

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of T Engineering Corporation Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2020, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of T Engineering Corporation Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, as at December 31, 2020, the Company had total current liabilities in excess of total current assets of Baht 21.41 million and had large deficit of Baht 1,478.46 million and had comprehensive loss for the year ended December 31, 2020 of Baht 19.19 million. The current liabilities mainly include trade and other current payables and retention payables which are partially due and the Company negotiated for installment. The Company still has only one construction at present. In addition, the Company is considering new business investment plan with capable of becoming partner with the Company. However, the Company's management assessed the Company's ability to continue as a going concern taking into consideration the Company's liquidity situation and cash flow forecast. The Company's management believes that the preparation of the financial statements in accordance with the ongoing concern basis is still appropriate because the Company still has current construction project and the Company is considering new business investment plan with capable of becoming partner. In addition, on February 24, 2021, the Board of Directors' Meeting No. 1/2021 passed a resolution to find additional source of fund by borrowing from a major shareholder for support its working capital and repay its debts were due. The Company enters into a borrowing agreement from a major shareholder which had a credit facility of Baht 50.00 million which using its land as collateral on February 24, 2021. However, such situations include the success of new business investment plan indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matters

We draw attention to the following Notes to the financial statements:

1. Note 2.4 to the financial statements, the Company has initially applied the Group of Financial Instruments Financial Reporting Standards which become effective for the financial statements for the accounting periods beginning on or after January 1, 2020. The Company has elected to recognize the cumulative effect of initially adopting of the group of Financial Instruments Financial Reporting Standards as an adjustment to the opening balance of retained earnings of the reporting period.
2. Note 41 to the financial statements, the Company has several litigations which are currently under the process of the courts.

Our opinion is not modified in respect of these matters.

Key Audit Matter

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

Key Audit Matter	Audit Responses
<p>Recognition of revenues from construction contracts and costs of construction contracts</p> <p>The Company has revenues from construction contracts which are recognized when the Company satisfies a performance obligation according to the contract over time by transferring control of asset from construction to a customer based on input method which is calculated from the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management is required to make significant judgments in the estimation of the construction project costs.</p> <p>Therefore, the key audit matter is the accuracy and occurrence of calculation and recognition of revenues from construction contracts over time based on input method and the accuracy of recognition of total relevant costs of construction.</p> <p>Accounting policies for recognition of revenues from construction contracts and costs of construction contract were disclosed in Note 3.18 to the financial statements and details of revenues from construction contracts and costs of construction contracts were disclosed in Note 34 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process and internal control related to the estimation of total costs of construction, calculation and recognition of revenues from construction contracts over time based on input method which is calculated from the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. • Testing design and implementation and operating effectiveness of the internal control relating to the estimation of total costs of construction, calculation and recognition of revenues from construction contracts over time based on input method. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Testing terms and condition of the construction contract, testing supporting documents and assumptions used in the estimation of total costs of construction. - Testing calculation of revenues from construction contracts based on input method and performing an analysis of proportion of significant components of costs of construction contracts and the estimation of total costs of construction. - Observing at sites of the construction projects to consider the progress of the construction projects against the progress as reported in the construction progress report. - Testing costs of construction incurred during the year and near the year end with supporting documents.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditors' report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

BANGKOK
February 24, 2021

Kornthong Luangvilai
Certified Public Accountant (Thailand)
Registration No. 7210
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		Unit : Baht	
	Notes	2020	2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4.3	19,070,594	44,797,431
Current investments	7.1	-	5,373,720
Trade and other current receivables	5	14,584,896	4,311,479
Current contract assets	34	3,028,940	56,617,309
Inventories	6	-	418,500
Current tax assets		2,788,463	9,410,911
Other current financial assets	7.2	4,466,080	-
Other current assets	8	29,567,888	4,343,448
Total Current Assets		73,506,861	125,272,798
NON-CURRENT ASSETS			
Deposits at financial institution with restriction of use	9	15,861,500	256,851,500
Other non-current financial assets	10.1	28,378,100	-
Available-for-sale investments	10.2	-	25,254,440
Investment in joint arrangement	11	-	-
Trade and other non-current receivables	12	2,298,307	17,598,231
Non-current contract assets	13	-	-
Investment properties	14	60,248,000	-
Property, plant and equipment	15	19,193,481	83,391,365
Right-of-use assets		78,332	-
Retention receivables	16	36,919,510	70,399,664
Intangible assets	17	2,328,638	3,641,831
Other non-current assets	18	49,351,915	67,281,386
Total Non-current Assets		214,657,783	524,418,417
TOTAL ASSETS		288,164,644	649,691,215

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

			Unit : Baht
	Notes	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other current payables	19	45,914,640	197,316,513
Current contract liabilities	34	-	19,501,700
Current portion of lease liabilities	20	79,842	311,402
Other short-term borrowing	21	12,235,690	12,235,690
Current retention payables		22,340,442	26,682,924
Provision for dismantling and removal of leasehold improvement		-	533,125
Provision for expected loss on construction contract	23.1	-	-
Provision for penalty arising from delay	23.2	-	-
Current provisions for employee benefits	26	813,204	3,647,912
Short-term provisions for loss on litigations	41	-	139,300,898
Other current provisions	22	2,514,145	3,728,474
Other current liabilities	24	11,016,394	11,898,468
Total Current Liabilities		94,914,357	415,157,106
NON-CURRENT LIABILITIES			
Non-current retention payables		13,191,110	19,194,279
Deferred tax liabilities	25	3,804,335	3,804,335
Non-current provisions for employee benefits	26	5,886,382	5,859,125
Provisions for loss on litigations	41	7,612,789	38,521,637
Total Non-current Liabilities		30,494,616	67,379,376
TOTAL LIABILITIES		125,408,973	482,536,482

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

			Unit : Baht
	Notes	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	28		
Authorized share capital			
12,826,431,971 ordinary shares of Baht 1 each		12,826,431,971	
10,545,938,156 ordinary shares of Baht 1 each			10,545,938,156
Issued and paid-up share capital			
10,948,438,156 ordinary shares of Baht 1 each, fully paid		10,948,438,156	-
10,114,938,156 ordinary shares of Baht 1 each, fully paid		-	10,114,938,156
Discount on ordinary shares	29	(9,309,242,796)	(8,500,747,796)
Expired warrant surplus	30	7,859,252	7,859,252
Retained earnings (Deficit)			
Appropriated			
Legal reserve	32	5,526,839	5,526,839
Unappropriated (Deficit)		(1,478,455,352)	(1,445,927,630)
Other components of shareholders' equity		(11,370,428)	(14,494,088)
TOTAL SHAREHOLDERS' EQUITY		<u>162,755,671</u>	<u>167,154,733</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>288,164,644</u></u>	<u><u>649,691,215</u></u>

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit : Baht	
	Notes	2020	2019
Revenues from construction contracts	34	60,807,797	299,179,447
Cost of construction contracts	34	(52,277,119)	-288,384,719
Gross profit		8,530,678	10,794,728
Other income	35	19,488,970	20,269,884
Administrative expenses	36	(110,331,984)	-104,074,440
Reversal from termination of construction contract	34	-	70,730,200
Reversal of allowance for doubtful accounts	36	1,028,188	12,358,448
Reversal of provisions (provisions) for loss on litigations	41	31,253,556	-100,553,036
Other gains	7	2,072,604	1,836,004
Loss from operating activities		(47,957,988)	(88,638,212)
Finance costs		(406,421)	-2,450,273
Reversal of impairment loss determined in accordance with TFRS 9	12, 13, 16 and 36	25,693,523	-
Loss before income tax income		(22,670,886)	(91,088,485)
Tax income	25	-	81,000
Loss for the years		(22,670,886)	-91,007,485
Other comprehensive income (loss)			
Components of other comprehensive loss that will be reclassified to profit or loss			
Losses on remeasuring investments held as available for sale	10.2	-	-8,252,578
Reversal of gains from sale of investments held as available for sale	10.2	-	(2,553,282)
Total components of other comprehensive loss that will be reclassified to profit or loss		-	-10,805,860
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains on investment in equity instruments designated at fair value through other comprehensive income	10.1	3,123,660	-
Gains on revaluation of assets	15	-	4,770,000
Gains on remeasurements of defined benefit plans	26	357,721	778,675
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	25	-	(954,000)
Total components of other comprehensive income that will not be reclassified to profit or loss		3,481,381	4,594,675
Other comprehensive income (loss) for the years - net of tax		3,481,381	-6,211,185
Total comprehensive loss for the years		(19,189,505)	-97,218,670
Basic losses per share			
Basic losses per share (Baht)	31	(0.0021)	(0.0090)
Weighted average number of ordinary shares (shares)	31	10,615,949,085	10,114,938,156
Diluted losses per share			
Diluted losses per share (Baht)	31	(0.0021)	(0.0090)
Diluted weighted average number of ordinary shares (shares)	31	10,615,949,085	10,114,938,156

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	Retained earnings (Deficit)					Other components of shareholders' equity				Total Shareholders' equity
		Issued and paid share capital	Discount on ordinary shares	Expired warrant surplus	Appropriated legal reserve	Unappropriated (Deficit)	Other comprehensive income (loss)			Total other components of shareholders' equity	
							Gain on revaluation of assets	Losses on remeasuring investments held as available for sale	Gains (Losses) on investment in equity instruments designated at fair value through other comprehensive income		
Balances as at January 1, 2019		10,114,938,156	(8,500,747,796)	7,859,252	5,526,839	(1,356,022,820)	11,725,339	(18,905,567)	-	(7,180,228)	264,373,403
Changes in shareholders' equity											
Surplus on revaluation of assets	15 and 25	-	-	-	-	324,000	3,492,000	-	-	3,492,000	3,816,000
Gains on remeasurements of defined benefit plans	26	-	-	-	-	778,675	-	-	-	-	778,675
Total comprehensive loss for the year		-	-	-	-	(91,007,485)	-	(10,805,860)	-	(10,805,860)	(101,813,345)
Balances as at December 31, 2019		<u>10,114,938,156</u>	<u>(8,500,747,796)</u>	<u>7,859,252</u>	<u>5,526,839</u>	<u>(1,445,927,630)</u>	<u>15,217,339</u>	<u>(29,711,427)</u>	<u>-</u>	<u>(14,494,088)</u>	<u>167,154,733</u>
Balances as at January 1, 2020		10,114,938,156	(8,500,747,796)	7,859,252	5,526,839	(1,445,927,630)	15,217,339	(29,711,427)	-	(14,494,088)	167,154,733
Accumulated from changes in accounting policies due to the adoption of new financial reporting standards	2.4	-	-	-	-	(10,214,557)	-	29,711,427	(29,711,427)	-	(10,214,557)
Balances as at January 1, 2020 - new Financial Reporting Standards		10,114,938,156	(8,500,747,796)	7,859,252	5,526,839	(1,456,142,187)	15,217,339	-	(29,711,427)	(14,494,088)	156,940,176
Changes in shareholders' equity											
Increase in ordinary shares	28	833,500,000	(808,495,000)	-	-	-	-	-	-	-	25,005,000
Gains on remeasurements of defined benefit plans	26	-	-	-	-	357,721	-	-	-	-	357,721
Total comprehensive loss for the year		-	-	-	-	(22,670,886)	-	-	3,123,660	3,123,660	(19,547,226)
Balances as at December 31, 2020		<u>10,948,438,156</u>	<u>(9,309,242,796)</u>	<u>7,859,252</u>	<u>5,526,839</u>	<u>(1,478,455,352)</u>	<u>15,217,339</u>	<u>-</u>	<u>(26,587,767)</u>	<u>(11,370,428)</u>	<u>162,755,671</u>

