

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

PSG CORPORATION PUBLIC COMPANY LIMITED

(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)

Opinion

We have audited the financial statements of PSG Corporation Public Company Limited (formerly T Engineering Corporation Public Company Limited) (the “Company”), which comprise the statement of financial position as at December 31, 2021, 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 PSG Corporation Public Company Limited (formerly T Engineering Corporation Public Company Limited) as at December 31, 2021, 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.

Emphasis of Matters

We draw attention to Notes 39.2 and 39.3.2 to the financial statements, the Company has 3 litigations which are currently under the process of the courts. Our opinion is not modified in respect of this matter.

Key Audit Matters

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. This matter was 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 this matter.

Key Audit Matter	Audit Responses
<p>Recognition of revenues from construction contracts and estimating costs of construction</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 3.15 to the financial statements and details of revenues from construction contracts and costs of construction contracts were disclosed in Note 32 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 23, 2022

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

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

Unit : Baht

ASSETS	Notes	2021	2020
CURRENT ASSETS			
Cash and cash equivalents	4.3	1,061,092,029	19,070,594
Trade and other current receivables	5	4,163,968	14,584,896
Current contract assets	32	11,740,174	3,028,940
Current tax assets		496,680	2,788,463
Other current financial assets	6	-	4,466,080
Other current assets	7	1,085,299	29,567,888
Total Current Assets		1,078,578,150	73,506,861
NON-CURRENT ASSETS			
Deposits at financial institution with restriction of use	8	18,191,500	15,861,500
Other non-current financial assets	9	32,810,530	28,378,100
Trade and other non-current receivables	10	2,351,620	2,298,307
Non-current contract assets	11	-	-
Investment properties	12	66,876,000	60,248,000
Property, plant and equipment	13	20,208,789	19,193,481
Right-of-use assets		2,346,468	78,332
Retention receivables	14	13,836,437	36,919,510
Intangible assets	15	1,449,568	2,328,638
Other non-current assets	16	54,898,276	49,351,915
Total Non-current Assets		212,969,188	214,657,783
TOTAL ASSETS		1,291,547,338	288,164,644

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

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2021

Unit : Baht

	Notes	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other current payables	17	26,269,561	45,914,640
Current contract liabilities	32	-	-
Current portion of lease liabilities	18	733,311	79,842
Other short-term borrowing	19	12,235,690	12,235,690
Current retention payables		11,576,381	22,340,442
Provision for expected loss on construction contract	21.1	482,579	-
Provision for penalty arising from delay on construction contract	21.2	837,000	-
Current provisions for employee benefits	24	-	813,204
Other current provisions	20	772,020	2,514,145
Other current liabilities	22	10,595,635	11,016,394
Total Current Liabilities		63,502,177	94,914,357
NON-CURRENT LIABILITIES			
Lease liabilities	18	1,675,977	-
Non-current retention payables		7,912,633	13,191,110
Deferred tax liabilities	23	5,023,935	3,804,335
Non-current provisions for employee benefits	24	5,487,938	5,886,382
Provisions for loss on litigations	39	7,603,230	7,612,789
Total Non-current Liabilities		27,703,713	30,494,616
TOTAL LIABILITIES		91,205,890	125,408,973

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2021

Unit : Baht

	Notes	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
64,992,438,156 ordinary shares of Baht 1 each		64,992,438,156	
12,826,431,971 ordinary shares of Baht 1 each			12,826,431,971
Issued and paid-up share capital			
64,992,438,156 ordinary shares of Baht 1 each, fully paid		64,992,438,156	-
10,948,438,156 ordinary shares of Baht 1 each, fully paid		-	10,948,438,156
Discount on ordinary shares	27	(62,272,362,796)	(9,309,242,796)
Expired warrant surplus	28	7,859,252	7,859,252
Retained earnings (Deficit)			
Appropriated			
Legal reserve	30	5,526,839	5,526,839
Unappropriated (Deficit)		(1,546,748,469)	(1,478,455,352)
Other components of shareholders' equity			
		13,628,466	(11,370,428)
TOTAL SHAREHOLDERS' EQUITY		1,200,341,448	162,755,671
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,291,547,338	288,164,644

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

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Baht

	Notes	2021	2020
Revenues from construction contracts	32	18,493,885	60,807,797
Cost of construction contracts	32	(20,031,681)	(52,277,119)
Gross profit (loss)		<u>(1,537,796)</u>	<u>8,530,678</u>
Other income	33	26,088,220	19,488,970
Administrative expenses	34	(84,663,407)	(110,331,984)
Reversal of allowance for doubtful accounts	34	-	1,028,188
Reversal of provisions for loss on litigations	39	-	31,253,556
Other gains	6	-	2,072,604
Loss from operating activities		<u>(60,112,983)</u>	<u>(47,957,988)</u>
Finance costs		(1,734,247)	(406,421)
Reversal of expected credit loss determined in accordance with TFRS 9	10, 11, 14 and 34	43,822	25,693,523
Loss before income tax expense		<u>(61,803,408)</u>	<u>(22,670,886)</u>
Income tax expense	23	(1,325,600)	-
Loss for the years		<u>(63,129,008)</u>	<u>(22,670,886)</u>
Other comprehensive income (loss)			
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	9	19,297,090	3,123,660
Losses on revaluation of assets	13	(530,000)	-
Gains on remeasurements of defined benefit plans	24	961,695	357,721
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	23	106,000	-
Total components of other comprehensive income that will not be reclassified to profit or loss		<u>19,834,785</u>	<u>3,481,381</u>
Other comprehensive income for the years - net of tax		<u>19,834,785</u>	<u>3,481,381</u>
Total comprehensive loss for the years		<u>(43,294,223)</u>	<u>(19,189,505)</u>
Basic losses per share			
Basic losses per share (Baht)	29	(0.0030)	(0.0021)
Weighted average number of ordinary shares (shares)	29	<u>20,868,843,635</u>	<u>10,615,949,085</u>
Diluted losses per share			
Diluted losses per share (Baht)	29	(0.0030)	(0.0021)
Diluted weighted average number of ordinary shares (shares)	29	<u>20,868,843,635</u>	<u>10,615,949,085</u>

