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| **1 General information** |

Siamraj Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows: No. 289/9 Moo 10, Old Railway Road, Samrong, Phrapradaeng, Samutprakarn 10130.

The principal business operation of the Company and its subsidiaries (together “the Group”) are to procure, distribute and install industrial pumps, natural gas for vehicles and, construction of natural gas metering and pipeline transmission systems, field of flow measurement, carpark service, building area rental, producing and generating electricity from solar power plants.

These consolidated and separate financial statements were approved by the Board of Directors on 18 February 2021.

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

Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has negative effects on operating results of the rental area of car park business and NGV service station for vehicles included in the alternative energy segment for the year ended 31 December 2020.

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| **3 Basis of preparation** |

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

The consolidated and separate financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities (including derivative instrument).

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 9.

Comparative figures have been adjusted to conform with the presentation of the current year which are disclosed in Note 11.

The English language version of the consolidated and separate financial statements have been prepared from the statutory financial statements in Thai language. In the event of discrepancy in interpretation between the two languages, the Thai language statutory financial statement shall prevail.

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| **4 New and amended financial reporting standards** |

## 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

**a) Financial instruments**

The new financial standards related to financial instruments are as follows:

|  |  |
| --- | --- |
| TAS 32 | Financial instruments: Presentation |
| TFRS 7 | Financial instruments: Disclosures |
| TFRS 9 | Financial instruments |
| TFRIC 16 | Hedges of a net investment in a foreign operation |
| TFRIC 19 | Extinguishing financial liabilities with equity instruments |

The financial reporting standards related to financial instruments have introduced new classification and measurement requirements for financial instruments as well as provided derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged items and hedging instrument. In addition, the new rule provides detailed guidance on classification of financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) contractual cash flow characteristics of the asset whether it conforms of the requirements of principal and interest (SPPI). The classification affects the financial assets’ measurement. The new guidance requires assessment of impairment of financial assets including contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact of the adoption has been disclosed in Note 5.

**b) TFRS 16, *Leases***

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact of the adoption has been disclosed in Note 5.

**c) Amendment to TAS 12, Income tax** clarified that the income tax consequences on dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

**d) Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement)** - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

**e) Amendment to TAS 23, Borrowing costs** clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

**f) Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures)** clarified the accounting for long-term interests in associates or joint ventures, which forms part of the net investment in the associate or joint venture, but to which equity accounting is not applied. The Group must account for such interests under TFRS 9, Financial instruments, before applying the loss allocation and impairment requirements as specified in TAS 28, Investments in associates and joint ventures.

**g) Amendment to TFRS 3, Business combinations** clarified that when obtaining control of a business that is a joint operation of which a business combination achieved in stages, the previously held interest is therefore re-measured.

**h) TFRIC 23, Uncertainty over income tax treatments** explained how to recognise and measure deferred and current income tax assets and liabilities where there is an uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume that a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.

- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.

- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

## 4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have significant impacts to the Group

Certain amended financial reporting standards have been issued which are not mandatory for current reporting period and have not been early adopted by the Group.

1. **Revised Conceptual Framework for Financial Reporting** added the following key principles and guidance:

* Measurement basis, including factors in considering difference measurement basis
* Presentation and disclosure, including classification of income and expense in other comprehensive income
* Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
* Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

1. **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
2. **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
3. **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

1. **Amendmen****t to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted.

The Group and the Company has chosen not to early apply the exemption for the current reporting period.

**4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group**

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

1. **Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

|  |
| --- |
| **5 Impacts from initial application of the new and revised financial reporting standards** |

This note explains the impact of the adoption of TAS 32 *Financial Instruments: Presentation*, TFRS 7 *Financial Instruments: Disclosure*, TFRS 9 *Financial Instruments* and TFRS 16 *Leases* on the Group’s consolidated financial statements and the Company’s separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 5.1 and Note 5.2.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of   
1 January 2020.

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statement** | | | |
|  |  | **As at**  **31 December**  **2019** | **TAS 32 and TFRS 9** | **TFRS 16** | **As at**  **1 January**  **2020** |
|  | **Notes** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| Investment in debt securities | a | - | 56,284 | - | 56,284 |
| Derivative assets | a | - | 319 | - | 319 |
| Short-term investments | a | 56,481 | (56,284) | - | 197 |
| Trade and other receivables | b | 665,657 | 57 | - | 665,714 |
|  |  |  |  |  |  |
| **Total** |  | 722,138 | 376 | - | 722,514 |
|  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |
| Investment in equity securities | a | - | 3,795 | - | 3,795 |
| Available-for-sale investment | a | 3,795 | (3,795) | - | - |
| Property, plant and equipment, net | c | 502,219 | - | (231,436) | 270,783 |
| Right-of-use assets, net | c | - | - | 393,693 | 393,693 |
| Deferred tax assets, net | a, b | 26,949 | (11) | - | 26,938 |
|  |  |  |  |  |  |
| **Total** |  | 532,963 | (11) | 162,257 | 695,209 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Liabilities and equity** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Trade and other payables | c | 350,430 | - | (1,554) | 348,876 |
| Derivative liabilities | a | - | 1,846 | - | 1,846 |
| Current portion of lease liabilities, net | c | - | - | 16,063 | 16,063 |
| Current portion of finance lease |  |  |  |  |  |
| liabilities, net | c | 9,627 | - | (9,627) | - |
| Other current liabilities | a | 26,764 | (1,122) | - | 25,642 |
|  |  |  |  |  |  |
| **Total** |  | 386,821 | 724 | 4,882 | 392,427 |
|  |  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |  |
| Lease liabilities, net | c | - | - | 178,437 | 178,437 |
| Finance lease liabilities, net | c | 21,062 | - | (21,062) | - |
|  |  |  |  |  |  |
| Total |  | 21,062 | - | 157,375 | 178,437 |
|  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |
| Unappropriated |  |  |  |  |  |
| retained earnings | a, b | 119,278 | (359) | - | 118,919 |
|  |  |  |  |  |  |
| Total |  | 119,278 | (359) | - | 118,919 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statement** | | | |
|  |  | **As at**  **31 December**  **2019** | **TAS 32 and TFRS 9** | **TFRS 16** | **As at**  **1 January**  **2020** |
|  | **Notes** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |
| Investment in debt securities | a | - | 56,284 | - | 56,284 |
| Derivative assets | a | - | 319 | - | 319 |
| Short-term investments | a | 56,284 | (56,284) | - | - |
| Trade and other receivables | b | 571,146 | 57 | - | 571,203 |
|  |  |  |  |  |  |
| **Total** |  | 627,430 | 376 | - | 627,806 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |
|  |  |  |  |  |  |
| Investment in equity securities | a | - | 3,795 | - | 3,795 |
| Available-for-sale investment | a | 3,795 | (3,795) | - | - |
| Property, plant and equipment, net | c | 107,535 | - | (32,531) | 75,004 |
| Right-of-use assets, net | c | - | - | 84,976 | 84,976 |
| Deferred tax assets, net | a, b | 32,994 | (11) | - | 32,983 |
|  |  |  |  |  |  |
| **Total** |  | 144,324 | (11) | 52,445 | 196,758 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Liabilities and equity** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Trade and other payables | c | 305,274 | - | (997) | 304,277 |
| Derivative liabilities | a | - | 1,846 | - | 1,846 |
| Current portion of lease liabilities, net | c | - | - | 14,480 | 14,480 |
| Current portion of finance lease |  |  |  |  |  |
| liabilities, net | c | 9,392 | - | (9,392) | - |
| Other current liabilities | a | 24,788 | (1,122) | - | 23,666 |
|  |  |  |  |  |  |
| **Total** |  | 339,454 | 724 | 4,091 | 344,269 |
|  |  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |  |
| Lease liabilities, net | c | - | - | 69,233 | 69,233 |
| Finance lease liabilities, net | c | 20,879 | - | (20,879) | - |
|  |  |  |  |  |  |
| **Total** |  | 20,879 | - | 48,354 | 69,233 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |
| Unappropriated |  |  |  |  |  |
| retained earnings | a, b | 102,153 | (359) | - | 101,794 |
|  |  |  |  |  |  |
| **Total** |  | 102,153 | (359) | - | 101,794 |