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit : Baht	
	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the years		(22,670,886)	(91,007,485)
Adjustments :			
Tax income		-	(81,000)
Finance costs		406,421	2,450,273
Depreciation and amortization expenses		5,515,251	5,698,780
Employee benefit expenses	26	1,883,760	3,621,968
Reversal of provision for expected loss on construction contract	23.1 and 34	-	(185,737,428)
Reversal of provision for penalty arising from delay	23.2 and 34	-	(3,232,991)
Reversal of contract assets	34	-	104,040,492
Provisions for loss on litigations (reversal)		(31,253,556)	100,553,036
Other current provisions		1,121,867	1,291,354
Written-off financial assets		15,089,495	932,720
Written-off deposits		-	100,225
Reversal of impairment loss in accordance with TFRS 9 which recognized in profit or loss		(25,693,523)	(10,000,000)
Reversal of allowance for impairment - withholding tax		(1,028,188)	(2,358,448)
Written-off investment in joint arrangement		510,000	-
Reversal of impairment loss of investment in joint arrangement		(510,000)	-
Reversal of trade and other payables		(4,836,456)	(3,562,095)
Reversal retention payables		(6,465,182)	(155,640)
Gain on sales of assets	35	-	(2,423,118)
Loss on write-off of equipment		511,679	17,542
Gain on remeasuring current investments in held-for-trading securities		-	(1,836,004)
Gain on financial assets mandatorily measured at fair value through profit or loss		(2,072,604)	-
Gain on sales of investments held as available for sale		-	(2,392,355)
Loss on sales of current investments in held-for-trading securities		-	320,147
Gain on sales of financial assets mandatorily measured at fair value through profit or loss		(2,891,921)	-
Reversal of accrued interest income		187,611	-
Dividend income		(3,299,740)	-
Interest income		(281,426)	(1,581,602)
		<u>(75,777,398)</u>	<u>(85,341,629)</u>

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit : Baht	
	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)			
Operating assets (increase) decrease			
Current investments		5,373,720	156,137
Trade and other current receivables		(10,999,871)	34,567,406
Current contract assets		53,588,369	(17,221,769)
Inventories		418,500	(262,729)
Other current financial assets		498,445	-
Other current assets		(25,224,440)	9,625,439
Deposits at financial institution with restriction of use		240,990,000	40,460,509
Trade and other non-current receivables		16,156,102	(9,083,518)
Retention receivables		33,013,447	11,759,214
Other non-current assets		28,368,570	991,393
Operating liabilities increase (decrease)			
Trade and other current payables		(147,520,538)	(4,999,726)
Current contract liabilities		(19,501,700)	10,744,946
Current retention payables		(3,058,336)	5,099,875
Provision for dismantling and removal of leasehold improvement		(533,125)	-
Other current provisions		(2,336,196)	(1,504,203)
Provision for penalty arising from delay		-	(20,376,735)
Other current liabilities		(882,074)	(2,465,038)
Non-current retention payables		(822,133)	(5,297,163)
Provision for employee benefits paid during the year		(4,333,490)	-
Provision for loss on litigations		(138,377,818)	(1,191,310)
Net cash flows used in operation		(50,959,966)	(34,338,901)
Cash received from interest		820,269	911,874
Cash paid for income tax		(2,788,463)	(9,410,911)
Cash received from withholding tax		-	39,558,038
Net cash flows used in operating activities		(52,928,160)	(3,279,900)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from liquidation of subsidiary		-	854,268
Cash received from sales of investments held as available for sale		-	2,392,355
Dividend income		3,299,740	-
Payment for purchase of equipment		(496,253)	(183,648)
Cash received from sales of property, plant and equipment		-	3,101,282
Net cash flows provided by investing activities		2,803,487	6,164,257
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments for lease liabilities	4.2	(577,492)	(282,431)
Proceeds from increase in ordinary shares		25,005,000	-
Cash paid for interest expenses		(29,672)	(45,800)
Net cash flows provided by (used in) financing activities		24,397,836	(328,231)
Net (decrease) increase in cash and cash equivalents		(25,726,837)	2,556,126
Cash and cash equivalents as at January 1,		44,797,431	42,241,305
Cash and cash equivalents as at December 31,		19,070,594	44,797,431

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. OPERATIONS AND GENERAL INFORMATION OF THE COMPANY AND GOING CONCERN

T Engineering Corporation Public Company Limited (the “Company”) was incorporated in Thailand under the Civil and Commercial Code on April 10, 1981 and engages as a plant and building construction and other related services.

On July 14, 2005, the Company was registered under the Public Limited Company Act. On September 28, 2006, the Company was listed in the Market for Alternative Investment (“MAI”) on the Stock Exchange of Thailand.

As at December 31, 2020, the registered office of the Company is located at 15th floor, Rajanakarn Building, 3 South Sathorn Road, Yannawa, Sathorn District, Bangkok. Since January 5, 2021, the Company registered changes its address to 242 and 244 Krung Thonburi Road, Klong Ton Sai, Khlong San District, Bangkok.

On August 14, 2018, the Board of Directors’ meeting passed a resolution to approve the liquidation of a subsidiary. The subsidiary already registered the dissolution with the Department of Business Development on November 5, 2018 and registered the liquidation on January 28, 2019.

Going Concern

As at December 31, 2020, the Company had total current liabilities in excess of total current assets of Baht 21.41 million and had deficit of Baht 1,478.46 million and had comprehensive loss for the year ended December 31, 2020 of Baht 19.19 million. The current ratio as at December 31, 2020 and 2019 are 0.77 and 0.30, respectively. The current liabilities mainly include trade and other current payables and retention payables which are partially due and the Company negotiated for installment. The Company still has current construction only one project at present. In addition, the Company is considering new business investment plan with capable of becoming partner with the Company. However, the Company’s management believes that the preparation of the financial statements in accordance with the ongoing concern basis is still appropriate because on February 10, 2021, the Company’s Risk Committee Meeting and the Board of Directors’ Meeting on February 24, 2021, considered and approved going concern plan as follows:

- The Company still has construction at present and continually determines the bidding plan which focuses on industrial projects or hospital. The bidding projects value policy is not over than of Baht 150 million in consistency with the Company’s financial position.
- Throughout the years, the Company efforts to find investors who are capable of becoming partner with the Company in term of new business that are efficient in generating revenue and profit for the Company. The Company is considering such new business investment plan. However, if such investment plan is not completed, the Company’s management will consider to increase share capital in 2021 approximately Baht 75 million to Baht 100 million to support its working capital and repay its debts were dued.

However, in order to manage liquidity and prevent a lack of its working capital and repay its debts were due over the next 12 months from December 31, 2020, the Board of Director's Meeting No.1/2021 on February 24, 2021 passed a resolution to approve the Company find additional source of fund by borrowing from a major shareholder of the Company. The Company enters into a borrowing agreement with a major shareholder on February 24, 2021 which had a credit facility of Baht 50.00 million and using its land as collateral (see Note 43). In addition, the Company is in the process of request a credit facility from a financial institution.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company's operates. Nevertheless, the Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements" which is effective for the financial statements for the period beginning on or after January 1, 2020 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560" and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No. 3) B.E. 2562" dated December 26, 2019.

The Company prepared and presented the financial statements which did not recognize its interest in a joint arrangement in Joint Venture between Thai Industrial & Engineering Service Plc. and Reungnarong Co., Ltd. according to Thai Financial Reporting Standard No. 11 "Joint Arrangements" because such joint arrangement ceased its operation since 2014 and such investment in a joint operation has no material impact to the financial statements (see Notes 3.8 and 11).

However, on November 13, 2019, the Board of Directors' meeting of the Company passed a resolution to approve the closure of Joint Venture between Thai Industrial & Engineering Service Plc. and Reungnarong Co., Ltd. On April 1, 2020, this joint venture has already submitted the statement for its liquidation and tax payment to the Revenue Department.

- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Company has adopted the revised and new Thai Financial Reporting Standards including the Guideline on accounting issued by the Federation of Accounting Professions which become effective for the financial statements for the accounting periods beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements, except the following financial reporting standards:

Group of Financial Instruments Standards

In the current year, the Company has initially applied Group of Financial Instruments Standards. The Company has elected to recognize the cumulative effect of initially adopting of Thai Financial Reporting Standard No. 9 "Financial Instruments" ("TFRS 9") as an adjustment to the opening balance of retained earnings of the reporting period.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

The Company has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of TFRS 9) is January 1, 2020. Accordingly, the Company has applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and has not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, all equity investments are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income.

The management of the Company reviewed and assessed the Company's existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- The Company's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 "Accounting for Investments in Debt and Equity Securities" have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;
- There is no change in the measurement of the Company's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;
- Investments classified as held-to-maturity under TAS 105 "Accounting for Investments in Debt and Equity Securities" and loans and receivables as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the other reclassifications of financial assets have had any impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company to recognize a loss allowance for expected credit losses on trade receivables and contract assets.

In particular, TFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Because the Company has elected to recognize the cumulative effect as an adjustment of retained earnings at the date of initial application, for the purpose of assessing whether there has been a significant increase in credit risk since initial recognition of financial instruments that remain recognized as at January 1, 2020, on the date of initial application of TFRS 9.

The result of the assessment is as follows:

	Unit: Baht
Items existing as at January 1, 2020 that are subject to the impairment provisions of TFRS 9	Cumulative additional allowance recognized
Trade and other non-current receivables (see Note 12)	<u>10,214,557</u>
	<u>10,214,557</u>

The additional credit loss allowance of Baht 10.21 million as at January 1, 2020 has been recognized directly against retained deficit, resulting in a net increase in retained deficit of Baht 10.21 million as at January 1, 2020. The additional loss allowance is charged against the respective asset.

(c) Classification and measurement of financial liabilities

A significant change introduced by TFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, TFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized.

Apart from the above, the application of TFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

Please refer to (d) below for further details regarding the change in classification upon the application of TFRS 9.

(d) Disclosure in relation to the initial application of TFRS 9

There were no financial assets or financial liabilities which the Company has elected to designated as at FVTPL at the date of initial application of TFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to TFRS 9.

	(Unit: Baht)				
	Carrying amounts as at December 31, 2019	Reclassifications	Remeasurement	Carrying amounts as at January 1, 2020	Category
Financial assets					
FVTPL					
Current investment (Held-for-trading securities-equity securities)	5,373,720	(5,373,720)	-	-	Held-for- trading securities
Other current financial asset	-	5,373,720	-	5,373,720	FVTPL
FVTOCI					
Investments held as available for sale - equity securities	25,254,440	(25,254,440)	-	-	Held as available for sale
Other non-current financial asset	-	25,254,440	-	25,254,440	FVTOCI

Impact of initial application of TFRS 9 on financial position

The tables below show impact on the beginning balance of assets and shareholders' equity of the year 2020 due to initial application of TFRS 9.

Impact on assets and shareholders' equity	As at December 31, 2019	Effect from Group of financial instruments	(Unit: Baht) As at January 1, 2020
Assets			
Current investment	5,373,720	(5,373,720)	-
Other current financial assets	-	5,373,720	5,373,720
Investments held as available for sale	25,254,440	(25,254,440)	-
Other non-current financial assets	-	25,254,440	25,254,440
Trade and other non-current receivables	17,598,231	<u>(10,214,557)</u>	7,383,674
Total effect on net assets		<u><u>(10,214,557)</u></u>	
Shareholders' Equity			
Deficit	(1,445,927,630)	<u>(10,214,557)</u>	(1,456,142,187)
Total effect on shareholders' equity		<u><u>(10,214,557)</u></u>	

The application of TFRS 9 has had no impact on the cash flows of the Company.

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

The Company’s management has applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Company to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under Thai Accounting Standards No. 17 “Leased” (“TAS 17”) and TFRIC Interpretations No. 4 “Determining whether an Arrangement Contains a Lease” (“TFRIC 4”).

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Company applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020.

In preparation for the first-time application TFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Company accounts for lease previously classified as operating leases under TAS 17, which were off statement of financial position.

Applying TFRS 16, for all leases (except as noted below), the Company:

- 1) Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss and other comprehensive income.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes photocopier, tablets, personal computers, small items of office furniture and telephones) the Company has opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented as expenses in profit or loss and other comprehensive income.