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

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Baht

	Notes				Retained earnings (Deficit)		Other components of shareholders' equity			Total Shareholders' equity
					Appropriated	Unappropriated	Other comprehensive income (loss)		Total other components of shareholders' equity	
		legal reserve	(Deficit)	Gain on revaluation of assets	Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income					
		Issued and paid-up share capital	Share discount on ordinary shares	Expired warrant surplus						
Balances as at January 1, 2020		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	26	833,500,000	(808,495,000)	-	-	-	-	-	-	25,005,000
Gains on remeasurements of defined benefit plans	24	-	-	-	-	357,721	-	-	-	357,721
Total comprehensive income (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>(26,587,767)</u>	<u>(11,370,428)</u>	<u>162,755,671</u>
Balances as at January 1, 2021		10,948,438,156	(9,309,242,796)	7,859,252	5,526,839	(1,478,455,352)	15,217,339	(26,587,767)	(11,370,428)	162,755,671
Changes in shareholders' equity										
Increase in ordinary shares	26	54,044,000,000	(52,963,120,000)	-	-	-	-	-	-	1,080,880,000
Surplus on revaluation of assets	13	-	-	-	-	-	(424,000)	-	(424,000)	(424,000)
Gains on remeasurements of defined benefit plans	24	-	-	-	-	961,695	-	-	-	961,695
Transfer of loss on measuring financial assets upon disposal of investments in equity instruments designated as at FVTOCI	9	-	-	-	-	(6,125,804)	-	6,125,804	6,125,804	-
Total comprehensive income (loss) for the year		-	-	-	-	(63,129,008)	-	19,297,090	19,297,090	(43,831,918)
Balances as at December 31, 2021		<u>64,992,438,156</u>	<u>(62,272,362,796)</u>	<u>7,859,252</u>	<u>5,526,839</u>	<u>(1,546,748,469)</u>	<u>14,793,339</u>	<u>(1,164,873)</u>	<u>13,628,466</u>	<u>1,200,341,448</u>

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

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Baht

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the years		(63,129,008)	(22,670,886)
Adjustments :			
Income tax expense		1,325,600	-
Finance costs		1,734,247	406,421
Depreciation and amortization expenses		3,458,283	5,515,251
Employee benefit expenses		481,140	1,883,760
Provision for expected loss on construction contract		482,579	-
Provision for penalty arising from delay on construction contract		837,000	-
Reversal of provisions for loss on litigations		-	(31,253,556)
Other current provisions		10,341	1,121,867
Written-off financial assets		61,433	15,089,495
Written-off guarantee		205,188	-
Reversal of impairment loss in accordance with TFRS 9 which recognized in profit or loss		(43,822)	(25,693,523)
Reversal of allowance for impairment - withholding tax		-	(1,028,188)
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		(4,705,618)	(4,836,456)
Reversal of retention payables		(1,733,575)	(6,465,182)
Gain on revaluation of assets		(6,628,000)	-
Loss on write-off of equipment		14,758	511,679
Gain on financial assets mandatorily measured at fair value through profit or loss		-	(2,072,604)
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		(268,039)	(281,426)
		<u>(67,897,493)</u>	<u>(75,777,398)</u>
Operating assets (increase) decrease			
Current investments		-	5,373,720
Trade and other current receivables		10,432,107	(10,999,871)
Current contract assets		(8,711,234)	53,588,369
Inventories		-	418,500
Other current financial assets		4,466,080	498,445
Other current assets		2,761,992	(25,224,440)
Deposits at financial institution with restriction of use		(2,330,000)	240,990,000
Trade and other non-current receivables		(70,924)	16,156,102
Retention receivables		23,083,073	33,013,447
Other non-current assets		(2,963,086)	28,368,570

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Baht

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)			
Operating liabilities increase (decrease)			
Trade and other current payables		(15,467,507)	(147,520,538)
Current contract liabilities		-	(19,501,700)
Current retention payables		(10,627,757)	(3,058,336)
Provision for dismantling and removal of leasehold improvement		-	(533,125)
Other current provisions		(1,752,466)	(2,336,196)
Other current liabilities		(420,759)	(882,074)
Non-current retention payables		(3,681,206)	(822,133)
Provision for employee benefits paid during the year		(731,093)	(4,333,490)
Provision for loss on litigations		(9,559)	(138,377,818)
Net cash flows used in operation		<u>(73,919,832)</u>	<u>(50,959,966)</u>
Cash received from interest		256,860	820,269
Cash paid for income tax		(496,680)	(2,788,463)
Cash received from income tax refund		25,720,597	-
Net cash flows used in operating activities		<u>(48,439,055)</u>	<u>(52,928,160)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from sales of financial assets mandatorily measured at fair value through other comprehensive income		14,864,660	-
Dividend income		-	3,299,740
Payment for purchase of building improvements and equipment		(3,363,350)	(496,253)
Net cash flows provided by investing activities		<u>11,501,310</u>	<u>2,803,487</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from long-term borrowing from financial institution	4.2	30,000,000	-
Repayment for long-term borrowing from financial institution	4.2	(30,000,000)	-
Repayments for lease liabilities	4.2	(714,619)	(577,492)
Proceeds from increase in ordinary shares		1,080,880,000	25,005,000
Interest paid for lease liabilities		(152,617)	(29,672)
Cash paid for interest expenses		(1,053,584)	-
Net cash flows provided by financing activities		<u>1,078,959,180</u>	<u>24,397,836</u>
Net increase (decrease) in cash and cash equivalents		1,042,021,435	(25,726,837)
Cash and cash equivalents as at January 1,		<u>19,070,594</u>	<u>44,797,431</u>
Cash and cash equivalents as at December 31,		<u><u>1,061,092,029</u></u>	<u><u>19,070,594</u></u>

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

PSG CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION OF THE COMPANY AND GOING CONCERN

PSG Corporation Public Company Limited (Formerly 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.

On October 12, 2021, the Extraordinary General Shareholders’ Meeting passed the resolutions to approve change the name of the Company from “T Engineering Corporation Public Company Limited” to “PSG Corporation Public Company Limited” which registered changing of the name of the Company with the Department of Business Development on October 27, 2021.

As at December 31, 2021, the registered office of the Company is located at 242 and 244 Krung Thonburi Road, Klong Ton Sai, Khlong San District, Bangkok.

