |
| Expenses not deductible for tax purpose | 252,634 | 500,779 | 241,905 | 448,148 |
| Expenses that are deductible at a greater amount | (1,253,789) | (1,542,344) | (1,253,788) | (1,542,344) |
| Difference in tax rates for special tax rate | - | (74,480) | - | - |
| Income not subject to tax | (29,136) | (60,000) | - | - |
| Tax losses for which no deferred income |  |  |  |  |
| tax asset was recognised | 1,608,980 | 4,021,033 | - | - |
| Others |  | 46,670 | - | 46,670 |
|  |  |  |  |  |
| Tax charge | 8,014,169 | 9,933,338 | 7,976,900 | 9,685,365 |

The weighted average applicable tax rate for consolidated financial statements and separate financial statements was   
21.56% and 17.75% (2020: 28.21% and 18.05% respectively). The decrease is caused by income tax deductible expenses that occur inconsistently.

|  |  |
| --- | --- |
|  | **2021** |
|  | **Baht** |
|  |  |
| The tax credited directly to equity: |  |
| Payment for transaction costs directly attributable to the issue of new shares | 1,941,950 |
|  |  |
|  | 1,941,950 |

|  |
| --- |
| **31 Earnings per share** |

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares issued and paid during the year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |
| Net profit attributable to ordinary |  |  |  |  |
| shareholders of the Company (Baht) | 29,158,012 | 25,270,439 | 36,967,017 | 43,979,090 |
| Weighted average number of ordinary |  |  |  |  |
| shares outstanding (shares) | 288,904,110 | 227,021,858 | 288,904,110 | 227,021,858 |
| Basic earnings per share (Baht per share) | 0.10 | 0.11 | 0.13 | 0.19 |

There are no potential dilutive ordinary shares issue during the years.

|  |
| --- |
| **32 Related-party transactions** |

Individuals and entities that directly or indirectly control or are controlled by or are under common control with   
the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are Mr. Kittipan Sribuaiam and Wealth Water House Co., Ltd. that own 38.09% and 26.58% of the Company’s shares, respectively. The remaining 35.33% of the shares are widely held.

Investments in subsidiaries are disclosed in note 15.

The following material transactions were carried out with related parties:

**a)** **Revenue from sales and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Revenue from sales of goods** |  |  |  |  |
| **and providing services** |  |  |  |  |
| Subsidiaries | - | - | 8,863,869 | 8,352,902 |
| Parent company | 30,000 | 31,750 | 30,000 | 31,750 |
|  |  |  |  |  |
|  | 30,000 | 31,750 | 8,893,869 | 8,384,652 |
|  |  |  |  |  |
| **Management fee** (Note 27) |  |  |  |  |
| Subsidiaries | - | - | 5,174,436 | 4,974,748 |
|  |  |  |  |  |
|  | - | - | 5,174,436 | 4,974,748 |
|  |  |  |  |  |
| **Rental income** (Note 27) |  |  |  |  |
| Subsidiaries | - | - | 208,800 | 208,800 |
|  |  |  |  |  |
|  | - | - | 208,800 | 208,800 |
|  |  |  |  |  |
| **Interest income** (Note 27) |  |  |  |  |
| Subsidiaries | - | - | 4,200,454 | 3,972,144 |
|  |  |  |  |  |
|  | - | - | 4,200,454 | 3,972,144 |

**b) Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Cost of sales and services** |  |  |  |  |
| Subsidiaries | - | - | 8,791,252 | 11,282,456 |
|  |  |  |  |  |
|  | - | - | 8,791,252 | 11,282,456 |
|  |  |  |  |  |
| **Rental expense** |  |  |  |  |
| Director | 105,263 | 105,263 | 105,263 | 105,263 |
|  |  |  |  |  |
|  | 105,263 | 105,263 | 105,263 | 105,263 |