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognized under TAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Company has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying TAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities, respectively, without any adjustments.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from January 1, 2020.

Financial impact of the initial application of TFRS 16

The Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 4.26% - 4.41%.

The following table shows the operating lease commitments disclosed applying TAS 17 as at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	Baht
Operating lease commitments as at December 31, 2019	9,943,225
Short-term leases and leases of low-value assets	(9,453,225)
Effect of discounting the above amounts	(16,844)
Finance lease liabilities recognized under TAS 17 as at December 31, 2019	<u>311,402</u>
Lease liabilities recognized as at January 1, 2020	<u>784,558</u>

The Company has recognized Baht 473,156 of right-of-use assets and Baht 473,156 of lease liabilities upon transition to TFRS 16.

In addition, the Federation of Accounting Professions has announced the Accounting Treatment Guidance, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Company has not adopted such accounting treatment guidances in the preparation of the financial statements for the year ended December 31, 2020 because the Company does not have any conditions in accordance with such guidances.

2.5 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No. 3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 “Presentation of Financial Statements” and Thai Accounting Standards No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 “Financial Instruments” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures”.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies as below:

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks’ savings accounts and current accounts, and short-term highly liquid investments with maturities within three months, excluding deposit at bank used as collateral.

3.2 Current investments

Policies applicable prior to January 1, 2020.

Held-for-trading investments are presented at fair value. The fair value of equity investment which is publicly traded in the stock exchange is measured at the last bidding price of the last operating day of the year of the Stock Exchange of Thailand.

Gain or loss on the change in fair value of held-for-trading investments is recognized as unrealized gains or losses in the statement of profit or loss and other comprehensive income.

Policies applicable which is effective from January 1, 2020 (see Note 3.7).

3.3 Investments held as available for sale

Policies applicable prior to January 1, 2020.

Investments held as available for sale are stated at fair value and less allowance for impairment, if any. The fair values of available for sale investments in equity securities which are listed securities are estimated by using the bid prices of the Stock Exchange of Thailand on the last business day of the year.

Unrealized gains or losses from fair value from remeasurement of available-for-sale investments are presented as separated items in shareholders’ equity. Changes in unrealized gains or losses are recognized as part of other comprehensive income in the statements of profit or loss and other comprehensive income and will be transferred to be recognised in profit or loss when investments are sold.

In case reclassification of investments from held-for-trading investment to available-for-sale investments, the Company remeasures such investment using its fair value on the date such investments are reclassified. Difference between the carrying and the fair value on the date of reclassification are recorded in the statement of profit or loss and other comprehensive income.

3.4 Trade receivables and other current receivables

a) Policies applicable prior to January 1, 2020.

Trade receivables and other current receivables are stated at the net realizable value. The Company records the allowance for doubtful account for the estimated losses that may incur in collection of receivables. The allowance for doubtful accounts is based on collection experience and current status of receivables outstanding at the statement of financial position date.

b) Policies applicable from January 1, 2020.

Trade receivables and other receivables are stated at the net realizable value.

Loss allowance is considered as described in Note 3.7.

3.5 Contract assets

a) Policies applicable prior to January 1, 2020.

Unbilled construction revenues and unearned construction revenues

The Company becomes entitled to invoice customers for construction based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer receive a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The Company recognizes unbilled construction revenues as part of trade and other current receivable in the statement of financial position. And such amount will be classified as trade receivables when it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date under the input method, the Company recognizes different amount as unearned construction revenues in the statement of financial position.

b) Policies applicable from January 1, 2020.

Contract assets are construction contracts work in progress that represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized to date less progress billings and recognized losses. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable costs incurred in the Company's construction contract activities based on normal operating capacity.

The difference of progress billings below construction revenue is presented under trade and other receivable in the statement of financial position. If progress billings exceed construction revenue, then the difference is presented under trade and other payables in the statement of financial position.

3.6 Inventories

Raw materials for use in construction are stated at the lower of cost or net realizable value. Cost is determined by weighted average method. Net realizable value is the estimate of the selling price in the ordinary course of business less the estimated costs necessary to make sale.

The Company records the allowance for diminution of inventory for damaged inventories or obsolete inventories.

Work in progress is recognized as described in Note 3.18.

3.7 Financial instruments

Policies applicable from January 1, 2020.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

The Company may make the following irrevocable election/designation at initial recognition of a financial asset.

The Company may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (i) below);

(i) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “finance income” line item in profit or loss.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (see Note 2.4).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) above) are measured at FVTPL. Specifically, Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (i) above).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item. Fair value is determined in the manner described in Note 38.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

1) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings (deficit).

Financial liabilities

All financial liabilities are measured subsequently at amortized cost.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.8 Investment in joint arrangement

Investment in joint arrangement in the financial statements is accounted for using the cost method less allowance for impairment, if any.

3.9 Investment properties

Investment properties are properties which are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value which appraised by independent appraiser. Any gains or losses arising from changes in the value of investment properties are recognized in profit or loss when incurred.

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

3.10 Property, plant and equipment

Land is stated at the revalued amount based on valuations amount determined by an independent appraiser. The Company has policy to perform revaluation of land every 3 years or whenever the fair value of a revalued land differs materially from its carrying amount.

Building and equipment are stated at cost less accumulated depreciation and allowance for impairment, if any.

The cost includes the costs of dismantling and removing the items and restoring the site on which they are located.

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

Building and leasehold improvement	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture and office equipment	5 years
Vehicles	5 years

For revalued assets, a revalued amount is the fair value determined on market value at the date of revaluation.

The Company recognizes an increase in asset value as a result of a revaluation in “gain on revaluation of assets” which is presented under other components of shareholders’ equity in the statement of financial position. However, if the assets used to be decreased as a result of revaluation and the Company used to be recognize a decreased as an expense in the statement of profit or loss and other comprehensive income, the increase from new revaluation will be recognized as income not exceeding the decrease which was previously recognized as an expenses in the statement of profit or loss and other comprehensive income in prior years.

The Company recognizes a decrease in asset value as a result of a revaluation as expense in the statement of profit or loss and other comprehensive income. However, if the asset used to be increased and gain on revaluation of assets is existing in other components of shareholders’ equity, the decrease from new revaluation will be deducted from surplus on revaluation of assets not exceeding the increase of the same asset and the exceeding amount is recognized as an expense in the statement of profit or loss and other comprehensive income.

The gain on revaluation of assets cannot be used for dividend payment.

Depreciation is included in determining operating result and no depreciation is provided to land and construction in progress.

Repairs and maintenance are charged an expense to the statement of profit or loss and other comprehensive income incurred during the year. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one accounting period. Assets from major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in profit and loss from operation.

When revaluated assets are sold, the amounts included in gain on revaluation are transferred to retained earnings.

3.11 Intangible assets

Intangible assets representing computer program are stated at cost less accumulated amortization and allowance for impairment, if any. Amortization is computed by the straight-line method based on the estimated useful lives of assets for 5 years.

3.12 Impairment of assets

The Company considers the impairment of assets when there are indications or changes in the environment which indicate that recoverable amount (the higher of fair value less cost of disposal or value in use) is lower than carrying amount of such assets. The impairment review will consider the impairment of an individual asset or a cash generating unit. In the case carrying amount of the asset is higher than its recoverable amount, the Company will recognize the loss from impairment of the asset in the statement of profit or loss and other comprehensive income.

The Company will reverse the loss from impairment of assets previously recognized in prior years when there are indications that impairment no longer exist or decrease. However, increase in carrying amount as a result from reversal will not exceed the carrying amount that would have been determined (net of depreciation or amortization) if had the Company had no impairment loss been recognized for the assets in prior years.

3.13 Lease agreements

The Company has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows:

a) Policies applicable prior to January 1, 2020.

Operating lease

Long-term lease for assets which a significant portion of the risks and rewards of ownership are still retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as an expense to the statement of profit or loss and other comprehensive income on the straight-line method over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Finance lease

Lease in which substantially all the risk and reward of ownership, other than legal title is transferred to the Company is accounted for as a finance lease. The Company capitalized the asset and liabilities in statement of financial position in the amount at the lower of estimated present value of the underlying lease payments or at the fair value of the leased asset at the contract started date.

The leased assets are depreciated using the straight-line method over their estimated useful lives. Financial charge is calculated by the effective interest rate method over the term of contracts. Financial charge and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

b) Policies applicable from January 1, 2020

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (i.e. photocopied, tablets, personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever, if any:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

3.14 Provisions

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

3.14.2 Provision for dismantling and removal of leasehold improvement

The Company estimates the provision for dismantling and removal of leasehold office improvement by considering the condition for returning the leased premises as per the agreement and the cost of dismantling and removal per square meter and lease premise's space.

3.15 Provisions for employee benefit

3.15.1 Short-term benefits

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

3.15.2 Post-employment benefits - contribution benefit plan

The Company has established a provident fund the assets of which are held separately from the Company's assets. The provident fund is funded by the contribution from employees and the Company. Contributions from the Company to the provident fund are recognized as expenses the statement of profit or loss and other comprehensive income in the period to which they relate.

3.15.3 Post-employment benefits - defined benefit plan

The provisions for employee benefit for severance payment according to the labour law is recognized as expense over the employee's service period which is the estimated amount of future benefit earned by employees in return for service provided to the Company until their retirement. Such benefit is discounted to be the present value. Discount rate is based on the yield rate of government bond as the initial reference rate. The calculation is performed by actuarial techniques using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) in other comprehensive income.

Past service cost related to plan amendment is recognized as an expense in the income statement and other comprehensive income when the plan amendment is effective.

3.16 Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the Company receives services from employees compensates in part through equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period.

3.17 Recognition of revenues and expenses

Revenue excludes value-added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenues from construction contract is recognized as described in Note 3.18.

Interest income, other income and expenses are recognized on an accrual basis.

3.18 Construction contracts

Revenues from construction contract

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims or incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. Revenues from construction contract will be recognized when the Company satisfies a performance obligation according to the contract over time by transferring control of asset from construction to a customer. Revenues from construction contract will be recognized on an input method based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Such method is appropriated to reflect service transfer.

When the outcome of a construction contract cannot be estimated reliably, revenue from construction contract is recognized not exceed to the extent of contract costs incurred that it is probably will be recoverable.

Construction contract loss

When it is probable that total contract costs will exceed total contract revenue, the Company will recognize the expected loss on a contract in the statement of profit and loss and other comprehensive income.

Work in progress

Costs that relate to future activity on the contract are recognized as work in progress provided it is probable that they will be recovered.

3.19 Income tax

Income tax consists of the tax currently payable and deferred tax.

3.19.1 Current tax

The current tax is the amount of income tax pay on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated by using tax rates at the end of reporting period.

3.19.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Company recognized deferred tax liabilities for all temporary difference and recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statements profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in shareholders' equity in the same or different period.

3.20 Fair value measurement

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers based on the characteristics of the asset or liability which market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.21 Losses per share

Basic losses per share are calculated by dividing net loss for the year by the weighted average number of ordinary shares issued during the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscriptions received. In case of a capital decrease, the number of ordinary shares is weighted according to time of registration of capital reduction. Diluted losses per share is calculated from weighted average number of ordinary shares assumed that dilutive ordinary shares equivalents is totally converted to ordinary shares.

3.22 Use of management's judgments and significant accounting estimations

In the application of the Company's accounting policies described above, the management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimates are as follows:

3.22.1 Estimated construction project costs and provision for expected loss on construction contract

The Company estimates costs of each construction project based on details of the construction work taking into account the volume and value of construction materials to be used in the project, including labour costs and other miscellaneous costs to be incurred to complete construction service with consideration of trend of changes in construction materials price, labour and other expenses. The Company reviews estimated construction cost on a regularly basis and whenever actual costs significantly differ from estimated cost of each construction contract. In addition, the Company considers contract loss on each project by comparing total construction costs by contract revenue of each project.