Going Concern

As at December 31, 2021, the Company had substantial deficit of Baht 1,546.75 million. In addition, the Company also had comprehensive loss for the year ended December 31, 2021 of Baht 43.29 million. The current ratio as at December 31, 2021 and, 2020 are 16.98 and 0.77, respectively. The Company currently has only one construction project. However, the Company’s management believes that the preparation of the financial statements in accordance with the ongoing concern basis is still appropriate due to the following:

- On August 13, 2021, the Board of Directors’ Meeting No. 4/2021 passed a resolution to approve the going concern plan to find investor who is able to enhance the potential in financial and both of domestic and overseas construction projects. The Company was able to find the investor according to the plan.
- Subsequently, on October 12, 2021, the Extraordinary General Shareholders’ Meeting passed a resolution to approve to the increase in registered share capital, which the Company received additional share subscriptions in amount of Baht 1,080.88 million in October 2021. Therefore, the Company has sufficient working capital for its business operations for a period of at least 12 months from the financial statements date (see Note 26.4).
- On March 31, 2021, the Company entered into the borrowing agreement with a financial institution to increase its liquidity for a credit facility of Baht 30 million for a period of 3 years from the date of the contract signing which will mature on March 31, 2024, using its land as collateral. Later, on December 17, 2021, the Company repaid such borrowing in full.

Operational plan after the increase of registered share capital

The Company still engages in construction business and has a plan to expand its business to bid the projects of the nearby countries which may have more channels, opportunities and higher profits because the competition in the construction industry in the nearby countries is not as high as that of the domestic. In addition, the Company is interested in the bidding for large projects with higher potential due to having sufficient funding sources beside long-standing industry expertise.

Moreover, on January 12, 2022, the Company notified to the Stock Exchange of Thailand about the construction bid result which the Company was selected as the successful tenderer for the construction project value of USD 263.96 million or Baht 8,895.30 million. Such construction project has construction period of approximately 32 months. The Company is in the process of negotiation for signing the construction contract.

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 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 was effective for financial periods beginning on or after January 1, 2021 onward, 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.
- 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 financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. 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, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

The Amendment to Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, 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.

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 "Insurance Contracts", Thai Financial Reporting Standards No. 7 "Financial Instruments: Disclosures", and Thai Financial Reporting Standards No. 9 "Financial Instruments", which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards which have been announced in the Royal Gazette on December 22, 2021, as follow:

- Thai Financial Reporting Standards No. 1 "First-time Adoption of Thai Financial Reporting Standards", to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.
- Thai Financial Reporting Standards No. 6 "Exploration for and Evaluation of Mineral Resources", to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.

- Accounting Treatment Guidance on “Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19”, which the objective of this accounting treatment guidance is to be used as the temporary relaxation measures for entities who providing assistance their debtors affected by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities elect to apply the temporary relaxation measures according to this accounting treatment guidance should be disclosed information as required.

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 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 Trade receivables and other current receivables

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

Allowance for expected credit loss is considered as described in Note 3.5.

3.3 Contract assets

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.

3.4 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 3.15.

3.5 Financial instruments

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.

(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 36.

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 expected 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 Lease

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.

3.11 Provisions

3.11.1 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.

3.11.2 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.

3.12 Employee benefits

3.12.1 Short-term benefits

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

3.12.2 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.

3.12.3 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.

3.13 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.

3.14 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 3.15.

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

3.15 Construction contracts

Revenues from construction contracts

Revenues from construction contracts 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 contracts 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.

3.16 Income tax

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

3.16.1 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.

3.16.2 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.

3.17 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.

3.18 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.

3.19 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:

- 3.19.1 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.

3.19.2 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:

	2021	2020
	Baht	Baht
Gains on investments in equity instruments designated at fair value through other comprehensive income	19,297,090	3,123,660
Gains on financial assets mandatorily measured at fair value through profit or loss	-	2,072,604
Gains on remeasurements of defined benefit plans	961,695	357,721
Losses on revaluation of assets	(530,000)	-

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

For the year ended	Balance	Financing cash flows		Other	Balance
December 31, 2021	as at	Cash	Cash	changes (1)	as at
	January 1,	Received	Paid		December 31,
	2021				2021
	Baht	Baht	Baht	Baht	Baht
Lease liabilities	79,842	-	(714,619)	3,044,065	2,409,288
Other short-term borrowing	12,235,690	-	-	-	12,235,690
Long-term borrowing from financial institution	-	30,000,000	(30,000,000)	-	-
Total	<u>12,315,532</u>	<u>30,000,000</u>	<u>(30,714,619)</u>	<u>3,044,065</u>	<u>14,644,978</u>

For the year ended	Balance	Financing cash flows		Change from	Other	Balance
December 31, 2020	as at	Cash	Cash	implementation	changes (2)	as at
	January 1,	Received	Paid	of TFRS 16		December 31,
	2020					2020
	Baht	Baht	Baht	Baht	Baht	Baht
Lease liabilities	311,402	-	(577,492)	473,156	(127,224)	79,842
Other short-term borrowing	12,235,690	-	-	-	-	12,235,690
Total	<u>12,547,092</u>	<u>-</u>	<u>(577,492)</u>	<u>473,156</u>	<u>(127,224)</u>	<u>12,315,532</u>

(1) Other change was arised from increase in lease liabilities from new lease agreements during the year.

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

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

	2021 Baht	2020 Baht
Cash on hand	14,592	45,944
Cash at banks		
- Current accounts	3,532,785	16,422,990
- Savings accounts	1,057,263,628	2,379,227
- Fixed accounts (maturity less than 3 months)	281,024	222,433
Total	<u>1,061,092,029</u>	<u>19,070,594</u>

As at December 31, 2021 and 2020, savings accounts carry interest at the rate of 0.05% to 0.13% per annum and 0.38% to 1.00% per annum, respectively.

As at December 31, 2021 and 2020, fixed deposits at banks (maturity less than 3 months) carry interest at the rate of 0.10% to 0.38% per annum and 0.37% 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:

	2021 Baht	2020 Baht
Trade receivables		
- Other parties	-	5,948,099
Trade receivables	<u>-</u>	<u>5,948,099</u>
Other current receivables		
Other current receivables		
- Other parties	60,307	154,352
- Other receivable - bank (see Note 39.1)	-	5,334,318
- The Revenue Department	2,985,167	551,739
Advance payments for construction	-	1,466,321
Advance payments	177,448	
Prepaid expenses	941,046	1,130,067
Other current receivables	<u>4,163,968</u>	<u>8,636,797</u>
Total	<u>4,163,968</u>	<u>14,584,896</u>

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

	2021 Baht	2020 Baht
Within credit term	-	5,948,099
Total	<u>-</u>	<u>5,948,099</u>

6. OTHER CURRENT FINANCIAL ASSETS

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

	2021 Baht	2020 Baht
Financial assets mandatorily measured at fair value through profit or loss		
Investment in equity instruments	-	6,772,052
Unrealized loss	-	(2,305,972)
Total	<u>-</u>	<u>4,466,080</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 (As at December 31, 2021 : Nil).