Note: a) The impact was from the classification and measurement of financial assets, refer to Note 5.1

b) The impact was from impairment of financial assets, refer to Note 5.1

c) The impact was from lease accounting, refer to Note 5.2

**5.1 Financial instruments**

The total impact on the Group’s and the Company’s unappropriated retained earnings as of 1 January 2020 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | **Separate**  **financial statements** |
|  | **Notes** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |
| Unappropriated retained earnings |  | 119,278 | 102,153 |
| as at 31 December 2019 (as previously reported) |  |  |  |
|  |  |  |  |
| Increase from reversal in loss allowance |  |  |  |
| for trade and other receivables | (b) | 46 | 46 |
| Fair value adjustments on derivatives | (a) | (405) | (405) |
|  |  |  |  |
| Adjustment to unappropriated retained earnings  from adoption of TFRS 9 on 1 January 2020 |  | (359) | (359) |
|  |  |  |  |
| Unappropriated retained earnings as at 1 January 2020  - TFRS 9 impact |  | 118,919 | 101,794 |

On 1 January 2020 (the date of initial application of TFRS 9), the Group’s management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statement** | | | |
|  | **FVPL** | **FVOCI** | **Amortised cost** | **Total** |
| **Financial assets as at 1 January 2020** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Cash and cash equivalents | - | - | 108,476 | 108,476 |
| Derivative assets | 319 | - | - | 319 |
| Investment in debt securities | 56,284 | - | - | 56,284 |
| Short-term investments | - | - | 197 | 197 |
| Trade and other receivable, net | - | - | 665,714 | 665,714 |
| Unbilled receivables under construction contracts | - | - | 97,186 | 97,186 |
| Short-term loans to related parties | - | - | 9,600 | 9,600 |
| Deposits at financial institutions used as collateral | - | - | 127,137 | 127,137 |
| Investment in equity securities | - | 3,795 | - | 3,795 |
|  |  |  |  |  |
|  | 56,603 | 3,795 | 1,008,310 | 1,068,708 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statement** | | |
|  | **FVPL** | **Amortised cost** | **Total** |
| **Financial liabilities as at 1 January 2020** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |
| Short-term loans from financial institutions | - | 85,000 | 85,000 |
| Trade and other payables | - | 348,876 | 348,876 |
| Advance received under construction contracts | - | 127,801 | 127,801 |
| Derivatives liabilities | 1,846 | - | 1,846 |
| Long-term loans from financial institutions, net | - | 307,822 | 307,822 |
| Lease liabilities, net | - | 194,500 | 194,500 |
|  |  |  |  |
|  | 1,846 | 1,063,999 | 1,065,845 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statement** | | | |
|  | **FVPL** | **FVOCI** | **Amortised cost** | **Total** |
| **Financial assets as at 1 January 2020** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Cash and cash equivalents | - | - | 63,897 | 63,897 |
| Derivative assets | 319 | - | - | 319 |
| Investment in debt securities | 56,284 | - | - | 56,284 |
| Trade and other receivable, net | - | - | 571,203 | 571,203 |
| Unbilled receivables under construction contracts | - | - | 81,732 | 81,732 |
| Short-term loans to related parties | - | - | 41,000 | 41,000 |
| Deposits at financial institutions used as collateral | - | - | 109,877 | 109,877 |
| Investment in equity securities | - | 3,795 | - | 3,795 |
|  |  |  |  |  |
|  | 56,603 | 3,795 | 867,709 | 928,107 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statement** | | |
|  | **FVPL** | **Amortised cost** | **Total** |
| **Financial liabilities as at 1 January 2020** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |
| Short-term loans from financial institutions | - | 85,000 | 85,000 |
| Trade and other payables | - | 304,277 | 304,277 |
| Advance received under construction contracts | - | 127,801 | 127,801 |
| Derivative liabilities | 1,846 | - | 1,846 |
| Lease liabilities, net | - | 83,713 | 83,713 |
|  |  |  |  |
|  | 1,846 | 600,791 | 602,637 |

### Recognition of derivatives at fair value through profit or loss

As at 1 January 2020, derivative assets and liabilities were recognised at fair value of Baht 0.32 million and Baht 1.85 million, respectively, in the consolidated financial statements.

As at 1 January 2020, derivative assets and liabilities were recognised at fair value of Baht 0.32 million and Baht 1.85 million, respectively, in the separate financial statements.

The Group and the Company recognised derivatives at their fair values with a corresponding adjustment to opening retained earnings of Baht 0.40 million. During the year 2020, the fair value losses of Baht 4.67 million and Baht 0.70 million were recognised in the Group’s and the Company’s other gain/loss, respectively.

1. Reclassification of financial instruments on adoption of TFRS 9

On 1 January 2020, the date of initial application of TFRS 9, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows.

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Measurement categories** | | **Carrying amounts** | | |
|  | **Previously reported**  **(TAS 105 and other TAS)** | **New**  **(TFRS 9)** | **Previously reported**  **Thousand**  **Baht** | **New**  **Thousand**  **Baht** | **Difference**  **Thousand**  **Baht** |
|  |  |  |  |  |  |
| **Current financial assets** |  |  |  |  |  |
| Cash and cash equivalents | Amortised cost | Amortised cost | 108,476 | 108,476 | - |
| Trade and other receivables | Amortised cost | Amortised cost | 665,657 | 665,714 | 57 |
| Unbilled receivables under  construction contracts | Amortised cost | Amortised cost | 97,186 | 97,186 | - |
| Investment in debt securities | Fair value | FVPL | 56,284 | 56,284 | - |
| Short-term investments | Amortised cost | Amortised cost | 197 | 197 | - |
| Short-term loans to related parties | Amortised cost | Amortised cost | 9,600 | 9,600 | - |
| Derivative assets | Accrual basis | FVPL | 253\* | 319 | 66 |
|  |  |  |  |  |  |
| **Non-current financial assets** |  |  |  |  |  |
| Deposits at financial institutions  used as collateral | Amortised cost | Amortised cost | 127,137 | 127,137 | - |
| Investment in equity securities | Fair value | FVOCI | 3,795 | 3,795 | - |
|  |  |  |  |  |  |
| **Current financial liabilities** |  |  |  |  |  |
| Short-term loans and current portion  of long-term loans | Amortised cost | Amortised cost | 85,000 | 85,000 | - |
| Trade and other payables | Amortised cost | Amortised cost | 350,430 | 348,876 | (1,554)\*\* |
| Advance received under  construction contracts | Amortised cost | Amortised cost | 127,801 | 127,801 | - |
|  |  |  |  |  |  |
| **Non-current financial liabilities** |  |  |  |  |  |
| Long-term loans | Amortised cost | Amortised cost | 307,822 | 307,822 | - |
| Lease liabilities,net | Amortised cost | Amortised cost | 194,500 | 194,500 | - |
| Derivative liabilities | Accrual basis | FVPL | 1,375\* | 1,846 | 471 |

|  | **Separate financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Measurement categories** | | **Carrying amounts** | | |
|  | **Previously reported**  **(TAS 105 and other TAS)** | **New**  **(TFRS 9)** | **Previously reported**  **Thousand**  **Baht** | **New**  **Thousand**  **Baht** | **Difference**  **Thousand**  **Baht** |
|  |  |  |  |  |  |
| **Current financial assets** |  |  |  |  |  |
| Cash and cash equivalents | Amortised cost | Amortised cost | 63,897 | 63,897 | - |
| Trade and other receivables | Amortised cost | Amortised cost | 571,146 | 571,203 | 57 |
| Unbilled receivables  construction contracts | Amortised cost | Amortised cost | 81,732 | 81,732 | - |
| Investment in debt securities | Fair value | FVPL | 56,284 | 56,284 | - |
| Short-term loans to related parties | Amortised cost | Amortised cost | 41,000 | 41,000 | - |
| Derivative assets | Accrual basis | FVPL | 253\* | 319 | 66 |
|  |  |  |  |  |  |
| **Non-current financial assets** |  |  |  |  |  |
| Deposits at financial institutions  used as collateral | Amortised cost | Amortised cost | 109,877 | 109,877 | - |
| Investment in equity securities | Fair value | FVOCI | 3,795 | 3,795 | - |
|  |  |  |  |  |  |
| **Current financial liabilities** |  |  |  |  |  |
| Short-term loans and current portion  of long-term loans | Amortised cost | Amortised cost | 85,000 | 85,000 | - |
| Trade and other payables | Amortised cost | Amortised cost | 305,274 | 304,277 | (997)\*\* |
| Advance received under  construcction contracts | Amortised cost | Amortised cost | 127,801 | 127,801 | - |
|  |  |  |  |  |  |
| **Non-current financial liabilities** |  |  |  |  |  |
| Lease liabilities,net | Amortised cost | Amortised cost | 83,713 | 83,713 | - |
| Derivative liabilities | Accrual basis | FVPL | 1,375\* | 1,846 | (471) |

\* Derivative assets and liabilities were previously recorded in other current liabilities

\*\* Effect from implementation of TFRS 16

### Impairment of financial assets

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

* cash and cash equivalents
* trade and other receivables
* unbilled receivables under construction contracts
* loans to related parties

The Group was required to revise its impairment methodology under TFRS 9. The Group recognised reversals of impairment losses on financial asset of Baht 0.06 million to the opening balance of retained earnings.