3.22.2 Impacts on litigations

The Company has commercial disputes and litigations. The Company's management used judgment to assess of the results of the commercial disputes and litigations based on the causes of the commercial disputes and litigation and other evidence documents including consulting with legal counsel for significant commercial disputes and litigation.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Non-cash items for the years ended December 31, consisted of the following:

	2020	2019
	Baht	Baht
Gains on investments in equity instruments designated at fair value through other comprehensive income	3,123,660	-
Losses on remeasuring investments held as available for sale	-	8,252,578
Reversal of unrealized gains on remeasuring investments held as available for sale	-	(2,553,282)
Gains on remeasuring current investments in held-for-trading securities	-	1,836,004
Gains on financial assets mandatorily measured at fair value through profit or loss	2,072,604	-
Transfer provision for expected loss on construction contract to provision for warranty	-	(2,469,000)
Transfer provision for expected loss on construction contract to accrued expense	-	(4,598,916)
Provision for dismantling and removal of leasehold improvement	-	533,125
Gains on remeasurements of defined benefit plans	357,721	778,675
Gains on revaluation of assets	-	4,770,000

4.2 Change in liabilities from financing activities for the years ended December 31, are as follows:

For the year ended December 31, 2020	Balance as at January 1, 2020 Baht	Financing cash flows		Change from implementation of TFRS 16 Baht	Other changes ⁽¹⁾ Baht	Balance as at December 31, 2020 Baht
		Cash Received Baht	Cash Paid Baht			
		Lease liabilities	311,402			
Other short-term borrowing	<u>12,235,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,235,690</u>
Total	<u><u>12,547,092</u></u>	<u><u>-</u></u>	<u><u>(577,492)</u></u>	<u><u>473,156</u></u>	<u><u>(127,224)</u></u>	<u><u>12,315,532</u></u>

(1) Other changes were arised from decreased in lease liabilities from the termination of lease agreement.

For the year ended December 31, 2019	Balance as at January 1, 2019 Baht	Financing cash flows		Balance as at December 31, 2019 Baht
		Cash received Baht	Cash paid Baht	
		Lease liabilities	593,833	
Other short-term borrowing	<u>12,235,690</u>	<u>-</u>	<u>-</u>	<u>12,235,690</u>
Total	<u><u>12,829,523</u></u>	<u><u>-</u></u>	<u><u>(282,431)</u></u>	<u><u>12,547,092</u></u>

4.3 Cash and cash equivalents as at for December 31, consisted of the following:

	2020 Baht	2019 Baht
Cash on hand	45,944	520,660
Cash at banks		
- Current accounts	16,422,990	41,340,403
- Savings accounts	2,379,227	2,836,991
- Fixed accounts (maturity less than 3 months)	222,433	99,377
Total	<u>19,070,594</u>	<u>44,797,431</u>

As at December 31, 2020 and 2019, savings accounts carry interest at the rate of 0.38% to 1.00% per annum and 0.38% to 0.65% per annum, respectively.

As at December 31, 2020 and 2019, fixed deposits at banks (maturity less than 3 months) carry interest at the rate of 0.37% to 1.63% per annum and 0.65% to 1.63% per annum, respectively.

5. TRADE AND OTHER CURRENT RECEIVABLES

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

	2020 Baht	2019 Baht
Trade receivables		
- Other parties	5,948,099	-
Trade receivables	<u>5,948,099</u>	<u>-</u>
Other current receivables		
Other current receivables		
- Other parties	154,352	1,034,463
- Other receivable - bank (see Note 41.1)	5,334,318	-
- Revenue Department	551,739	552,251
Advance payments for construction	1,466,321	1,519,010
Advance payments	-	283,335
Prepaid expenses	1,130,067	922,420
Other current receivables	<u>8,636,797</u>	<u>4,311,479</u>
Total	<u>14,584,896</u>	<u>4,311,479</u>

The aging of trade receivables as at December 31, is as follows:

	2020 Baht	2019 Baht
Within credit term	5,948,099	-
Total	<u>5,948,099</u>	<u>-</u>

6. INVENTORIES

Inventories as at December 31, consisted of the following:

	2020 Baht	2019 Baht
Work in progress	-	418,500
Total	<u>-</u>	<u>418,500</u>

7. CURRENT INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS

7.1 Current investments as at December 31, consisted of the following:

	2020 Baht	2019 Baht
Current investments		
Held-for-trading securities - equity securities	-	14,739,788
Unrealized loss	-	(9,366,068)
Total	<u>-</u>	<u>5,373,720</u>

Unrealized loss on remeasuring current investments in held-for-trading securities

As at December 31, 2019, the Company has unrealized loss on remeasuring current investments in held-for-trading securities of Baht 9.37 million which recognized gain on remeasuring current investments in held-for-trading securities as other gains in the statements of profit or loss and other comprehensive income for the year ended December 31, 2019 of Baht 1.84 million.

Trading of held-for-trading securities

For the year ended December 31, 2019, the Company did not purchase but sold held-for-trading securities of Baht 0.16 million.

As at December 31, 2020, the above current investments are classified as other current financial assets in accordance with TFRS 9 due to Note 7.2.

7.2 Other current financial assets as at December 31, consisted of the following:

	2020 Baht	2019 Baht
Financial assets mandatorily measured at fair value through profit or loss		
Shares	6,772,052	-
Unrealized loss	(2,305,972)	-
Total	<u>4,466,080</u>	<u>-</u>

Losses on financial assets mandatorily measured at fair value through profit or loss

As at December 31, 2020, the Company has unrealized loss on remeasuring financial assets mandatorily measured at fair value through profit or loss of Baht 2.31 million which recognized gain on financial assets mandatorily measured at fair value through profit or loss as other gains in the statements of profit or loss and other comprehensive income for the year ended December 31, 2020 of Baht 2.07 million.

The Company recognized reversal of unrealized loss from sale financial assets mandatorily measured at fair value through profit or loss for the year ended December 31, 2020 of Baht 4.99 million.

Trading of financial assets mandatorily measured at fair value through profit or loss

For the year ended December 31, 2020 the Company sell financial assets mandatorily measured at fair value through profit or loss of Baht 5.87 million.

For the year ended December 31, 2020, the Company did not purchase and sell financial assets mandatorily measured at fair value through profit or loss.

8. OTHER CURRENT ASSETS

Other current assets as at December 31, consisted of the following:

	2020	2019
	Baht	Baht
Refundable withholding tax	25,720,597	-
Guarantees and deposits	2,240,361	672,477
Other	1,606,930	3,670,971
Total	<u>29,567,888</u>	<u>4,343,448</u>

9. DEPOSITS AT FINANCIAL INSTITUTION WITH RESTRICTION OF USE

As at December 31, 2020, deposits at financial institution with restriction of use amounting to Baht 15.86 million are fixed deposits with the maturity of 3 -12 months, carrying interest rate at 0.38% to 1.63% per annum, which the Company used as collateral for facility of letters of guarantee issued by the financial institutions (see Note 39.1).

As at December 31, 2019, deposits at financial institution with restriction of use amounting to Baht 256.85 million are fixed deposits with the maturity of 3 -12 months, carrying interest rate at 0.65% to 1.63% per annum, which the Company used as collateral for facility of letters of guarantee issued by the financial institutions (see Note 39.1).

10. OTHER NON-CURRENT FINANCIAL ASSETS AND INVESTMENTS HELD AS AVAILABLE FOR SALE

10.1 Other non - current financial assets as at December 31, consisted of the following:

	2020	2019
	Baht	Baht
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	54,965,867	-
Unrealized loss	<u>(26,587,767)</u>	<u>-</u>
Total	<u>28,378,100</u>	<u>-</u>

Loss on investments in equity instruments designated at fair value through other comprehensive income

As at December 31, 2020, the Company has unrealized loss on remeasuring investments in equity instruments designated at fair value through other comprehensive income of Baht 26.59 million. The Company recognized loss on investments in equity instruments designated at fair value through other comprehensive income as other comprehensive loss of Baht 3.12 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020.

Trading of investments in equity instruments designated at fair value through other comprehensive income

For the year ended December 31, 2020, the Company did not purchase and sell investments in equity instruments designated at fair value through other comprehensive income.

10.2 Investments held as available for sale as at December 31, consisted of the following:

	2020 Baht	2019 Baht
Investments held as available for sale		
Equity securities	-	54,965,867
Unrealized loss	-	(29,711,427)
Total	<u>-</u>	<u>25,254,440</u>

Unrealized loss on change in fair value of investments held as available for sale

As at December 31, 2019, the Company has unrealized loss on change in fair value of investments held as available for sale of Baht 29.71 million. The Company recognized unrealized loss on change in fair value of investment held as available for sale as other comprehensive loss of Baht 8.25 million in the statements of profit or loss and other comprehensive income for the year ended December 31, 2019.

The Company recognized reversal of unrealized gain from sales investments held as available for sale as other comprehensive loss in the statements of profit or loss and other comprehensive income for the year ended December 31, 2019 of Baht 2.55 million.

Trading of investments held as available for sale

For the year ended December 31, 2019, the Company did not purchase investments held as available for sale and sold investments held as available for sale of Baht 2.39 million.

As at December 31, 2020, the above investments held as available for sales are classified as other non-current financial assets as TFRS 9 according to Note 10.1.

11. INVESTMENT IN JOINT ARRANGEMENT

Investment in joint arrangement as at December 31, is as follows:

Name of joint arrangement	Type of business	Ownership interest (%)		Cost (Baht)	
		2020	2019	2020	2019
Joint Venture between Thai Industrial & Engineering Service Plc. And Reaungnarong Co., Ltd.	Construction business	-	51	-	510,000
<u>Less</u> Allowance for impairment				-	(510,000)
Total investment in joint arrangement				<u>-</u>	<u>-</u>

As at December 31, 2019, the Company did not include the interest in a joint arrangement in Thai Industrial Service and Reaung Narong Joint Venture in preparation and presentation of the financial statements since it is not material to the financial statements (see Note 2.2).

However, on November 13, 2019, the Board of Directors' meeting of the Company passed a resolution to approve the closure of Joint Venture between Thai Industrial & Engineering Service Plc. and Reungnarong Co., Ltd. On April 1, 2020, this joint venture has already submitted the statement for its liquidation and tax payments to the Revenue Department.

12. TRADE AND OTHER NON-CURRENT RECEIVABLES

Trade and other non-current receivables as at December 31, consisted of the following:

	2020	2019
	Baht	Baht
Trade receivables		
- Other parties	144,531,513	157,837,786
<u>Less</u> Loss allowance	<u>(144,531,513)</u>	<u>(147,850,268)</u>
Trade receivables	<u>-</u>	<u>9,987,518</u>
Other non-current receivables		
Other receivables		
- Other parties	5,480,086	6,314,352
- Other receivable - bank (see Note 41.1)	-	5,334,318
<u>Less</u> Loss allowance	<u>(5,458,174)</u>	<u>(6,314,352)</u>
Other receivables	<u>21,912</u>	<u>5,334,318</u>
Advance payments for construction	<u>2,276,395</u>	<u>2,276,395</u>
Other non-current receivables	<u>2,298,307</u>	<u>7,610,713</u>
Total	<u>2,298,307</u>	<u>17,598,231</u>
Write-off bad debts for the year	<u>3,318,755</u>	<u>932,720</u>

The aging of trade receivables as at December 31, are as follows:

	2020	2019
	Baht	Baht
Overdue		
Over 12 months	<u>144,531,513</u>	<u>157,837,786</u>
Total	<u>144,531,513</u>	<u>157,837,786</u>

For the years ended December 31, the movements of loss allowance are as follows:

	2020	2019
	Baht	Baht
Beginning balances as previously reported	154,164,620	154,164,620
<u>Add</u> Impact on recognized loss allowance as TFRS 9	<u>10,214,557</u>	<u>-</u>
Beginning balances - new Financial Reporting Standards	<u>164,379,177</u>	<u>154,164,620</u>
<u>Add</u> Recognized loss allowance during the years	<u>43,822</u>	<u>-</u>
<u>Less</u> Reversal of impairment loss during the years	<u>(14,433,312)</u>	<u>-</u>
Ending balances	<u>149,989,687</u>	<u>154,164,620</u>