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, 2021 and 2020 of Baht 2.30 million and Baht 4.99 million, respectively.

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

For the year ended December 31, 2021 the Company sold all financial assets mandatorily measured at fair value through profit or loss of Baht 5.03 million.

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

7. OTHER CURRENT ASSETS

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

	2021 Baht	2020 Baht
Refundable withholding tax deducted as sources	-	25,720,597
Guarantees and deposits	392,705	2,240,361
Other	692,594	1,606,930
Total	<u>1,085,299</u>	<u>29,567,888</u>

8. DEPOSITS AT FINANCIAL INSTITUTION WITH RESTRICTION OF USE

As at December 31, 2021 and 2020, deposits at financial institution with restriction of use amounting to Baht 18.19 million and Baht 15.86 million, respectively, were saving account and fixed accounts with maturity term of 3 - 12 months, carrying interest rate at 0.05% to 0.38% per annum and 0.38% to 1.63% per annum, respectively, which the Company used as collateral for facility of letters of guarantee issued by financial institutions (see Note 37.1).

9. OTHER NON-CURRENT FINANCIAL ASSETS

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

	2021 Baht	2020 Baht
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	33,975,403	54,965,867
Unrealized loss	<u>(1,164,873)</u>	<u>(26,587,767)</u>
Total	<u>32,810,530</u>	<u>28,378,100</u>

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

As at December 31, 2021, the Company has unrealized loss on remeasuring investments in equity instruments designated at fair value through other comprehensive income of Baht 1.16 million. The Company recognized gain on investments in equity instruments designated at fair value through other comprehensive income as other comprehensive income of Baht 19.30 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2021.

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 gain on investments in equity instruments designated at fair value through other comprehensive income as other comprehensive income of Baht 3.12 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020.

The Company transferred of loss on measuring financial assets upon disposal of investments in equity instruments designated at fair value through other comprehensive income directly to retained earnings for the year ended December 31, 2021 amounting to Baht 6.13 million (For the year ended December 31, 2020 : Nil).

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

For the year ended December 31, 2021, the Company sold investments in equity instruments designated at fair value through other comprehensive income of Baht 14.86 million.

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

10. TRADE AND OTHER NON-CURRENT RECEIVABLES

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

	2021 Baht	2020 Baht
Trade receivables		
- Other parties	144,531,513	144,531,513
<u>Less</u> Allowance for expected credit loss	<u>(144,531,513)</u>	<u>(144,531,513)</u>
Trade receivables	<u>-</u>	<u>-</u>
Other non-current receivables		
Other receivables		
- Other parties	5,489,577	5,480,086
<u>Less</u> Allowance for expected credit loss	<u>(5,414,352)</u>	<u>(5,458,174)</u>
Other receivables	<u>75,225</u>	<u>21,912</u>
Advance payments for construction	<u>2,276,395</u>	<u>2,276,395</u>
Other non-current receivables	<u>2,351,620</u>	<u>2,298,307</u>
Total	<u>2,351,620</u>	<u>2,298,307</u>
Write-off bad debts for the year	<u>61,433</u>	<u>3,318,755</u>

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

	2021 Baht	2020 Baht
Overdue		
Over 12 months	<u>144,531,513</u>	<u>144,531,513</u>
Total	<u>144,531,513</u>	<u>144,531,513</u>

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

	2021 Baht	2020 Baht
Beginning balances as at January 1,	149,989,687	154,164,620
<u>Add</u> Impact on recognized allowance for expected credit loss as TFRS 9	<u>-</u>	<u>10,214,557</u>
Beginning balances - new Financial Reporting Standards	<u>149,989,687</u>	<u>164,379,177</u>
<u>Add</u> Recognized loss allowance during the years	<u>-</u>	<u>43,822</u>
<u>Less</u> Reversal of expected credit loss during the years	<u>(43,822)</u>	<u>(14,433,312)</u>
Ending balances as at December 31,	<u>149,945,865</u>	<u>149,989,687</u>

The following table details the risk profile of trade receivables based on the Company's credit loss 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 different customer segments.

11. NON-CURRENT CONTRACT ASSETS

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

	2021	2020
	Baht	Baht
Non-current contract assets	38,317,650	38,317,650
<u>Less</u> Allowance for expected credit loss	<u>(38,317,650)</u>	<u>(38,317,650)</u>
Non-current contract assets (see Note 32)	<u><u>-</u></u>	<u><u>-</u></u>

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

	2021	2020
	Baht	Baht
Beginning balances as at January 1,	38,317,650	39,619,782
<u>Less</u> Reversal of expected credit loss during the years	<u>-</u>	<u>(1,302,132)</u>
Ending balances as at December 31,	<u><u>38,317,650</u></u>	<u><u>38,317,650</u></u>

The following table details the risk profile of contract assets based on the Company's credit loss 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 different customer base as at December 31, are as follows:

	2021	2020
	Baht	Baht
Expected credit loss rate	100%	100%
Estimated total gross carrying amount at default amounts not past due	38,317,650	38,317,650
12-month ECL	<u>(38,317,650)</u>	<u>(38,317,650)</u>
Net carrying amount	<u><u>-</u></u>	<u><u>-</u></u>

12. INVESTMENT PROPERTIES

Investment properties December 31, consisted to the following:

As at December 31, 2021

	Balances as at January 1, 2021 Baht	Additions Baht	Deductions/ Disposal Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2021 Baht
Land	49,961,974	-	-	-	49,961,974
Surplus from land revaluation	10,286,026	6,628,000	-	-	16,914,026
Total investment properties	60,248,000				66,876,000

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 13). Such land is non-operating land.

On March 31, 2021, the Company has pledged investment properties in net book value amounting to Baht 60.25 million, as collateral against borrowing agreement with a financial institution. Later, on December 17, 2021, the Company repaid such borrowing in full amount and the Company is on process of redemption of the collateral.