**c) Outstanding balances arising from sales and purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade accounts receivable** (Note 10) |  |  |  |  |
| Subsidiaries | - | - | 5,029,579 | 3,724,440 |
| Parent company | - | 5,350 | - | 5,350 |
|  |  |  |  |  |
|  | - | 5,350 | 5,029,579 | 3,729,790 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Subsidiaries | - | - | 14,894 | 44,683 |
|  |  |  |  |  |
|  | - | - | 14,894 | 44,683 |
|  |  |  |  |  |
| **Accrued income** |  |  |  |  |
| Subsidiaries | - | - | 7,665,066 | 4,214,173 |
| Parent company | 1,250 | - | 1,250 | - |
|  |  |  |  |  |
|  | 1,250 | - | 7,666,316 | 4,214,173 |
|  |  |  |  |  |
| **Prepaid rental** |  |  |  |  |
| Director | 61,404 | 61,404 | 61,404 | 61,404 |
|  |  |  |  |  |
|  | 61,404 | 61,404 | 61,404 | 61,404 |
|  |  |  |  |  |
| **Interest receivable** |  |  |  |  |
| Subsidiaries | - | - | 5,404,749 | 5,972,217 |
|  |  |  |  |  |
|  | - | - | 5,404,749 | 5,972,217 |
|  |  |  |  |  |
| **Trade accounts payable** (Note 21) |  |  |  |  |
| Subsidiaries | - | - | 168,017 | 250,220 |
|  |  |  |  |  |
|  | - | - | 168,017 | 250,220 |
|  |  |  |  |  |
| **Accrued expense** |  |  |  |  |
| Subsidiaries | - | - | 17,965,678 | 11,548,326 |
|  |  |  |  |  |
|  | - | - | 17,965,678 | 11,548,326 |
| **Unearned revenue** |  |  |  |  |
| Subsidiaries | - | - | 683,668 | 8,920 |
| Parent company | - | 1,250 | - | 1,250 |
|  |  |  |  |  |
|  | - | 1,250 | 683,668 | 10,170 |

**d) Short-term loans to related party**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Short-term loans to related party** |  |  |  |  |
| Subsidiaries | - | - | 54,058,203 | 62,477,572 |
|  |  |  |  |  |
|  | - | - | 54,058,203 | 62,477,572 |

The movements of short-term loans to subsidiaries can be analysed as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate** | |
|  | **financial statements** | |
|  | **2021** | **2020** |
|  | **Baht** | **Baht** |
|  |  |  |
| 1 January | 62,477,572 | 40,742,264 |
| Addition during the year | 18,111,000 | 21,735,308 |
| Repayments during the year | (26,530,369) | - |
|  |  |  |
| 31 December | 54,058,203 | 62,477,572 |

Short-term loans to subsidiaries were given on commercial terms and conditions. The related interest income was Baht of 4,200,454 (2020: Baht of 3,972,144) is included in the separate financial statements. The short-term borrowing to subsidiaries due for repayment during January to March 2022.

**e**) **Key management compensation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 15,799,810 | 15,720,199 | 15,799,810 | 15,720,199 |
| Retirement benefits | 2,409,575 | 2,793,272 | 2,409,575 | 2,793,272 |
|  |  |  |  |  |
|  | 18,209,385 | 18,513,471 | 18,209,385 | 18,513,471 |

|  |
| --- |
| **33 Commitments and contingencies** |

1. **Guarantees**

As at 31 December 2021, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million.

As at 31 December 2020, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million and letter guarantees facilities of subsidiary Baht of 16.51 million.

1. **Bank guarantees**

As at 31 December, the Group has outstanding bank guarantees as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank guarantee | 159,457,162 | 173,055,221 | 159,393,139 | 156,399,629 |

|  |
| --- |
| **34 Events after the reporting period** |

**Debenture offering**

On 4 February 2022, the Board of Directors meeting no.1/2022 approved the offering of debentures totalling Baht 500 million, which is scheduled to be offered within March 2022. According to the Extraordinary General Meeting of Shareholders no.1/2022 on 26 January 2022, approved issuing and offering the debentures in the total amount not exceeding Baht 2,000 million.

**Dividend Payment**

On 25 February 2022, the Board of Directors’ Meeting no.3/2022 passed a resolution to propose the Annual General Meeting of shareholders to approve interim dividends payment in respect of the 1 April 2021 to 31 December 2021 operating results by cash of Baht 0.0577 Baht per share, totalling of Baht 18.23 million.