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

As at December 31, 2020	Trade receivables - days past due					Total Baht
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	100%	100%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	144,531,513	144,531,513
12-month ECL	-	-	-	-	(144,531,513)	<u>(144,531,513)</u>
						<u>-</u>

As at December 31, 2020	Other receivables - days past due					Total Baht
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	99%	99%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	5,480,086	5,480,086
12-month ECL	-	-	-	-	(5,458,174)	<u>(5,458,174)</u>
						<u>21,912</u>

13. NON-CURRENT CONTRACT ASSETS

Non-current contract assets as at December 31, consisted of the following:

	2020 Baht	2019 Baht
Non-current contract assets	38,317,650	39,619,782
<u>Less</u> Loss allowance	<u>(38,317,650)</u>	<u>(39,619,782)</u>
Non-current contract assets (see Note 34)	<u>-</u>	<u>-</u>

For the year ended December 31, the movements of loss allowance are as follows:

	2020 Baht	2019 Baht
Beginning balances	39,619,782	39,619,782
<u>Less</u> Reversal of impairment loss during the years	<u>(1,302,132)</u>	<u>-</u>
Ending balances	<u>38,317,650</u>	<u>39,619,782</u>

As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base as at December 31, 2020 are as follows:

	2563 Baht
Expected credit loss rate	100%
Estimated total gross carrying amount at default amounts not past due	38,317,650
12-month ECL	<u>(38,317,650)</u>
Net carrying amount	<u>-</u>

14. INVESTMENT PROPERTIES

Investment properties December 31, consisted to the following:

As at December 31, 2020

	Balances as at January 1, 2020 Baht	Additions Baht	Deductions/ Disposal Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2020 Baht
Land	-	-	-	49,961,974	49,961,974
Surplus from land revaluation	-	-	-	10,286,026	10,286,026
Total investment properties	-				60,248,000

As at December 31, 2020, the Company transfer land from property, plant and equipment to investment properties (see Note 15). Such land is non-operating land.

On February 24, 2021, the Company has pledged investment properties in net book value amounting to Baht 60.25 million, as collateral against credit facilities from the major shareholder (see Note 43).

15. PROPERTY, PLANT AND EQUIPMENT

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

As at December 31, 2020

	Balances as at January 1, 2020 Baht	Additions Baht	Deductions/ Disposal Baht	Change from implementation of TFRS16 Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2020 Baht
Cost						
Land						
Cost	53,946,326	-	-	-	(49,961,974)	3,984,352
Surplus from land revaluation	19,021,674	-	-	-	(10,286,026)	8,735,648
Building and leasehold improvement	12,677,175	487,110	(8,877,170)	-	-	4,287,115
Machinery and equipment	32,841,808	-	-	-	-	32,841,808
Furniture and office equipment	12,099,491	9,143	(7,898)	-	-	12,100,736
Vehicles	16,992,511	-	-	(3,400,000)	-	13,592,511
Total at cost	<u>147,578,985</u>	<u>496,253</u>	<u>(8,885,068)</u>	<u>(3,400,000)</u>	<u>(60,248,000)</u>	<u>75,542,170</u>
Accumulated depreciation						
Building and leasehold improvement	(9,873,123)	(2,131,984)	8,365,500	-	-	(3,639,607)
Machinery and equipment	(27,610,328)	(783,512)	-	-	-	(28,393,840)
Furniture and office equipment	(10,512,664)	(994,316)	7,889	-	-	(11,499,091)
Vehicles	(16,191,505)	(24,645)	-	3,399,999	-	(12,816,151)
Total accumulated depreciation	<u>(64,187,620)</u>	<u>(3,934,457)</u>	<u>8,373,389</u>	<u>3,399,999</u>	<u>-</u>	<u>(56,348,689)</u>
Total property, plant and equipment	<u>83,391,365</u>					<u>19,193,481</u>

As at December 31, 2019

	Balances as at January 1, 2019 Baht	Additions Baht	Deductions/ Disposal Baht	Balances as at December 31, 2019 Baht
Cost				
Land				
Cost	54,216,326	-	(270,000)	53,946,326
Surplus from land revaluation	14,656,674	4,770,000	(405,000)	19,021,674
Building and leasehold improvement	13,452,050	533,125	(1,308,000)	12,677,175
Machinery and equipment	32,683,683	162,605	(4,480)	32,841,808
Furniture and office equipment	13,774,287	21,043	(1,695,839)	12,099,491
Vehicles	20,304,661	-	(3,312,150)	16,992,511
Total at cost	<u>149,087,681</u>	<u>5,486,773</u>	<u>(6,995,469)</u>	<u>147,578,985</u>
Accumulated depreciation				
Building and leasehold improvement	(9,049,135)	(2,131,985)	1,307,997	(9,873,123)
Machinery and equipment	(26,673,328)	(938,487)	1,487	(27,610,328)
Furniture and office equipment	(11,154,399)	(1,036,399)	1,678,134	(10,512,664)
Vehicles	(19,448,119)	(55,531)	3,312,145	(16,191,505)
Total accumulated depreciation	<u>(66,324,981)</u>	<u>(4,162,402)</u>	<u>6,299,763</u>	<u>(64,187,620)</u>
Total property, plant and equipment	<u>82,762,700</u>			<u>83,391,365</u>
Depreciation for the years ended December 31,				
2020			Baht	<u>3,934,457</u>
2019			Baht	<u>4,162,402</u>

As at December 31, 2020 and 2019, costs of building and equipment which are fully depreciated, but still in use are Baht 45.85 million and Baht 48.62 million, respectively.

As at December 31, 2020, the Company transfer certain of land to investment properties (see Note 14), such land is non-operating land.

In year 2019, the Company revalued its land by using value appraised by the independent appraiser licensed by the Securities and Exchange Commission which is determined by using the Market Approach Method according to the appraisal reports dated May 23, 2019 and February 5, 2020.

16. RETENTION RECEIVABLES

Retention receivables as at December 31, consisted of the following:

	2020 Baht	2019 Baht
Retention receivables	84,955,262	128,437,317
<u>Less</u> Loss allowance	<u>(48,035,752)</u>	<u>(58,037,653)</u>
Total	<u>36,919,510</u>	<u>70,399,664</u>

For the years ended December 31, the movements of loss allowance are as follows:

	2020 Baht	2019 Baht
Beginning balances	58,037,653	58,603,222
<u>Less</u> Written-off during the years	-	(565,569)
<u>Less</u> Reversal of impairment loss during the years	<u>(10,001,901)</u>	-
Ending balances	<u>48,035,752</u>	<u>58,037,653</u>

The following table details the risk profile of retention receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

As at December 31, 2020	Retention receivables - days past due					Total
	< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	
	Baht	Baht	Baht	Baht	Baht	Baht
Expected credit loss rate	0%	0%	0%	0%	100%	100%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	48,035,752	48,035,752
Lifetime ECL	-	-	-	-	(48,035,752)	(48,035,752)
						<u>-</u>

17. INTANGIBLE ASSETS

Intangible assets as at December 31, consisted of the following:

As at December 31, 2020

	Balances as at January 1, 2020	Additions	Deductions/ Disposal	Balances as at December 31, 2020
	Baht	Baht	Baht	Baht
Computer program				
Cost	10,338,080	-	-	10,338,080
<u>Less</u> Accumulated amortization	(6,696,249)	(1,313,193)	-	(8,009,442)
Total intangible assets	<u>3,641,831</u>			<u>2,328,638</u>

As at December 31, 2019

	Balances as at January 1, 2019	Additions	Deductions/ Disposal	Balances as at December 31, 2019
	Baht	Baht	Baht	Baht
Computer program				
Cost	13,810,262	-	(3,472,182)	10,338,080
<u>Less</u> Accumulated amortization	(8,632,053)	(1,536,378)	3,472,182	(6,696,249)
Total intangible assets	<u>5,178,209</u>			<u>3,641,831</u>

Amortization for the years ended December 31,

2020	Baht	<u>1,313,193</u>
2019	Baht	<u>1,536,378</u>

18. OTHER NON-CURRENT ASSETS

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

	2020 Baht	2019 Baht
Guarantees and deposits	279,300	2,927,273
Withholding tax	49,072,615	65,473,501
Total	<u>49,351,915</u>	<u>68,400,774</u>
<u>Less</u> Allowance for impairment	-	(1,119,388)
Total	<u>49,351,915</u>	<u>67,281,386</u>

19. TRADE AND OTHER CURRENT PAYABLES

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

	2020 Baht	2019 Baht
Trade payables		
- Other parties	32,640,217	108,128,422
Trade payables	<u>32,640,217</u>	<u>108,128,422</u>
Other current payables		
Other current payables		
- Other parties	6,365,758	75,797,585
Accrued expenses	6,908,665	13,390,506
Other current payables	<u>13,274,423</u>	<u>89,188,091</u>
Total	<u>45,914,640</u>	<u>197,316,513</u>

20. LEASE LIABILITIES

Lease liabilities as at December 31, consisted of the following:

Payment periods	Present value of the minimum amount to be to be paid in the future	
	2020 Baht	2019 Baht
Within 1 year	79,842	311,402
Total	<u>79,842</u>	<u>311,402</u>

21. OTHER SHORT-TERM BORROWING

As at December 31, 2020 and 2019, other short-term borrowing is a borrowing from the Company's former director amounting of Baht 12.24 million without a written agreement and no collateral, and is repayable at call with the interest rate of minimum loan rate (MLR) or approximately 6.25% per annum.

22. OTHER CURRENT PROVISIONS

For the years ended December 31, the movements of other current provisions are as follows:

	2020	2019
	Baht	Baht
Beginning balances as at January 1,	3,728,474	1,472,323
<u>Add</u> Other current provisions increased in the years	1,419,454	4,320,715
<u>Less</u> Payment during the years	(2,336,196)	(1,504,203)
<u>Less</u> Reversal of other current provisions during the years	(297,587)	(560,361)
Ending balances as December 31,	<u>2,514,145</u>	<u>3,728,474</u>

23. PROVISION FOR EXPECTED LOSS ON CONSTRUCTION CONTRACT AND PROVISION FOR PENALTY ARISING FROM DELAY

23.1 For the years ended December 31, the movements of provision for expected loss on construction contract are as follows:

	2020	2019
	Baht	Baht
Beginning balances as at January 1,	-	192,805,344
<u>Less</u> Transfer to provision for warranty (*)	-	(2,469,000)
<u>Less</u> Transfer to accrued expenses (**)	-	(4,598,916)
<u>Less</u> Reversal from termination of construction contract during the year (see Note 34)	-	(185,737,428)
Ending balances as at December 31,	<u>-</u>	<u>-</u>

(*) Presented as a part of short-term provisions in the statement of financial position.