In 2021, 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 August 19, 2021.

13. PROPERTY, PLANT AND EQUIPMENT

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

As at December 31, 2021

	Balances as at January 1, 2021 Baht	Additions Baht	Deductions/ Disposal Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2021 Baht
Cost					
Land					
Cost	3,984,352	-	-	-	3,984,352
Surplus from land revaluation	8,735,648	-	(530,000)	-	8,205,648
Building and leasehold					
Improvement	4,287,115	1,651,629	(1,205,044)	-	4,733,700
Machinery and equipment	32,841,808	51,900	(920)	-	32,892,788
Furniture and office equipment	12,100,736	1,659,821	(255,399)	-	13,505,158
Vehicles	13,592,511	-	-	-	13,592,511
Total at cost	<u>75,542,170</u>	<u>3,363,350</u>	<u>(1,991,363)</u>	<u>-</u>	<u>76,914,157</u>
Accumulated depreciation					
Building and leasehold					
improvement	(3,639,607)	(517,737)	1,205,019	-	(2,952,325)
Machinery and equipment	(28,393,840)	(753,856)	680	-	(29,147,016)
Furniture and office equipment	(11,499,091)	(525,119)	240,906	-	(11,783,304)
Vehicles	(12,816,151)	(6,572)	-	-	(12,822,723)
Total accumulated depreciation	<u>(56,348,689)</u>	<u>(1,803,284)</u>	<u>1,446,605</u>	<u>-</u>	<u>(56,705,368)</u>
Total property, plant and equipment	<u>19,193,481</u>				<u>20,208,789</u>

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>

Depreciation for the years ended December 31,

2021

Baht 1,803,284

2020

Baht 3,934,457

As at December 31, 2021 and 2020, costs of building and equipment which are fully depreciated, but still in use are Baht 49.41 million and Baht 45.85 million, respectively.

As at December 31, 2020, the Company transfer certain of land to investment properties (see Note 12), such land is non-operating land.

On June 7, 2021, the Company has pledged land and buildings in net book value amounting to Baht 17.91 million, as collateral for the bail contract to suspend the execution under the judgment of the Civil Court (see Note 39.3.2).

In 2021, 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 August 18, 2021.

14. RETENTION RECEIVABLES

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

	2021 Baht	2020 Baht
Retention receivables	61,872,189	84,955,262
<u>Less</u> Allowance for expected credit loss	<u>(48,035,752)</u>	<u>(48,035,752)</u>
Total	<u><u>13,836,437</u></u>	<u><u>36,919,510</u></u>

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

	2021 Baht	2020 Baht
Beginning balances as at January 1,	48,035,752	58,037,653
<u>Less</u> Reversal of expected credit loss during the years	<u>-</u>	<u>(10,001,901)</u>
Ending balances as at December 31,	<u><u>48,035,752</u></u>	<u><u>48,035,752</u></u>

The following table details the risk profile of retention receivables based on the Company's credit loss 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 different customer segments.

As at December 31, 2021	Retention receivables - days past due					Total Baht
	< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	> 120 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	-	-	-	-	48,035,752	48,035,752
Lifetime ECL	-	-	-	-	(48,035,752)	<u><u>(48,035,752)</u></u>
						<u><u>-</u></u>

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)	<u>(48,035,752)</u>
						<u>-</u>

15. INTANGIBLE ASSETS

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

As at December 31, 2021	Balances as at January 1, 2021	Additions	Deductions/ Disposal	Balances as at December 31, 2021
	Baht	Baht	Baht	Baht
Computer program				
Cost	10,338,080	-	-	10,338,080
<u>Less</u> Accumulated amortization	(8,009,442)	(879,070)	-	(8,888,512)
Total intangible assets	<u>2,328,638</u>			<u>1,449,568</u>

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>

Amortization for the years ended December 31,	Baht
2021	<u>879,070</u>
2020	<u>1,313,193</u>

16. OTHER NON-CURRENT ASSETS

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

	2021	2020
	Baht	Baht
Guarantees and deposits	3,037,199	279,300
Withholding tax	<u>51,861,077</u>	<u>49,072,615</u>
Total	<u>54,898,276</u>	<u>49,351,915</u>

17. TRADE AND OTHER CURRENT PAYABLES

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

	2021	2020
	Baht	Baht
Trade payables		
- Other parties	16,201,892	32,640,217
Trade payables	<u>16,201,892</u>	<u>32,640,217</u>
Other current payables		
Other current payables		
- Other parties	6,115,797	6,365,758
Accrued expenses	3,951,872	6,908,665
Other current payables	<u>10,067,669</u>	<u>13,274,423</u>
Total	<u>26,269,561</u>	<u>45,914,640</u>

18. LEASE LIABILITIES

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

	2021	2020
	Baht	Baht
Maturity analysis:		
Within 1 year	857,712	81,000
1 - 5 years	1,786,900	-
	<u>2,644,612</u>	<u>81,000</u>
<u>Less</u> Unearned interest	(235,324)	(1,158)
Total	<u>2,409,288</u>	<u>79,842</u>
Classification as:		
Current	733,311	79,842
Non - Current	1,675,977	-
Total	<u>2,409,288</u>	<u>79,842</u>

19. OTHER SHORT-TERM BORROWING

As at December 31, 2021 and 2020, 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.

20. OTHER CURRENT PROVISIONS

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

	2021	2020
	Baht	Baht
Beginning balances as at January 1,	2,514,145	3,728,474
<u>Add</u> Other current provisions increased in the years	829,889	1,419,454
<u>Less</u> Payment during the years	(1,752,466)	(2,336,196)
<u>Less</u> Reversal of other current provisions during the years	(819,548)	(297,587)
Ending balances as at December 31,	<u>772,020</u>	<u>2,514,145</u>

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

21.1 As at December 31, 2021, provision for expected loss on construction contract increased approximately Baht 0.48 million which recognized as cost of construction contract for the year ended December 31, 2021 (As at December 31, 2020 : Nil).

21.2 As at December 31, 2021, provision for penalty arising from delay on construction contract increased approximately Baht 0.84 million which recognized as a deduction from revenue from construction contract for the year ended December 31, 2021 (As at December 31, 2020 : Nil).