While i) cash and cash equivalents and ii) loans to related parties are subject to the new impairment requirement, the identified impact was immaterial.

*Trade receivables and unbilled receivables under construction contracts*

The Group applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and unbilled receivables under construction contracts.

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

The loss allowance for trade receivables and unbilled receivables under construction contracts were determined as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **As of 1 January 2020** | **Not yet due Thousand Baht** | **Overdue not exceeding 3 months Thousand Baht** | **Overdue 3 to 6 months Thousand Baht** | **Overdue 6 to 12 months Thousand Baht** | **Overdue more than 12 months Thousand Baht** | **Total**  **Thousand Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - Trade receivables | 421,665 | 61,802 | 8,654 | 4,772 | 57 | 496,950 |
| - Unbilled receivables  under construction |  |  |  |  |  |  |
| contracts | 97,186 | - | - | - | - | 97,186 |
| Loss allowance | - | - | - | - | - | - |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **As of 1 January 2020** | **Not yet due Thousand Baht** | **Overdue not exceeding 3 months Thousand Baht** | **Overdue 3 to 6 months Thousand Baht** | **Overdue 6 to 12 months Thousand Baht** | **Overdue more than 12 months Thousand Baht** | **Total**  **Thousand Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - Trade receivables | 392,582 | 53,460 | 8,572 | - | 57 | 454,671 |
| - Unbilled receivables  under construction |  |  |  |  |  |  |
| contracts | 81,732 | - | - | - | - | 81,732 |
| Loss allowance | - | - | - | - | - | - |

The reconciliations of loss allowance for trade receivables and unbilled receivables under construction contracts are as follows :

|  | **Consolidated financial statements** | **Separate**  **financial statements** |
| --- | --- | --- |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| As of 31 December 2019 | 57 | 57 |
| Amounts restated through opening retained earnings | (57) | (57) |
| As of 1 January 2020 | - | - |

### Derivatives

The Group and the Company recognises adjustments of the fair value of the derivatives in retained earnings as follows:

|  | **Consolidated financial statements** | **Separate**  **financial statements** |
| --- | --- | --- |
|  | **Retained earnings** | **Retained earnings** |
| **As of 1 January 2020** | **Thousand Baht** | **Thousand Baht** |
| **Current assets** |  |  |
| Foreign currency forward contracts | 66 | 66 |
|  |  |  |
| **Total derivative assets - current** | 66 | 66 |
|  |  |  |
| **Current liabilities** |  |  |
| Foreign currency forward contracts | (471) | (471) |
|  |  |  |
| **Total derivative liabilities - current** | (471) | (471) |
|  |  |  |

### Classification and measurement of investments in equity instruments (previously called available-for-sale investments)

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss.

The Group has equity instrument which is an available-for-sale investment and measured at fair value through other comprehensive income. These instruments will be remeasured to fair value through other comprehensive income same as old practice but without recycling to profit or loss. Therefore, the adoption did not impact to be adjustment in other component of equity as at 1 January 2020.

**5.2 Leases**

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases for leases of land, buildings and machineries with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2020. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 4.25% - 6.92%.

The Group recognised right-of use assets at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | **Separate**  **financial statements** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Operating lease commitments disclosed as at 31 December 2019 | 206,493 | 33,673 |
|  |  |  |
| (Less): Discounted using the lessee’s incremental borrowing  rate of at the date of initial application | (75,545) | (12,734) |
| Add: Finance lease liabilities recognised as at 31 December 2019 | 30,689 | 30,271 |
|  |  |  |
| (Less): Short-term leases recognised on a straight-line basis as expense | (2,856) | (2,736) |
| (Less): Low-value leases recognised on a straight-line basis as expense | (506) | (384) |
| Add: Adjustments as a result of a different treatment of extension  and termination options | 36,225 | 35,623 |
|  |  |  |
| **Lease liability recognised as at 1 January 2020** | 194,500 | 83,713 |
|  |  |  |
|  |  |  |
| Current lease liabilities | 16,063 | 14,480 |
| Non-current lease liabilities | 178,437 | 69,233 |
|  |  |  |
|  | 194,500 | 83,713 |

*Practical expedients applied*

In applying TFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

* the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
* reliance on previous assessments on whether leases are onerous
* the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
* leases of low-value assets
* the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
* the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
* elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

|  |
| --- |
| **6 Accounting policies** |

6.1 Principles of consolidation accounting

**(a) Subsidiaries**

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

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

**(b) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting in consolidated financial statement.

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

**(c) Joint arrangement**

Investment in joint arrangement is classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

*Joint venture*

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method of accounting in consolidated financial statement.

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

**(d) Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group’s subsequently recognises shares of its associates and joint ventures’ profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group’s share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

**(e) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group loses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

**(f) Intercompany transactions on consolidation**

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

* 1. Foreign currency translation

1. **Functional and presentation currency**

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

1. **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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

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

6.3 Cash and cash equivalents

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

6.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement 30 to 90 days and therefore are all classified as current.

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

The impairment of trade receivables are disclosed in Note 6.6 (f).

6.5 Inventories

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

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

6.6 Financial assets

### For the year ended 31 December 2020

a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

- those to be measured at amortised cost.

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

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

b) Recognition and derecognition

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

c) Measurement

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

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

d) Debt instruments

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

* Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
* FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), expect for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
* FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

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

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

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and contract assets. The Group applied historical credit loss adjusted with the management’s judgement in estimating the expected credit loss as disclosed in note 15.3.

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

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

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

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

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

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line.

Classification and measurement of financial assets for the year ended 31 December 2019 is disclosed in Note 5.1(b).

### For the year ended 31 December 2019

*Investments in debt and equity securities*

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

*Trading and available-for-sale investments*

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

*Held-to-maturity investments*

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

*General investments*

General investments are carried at cost less impairment.

*Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

**6.7 Leasehold rights**

Before 1 January 2020, leasehold rights of buildings are in accordance with TAS17, Leases.  These guidelines require the Group to consider building lease agreements that result from long-term land lease agreements with the lessor. The agreement requires the Company to construct buildings on the land of the lessor and the lessor will take ownership of the building upon completion of the construction.

As the Group has classified the lease of the building as a finance lease, the Group recorded the cost of building construction as a leasehold right on the start date of the lease agreement , which is the day that both parties agreed to deliver the building. The leasehold rights are shown as part of property, plant and equipment at cost. The amortisation is performed using the straight line method over the useful life of 30 years according to the lease term.

On the first-time adoption of TFRS 16 to lease agreements made before 1 January 2020, the Group has used the practical expedients permitted by the standard  by electing not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application, but instead relied on its assessment made following TAS 17 and TFRIC 4 Determining whether an arrangement contains a lease. Therefore, leasehold rights are presented as right-of- use assets at cost and use the straight-line method to allocate their cost to their residual values over their estimated useful lives of 30 years.

The leasehold of the commercial area is classified as investment property. The Group depreciates investment property by using the straight line method to allocate their cost to their residual values over their estimated useful lives of 30 years. The Group has disclosed the investment property’s fair value in the note to the financial statement.

**6.8 Investment property**

Investment properties, principally freehold commercial area and office buildings, are held for long-term rental yields and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses (if any).

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

Buildings 20 years

Building leasehold 30 years

6.9 Property, plant and equipment

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

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

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

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

Land improvement 10 years and 20 years

Building and Building improvement 10 years and 20 years

Utilities 5 years

Tools and Equipment 5 years

Furniture and Office Equipment 3 years and 5 years

Vehicles 5 years

Building leasehold 30 years

Leasehold improvement 10 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains (losses) - net.

6.10 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being field of flow measurement business.

6.11 Intangible assets

*Computer software*

Computer software development costs recognised as assets are amortised over their estimated useful lives, between 3 years to 10 years.

*Customer relationship*

Customer relationships acquired in a business combination are separately recognised from goodwill. Amortisation is calculated using the straight-line method over 12 years.