(**) Presented as a part of trade and other current payable in the statement of financial position

23.2 For the year ended December 31, the movements of provision for penalty arising from delay are as follows:

	2020	2019
	Baht	Baht
Beginning balances as at January 1,	-	23,609,726
<u>Less</u> Reversal from termination of construction contract during the year (see Note 34)	-	(3,232,991)
<u>Less</u> Payment during the year	-	(20,376,735)
Ending balances as at December 31,	<u>-</u>	<u>-</u>

24. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, consisted of the following:

	2020	2019
	Baht	Baht
Undue output tax	10,548,316	10,795,427
Others	468,078	1,103,041
Total	<u>11,016,394</u>	<u>11,898,468</u>

25. INCOME TAX

Deferred tax assets and deferred tax liabilities as at December 31, consisted of the following:

As at December 31, 2020

	Balances as at December 31, 2019	Realized in profit or loss	Realized in other comprehensive income	Balances as at December 31, 2020
	Baht	Baht	Baht	Baht
Deferred tax assets				
Loss allowance	-	-	-	-
Loss on investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-
Provisions	-	-	-	-
Provisions for employee benefits	-	-	-	-
Share-based payment	-	-	-	-
Total deferred tax assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Gain on revaluation of assets	(3,804,335)	-	-	(3,804,335)
Total deferred tax liabilities	<u>(3,804,335)</u>	<u>-</u>	<u>-</u>	<u>(3,804,335)</u>
Total deferred tax liabilities - net	<u>(3,804,335)</u>			<u>(3,804,335)</u>

As at December 31, 2019

	Balances as at December 31, 2018	Realized in profit or loss	Realized in other comprehensive income	Balances as at December 31, 2019
	Baht	Baht	Baht	Baht
Deferred tax assets				
Loss allowance	-	-	-	-
Unrealized loss on remeasuring investments held as available for sale	-	-	-	-
Provisions	-	-	-	-
Provisions for employee benefits	-	-	-	-
Share-based payment	-	-	-	-
Total deferred tax assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Gain on revaluation of assets	(2,931,335)	81,000	(954,000)	(3,804,335)
Total deferred tax liabilities	<u>(2,931,335)</u>	<u>81,000</u>	<u>(954,000)</u>	<u>(3,804,335)</u>
Total deferred tax liabilities - net	<u>(2,931,335)</u>			<u>(3,804,335)</u>

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

	2020	2019
	Baht	Baht
Current income tax		
Current tax expense	-	-
Deferred tax		
Deferred tax income relating to temporary differences recognized during the years	-	81,000
Total	<u>-</u>	<u>81,000</u>

The reconciliation of income tax at application tax rate for the years ended December 31, are as follows:

	2020	2019
	Baht	Baht
Loss before income tax	(22,670,886)	(91,088,485)
Current income tax expense at 20%	(4,534,177)	(18,217,697)
Effect of tax losses not recognized as deferred tax asset	14,257,723	14,776,709
Effect of the non-taxable income and non-deductible expense	(9,723,546)	3,359,988
Income tax income	<u>-</u>	<u>(81,000)</u>

The Company used tax rate of 20% for the corporate income tax calculation for the years ended December 31, 2020 and 2019 and for deferred tax calculation as at December 31, 2020 and 2019.

Effect from income tax relating to components of other comprehensive income for the years ended December 31, 2020 and 2019, are as follows:

	2020		2019			
	Before tax	Income tax relating to components of other comprehensive income	Net of tax	Before tax	Income tax relating to components of other comprehensive income	Net of tax
	Baht	Baht	Baht	Baht	Baht	Baht
Components of other comprehensive income that will be subsequently reclassified to profit or loss						
Losses on remeasuring investments held as available for sale	-	-	-	(8,252,578)	-	(8,252,578)
Reversal of gains from sale of investments held as available for sale	-	-	-	(2,553,282)	-	(2,553,282)
Components of other comprehensive income that will not be subsequently reclassified to profit or loss						
Gains on investment in equity instruments designated at fair value through other comprehensive income	3,123,660	-	3,123,660	-	-	-
Gain on remeasurements of defined benefit plans	357,721	-	357,721	778,675	-	778,675
Gain on revaluation of assets	-	-	-	4,770,000	(954,000)	3,816,000
Total	<u>3,481,381</u>	<u>-</u>	<u>3,481,381</u>	<u>(5,257,185)</u>	<u>(954,000)</u>	<u>(6,211,185)</u>

The Company has not recognized deferred tax assets for unused tax losses because they expect no certain future taxable profit to be utilized. As at December 31, 2020, the Company has unused tax losses carried forward amounting to Baht 223.74 million. Some tax losses will expire in 2022. As at December 31, 2019, the Company have unused tax losses carried forward amounting to Baht 206.04 million. Such tax losses will expire in 2021.

26. PROVISIONS FOR EMPLOYEE BENEFITS

The Company established the retirement benefit plan based on the requirement of Thai Labour Protection Act and the employees' retirement policy to the Company which is classified as employee benefit plan without funds.

Movements in the provisions for employee for retirement for the years ended December 31, consisted of the following:

	2020	2019
	Baht	Baht
Beginning balances of provisions for employee benefits for retirement	9,507,037	6,663,744
Current service cost	1,772,426	2,174,535
Interest cost	111,334	110,994
Past service costs	-	1,336,439
Benefit paid in the years	(4,333,490)	-
(Gains) losses on remeasurements of defined benefit plans		
- Arising from experience adjustments	(391,885)	(1,550,796)
- Arising from demographic assumptions	636,268	557,142
- Arising from financial assumptions	(602,104)	214,979
	<u>6,699,586</u>	<u>9,507,037</u>
<u>Less</u> Provision for current liabilities from employee benefit for retirement	<u>(813,204)</u>	<u>(3,647,912)</u>
Ending balances of provisions for non-current from employee benefit for retirement	<u><u>5,886,382</u></u>	<u><u>5,859,125</u></u>

Employee benefit expenses for retirement recognized as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, are as follows:

	2020	2019
	Baht	Baht
Current service costs	1,772,426	2,174,535
Finance costs	111,334	110,994
Past service costs	-	1,336,439
Total	<u><u>1,883,760</u></u>	<u><u>3,621,968</u></u>

Principal actuarial assumptions are as follows:

	2020	2019
Discount rate (% per annum)	1.17	1.33
Salary increase rate (% per annum)	3	5
Employee turnover rate	10 - 34*	24 - 44*
Mortality rate	TMO2017**	TMO2017**

* Depend on the average age of employees

** Reference from TMO 2017 : Thai Mortality Ordinary Tables 2017

Actuarial assumptions sensitivity analysis which had a positive (negative) impact on provisions for employee benefit as at December 31, as follows:

	Non-current provisions for employee benefit increased /(decreased)	
	2020 Baht	2019 Baht
Discount rate		
Discount rate - decrease by 1%	500,081	449,769
Discount rate - increase by 1%	(446,272)	(411,143)
Salary raise rate		
Salary raise rate - decrease by 1%	(427,258)	(389,694)
Salary raise rate - increase by 1%	468,677	417,053
Employee turnover rate		
Employee turnover rate - decrease by 1%	1,353,422	219,524
Employee turnover rate - increase by 1%	(1,030,581)	(469,701)

The sensitivity analysis presented above may not be representative of the actual change in non-current provisions for employee benefit as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The maturity date analysis of the post-employment benefit payments as at December 31, are as follows:

	2020 Baht	2019 Baht
Within 1 year	759,875	3,647,912
Over 1 year to 3 years	1,362,708	2,990,253
Over 3 years	5,169,497	2,868,872
Total	<u>7,292,080</u>	<u>9,507,037</u>

On April 5, 2019, the Labor Protection Act (No. 7) B.E. 2562 had been announced in the Royal Gazette which will be effective after 30 days from the date announced in the Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Company reflected the effect of such change by recognizing past service cost as an expense for the year ended December 31, 2019 in the statement of profit or loss and other comprehensive income for the year ended December 31, 2019 in amount of Baht 1.34 million (for the year ended December 31, 2020 : Nil).

27. PROVIDENT FUND

The Company have established a provident fund which contribution is deducted from employees' monthly salaries and contribution from the Company. This fund has registered as provident fund in accordance with the Provident Fund Act B.E. 2530 (1987).

The contribution of the Company was recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 in amount of Baht 1.49 million and Baht 1.73 million, respectively.

28. SHARE CAPITAL

28.1 On April 25, 2019, the Annual General Shareholders' Meeting passed a resolution to decrease the Company's authorized share capital from the amount of Baht 13,035,049,764 to Baht 10,545,938,156 by decreasing the unissued ordinary shares capital of 2,489,111,608 shares at the par value of Baht 1 each, which were the result of the remaining reserved and unsubscribed for Private Placement. The Company registered the decrease in registered share capital with the Ministry of Commerce on May 13, 2019.

On February 27, 2020, the Extraordinary General Shareholders' Meeting passed a resolution to decrease the Company's authorized share capital from the amount of Baht 10,545,938,156 to Baht 10,114,938,156 by decreasing the unissued ordinary shares capital of 431,000,000 shares at the par value of Baht 1 each which were the result of the remaining reserved and unsubscribed for Private Placement. The Company registered the decrease in registered share capital with the Ministry of Commerce on March 6, 2020.

28.2 On February 27, 2020, the Extraordinary General Shareholders' Meeting passed a special resolution to approve the increase of the registered share capital from the amount of Baht 10,114,938,156 to Baht 12,826,431,971 by issuing new ordinary shares of 2,711,493,815 shares at the par value of Baht 1 each. The Company registered the increase in registered share capital with the Ministry of Commerce on March 10, 2020. The allotment of new ordinary shares are as follows:

28.2.1 The shareholders passed a solution to approve the allocation of increased ordinary shares of 1,011,493,815 shares for offering to existing shareholders in accordance with their shareholding ratio (Rights offering) at the price of Baht 0.03 each, totally Baht 30.34 million with the ratio of 10 existing ordinary shares to 1 increased ordinary share. On July 1, 2020, the Annual General Shareholders' Meeting passed a solution to approve the authorization to Managing director to postpone and fix the date for subscription and payment of newly issued ordinary shares for offering to existing shareholders because of the situation of the Coronavirus disease 2019 ("COVID-19") pandemic and capital market fluctuation which may affect to the consideration for subscription of the new ordinary shares of the existing shareholders. As a result, the Company has postponed the date of subscription and payment for the subscription of increased ordinary shares to be sold to the existing shareholders.

28.2.2 On February 24, 2021, the Board of Directors' Meeting No. 1/2021 passed a solution to cancelling the subscription and payment for the subscription of increased ordinary shares to be sold to the existing shareholders of 1,011,493,815 shares because of the situation of the Coronavirus disease 2019 ("COVID-19"). Therefore, there are several times of postpone the date of subscription and payment for the subscription of increased ordinary shares and this lead to the Company could not determine the date of subscription and payment for the subscription of increased ordinary shares within 1 year from the Extraordinary General Shareholders' Meeting No. 1/2020 approval. The Company will propose to the Annual General Shareholders' Meeting of 2021 to pass a solution to decrease the remaining of the Company's authorized share capital amount of 1,011,493,815 shares.

28.2.3 The shareholders passed a resolution to approve the allocation of increased ordinary shares of 1,700,000,000 shares by way of Private Placement to non-related person of the Company in the amount of Baht 51.00 million at the price of Baht 0.03 each. The Company received the payment of such increased ordinary shares of 833,500,000 shares of Baht 0.03 each, totally Baht 25.01 million on May 26, 2020 and registered the increase in paid-up share capital with the Ministry of Commerce on June 9, 2020. The Company will propose to the Annual General Shareholders' Meeting of 2021 to pass a resolution to decrease the remaining of the Company's authorized share capital amount of 866,500,000 shares.

29. DISCOUNT ON ORDINARY SHARES

Section 52 of the Public Limited Company Act B.E. 2535, requires if the Company which has been in operation for not less than one year suffers a loss, it may offer its shares for sale at a price lower than the registered par value, provided; approval is granted at the meeting of shareholders, the fixed discount rate shall be definitely determined and specified in the prospectus.

30. WARRANTS

30.1 The Annual General Meeting of Shareholders held on April 25, 2013, had the resolution to approve the issuance of Warrants No. 1 (TIES-WA) in the number of 22,000,000 units to the management and employees and the Extraordinary General Meeting of Shareholders held on November 17, 2014 has a resolution to approve the allotment and offering of newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) and adjustment of right which specified that the Company is obliged to adjust the exercise price and exercise ratio. The preliminary details of the warrants are described below:

Type of Warrants	: Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited allocated to the management and employees
Type	: Specified warrant's holder and non-transferable.
Term of Warrants	: 5 years from the issuing date of warrants.
Number of issued and offered warrants	: 22,000,000 units
Offering Price	: 0 Baht per unit
Allocation method	: 17,000,000 units directly allocated to management and employees 5,000,000 units allocated by the appointed person from the Board of Directors and/or Managing Director in order to allocate to new management and employees who will work for the Company within 1 year from the date of the shareholders' meeting approve this offering
Exercise Ratio	: 1 warrant to 11.971 ordinary shares (Formerly: 1 warrant to 1 ordinary share)
Exercise Price	: Baht 1 (Formerly: Baht 2.50)

- Exercise Period : The first: 1 year after the Company issued warrants, and not exceed 25% of the allocated warrants
- The second: 2 years after the Company issued warrants, and not exceed 50% of the allocated warrants
- The third: 3 years after the Company issued warrants, and not exceed 75% of the allocated warrants
- The forth: 4 years after the Company issued warrants, and not exceed 100% of the allocated warrants

Holder of warrants are able to exercise the warrants to ordinary shares on the last business day of March, June, September and December throughout the term of the warrants. The unexercised warrants as at May 14, 2018 which was the last exercised date were 8,140,000 units and the Company transferred expired share capital from share-based payment of Baht 7.86 million to be a separate item under retained earnings (deficit) in the statement of financial position.