22. OTHER CURRENT LIABILITIES

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

	2021	2020
	Baht	Baht
Undue output tax	10,137,737	10,548,316
Others	457,898	468,078
Total	<u>10,595,635</u>	<u>11,016,394</u>

23. INCOME TAX

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

As at December 31, 2021

	Balances as at December 31, 2020	Realized in profit or loss	Realized in other comprehensive income	Balances as at December 31, 2021
	Baht	Baht	Baht	Baht
Deferred tax assets	-	-	-	-
Deferred tax liabilities				
Gain on revaluation of assets	(3,804,335)	(1,325,600)	106,000	(5,023,935)
Total deferred tax liabilities	(3,804,335)	(1,325,600)	106,000	(5,023,935)
Total deferred tax liabilities - net	<u>(3,804,335)</u>			<u>(5,023,935)</u>

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	-	-	-	-
Deferred tax liabilities				
Gain on revaluation of assets	(3,804,335)	-	-	(3,804,335)
Total deferred tax liabilities	(3,804,335)	-	-	(3,804,335)
Total deferred tax liabilities - net	<u>(3,804,335)</u>			<u>(3,804,335)</u>

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

	2021 Baht	2020 Baht
Current income tax		
Current tax expense	-	-
Deferred tax		
Deferred tax expense relating to temporary differences recognized during the years	(1,325,600)	-
Total	<u>(1,325,600)</u>	<u>-</u>

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

	2021 Baht	2020 Baht
Loss before income tax	(61,803,408)	(22,670,886)
Current income tax expense at 20%	(12,360,682)	(4,534,177)
Effect of tax losses not recognized as deferred tax asset	15,425,846	14,257,723
Effect of the non-taxable income and non-deductible expense	(1,739,564)	(9,723,546)
Income tax expense	<u>1,325,600</u>	<u>-</u>

The Company used tax rate of 20% for the corporate income tax calculation for the years ended December 31, 2021 and 2020 and for deferred tax calculation as at December 31, 2021 and 2020.

Effect from income tax relating to components of other comprehensive income for the years ended December 31, 2021 and 2020, are as follows:

	Before tax	2021 Income tax relating to components of other comprehensive income	Net of tax	Before tax	2020 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 not be subsequently reclassified to profit or loss						
Gains on investment in equity instruments designated at fair value through other comprehensive income	19,297,090	-	19,297,090	3,123,660	-	3,123,660
Gain on remeasurements of defined benefit plans	961,695	-	961,695	357,721	-	357,721
Loss on revaluation of assets	(530,000)	106,000	(424,000)	-	-	-
Total	<u>19,728,785</u>	<u>106,000</u>	<u>19,834,785</u>	<u>3,481,381</u>	<u>-</u>	<u>3,481,381</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, 2021 and 2020, the Company has unused tax losses carried forward amounting to Baht 440.11 million and Baht 362.99 million, respectively. Some tax losses will expire in 2022.

24. 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:

	2021 Baht	2020 Baht
Beginning balances of provisions for employee benefits for retirement	6,699,586	9,507,037
Current service cost	405,172	1,772,426
Interest cost	75,968	111,334
Benefit paid in the years	(731,093)	(4,333,490)
(Gains) losses on remeasurements of defined benefit plans		
- Arising from experience adjustments	(704,447)	(391,885)
- Arising from demographic assumptions	-	636,268
- Arising from financial assumptions	(257,248)	(602,104)
	<u>5,487,938</u>	<u>6,699,586</u>
<u>Less</u> Provision for current liabilities from employee benefit for retirement	<u>-</u>	<u>(813,204)</u>
Ending balances of provisions for non-current from employee benefit for retirement	<u>5,487,938</u>	<u>5,886,382</u>

Employee benefit expenses for retirement recognized as profit or loss for the years ended December 31, are as follows:

	2021 Baht	2020 Baht
Current service costs	405,172	1,772,426
Finance costs	75,968	111,334
Total	<u>481,140</u>	<u>1,883,760</u>

Principal actuarial assumptions are as follows:

	2021	2020
Discount rate (% per annum)	1.91	1.17
Salary increase rate (% per annum)	3	3
Employee turnover rate	10 - 34*	10 - 34*
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:

	Provisions for employee benefit increased /(decreased)	
	2021 Baht	2020 Baht
Discount rate		
Discount rate - decrease by 1%	359,588	500,081
Discount rate - increase by 1%	(325,519)	(446,272)
Salary raise rate		
Salary raise rate - decrease by 1%	(325,245)	(427,258)
Salary raise rate - increase by 1%	351,995	468,677
Employee turnover rate		
Employee turnover rate - decrease by 1%	944,122	1,353,422
Employee turnover rate - increase by 1%	(753,658)	(1,030,581)

The sensitivity analysis presented above may not be representative of the actual change in 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:

	2021 Baht	2020 Baht
Within 1 year	-	759,875
Over 1 year to 3 years	1,851,656	1,362,708
Over 3 years	4,358,948	5,169,497
Total	<u>6,210,604</u>	<u>7,292,080</u>

25. 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, 2021 and 2020 in amount of Baht 1.26 million and Baht 1.49 million, respectively.

26. SHARE CAPITAL

26.1 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.

26.2 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:

26.2.1 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.

- 26.2.2 On February 24, 2021, the Board of Directors' Meeting No. 1/2021 passed a resolution to cancel the subscription and payment for the subscription of increased ordinary shares that offering to the existing shareholders of 1,011,493,815 shares because of the situation of the Coronavirus disease 2019 ("COVID-19"). Therefore, there were several postpone the date of subscription and payment for the subscription of increased ordinary shares and this lead to the Company was unable to 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 Company's registered share capital of 1,011,493,815 shares (see Note 26.3).
- 26.2.3 The shareholders passed a resolution to approve the allocation of increased ordinary shares of 1,700,000,000 shares for offering to Private Placement which non-related person of the Company in the price of Baht 0.03 each totally Baht 51.00 million. 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 solution to decrease the Company's registered share capital of 866,500,000 shares (see Note 26.3).
- 26.3 On April 28, 2021, the Annual General Shareholders' Meeting passed a resolution to approve the decrease of the registered share capital from the amount of Baht 12,826,431,971 to Baht 10,948,438,156 by decreasing the unissued registered shares capital of 1,877,993,815 shares at the par value of Baht 1 each which were the result of the remaining from cancelling the subscription and payment for the subscription of increased ordinary shares that offering to the existing shareholders in accordance with their shareholding ratio (Rights Offering) of 1,011,493,815 shares (see Note 26.2.2) and offering to Private Placement of 866,500,000 shares (see Note 26.2.3). The Company registered the decrease in registered share capital with the Ministry of Commerce on May 19, 2021.
- 26.4 On October 12, 2021, the Extraordinary General Shareholders' Meeting passed a resolution to increase of the registered share capital from the amount of Baht 10,948,438,156 to Baht 64,992,438,156 by issuing new ordinary shares of 54,044,000,000 shares at the par value of Baht 1 each for offering to Private Placement in the price of Baht 0.02 each totaling Baht 1,080.88 million. The Company received the payment of such increased ordinary shares in whole amount on October 26, 2021 and then registered the increase in paid-up share capital with the Department of Business Development on October 27, 2021.