6.12 Impairment of assets

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

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

6.13 Leases

For the year ended 31 December 2020

#### Leases - where the Group is the lessee

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

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

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

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

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

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

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

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

During the reporting period, the Group received discounts in the lease payments from the lessors due to the COVID-19 outbreak. The Group remeasured lease liabilities, adjusted the corresponding right-of-use assets of Baht 41.1 million

#### Leases - where the Group is the lessor

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

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

For the year ended 31 December 2019

*Leases - where the Group is the lessee*

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

*Leases - where the Group is the lessor*

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

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

6.14 Financial liabilities

For the year ended 31 December 2020

1. Classification

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

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

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

b) Measurement

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

c) Derecognition and modification

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

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

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

For the year ended 31 December 2019

Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

6.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take 9 months to get ready for its intended use) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

6.16 Current and deferred income taxes

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

*Current tax*

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

*Deferred income tax*

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

* initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
* investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

6.17 Employee benefits

*Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees’ service up to the end of the reporting period. They are measured at the amount expected to be paid.

*Defined contribution plan*

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

*Defined benefit plans*

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

The defined benefit obligation is calculated every 3 years by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

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

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

6.18 Share-based payment

Share-based payment is measured by reference to the grant date fair value and compensation that have to pay and recorded expense with corresponding credit to equity.

6.19 Provision

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

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

6.20 Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

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

6.21 Revenue recognition

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

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

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

*Services*

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

*Contract assets and contract liabilities*

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress. Where the total costs incurred plus recognised profit (less recognised losses) exceed the amount of consideration that is unconditionally, the balance is shown as due form customers on contracts, under contract assets which are contract assets. Where the amount of consideration that is unconditionally exceed total costs incurred plus recognised profits (less recognised losses), the balance is shown as under advance received under construction contract which are contract liabilities.

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

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

*Sale of goods*

The Group sells products which consist of industrial pumps and related engineer service, industrial and municipal waste treatment air compressors, gas turbine and gas compressor for power plant, equipment for natural metering and transmission systems station, equipment for field of flow measurement and NGV gas for car.

Sales are recognised when control of the products has transferred, being when the products are delivered. The customer has the ability to direct the use of, and obtain substantially all of the remaining benefit, from the goods and the Group has right for payment. In addition, the Group will not recognise sales if it is not probable that the Group will collect the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer.

The Group’s obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

*Payments to customers*

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

*Material right*

Options granted to customers to purchase additional goods or services free of charge or at a discount are separate performance obligations, material right. Part of the transaction price is deferred as a contract liability until the option is exercised or expired.

*Revenue from construction*

Revenue from construction includes contracts to provide construction. Under the contracts, the Group’s construction activities create or enhance an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works.

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

*Percentage of completion*

Revenue from construction contracts or construction-type service contracts or service contracts where a defined output are promised, are recognised using the percentage of completion method. The stage of completion is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost, adjusted with uninstalled materials that the customer accepts and takes control but not yet installed and reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and owners or customers. Where the stage of completion is not reliably measured, revenue is only recognised up to the amount of contract costs expensed, provided it is recoverable.

*Financing components*

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

*Incremental costs of obtaining a contract*

The Group capitalises incremental costs of obtaining a contract (mainly sales commission to third parties and to employees) and amortised to selling expenses in the same pattern of related revenue recognition.

6.22 Dividend distribution

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

6.23 Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

For the year ended 31 December 2019

The Group parties to financial instruments that reduce exposure to fluctuations in exchange rates by using derivative contracts to protect its exposure from movements in the exchange rates. At the statement of financial position date, the foreign currency amounts receivable or payable under these contracts are translated into Baht at the rates ruling at that date. Unrealised gains or losses that result from the translation are recognised in the statement of income. Any premiums or discounts equal to the difference between the exchange rates and the contract rates at the inception of the contracts are amortised on a straight-line basis over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the statement of financial position.

|  |
| --- |
| **7 Financial risk management** |

7.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

**7.1.1 Foreign exchange risk**

The Group has both export and import transactions of finished goods which deminated in US Dollar and Euro.

The Group uses forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency. The Group treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts.

*Exposure*

The Group’s exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | |
|  | **As at 31 December 2020** | | | | |  | **As at 31 December 2019** | | | | |
|  | **US Dollar** | **Euro** | **Pound** | **Japanese**  **Yen** | **Kip** | **US Dollar** | **Euro** | **Pound** | **Aud** | **Japanese**  **Yen** | **Kip** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 10,171 | 74 | - | - | 685 | 21,229 | 68 | - | - | - | 719 |
| Foreign currency forward contracts |  |  |  |  |  |  |  |  |  |  |  |
| - Purchase of foreign currency  forward contracts | 45,233 | 47,613 | - | - | - | 151,972 | 72,565 | - | - | - | - |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |  |
| Short-term loan from financial institution | (10,463) | - | - | - | - | - | - | - | - | - | - |
| Trade and other payables | (28,004) | (762) | (26) | (59) | - | (17,373) | (531) | (48) | (65) | (76) | - |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Total assets (liabilities), nets | 16,937 | 46,925 | (26) | (59) | 685 | 155,828 | 72,102 | (48) | (65) | (76) | 719 |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | | | |
|  | **As at 31 December 2020** | | | | |  | **As at 31 December 2019** | | | | |
|  | **US Dollar** | **Euro** | **Pound** | **Japanese**  **Yen** | **Kip** | **US Dollar** | **Euro** | **Pound** | **Aud** | **Japanese**  **Yen** | **Kip** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 10,171 | 74 | - | - | 685 | 21,229 | 68 | - | - | - | 719 |
| Foreign currency forward contracts |  |  |  |  |  |  |  |  |  |  |  |
| - Purchase of foreign currency  forward contracts | 39,346 | 46,879 | - | - | - | 151,972 | 72,565 | - | - | - | - |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |  |
| Short-term loan from financial institution | (10,463) | - | - | - | - | - | - | - | - | - | - |
| Trade and other payables | (25,425) | (13) | (26) | (58) | - | (16,442) | (10) | - | (65) | (76) | - |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Total assets (liabilities), nets | 13,629 | 46,940 | (26) | (58) | 685 | 156,759 | 72,623 | - | (65) | (76) | 719 |

*Sensitivity*

As shown in the table above, the Group is primarily exposed to changes in Baht and US Dollar and Euro exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar and Euro.

|  |  |
| --- | --- |
|  | **Consolidated**  **Financial statements** |
|  |
|  | **Impact to net profit** |
|  | **2020** |
|  | **Thousand Baht** |
|  |  |
| US Dollar to Baht exchange rate - increase 9% \* | 1,694 |
| Euro to Baht exchange rate - increase 9% \* | 4,693 |
|  |  |
| Total | 6,387 |
|  |  |
| US Dollar to Baht exchange rate - decrease 9% \* | (1,694) |
| Euro to Baht exchange rate - decrease 9% \* | (4,693) |
|  |  |
| Total | (6,387) |

\* Holding all other variables constant

|  |  |
| --- | --- |
|  | **Separate**  **financial statements** |
|  |
|  | **Impact to net profit** |
|  | **2020** |
|  | **Thousand Baht** |
|  |  |
| US Dollar to Baht exchange rate - increase 9% \* | 1,363 |
| Euro to Baht exchange rate - increase 9% \* | 4,694 |
|  |  |
| Total | 6,057 |
|  |  |
| US Dollar to Baht exchange rate - decrease 9% \* | (1,363) |
| Euro to Baht exchange rate - decrease 9% \* | (4,694) |
|  |  |
| Total | (6,057) |

\* Holding all other variables constant

**7.1.2 Interest rate risk**

The Group has interest rate risk from borrowings and debentures at fixed and floating interest rates. The Group has no significant interest-bearing assets.

All interest rate derivative transactions are subject to approval by the finance director before execution. The Group uses interest rate swaps as cash flow hedges of future variable borrowings’ interest payments. The Group agrees with the other parties to exchange, quarterly, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments such as interest rate swaps.