- 30.2 The Extraordinary General Meeting of Shareholders held on September 5, 2015, had the resolution to approve the issuance of Warrants No. 4 (T-W4) in the amount of not exceeding 3,000,000,000 units to whom subscribe and pay for the newly ordinary shares issued and offered via Private Placement at the ratio of 10 newly shares to 1 warrant. The preliminary details of the warrants are described below:

- Type of Warrants : Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited No.4 (T-W4)
- Type : Specified warrant's holder and transferable
- Term of Warrants : 3 years from the issuing date of warrants
- Number of issued and offered warrants : 3,000,000,000 units
- Offering Price : 0 Baht per unit
- Exercise Ratio : 1 warrant to 1 ordinary share (subject to change in case of the adjustment exercise ratio to the terms and conditions)
- Exercise Price : Baht 1 per share (subject to change in case of the adjustment exercise price to the terms and conditions).

On September 13, 2019 which was the last warrants exercised date, The unexercised warrants as at September 13, 2019 were 431,000,000 units.

31. BASIC LOSSES PER SHARE AND DILUTED LOSSES PER SHARE

Basic losses per share

Basic losses per share for the years ended December 31, 2020 and 2019 are calculated by dividing loss for the years by weighted average number of ordinary shares issued during the years.

Basic losses per share calculation for the years ended December 31, are as follows:

	2020 Baht	2019 Baht
Loss for the years (Baht)	(22,670,886)	(91,007,485)
Ordinary shares-beginning balance (shares)	10,114,938,156	10,114,938,156
Effect from issue shared capital during the years	501,010,929	-
Weighted average number of ordinary shares (shares) as at December 31,	10,615,949,085	10,114,938,156
Basic losses per share (Baht)	(0.0021)	(0.0090)

Diluted losses per share

Diluted losses per share for the years ended December 31, 2020 and 2019 are calculated by dividing the loss for the years of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the years plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, for the year ended December 31, 2020, there is no warrants which are able to exercise to ordinary shares and fair value of the Company's ordinary shares for the year ended December 31, 2019 are lower than the exercise price causing the Company to exclude the losses of dilutive potential ordinary share from the calculation of loss per share.

Diluted losses per share calculation for the years ended December 31, are as follows:

	2020 Baht	2019 Baht
Loss for the years (Baht)	(22,670,886)	(91,007,485)
Ordinary shares-beginning balance (shares)	10,114,938,156	10,114,938,156
Effect from issue shared capital during the years	501,010,929	-
Weighted average number of ordinary shares (shares) as at December 31,	10,615,949,085	10,114,938,156
Basic losses per share (Baht)	(0.0021)	(0.0090)

32. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of net profit after deducting accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered shares capital and the reserve is not available for distribution as dividends.

33. CAPITAL MANAGEMENT

The purpose of the Company's capital management is to maintain the operating activities continuously for generating compensation for shareholders and benefits for stakeholders.

The Company did not use any financial ratios for maintaining cost level; however, cost are managed to be enough to be used as working capital within the Company.

34. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

Significant information of construction contracts as at December 31, consisted of the following:

	2020	2019
	Baht	Baht
Contract revenues	353,204,005	1,470,871,879
Cost incurred to date	321,877,045	1,475,637,176
Profit recognized to date	7,455,900	24,826,285
Cost and profit recognized to date	329,332,945	1,500,463,461
<u>Less</u> Progress billings to date	(326,304,005)	(1,339,805,660)
Reversal of contract assets	-	(104,040,492)
Contract assets	(3,028,940)	(56,617,309)
Unearned construction revenues	-	-
<u>Add</u> Advance from customer under construction contract	-	(19,501,700)
Total contract liabilities	-	(19,501,700)
Cost of construction contracts incurred during the years	52,277,119	288,803,219
Cost of construction contracts incurred recognized as expense during the years	(52,277,119)	(288,384,719)
Cost of construction contracts related to activities in the future which recognized as asset	-	418,500
Contract assets beginning of the year	56,617,309	143,436,032
Unearned construction revenues at the beginning of the year	-	(8,756,754)
Revenues from construction contracts recognized as revenues during the years	60,807,797	299,179,447
Progress billings during the years	(114,396,166)	(273,200,924)
Reversal of contract assets	-	(104,040,492)
Contract assets	3,028,940	56,617,309
	For the year ended December 31,	For the year ended December 31,
	2020	2019
	Baht	Baht
Revenues from construction contracts recognized as revenues during the years	60,807,797	299,179,447
Cost of construction contracts incurred recognized as expense during the years	(52,277,119)	(288,384,719)
Profit recognized during the year	8,530,678	10,794,728

On March 22, 2019, the company which was the counter party of the contract with the Company agreed to terminate the construction contract. The Company then reversed contract assets of Baht 104.04 million, reversed provision for expected loss on construction contract of Baht 185.74 million (see Note 23.1) and reversed provision for penalty arising from delay of Baht 3.23 million (see Note 23.2). The Company recorded the result of termination of the construction contract totaling Baht 70.73 million as "reversal from termination of construction contract" in the statement of profit or loss and other comprehensive income for the year ended December 31, 2019 (for the year ended December 31, 2020 : Nil).

35. OTHER INCOME

Other income for the years ended December 31, are as follows:

	2020	2019
	Baht	Baht
Interest income	93,815	1,581,602
Gain on sales asset	-	2,423,118
Revenue from sales scrap	603,702	3,459,554
Gain from sale financial asset mandatorily measured at fair value through profit or loss	2,891,921	-
Gain on sales of investments held as available for sale	-	2,392,355
Dividend income	3,299,740	1,043,790
Others	12,599,792	9,369,465
Total	<u>19,488,970</u>	<u>20,269,884</u>

36. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, consisted of the following items:

	2020	2019
	Baht	Baht
Construction materials	4,899,517	78,734,932
Subcontractor	35,988,322	137,505,163
Employee and workers benefits expenses	63,125,645	107,651,641
Depreciation and amortization	5,515,251	5,698,780
Professional and service fees	5,151,531	9,075,181
Bad doubt	15,089,495	-
Reversal of allowance for doubtful accounts	(1,028,188)	(12,358,448)
Reversal of impairment loss determined in accordance with TFRS9	(25,693,523)	-
Provision for loss on litigations	-	100,553,036
Reversal of provision for loss on litigations	(31,253,556)	-
Bank fees	376,749	2,404,473
Transportation expenses	851,242	1,890,451
Insurance premium	291,046	314,344
Other fees	5,072,237	5,632,660
Rental	9,667,252	18,743,064
Directors remuneration	2,619,000	1,935,000
Utilities expenses	2,380,135	4,267,412
Repair and maintenance expenses	329,155	495,149
Advertising expenses	80,184	60,694
Entertainment expenses	341,664	966,663

37. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has certain transactions with related parties. These related parties are related through common shareholdings and/or directorships. Significant related party transactions included in the financial statements are determined at the normal business prices based on the general market prices or prices agreed by the agreement in case no market reference.

Directors and key management personnel's compensation

Directors and key management personnel's compensation for the years ended December 31, are as follows:

	2020	2019
	Baht	Baht
Short-term benefits	11,796,850	10,822,800
Post-employee benefits	232,122	157,349
Directors remuneration	2,619,000	1,935,000
Total directors and key management's compensation	<u>14,647,972</u>	<u>12,915,149</u>

38. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

38.1 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company.

As at December 31, 2020 and 2019, the Company may have credit concentration risk because 92% and 88% of trade receivables represent trade receivables with 3 major clients and 3 major clients, respectively. To mitigate credit risks, the management has established the credit risk policy and has reviewed impact arising from credit risk on a regularly basis. The Company enters into a contract with the project owners with strict terms of payments of receivables of each project. In addition, the Company evaluates the financial viability of potential clients prior to accepting projects.

The managements believes that the maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for doubtful accounts as stated in the statement of financial position.

38.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. In case the interest rate is higher, it will have an impact to the Company's operation since most of the Company's borrowings bear the floating interest rates. However, as at December 31, 2020 and 2019, the Company does not have any interest rate risk because the Company has only short-term borrowing which was sued (see Note 41.4).

38.3 Exchange rate risk

There is no exchange rate risk from foreign exchange rate because the Company has no outstanding assets and liabilities balance dominated in foreign currency.

38.4 Liquidity risk

As at December 31, 2020 and 2019, the Company has liquidity risk (see Note 1) because the Company's total current assets are lower than total current liabilities. However, the Company monitors its liquidity risk by maintaining its working capital sufficient for the Company's operation and to mitigate the effects of fluctuations in cash flows. In addition, the Company has future operation plans to ensure that the Company will have continuing cash inflow from its operation sufficiently. In addition, in order to manage liquidity and prevent a lack of its working capital and repay its debts were due over the next 12 months from December 31, 2020. The Company enters into a borrowing agreement with a major shareholder on February 24, 2021, which had a credit facility of Baht 50.00 million and using its land as collateral (see Note 43). In addition, the Company is in the process of request a credit facility from a financial institution.

38.5 Fair value of financial instruments

For the fair value disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair value of financial instruments.

Financial assets and financial liabilities measured at fair value

Financial assets which are financial assets mandatorily measured at fair value through profit or loss and investments in equity instruments designated at fair value through other comprehensive income with fair value equally to its carrying amount which is measured using fair value hierarchy level 1. The fair value is determined based on last bidding price of the Stock Exchange of Thailand at the last working date of accounting period.

Financial assets and financial liabilities not measured at fair value

Cash and cash equivalents, trade and other current receivables, trade and other non-current receivables, Current contract assets, Non-current contract assets, deposits at financial institution with restriction of use, retention receivables, trade and other current payables, current retention payables, non-current retention payables, current contract liabilities and other current liabilities has approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

Other borrowing with the floating interest rate and liabilities under finance lease agreement approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

Non-financial assets measured at fair value

Land and investment properties have fair value equal to its carrying amount which is measured using fair value hierarchy level 3 using value appraised by the independent appraiser licensed by the Securities and Exchange Commission which is determined by using the Market Approach method.

39. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has commitments and contingent liabilities as follows:

- 39.1 As at December 31, 2020, the Company has letters of guarantee issued by the banks of Baht 13.86 million. The Company has credit facilities for letters of guarantee issued by the banks of Baht 13.86 million which are guaranteed by the Company's deposits at banks (see Note 9).

As at December 31, 2019, the Company has letters of guarantee issued by the banks of Baht 202.71 million. The Company has credit facilities for letters of guarantee issued by the banks of Baht 229.65 million which are guaranteed by the Company's deposits at banks (see Note 9).

- 39.2 Commitments for payments under the office rental and service agreement in the future as at December 31, are as follows:

	2020 Baht	2019 Baht
Within 1 year	322,862	9,573,237
Later than 1 year but not later than 5 years	12,567	369,988

Rental under the lease agreements recognized as expenses in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020 and 2019 in amount of Baht 9.32 million and Baht 10.10 million, respectively.