27. 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.

28. WARRANTS

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

Holders 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.

29. BASIC LOSSES PER SHARE AND DILUTED LOSSES PER SHARE

Basic losses per share

Basic losses per share for the years ended December 31, 2021 and 2020 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:

	2021 Baht	2020 Baht
Loss for the years (Baht)	<u>(63,129,008)</u>	<u>(22,670,886)</u>
Ordinary shares-beginning balance (shares)	10,948,438,156	10,114,938,156
Effect from issue shared capital during the years	<u>9,920,405,479</u>	<u>501,010,929</u>
Weighted average number of ordinary shares (shares) as at December 31,	<u>20,868,843,635</u>	<u>10,615,949,085</u>
Basic losses per share (Baht)	<u>(0.0030)</u>	<u>(0.0021)</u>

Diluted losses per share

Diluted losses per share for the years ended December 31, 2021 and 2020 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, 2021 and 2020, there is no warrant which are able to exercise to ordinary shares.

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

	2021 Baht	2020 Baht
Loss for the years (Baht)	<u>(63,129,008)</u>	<u>(22,670,886)</u>
Ordinary shares-beginning balance (shares)	10,948,438,156	10,114,938,156
Effect from issue shared capital during the years	<u>9,920,405,479</u>	<u>501,010,929</u>
Weighted average number of ordinary shares (shares) as at December 31,	<u>20,868,843,635</u>	<u>10,615,949,085</u>
Diluted losses per share (Baht)	<u>(0.0030)</u>	<u>(0.0021)</u>

30. 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.

31. 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.

32. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

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

	2021 Baht	2020 Baht
Contract revenues	26,900,000	353,204,005
Cost incurred to date	22,921,823	321,877,045
Profit (loss) recognized to date	(1,398,998)	7,455,900
Cost and profit (loss) recognized to date	21,522,825	329,332,945
<u>Less</u> Progress billings to date	(9,782,651)	(326,304,005)
Contract assets	(11,740,174)	(3,028,940)
Total contract liabilities	-	-
Cost of construction contracts incurred during the years	20,031,681	52,277,119
Expected loss on construction contract	(482,579)	-
Cost of construction contracts incurred recognized as expense during the years	(19,549,102)	(52,277,119)
Cost of construction contracts related to activities in the future which recognized as asset	-	-
Contract assets beginning of the years	3,028,940	56,617,309
Unearned construction revenues at the beginning of the years	-	-
Revenues from construction contracts recognized as revenues during the years	18,493,885	60,807,797
Progress billings during the years	(9,782,651)	(114,396,166)
Contract assets	11,740,174	3,028,940
	For the year ended December 31,	
	2021	2020
	Baht	Baht
Revenues from construction contracts recognized as revenues during the years	18,493,885	60,807,797
Expected loss on construction contract	(482,579)	-
Cost of construction contracts incurred recognized as expense during the years	(19,549,102)	(52,277,119)
Profit (loss) recognized during the years	(1,537,796)	8,530,678

The Company reversed revenues from construction contracts in the statements of profit or loss and other comprehensive income for the year ended December 31, 2021 of Baht 0.42 million and recognized revenues from construction contracts in the statements of profit or loss and other comprehensive income for the year ended December 31, 2021 of Baht 18.49 million because of the effect of recognition of expected loss on construction contract and provision for penalty arising from delay on construction contract (see Note 21).

The Company recognized revenues from construction contracts in the statements of profit or loss and other comprehensive income for the year ended December 31, 2020 of Baht 60.81 million which has no effect of the expected loss on construction contract and provision for penalty arising from delay that recognized as a deduction from revenue from construction contract.

In addition, the Company recognized expected loss on construction contract in the statements of profit or loss and other comprehensive income for the year ended December 31, 2021 of Baht 0.48 million based on the progress of the construction project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation (For the year ended December 31, 2020 : Nil).

33. OTHER INCOME

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

	2021	2020
	Baht	Baht
Interest income	268,039	93,815
Revenue from sales scrap	-	603,702
Gain from sale financial asset mandatorily measured at fair value through profit or loss	563,265	2,891,921
Dividend income	-	3,299,740
Gain on revaluation of assets	6,628,000	-
Others	18,628,916	12,599,792
Total	<u>26,088,220</u>	<u>19,488,970</u>

34. EXPENSES BY NATURE

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

	2021	2020
	Baht	Baht
Construction materials	7,630,543	4,899,517
Subcontractor	9,592,914	35,988,322
Employee and workers benefits expenses	54,907,302	63,125,645
Depreciation and amortization	3,458,283	5,515,251
Professional and service fees	10,636,170	5,151,531
Bad doubt	61,433	15,089,495
Reversal of allowance for doubtful accounts	-	(1,028,188)
Reversal of impairment loss determined in accordance with TFRS9	(43,822)	(25,693,523)
Reversal of provision for loss on litigations	-	(31,253,556)
Bank fees	528,047	376,749
Interest expenses	1,206,201	29,672
Transportation expenses	817,602	851,242
Insurance premium	163,407	291,046
Other fees	5,952,539	5,072,237
Rental	813,643	9,667,252
Directors remuneration	4,327,000	2,619,000
Utilities expenses	1,132,014	2,380,135
Repair and maintenance expenses	127,065	329,155
Advertising expenses	661,828	80,184
Entertainment expenses	258,787	341,664

35. 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:

	2021	2020
	Baht	Baht
Short-term benefits	11,697,733	11,796,850
Post-employee benefits	19,923	232,122
Directors remuneration	4,327,000	2,619,000
Total directors and key management's compensation	<u>16,044,656</u>	<u>14,647,972</u>

Relationships

Company	Country/ Nationality	Relation	Type of relation
The White Space Company Limited	Thailand	Related company *	Common directors and/or common managements

* Being related company since October 26, 2021.