As at 31 December 2020 the Group’s interest rate hedge was 15% of its total borrowings, with an average tenor of four years.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using interest rate swaps converting borrowings from floating rate to fixed rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at 31 December 2020** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Non-Interest**  **bearing**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 76,046 | - | - | - | - | - | 32,974 | 109,020 | 0.25 - 1.00 |
| Short-term loans to related parties | 10,600 | - | - | - | - | - | - | 10,600 | 1.50 - 3.50 |
| Deposits at financial institutions  used as collateral | 162,137 | - | - | - | - | - | - | 162,137 | 0.20 - 1.00 |
|  |  |  |  |  |  |  |  |  |  |
|  | 248,783 | - | - | - | - | - | 32,974 | 281,757 |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term loans from  financial institutions | 281,356 | - | - | 32,463 | - | - | - | 313,819 | 2.20 - 3.50 |
| Long-term loans from  financial institutions | - | - | - | 13,662 | 339,965 | 189,935 | - | 543,562 | 2.75 - 5.25 |
| Lease liabilities | 16,529 | 47,793 | 93,843 | - | - | - | - | 158,165 | 3.28 - 6.92 |
|  |  |  |  |  |  |  |  |  |  |
|  | 297,885 | 47,793 | 93,843 | 46,125 | 339,965 | 189,935 | - | 1,015,546 |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at 31 December 2019** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Non-Interest**  **bearing**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 80,817 | - | - | - | - | - | 27,659 | 108,476 | 0.25 - 0.63 |
| Short-term loans to related parties | 9,600 | - | - | - | - | - | - | 9,600 | 5.00 |
| Deposits at financial institutions  used as collateral | 127,137 | - | - | - | - | - | - | 127,137 | 0.38 - 1.40 |
|  |  |  |  |  |  |  |  |  |  |
|  | 217,554 | - | - | - | - | - | 27,659 | 245,213 |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term loans from  financial institutions | 85,000 | - | - | - | - | - | - | 85,000 | 2.65 - 3.00 |
| Long-term loans from  financial institutions | - | - | - | 32,060 | 271,325 | 4,437 | - | 307,822 | 3.50 - 5.25 |
| Finance lease liabilities | 9,627 | 21,062 | - | - | - | - | - | 30,689 | 4.37 - 6.85 |
|  |  |  |  |  |  |  |  |  |  |
|  | 94,627 | 21,062 | - | 32,060 | 271,325 | 4,437 | - | 423,511 |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at 31 December 2020** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Non-Interest**  **bearing**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 21,291 | - | - | - | - | - | 12,830 | 34,121 | 0.25 |
| Short-term loans to related parties | 33,660 | - | - | - | - | - | - | 33,660 | 3.50 |
| Deposits at financial institutions  used as collateral | 109,877 | - | - | - | - | - | - | 109,877 | 0.20 - 0.50 |
|  |  |  |  |  |  |  |  |  |  |
|  | 164,828 | - | - | - | - | - | 12,830 | 177,658 |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term loans from  financial institutions | 281,356 | - | - | 32,463 | - | - | - | 313,819 | 2.20 - 3.50 |
| Lease liabilities | 15,000 | 39,279 | 18,784 | - | - | - | - | 73,063 | 3.28 - 5.77 |
|  |  |  |  |  |  |  |  |  |  |
|  | 296,356 | 39,279 | 18,784 | 32,463 | - | - | - | 386,882 |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at 31 December 2019** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5**  **years**  **Thousand**  **Baht** | **Over 5**  **years**  **Thousand**  **Baht** | **Non-Interest**  **bearing**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Interest**  **rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 47,016 | - | - | - | - | - | 16,881 | 63,897 | 0.50 - 0.63 |
| Short-term loans to related parties | 41,000 | - | - | - | - | - | - | 41,000 | 5.00 |
| Deposits at financial institutions  used as collateral | 109,877 | - | - | - | - | - | - | 109,877 | 0.38 - 1.40 |
|  |  |  |  |  |  |  |  |  |  |
|  | 197,893 | - | - | - | - | - | 16,881 | 214,774 |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term loans from  financial institutions | 85,000 | - | - | - | - | - | - | 85,000 | 2.65 - 3.00 |
| Finance lease liabilities | 9,392 | 20,879 | - | - | - | - | - | 30,271 | 4.37 - 5.77 |
|  |  |  |  |  |  |  |  |  |  |
|  | 94,392 | 20,879 | - | - | - | - | - | 115,271 |  |

*Sensitivity*

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses from borrowings as a result of changes in interest rates.

|  |  |  |
| --- | --- | --- |
|  | | **Consolidated**  **financial statements** |
|  | | **Impact to net profit** |
|  | | **2020**  **Thousand Baht** |
| Interest rate - increase 0.5% \* | | 2,749 |
| Interest rate - decrease 0.5% \* | (2,749) | |

\* Holding all other variables constant

**7.1.3 Credit risk**

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

#### a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of ‘A’ are accepted. The Group has policies that limit the amount of credit exposure to any one financial institution.

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

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

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

#### b) Security

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

#### c) Impairment of financial assets

The Group and the Company has 4 types of financial assets that are subject to the expected credit loss model:

* Cash and cash equivalents
* Trade and other receivables
* Unbilled receivables under construction contracts
* Loan to related parties

While cash and cash equivalents and loan to related parties are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

*Trade receivables and unbilled receivables under construction contracts*

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and unbilled receivables under construction contracts.

To measure the expected credit losses, trade receivables and unbilled receivables under construction contracts have been grouped based on shared credit risk characteristics and the days past due. The unbilled receivables under construction contracts relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Impairment losses on trade receivables and unbilled receivables under construction contracts are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

*Previous accounting policy for impairment of trade receivables for comparative period*

In the year 2019, the Group recognised impairment of trade receivables based on the incurred loss model such as uncollectible or past due for a period less than 180 days, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

**7.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The unused borrowing facilities has been disclosed in Note 31. Due to the nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | | | |
|  | **On demand**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5 years**  **Thousand**  **Baht** | **Over**  **5 years**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Carrying amount (assets)/ liabilities Thousand**  **Baht** |
| **As at 31 December 2020** |  |  |  |  |  |  |
| **Financial liabilities that is not** |  |  |  |  |  |  |
| **derivatives** |  |  |  |  |  |  |
| Short-term loans from |  |  |  |  |  |  |
| financial institutions | - | 313,819 | - | - | 313,819 | 313,819 |
| Trade and other payables | - | 201,274 | - | - | 201,274 | 201,274 |
| Lease liabilities | - | 20,915 | 94,145 | 106,728 | 221,788 | 158,165 |
| Long-term loans from |  |  |  |  |  |  |
| financial institutions | - | 39,878 | 415,290 | 199,796 | 654,964 | 543,562 |
| **Total financial liabilities** |  |  |  |  |  |  |
| **that is not derivatives** | - | 575,886 | 509,435 | 306,524 | 1,391,845 | 1,216,820 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Derivatives** |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | 1,448 | - | - | 1,448 | 1,448 |
| Interest rate swap | - | - | 3,908 | - | 3,908 | 3,908 |
|  |  |  |  |  |  |  |
| **Total derivative liabilities** | - | 1,448 | 3,908 | - | 5,356 | 5,356 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | | | |
|  | **On demand**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5 years**  **Thousand**  **Baht** | **Over**  **5 years**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Carrying amount (assets)/ liabilities Thousand**  **Baht** |
| **As at 31 December 2019** |  |  |  |  |  |  |
| **Financial liabilities that is not** |  |  |  |  |  |  |
| **derivatives** |  |  |  |  |  |  |
| Short-term loans from |  |  |  |  |  |  |
| financial institutions | - | 85,000 | - | - | 85,000 | 85,000 |
| Trade and other payables | - | 350,430 | - | - | 350,430 | 350,430 |
| Finance lease liabilities |  | 11,276 | 23,114 | - | 34,390 | 30,689 |
| Long-term loans from |  |  |  |  |  |  |
| financial institutions |  | 46,457 | 267,368 | 42,782 | 356,607 | 307,822 |
| **Total financial liabilities** |  |  |  |  |  |  |
| **that is not derivatives** |  | 493,163 | 290,482 | 42,782 | 826,427 | 773,941 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | | |
|  | **On demand**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5 years**  **Thousand**  **Baht** | **Over**  **5 years**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Carrying amount (assets)/ liabilities Thousand**  **Baht** |
| **As at 31 December 2020** |  |  |  |  |  |  |
| **Financial liabilities that is not** |  |  |  |  |  |  |
| **derivatives** |  |  |  |  |  |  |
| Short-term loans from |  |  |  |  |  |  |
| financial institutions | - | 313,819 | - | - | 313,819 | 313,819 |
| Trade and other payables | - | 141,721 | - | - | 141,721 | 141,721 |
| Lease liabilities | - | 18,669 | 54,737 | 12,611 | 86,017 | 73,063 |
| **Total financial liabilities** |  |  |  |  |  |  |
| **that is not derivatives** | - | 474,209 | 54,737 | 12,611 | 541,557 | 528,603 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Derivatives** |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | 1,376 | - | - | 1,376 | 1,376 |
|  |  |  |  |  |  |  |
| **Total derivative liabilities** | - | 1,376 | - | - | 1,376 | 1,376 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | | |
|  | **On demand**  **Thousand**  **Baht** | **Within**  **1 year**  **Thousand**  **Baht** | **1 - 5 years**  **Thousand**  **Baht** | **Over**  **5 years**  **Thousand**  **Baht** | **Total**  **Thousand**  **Baht** | **Carrying amount (assets)/ liabilities Thousand**  **Baht** |
| **As at 31 December 2019** |  |  |  |  |  |  |
| **Financial liabilities that is not** |  |  |  |  |  |  |
| **derivatives** |  |  |  |  |  |  |
| Short-term loans from |  |  |  |  |  |  |
| financial institutions | - | 85,000 | - | - | 85,000 | 85,000 |
| Trade and other payables | - | 305,274 | - | - | 305,274 | 305,274 |
| Finance lease liabilities | - | 11,041 | 22,932 | - | 33,973 | 30,271 |
| **Total financial liabilities** |  |  |  |  |  |  |
| **that is not derivatives** |  | 401,315 | 22,932 | - | 424,247 | 420,545 |