- 39.3 During the year 2018, the Company proposed the bidding for construction with a domestic company and the Company won the bidding. However, the Company could not sign the construction contract within specified date. Subsequently, such domestic company announced the change of the list of bidder and such construction had already completed in May 2020. The Company's management believes that there is no material impact to the financial statements.

40. OPERATING SEGMENT INFORMATION

Operating segment information is reported to comply with the internal report that is prepared for decision in the allocation of resources to the segment and assess its performance. The chief operating decision maker is Chief Executive Officer.

Business segment

The Company operates only construction business. Therefore, the Company have a business segment and such business segment has recognized revenue overtime.

Geographical segment

The Company operates in only domestic. Therefore, the Company have only one geographic segment.

Information about transactions with major customers

The Company has revenues from construction contracts with external customers over 10% of the Company's total revenue. For the years ended December 31, 2020 and 2019, the Company had revenue from construction contracts from 1 major customer amounting to Baht 53.42 million and from 2 major customers amounting to Baht 247.75 million, respectively.

41. LITIGATIONS

- 41.1 On July 24, 2012, the Company sued a company (the “Contractor”) for breach of the construction contract in the amount of Baht 100.23 million and such company sued counterclaim the Company in the same lawsuit in amount of Baht 281.02 million. However, as the Company has disclosed information to the Electronic Listed Companies Information Disclosure (ELCID). The Supreme Court has made the final judgment. The Contractor has to pay the Company to net of Baht 65.01 million with interest since the next date of prosecution until payment completion and the Contractor has to return the letter of guarantee (contract collateral) and the letter for advance receipt guarantee in total of 4 copies to the Company.

The brief information of the case before the final judgment by the Supreme Court can be summarized as follows:

On April 28, 2016, the Civil Court already rendered its judgment ordered the Company to pay the Contractor in amount of Baht 105.31 million.

On May 25, 2018, the Appeal Court rendered its judgment to reverse the Civil Court’s judgment and ordered the Contractor to pay the Company net of Baht 43.69 million with interest since the next date of prosecution until payment completion which is the amount after deducted compensation to the Contractor of Baht 30.80 million, resulting in provision for loss on litigations as at December 31, 2019 amount of Baht 30.80 million.

Later, on October 28, 2020, the Supreme Court rendered its judgment to order the Contractor to pay the Company net of Baht 65.01 million with interest since the next date of prosecution until payment completion which is the amount after deducted compensation to the Contractor of Baht 3.62 million. Therefore, the Company recorded the reversal of provision for loss on litigations of Baht 30.22 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020 and transferred provision for loss on litigations to other payables of Baht 0.58 million as part of compensation to the Contractor according to Supreme Court’s judgment. The remaining compensation of Baht 3.04 million was recorded as liabilities in the related accounts in the financial statements. Consequently, the Company has no provision for loss on litigation outstanding as at December 31, 2020, Currently, the Court is considering to issue the execution warrant.

Moreover, during 2017, the bank which issued letters of guarantee to such contractor on behalf of the Company deducted the Company’s deposit at bank of Baht 5.33 million to repay the obligations for such letters of guarantee. The Company recognized such transaction as other receivable - bank and presented as part of trade and other non-current receivables (see Note 12) and the bank deducted the Company’s deposit at bank of Baht 7.52 million to pay letter of guarantee fee as the Company believes that the bank had no rights to deduct the Company’s deposit at bank because the deduction occurred while the case has not resolved.

Subsequently, on May 25, 2018, the bank which issued letters of guarantee to such contractor on behalf of the Company sued the Company to make a payment according to a request for issuance the letters of guarantee of Baht 49.49 million. The Civil Court took evidence in June 2019 and on August 15, 2019, the Civil Court already rendered its judgment to dismiss the case and ordered the bank to return the money deducted from the Company's deposit at bank of Baht 12.31 million with interest since the date of prosecution until payment completion. In October 2019, the Company requested the Court to issue an execution warrant and meanwhile, bank appealed such case to the court. Subsequently, on September 22, 2020, the Appeal Court rendered its judgement to uphold the Civil Court's judgment. On December 4, 2020, the Court received certain payment from bank as the judgment. Later, on February 11, 2021, the Company has received such payment of Baht 7.02 million. For remaining payment, the Court appoint to negotiate on April 19, 2021.

- 41.2 The Company had been requested to be co-defendant in litigation cases in which the Contractor under the construction contract (the "Contractor") had sued a company which issued the agreement for performance guarantee and the agreement for advance receipt guarantee on behalf of the Company (the "Guarantor"). The Company sued counterclaimed the Contractor and the Company and the Contractor raise such disputes in the Arbitration process.

However, as the Company has disclosed information to the Electronic Listed Companies Information Disclosure (ELCID). The Company has already settled the disputes with the Contractor which was the settlement of all disputes in the court and the Arbitration process. In which, the Company and the Contractor agreed to will not raise any issues in the future.

The brief information of the case before agreed settlement of disputes can be summarized as follows :

The Contractor sued the Guarantor to the Civil Court. The Guarantor requested the Company to be co-defendant with the claim amount of Baht 159.76 million. The Civil Court rendered the order to allow the Company to be co-defendant and the Company had sued for counterclaim to the Contractor with the claim amount of Baht 198.29 million.

On March 9, 2015, the Civil Court had ordered to strike the cases on the agreement for performance guarantee and the agreement for advance receipt guarantee out of the case-list in order to let the Company and the Contractor being into Arbitrator's process. The Contractor appealed to the Appeal Court.

On January 26, 2016, the Appeal Court reaffirmed the Civil Court for the cases on the agreement for performance guarantee and the agreement for advance receipt guarantee. The Contractor filed the petition to the Supreme Court. Later on November 2, 2016, the Supreme Court had ordered related to the agreement for performance guarantee to reverse the judgment for allowing the Company being the co-defendant and dismissed the Appeal Court's order and the Civil Court's order the struck the case out of the case-list and had ordered the Civil Court's to retry the consideration of the cases. On March 1, 2017, the Supreme Court had ordered related to the agreement for advance receipt guarantee to dismiss the Appeal Court's order and the Civil Court's order that struck the case out of the case-list and had ordered the Civil Court to retry the consideration of the case.

On June 26, 2017, the Company has submitted a dispute between the Company and the Contractor to the Arbitration process. The Company recorded provision for losses on litigations as at December 31, 2018 amount of Baht 44.41 million. The arbitrator resigned in June 2019. Later, on August 22, 2019, International Court of Arbitration of the International Chamber of Commerce (“ICC”) appointed a new arbitrator for such dispute consideration.

Subsequently, on January 8, 2020, the Board of Directors’ meeting No. 1/2020 passed a resolution to approve settlement of disputes between the Company and the Contractor. On February 5, 2020, the Company entered into the Settlement Agreement with such Contractor. In which, the Company and the Contractor agreed to withdraw all relevant lawsuits and will not raise any issue in the future. The Company has compromised to pay the Contractor for case settlement according to the amount of the agreement for performance guarantee and the agreement for advance receipt guarantee with agreed interest in amount of Baht 208.53 million which resulting in provision for losses on litigations as at December 31, 2019 amount of Baht 139.24 million. The Company fully paid such amount by deposit at financial institution with restriction of use (see Note 9) in February 2020. Therefore, the Company has no outstanding balance for provision for losses on litigations as at December 31, 2020 and the Company recorded write-off the related financial assets resulting from such settlement of disputes totally amount Baht 13.25 million as administrative expenses in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020.

- 41.3 On July 27, 2017, the Company was sued by 2 sub-contractors for breach of the construction agreements and the guarantee agreements due to termination made by the Company on July 13, 2017 with the claim amount of Baht 14.10 million. Later, on October 11, 2017, the Company had submitted testimony and sued for counterclaim 2 sub-contractors in the amount of Baht 11.39 million. The Civil Court had ordered to accept testimony and sued for counterclaim. Later, the Court appointed the mediation of the case. On March 29, 2018, the parties could not agree together and accept to return the case to the court consideration process. The Civil Court had ordered to take evidence on October 16 - 18, 2018 and on November 27, 2018, the Civil Court rendered its judgment to order the Company to make payment to sub-contractors and return letter of guarantee.

Subsequently, during May 2019, the Company received the rights to claim sequestered notice from Legal Execution Department to sequester the rights of some cash at bank of the Company of Baht 0.99 million and the bank has already withdrawn such cash to the Legal Execution Department. Subsequently, on May 26, 2020, the Appeal Court rendered its judgement to reverse the Civil Court’s judgment which ordered the sub-contractor to pay the Company of Baht 11.39 million with interest since the next date of prosecution until payment completion. The Company filed an execution under the Appeal Court’s judgment and filed objection of the petition to Supreme Court of sub-contractors. The case is being considered by the Supreme Court.

Later, on June 25, 2020, the Company has submitted a petition to withdraw the execution warrant as the Appeal Court judgment. On July 1, 2020, the court ordered the withdrawal of the execution warrant. On July 21, 2020, the Company already received sequestered money from Legal Execution Department. Therefore, provision for loss on litigations as at December 31, 2020 and 2019 are Baht 2.26

million. The management believes that the resultant losses will not significantly differ from the provision that is recognized in the financial statements.

41.4 The Company has been sued by other companies as defendants for breach of contracts relating to construction, hire-of-work, purchase of goods, services, hire employee and borrowing as follows:

41.4.1 As at December 31, 2020, the cases that the Civil Court has rendered the judge compulsions to for 7 cases to order the Company to make compensation in amount of Baht 13.87 million. The Company has outstanding claim amount to be paid of Baht 2.46 million that were recorded that were recorded as liabilities in the related accounts in the financial statements (Provisions for losses on litigations : Nil).

As at December 31, 2019, the cases that the Civil Court has rendered the judge compulsions to for 8 cases to order the Company to make compensation in amount of Baht 16.09 million. The Company has outstanding claim amount to be paid of Baht 8.69 million that were recorded as liabilities in the related accounts in the financial statements (Provisions for losses on litigations : Nil).

41.4.2 As at December 31, 2020, the Company was sued for 2 cases relating to hire employee and borrowing with the claims of Baht 18.46 million, which the Company has recorded as provisions for losses on litigations and liabilities in the related accounts of Baht 5.35 million and Baht 12.24 million, respectively. The Company's management believes that the resultant losses will not significantly differ from the liabilities recognized in the financial statements.

As at December 31, 2019, the Company was sued for 3 cases relating to hire-of-work and borrowing with the claims of Baht 18.05 million, which the Company has recorded as provisions for losses on litigations and liabilities in the related accounts of Baht 5.52 million and Baht 12.25 million, respectively. The Company's management believes that the resultant losses will not significantly differ from the liabilities recognized in the financial statements.

The Company recorded provisions for losses on litigations (see Notes 41.1, 41.2, 41.3 and 41.4) as at December 31, 2020 and 2019, totaling Baht 7.61 million and Baht 177.82 million, respectively.

42. RECLASSIFICATIONS

Certain reclassifications have been made to the statement of financial position as at December 31, 2019 to conform to the classification used in the statement of financial position as at December 31, 2020. Such reclassifications have no effect to previously reported net profit and shareholders' equity. The reclassifications are as follows:

Accounts	Previous presentation	Current presentation	Amount (Baht)
Unbilled construction revenues	Trade and other current receivables	Current contract assets	56,617,309
Unbilled construction revenues	Trade and other non-current receivables	Non-current contract assets	39,619,782
Allowance for doubtful accounts of unbilled construction revenues	Trade and other non-current receivables	Non-current contract assets	(39,619,782)
Gains on remeasuring current investments in held-for-trading securities	Other income	Other gains	1,836,004

43. EVENT AFTER REPEPORTING PERIOD

On February 24, 2021, the Company enters into the borrowing agreement with a major shareholder which had a credit facility of Baht 50 million with interest rate of 7.50% per annum, which the interest is calculated since drawdown date until such borrowing repayment completed date, for support its working capital. Interest repayments are made on monthly basis. The Company has to make repayment of principle on February 28, 2022, which using its land as collateral (see Note 14).

44. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Company's Board of Directors on February 24, 2021.