Significant balances and transactions between the Company and its related party are as follows:

Account name / Company's name	Relationship	For the year ended December 31,	
		2021	2020
		Baht	Baht
Administrative expenses			
The White Space Company Limited	Related company	<u>21,000</u>	<u>-</u>

36. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

36.1 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, the Company may have credit concentration risk because 100% of trade receivables represent trade receivables with 1 major client (As at December 31, 2021 : Nil). 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 expected credit loss as stated in the statement of financial position.

36.2 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, 2021 and 2020, the Company does not have any interest rate risk because the Company has only short-term borrowing which was sued (see Note 39.3.2).

36.3 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.

36.4 Liquidity risk

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.

36.5 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 equal 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.

37. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has commitments and contingent liabilities as follows:

- 37.1 As at December 31, 2021 and 2020, the Company has letters of guarantee issued by the financial institutions of Baht 16.19 million and Baht 13.86 million, respectively. The Company has credit facilities for letters of guarantee issued by the financial institutions of Baht 16.19 million and Baht 13.86 million, respectively, which are guaranteed by the Company's deposits at financial institutions (see Note 8).
- 37.2 On February 24, 2021, the Company entered to into a borrowing agreement from a major shareholder which has unused had credit facility of Baht 50 million with interest rate of 7.50% per annum. The interest is calculated since drawdown date until such borrowing repayment completion date, for support its working capital. Interest repayments are made on a monthly basis and make repayment of principal on February 28, 2022, using its land as collateral.

Later, on April 1, 2021, the Company entered into an amendment of the borrowing agreement with such major shareholder by revising the unused credit facility from Baht 50 million to Baht 20 million and changing collateral from its land to be collateralized by the Company's director with the same other condition. In case that the shareholders of the Company pass a resolution approving the increase of the Company's registered capital, such loan agreement shall be implicitly canceled.

On October 12, 2021, the Extraordinary General Shareholders' Meeting passed a resolution to approve the increase of the registered share capital of the Company (see Note 26.4) and the Company entered into memorandum of cancellation of the borrowing agreement and other conditions related to such the borrowing agreement from such major shareholder which is in accordance with the condition of such borrowing agreement.

- 37.3 On March 31, 2021, the Company entered into the borrowing agreement with a financial institution to increase liquidity for a periods 3 years from the signing date of the contract which will mature on March 31, 2024. The Company drew down the loan in full credit facility amount Baht 30 million in May 2021 with interest rate of 5.99% per annum. Interest payments are made on a monthly basis and make repayment of principal within maturity date which using its land as collateral (see Note 12). Later, on December 17, 2021, the Company repaid such borrowing in full amount and the Company is on process of redemption of such collateral.
- 37.4 Commitments to pay rental under the lease agreements for land and equipment in the future as at December 31, are as follows:

	2021 Baht	2020 Baht
Within 1 year	8,539,574	322,862
Later than 1 year but not later than 5 years	26,820,005	12,567

Rental under the lease agreements recognized as expenses in the statement of profit or loss and other comprehensive income for the years ended December 31, 2021 and 2020 in amount of Baht 0.73 million and Baht 9.32 million, respectively.

- 37.5 During the year 2018, the Company proposed and won the bidding for construction with a domestic company. 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. Subsequently, on January 21, 2022 the former managing director as an authorized director at that time received an order from the Comptroller General's Department, Ministry of Finance inform that the Company is job abandoner. However, the Company has not received any letter. On February 1, 2022, the Board of Directors' Meeting No. 2/2022 approved the appeal against such order within February 7, 2022. The Company's management believes that there is no material impact to the financial statements.

38. 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, 2021 and 2020, the Company had revenue from construction contracts from 1 major customer amounting to Baht 18.49 million and from 1 major customer amounting to Baht 53.42 million, respectively.

39. LITIGATIONS

39.1 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. Currently, the case is in process of execution by the enforcement officer.

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 12.31 million which consist of payment of letter of guarantee fee by Baht 7.52 million and payment of the obligations for letters of guarantee by Baht 4.79 million. The Company recognized payment of the obligations for such letters of guarantee by Baht 4.79 million and deducted of duplicate letter of guarantee fee by Baht 0.54 million totally Baht 5.33 million as other receivable - bank and presented as part of trade and other non-current receivables (see Note 5). However, 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 and October 21, 2021, the Company has received such payment of Baht 7.02 million and Baht 9.39 million, respectively.

- 39.2 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. Later, the Court ordered to accept petition of sub-contractors and suspend the execution. The Company submitted the supreme amendment on August 6, 2021. 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, 2021 and 2020 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.

39.3 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:

39.3.1 As at December 31, 2020, the cases that the 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 (As at December 31, 2021 : Nil).

39.3.2 During the year 2020 and 2021, the Company was sued totaling 2 cases relating to breach of contracts relating to construction and borrowing with the claims totaling of Baht 17.81 million. The cases are currently under consideration by the Court. Meanwhile, the Company has pledged land and buildings of the Company (see Note 13) and land of the Company's former directors for the bail contract to suspend the execution under the judgment of the Civil Court from one of the cases. The Court scheduled a collateral hearing on May 9, 2022. As at December 31, 2021 and 2020, the Company has recorded as provisions for losses on litigations amounting to Baht 5.34 million and Baht 5.35 million, respectively, and liabilities in the related accounts in the amount of Baht 12.46 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.

The Company recorded provisions for losses on litigations (see Notes 39.2 and 39.3.2) as at December 31, 2021 and 2020, totaling Baht 7.60 million and Baht 7.61 million, respectively.

40. EVENTS AFTER THE REPORTING PERIOD

- 40.1 On January 7, 2022, the Board of Directors' Meeting No. 1/2022 passed a resolution to approve sales unused fixed assets. The Company expects to complete the sale within May 2022.
- 40.2 On February 23, 2022, the Board of Directors' Meeting No. 3/2022 passed a resolution to approve the establishment 1 subsidiary which names PSGC (Laos) Company Limited that will be incorporated in The Lao People's Democratic Republic. The registered share capital is Baht 45 million.

41. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Company's Board of Directors on February 23, 2022.