|  |
| --- |
| **8 Fair value** |

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value   
is approximating the carrying amount.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit : Thousand Baht)** | | | | | |
|  | **Consolidated financial information** | | | | | |
|  | **Level 1** | | **Level 2** | | **Total** | | |
|  | **31 December**  **2020** | **31 December**  **2019** | **31 December**  **2020** | **31 December**  **2019** | **31 December**  **2020** | **31 December**  **2019** |
| **Assets** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Investment in debt securities | 66,213 | - | - | - | 66,213 | - |
| Short-term investments |  |  |  |  |  |  |
| (Trading investments) | - | 56,284 | - | - | - | 56,284 |
| Investment in equity securities | 1,929 | - | - | - | 1,929 | - |
| Available-for-sale investment | - | 3,795 | - | - | - | 3,795 |
| Derivative assets |  |  |  |  |  |  |
| Foreign currency forward contracts | - | - | 281 | - | 281 | - |
|  |  |  |  |  |  |  |
| **Total** | 68,142 | 60,079 | 281 | - | 68,423 | 60,079 |
|  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Derivative liabilities |  |  |  |  |  |  |
| Interest rate swap | - | - | 3,908 | - | 3,908 | - |
| Foreign currency forward contracts | - | - | 1,448 | - | 1,448 | - |
|  |  |  |  |  |  |  |
| **Total** | - | - | 5,356 | - | 5,356 | - |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit : Thousand Baht)** | | | | | | |
|  | **Separate financial information** | | | | | | |
|  | **Level 1** | | **Level 2** | | **Total** | |
|  | **31 December**  **2020** | **31 December**  **2019** | **31 December**  **2020** | **31 December**  **2019** | **31 December 2020** | **31 December**  **2019** | | |
| **Assets** |  |  |  |  |  |  | | |
|  |  |  |  |  |  |  | | |
| Investment in debt securities | 66,213 | - | - | - | 66,213 | - | | |
| Short-term investments |  |  |  |  |  |  | | |
| (Trading investments) | - | 56,284 | - | - | - | 56,284 | | |
| Investment in equity securities | 1,929 | - | - | - | 1,929 | - | | |
| Available-for-sale investment | - | 3,795 | - | - | - | 3,795 | | |
| Derivative assets |  |  |  |  |  |  | | |
| Foreign currency forward contracts | - | - | 269 | - | 269 | - | | |
|  |  |  |  |  |  |  | | |
| **Total** | 68,142 | 60,079 | 269 | - | 68,411 | 60,079 | | |
|  |  |  |  |  |  |  | | |
| **Liabilities** |  |  |  |  |  |  | | |
|  |  |  |  |  |  |  | | |
| Derivative liabilities |  |  |  |  |  |  | | |
| Foreign currency forward contracts | - | - | 1,376 | - | 1,376 | - | | |
|  |  |  |  |  |  |  | | |
| **Total** | - | - | 1,376 | - | 1,376 | - | | |

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

Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

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

Financial assets include cash and cash equivalents, trade and other receivables, unbilled receivables under construction contracts, short-term loans to related party, deposits at financial institutions and financial liabilities include short-term loans from financial institutions and trade and other payables. Such financial assets and liabilities are approximately to the carrying amounts due to their short maturities

Long-term loan from financial institution has floating interest rate thus, the fair value approximates the carrying amount.

There were no transfers between Levels 1 and 2 during the year.

There were no changes in valuation techniques during the year.

|  |
| --- |
| **9 Critical estimates and judgements** |

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

**Accrued construction costs**

Accrued construction costs are estimated based from management experience after taking into consideration of work progress and updated budget project costs incurred as part of the budget.

**Construction revenue**

Construction revenue are recognised using the percentage of completion method. The stage of completion is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost, adjusted with uninstalled materials that the customer accepts and takes control but not yet installed and reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and owners or customers.

**Impairment of property, plant and equipment**

The Group tests impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of asset is greater than its estimated recoverable amount. Recoverable amount is the higher of fair value less costs to sell and its value in use which involves significant judgements and assumptions of management in respect to characteristics and conditions of individual asset, expected disposal period, including the list of total assets expected to be disposed. The value-in-use calculates from a cash flow projection covering the remaining periods agreement and discounted rate.

## Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

## Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

* Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
* Make adjustments specific to the lease, e.g. term, country, currency and security

Impairment of financial assets

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

**Impairment of goodwill**

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in note 25. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Critical judgements in applying the entity’s accounting policies

The Group have 60% of the voting rights of its joint arrangement. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties for financial policy and operation. Therefore, this arrangement is classified as a joint venture.

|  |
| --- |
| **10 Capital management** |

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

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

|  |
| --- |
| **11 Reclassification except for change in new accounting standard** |

The Group has changed the presentation of other gains (losses) that was previously included in Other incomes. Comparative figures have been reclassified to conform to the presentation in the current year.

The effects of change in reclassification on the consolidated statement of comprehensive income are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **As previously** |  |  |
|  | **reported** |  | **Restated** |
|  | **Thousand Baht** | **Reclassification Thousand Baht** | **Thousand Baht** |
|  |  |  |  |
| **Consolidated statement of comprehensive income**  **for the year ended 31 December 2019** |  |  |  |
| Other incomes | 3,646 | 3,296 | 6,942 |
| Other gains (losses) | - | (3,296) | (3,296) |
|  |  |  |  |

The effects of change in reclassification on the separate statement of comprehensive income are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **As previously** |  |  |
|  | **reported** |  | **Restated** |
|  | **Thousand Baht** | **Reclassification Thousand Baht** | **Thousand Baht** |
|  |  |  |  |
| **Separate statement of comprehensive income**  **for the year ended 31 December 2019** |  |  |  |
| Other incomes | 43,511 | 3,797 | 47,308 |
| Other gains (losses) | - | (3,797) | (3,797) |
|  |  |  |  |

|  |
| --- |
| **12 Segment information** |

The Group’s consisting of the chief executive officer (CEO), the chief financial officer (CFO) and the senior manager for corporate planning, examines the Group’s performance both from a product and geographic perspective and has identified 5 reportable segments of the Group’s businesses which have information and performances as follows:

* Industrial pumps - the majority of revenue comes from industrial and specialized in engineered pumps trading to cover the needs of customers.
* Natural gas metering and transmission systems - the majority of revenue comes from engineering services, the construction gas metering station and set up natural gas pipeline including inspection, repairing, maintenance service system, trading, design and installment of equipment in gas metering stations.
* Alternative energy - the business services related to NGV which divided into 5 sections 1) Natural gas station for cars 2) Design and construction of natural gas station for cars including electricity generating system from solar power plant 3) Design and construction of natural gas quality improvement station for cars 4) Maintenance for NGV stations including spare parts for maintenance station 5) NGV station management.
* Field of flow measurement business - the business consists of selling, design and installation flow measurement meter and specialized in flow measurement meter to cover the needs of customers and providing service to maintain equipments of the flow measurement meter.
* Other business - car park service consists of the management of parking building and commercial property for rental and services.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit : Thousand Baht)** | | | | | |
|  | **Consolidated financial statements** | | | | | |
|  | **For the year ended 31 December 2020** | | | | | |
|  | **Industrial**  **Pumps** | **Natural gas metering and transmission systems** | **Alternative energy** | **Field of flow measurement business** | **Others**  **business**  **- car park**  **service** | **Total** |
|  |  |  |  |  |  |  |
| Revenues by segment | 296,484 | 484,829 | 712,376 | 169,675 | 64,205 | 1,727,569 |
| Timing of revenue recognition: |  |  |  |  |  |  |
| At a point in time | 259,171 | 20,387 | 109,536 | 115,098 | 28,729 | 532,921 |
| Over time | 37,313 | 464,442 | 602,840 | 54,577 | 35,476 | 1,194,648 |
|  |  |  |  |  |  |  |
|  | 296,484 | 484,829 | 712,376 | 169,675 | 64,205 | 1,727,569 |
|  |  |  |  |  |  |  |
| Profit (Loss) by segment | 90,739 | (103,048) | (18,981) | 49,731 | 16,448 | 34,889 |
| Selling expenses | (39,467) | (2,258) | (19,845) | (15,572) | (1,439) | (78,581) |
| Unallocated income (expenses) |  |  |  |  |  |  |
| Other income |  |  |  |  |  | 5,008 |
| Administrative expenses |  |  |  |  |  | (98,865) |
| Other gains (losses) |  |  |  |  |  | 855 |
| Finance costs |  |  |  |  |  | (11,605) |
| Share of profit from |  |  |  |  |  |  |
| investment in associates |  |  |  |  |  |  |
| and joint venture |  |  |  |  |  | 275 |
|  |  |  |  |  |  |  |
| Profit (Loss) before income tax |  |  |  |  |  | (148,024) |
| Income tax expense |  |  |  |  |  | 14,472 |
|  |  |  |  |  |  |  |
| Profit (Loss) for the year |  |  |  |  |  | (133,552) |
|  |  |  |  |  |  |  |
| Other comprehensive loss for |  |  |  |  |  |  |
| the year, net of income tax |  |  |  |  |  | (1,493) |
| Total comprehensive loss |  |  |  |  |  |  |
| for the year |  |  |  |  |  | (135,045) |

Disaggregation of revenue from contracts with customers for the separate financial statement are as follows;.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **(Unit : Thousand Baht)** | | | |
|  | | **Separate financial statements** | | | |
|  | | **For the year ended 31 December 2020** | | | |
|  | **Industrial pumps** | | **Natural gas metering and transmission systems** | **Alternative energy** | **Total** | |
|  |  | |  |  |  | |
| Revenues by segment | 296,799 | | 484,829 | 712,376 | 1,494,004 | |
| Timing of revenue recognition: |  | |  |  |  | |
| At a point in time | 259,486 | | 20,387 | 109,536 | 389,409 | |
| Over time | 37,313 | | 464,442 | 602,840 | 1,104,595 | |
|  | 296,799 | | 484,829 | 712,376 | 1,494,004 | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit : Thousand Baht)** | | | | | |
|  | **Consolidated financial statements** | | | | | |
|  | **For the year ended 31 December 2019** | | | | | |
|  | **Industrial**  **Pumps** | **Natural gas metering and transmission systems** | **Alternative energy** | **Field of flow measurement business** | **Others**  **business**  **- car park**  **service** | **Total** |
|  |  |  |  |  |  |  |
| Revenues by segment | 240,827 | 466,231 | 758,294 | 165,036 | 69,547 | 1,699,935 |
| Timing of revenue recognition: |  |  |  |  |  |  |
| At a point in time | 221,032 | 18,497 | 135,321 | 122,564 | 29,018 | 526,432 |
| Over time | 19,795 | 447,734 | 622,973 | 42,472 | 40,529 | 1,173,503 |
|  | 240,827 | 466,231 | 758,294 | 165,036 | 69,547 | 1,699,935 |
|  |  |  |  |  |  |  |
| Profit (Loss) by segment | 89,941 | (5,468) | 56,925 | 50,379 | 31,723 | 223,500 |
| Selling expenses | (42,536) | (2,740) | (21,897) | (15,004) | (2,182) | (84,359) |
| Unallocated income (expenses) |  |  |  |  |  |  |
| Other income |  |  |  |  |  | 6,942 |
| Administrative expenses |  |  |  |  |  | (106,220) |
| Other gains (losses) |  |  |  |  |  | (3,296) |
| Finance costs |  |  |  |  |  | (11,830) |
| Share of profit from |  |  |  |  |  |  |
| investment in associates |  |  |  |  |  |  |
| and joint venture |  |  |  |  |  | 2,458 |
| Profit before income tax |  |  |  |  |  | 27,195 |
| Income tax expense |  |  |  |  |  | (5,961) |
| Profit for the year |  |  |  |  |  | 21,234 |
|  |  |  |  |  |  |  |
| Other comprehensive loss for |  |  |  |  |  |  |
| the year, net of income tax |  |  |  |  |  | (6,329) |
| Total comprehensive income |  |  |  |  |  |  |
| for the year |  |  |  |  |  | 14,905 |

Disaggregation of revenue from contracts with customers for the separate financial statement are as follows;.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **(Unit : Thousand Baht)** | | | |
|  | | **Separate financial statements** | | | |
|  | | **For the year ended 31 December 2019** | | | |
|  | **Industrial pumps** | | **Natural gas metering and transmission systems** | **Alternative energy** | **Total** |
|  |  | |  |  |  |
| Revenues by segment | 240,827 | | 466,831 | 758,316 | 1,465,974 |
| Timing of revenue recognition: |  | |  |  |  |
| At a point in time | 221,032 | | 18,502 | 135,343 | 374,877 |
| Over time | 19,795 | | 448,329 | 622,973 | 1,091,097 |
|  |  | |  |  |  |
|  | 240,827 | | 466,831 | 758,316 | 1,465,974 |

**Information about major customers**

For the year ended 31 December 2020, the Group had the revenues from 3 major customers, amounting to Baht 806.82 million, representing 46.70% of total revenues (For the year ended 31 December 2019, the Group had the revenues from 2 major customers, are amounting to Baht 637.39 million representing 37.49% of total revenues).

|  |  |  |
| --- | --- | --- |
|  | **2020** |  |
|  | **Million Baht** | **Related segment** |
|  |  |  |
| Customer 1 | 336.17 | Natural gas metering and transmission systems |
| Customer 2 | 323.17 | Alternative energy |
| Customer 3 | 147.48 | Industrial pump, Alternative energy and Field of flow measurement |
|  |  |  |
|  | 806.82 |  |

|  |  |  |
| --- | --- | --- |
|  | **2019** |  |
|  | **Million Baht** | **Related segment** |
|  |  |  |
| Customer 1 | 392.88 | Industrial pump, Alternative energy and |
|  |  | Field of flow measurement |
| Customer 2 | 244.51 | Natural gas metering and transmission systems |
|  |  |  |
|  | 637.39 |  |

The Group generates revenue from sales and services by utilising the assets located in Thailand. Therefore, the Group did not present segment by geographies.

|  |
| --- |
| **13 Cash and cash equivalents** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Cash on hand | 697 | 873 | 609 | 808 |
| Saving and current accounts | 104,856 | 107,091 | 31,183 | 62,577 |
| Cheque in transit | 3,329 | 502 | 2,329 | 502 |
| Time deposits with maturity |  |  |  |  |
| not more than 3 months | 138 | 10 | - | 10 |
|  |  |  |  |  |
| Total | 109,020 | 108,476 | 34,121 | 63,897 |

|  |
| --- |
| **14 Short-term investments** |

Short-term securities are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
| **Trading investment** |  |  |  |  |
| Debt securities | - | 56,284 | - | 56,284 |
|  |  |  |  |  |
|  | - | 56,284 | - | 56,284 |
| **General investment** |  |  |  |  |
| Fixed deposits with maturity |  |  |  |  |
| not more than 1 year | - | 197 | - | - |
|  | - | 197 | - | - |
|  |  |  |  |  |
| Total short-term investments | - | 56,481 | - | 56,284 |

As at 31 December 2019, fixed deposit with maturity not more than 1 year yield interest rates at 0.90% per annum.

As at 31 December 2019, trading investments are as follows:

|  |  |
| --- | --- |
|  | **Consolidated** |
|  | **financial statements** |
|  | **Thousand Baht** |
|  |  |
| **At 1 January 2019** | 62,543 |
| Additions | 642,633 |
| Disposals | (648,378) |
| Change in fair value of trading securities | (514) |
|  |  |
| **At 31 December 2019** | 56,284 |

|  |  |
| --- | --- |
|  | **Separate** |
|  | **financial statements** |
|  | **Thousand Baht** |
|  |  |
| **At 1 January 2019** | 62,543 |
| Additions | 627,533 |
| Disposals | (633,278) |
| Change in fair value of trading securities | (514) |
|  |  |
| **At 31 December 2019** | 56,284 |

|  |
| --- |
| **15 Trade and other receivables, net and Unbilled receivables under construction contracts** |

15.1 **Trade and other receivables, net**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Trade receivables - others | 289,485 | 496,950 | 239,200 | 454,671 |
| Less Loss allowance (2019: Allowance for |  |  |  |  |
| doubtful accounts under TAS 101) | (1,435) | (57) | (538) | (57) |
|  |  |  |  |  |
| Total trade receivables, net | 288,050 | 496,893 | 238,662 | 454,614 |
| Unbilled receivables | 10,174 | 5,372 | 7,753 | 3,477 |
| Prepaid expenses | 46,285 | 131,589 | 12,812 | 110,575 |
| Advance payments | 102 | 278 | 21 | 235 |
| Other receivables - others | 40 | - | - | - |
| Other receivables |  |  |  |  |
| - related parties (Note 41 (a)) | 48 | 168 | 1,747 | 2,245 |
| Refundable value added tax | 43,788 | 31,357 | - | - |
|  |  |  |  |  |
|  | 388,487 | 665,657 | 260,995 | 571,146 |

As at 31 December 2020 and 31 December 2019, trade receivables, included in trade and other receivables in statements of financial position, can analyse aging as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| **Trade receivables - others** |  |  |  |  |
| Not yet due | 223,933 | 421,665 | 205,025 | 392,582 |
| Overdue not exceeding 3 months | 55,345 | 61,802 | 31,913 | 53,460 |
| Overdue 3 to 6 months | 6,166 | 8,654 | 1,531 | 8,572 |
| Overdue 6 to 12 months | 3,480 | 4,772 | 446 | - |
| Overdue more than 12 months | 561 | 57 | 285 | 57 |
|  |  |  |  |  |
|  | 289,485 | 496,950 | 239,200 | 454,671 |
| Less Loss allowance  (2019: Allowance for doubtful accounts under TAS 101) | (1,435) | (57) | (538) | (57) |
|  |  |  |  |  |
| Total trade receivables, net | 288,050 | 496,893 | 238,662 | 454,614 |

15.2 Unbilled receivables under construction contracts

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Contract assets in relation to  construction contracts |  |  |  |  |
| * Current | 158,926 | 97,186 | 149,121 | 81,732 |
| * Non current | - | - | - | - |
| Less Loss allowance (2019: Allowance for  doubtful accounts under TAS 101) | - | - | - | - |
|  |  |  |  |  |
| Total contract assets | 158,926 | 97,186 | 149,121 | 81,732 |

*Significant changes in contract assets*

Unbilled receivables under construction contracts are contract assets which increase from activities in the construction projects.

15.3 Impairments of trade receivables and unbilled receivables under construction contracts

the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables in amount of Baht 1.44 million. As at 31 December 2020, the expected credit loss was assessed based on historical credit loss together with the management’s judgement in estimating the expected credit loss.

The loss allowance for trade receivables and unbilled receivables under construction contracts were determined as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
| **As 31 December 2020** | **Not yet due**  **Thousand Baht** | **Up to 3 months**  **Thousand Baht** | **3 - 6 months**  **Thousand Baht** | **6 - 12 months Thousand Baht** | **More than**  **12 months**  **Thousand Baht** | **Total**  **Thousand Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 223,933 | 55,345 | 6,166 | 3,480 | 561 | 289,485 |
| - unbilled receivables  under construction  contracts | 158,926 | - | - | - | - | 158,926 |
| Loss allowance | 158 | 59 | 62 | 595 | 561 | 1,435 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
| **As 31 December 2020** | **Not yet due**  **Thousand Baht** | **Up to 3 months**  **Thousand Baht** | **3 - 6 months**  **Thousand Baht** | **6 - 12 months Thousand Baht** | **More than**  **12 months**  **Thousand Baht** | **Total**  **Thousand Baht** |
|  |  |  |  |  |  |  |
| Gross carrying amount |  |  |  |  |  |  |
| - trade receivables | 205,025 | 31,913 | 1,531 | 446 | 285 | 239,200 |
| - unbilled receivables  under construction  contracts | 149,121 | - | - | - | - | 149,121 |
| Loss allowance | 96 | 8 | 13 | 136 | 285 | 538 |

The reconciliations of loss allowance for trade receivables and unbilled receivables under construction contracts for the year ended 31 December are as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **Trade receivables and unbilled receivables under construction contracts** | | **Trade receivables and unbilled receivables under construction contracts** | |
|  | **2020**  **Thousand Baht** | **2019**  **Thousand Baht** | **2020**  **Thousand Baht** | **2019**  **Thousand Baht** |
|  |  |  |  |  |
| **1 January - calculated under TAS 101** | **(57)** | **(563)** | **(57)** | **(385)** |
| Amounts restated through opening retained earnings | 57 | - | 57 | - |
|  |  |  |  |  |
| Opening loss allowance as at 1 January 2020  - calculated under TFRS 9 (2019: TAS 101) | - | (563) | - | (385) |
| Increase in loss allowance recognised  in profit or loss during the year | (1,435) | - | (538) | - |
| Receivable written off during the year as uncollectible | - | - | - | - |
| Unused amount reversed | - | 506 | - | 328 |
|  |  |  |  |  |
| **As of 31 December - calculated under TFRS 9**  **(2019: TAS 101)** | **(1,435)** | **(57)** | **(538)** | **(57)** |

|  |
| --- |
| 16 Financial assets and financial liabilities |

On 1 January 2020 (the date of initial application of new financial reporting standards), the Group’s management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below. The disclosure for balances as at 1 January 2020 has been disclosed in Note 5.

As at 31 December 2020, classification of the Group’s financial assets and financial liabilities are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statement** | | | |
|  | **FVPL** | **FVOCI** | **Amortised cost** | **Total** |
| **Financial assets** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Cash and cash equivalents | - | - | 109,020 | 109,020 |
| Investment in debt securities | 66,213 | - | - | 66,213 |
| Derivative assets | 281 | - | - | 281 |
| Trade and other receivable, net | - | - | 388,487 | 388,487 |
| Unbilled receivables construction contracts | - | - | 158,926 | 158,926 |
| Short-term loans to related parties | - | - | 10,600 | 10,600 |
| Deposits at financial institutions used as collateral | - | - | 162,137 | 162,137 |
| Investment in equity securities | - | 1,929 | - | 1,929 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statement** | | |
|  | **FVPL** | **Amortised cost** | **Total** |
| **Financial liabilities** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |
| Short-term loans from financial institutions | - | 313,819 | 313,819 |
| Trade and other payables | - | 201,274 | 201,274 |
| Derivatives liabilities | 5,356 | - | 5,356 |
| Long-term loans from financial institutions, net | - | 543,562 | 543,562 |
| Lease liabilities, net | - | 158,165 | 158,165 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statement** | | | |
|  | **FVPL** | **FVOCI** | **Amortised cost** | **Total** |
| **Financial assets** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Cash and cash equivalents | - | - | 34,121 | 34,121 |
| Investment in debt securities | 66,213 | - | - | 66,213 |
| Derivative assets | 269 | - | - | 269 |
| Trade and other receivable, net | - | - | 260,995 | 260,995 |
| Unbilled receivables under construction contracts | - | - | 149,121 | 149,121 |
| Short-term loans to related parties | - | - | 33,660 | 33,660 |
| Deposits at financial institutions used as collateral | - | - | 109,877 | 109,877 |
| Investment in equity securities | - | 1,929 | - | 1,929 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statement** | | |
|  | **FVPL** | **Amortised cost** | **Total** |
| **Financial liabilities** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |
| Short-term loans from financial institutions | - | 313,819 | 313,819 |
| Trade and other payables | - | 141,721 | 141,721 |
| Derivative liabilities | 1,376 | - | 1,376 |
| Lease liabilities, net | - | 73,063 | 73,063 |

i) Details of financial assets classified under TFRS 9 (2019 : Classified under TAS 105)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statement** | | | | | | | |
|  | **As at 31 December 2020** | | | | **As at 31 December 2019** | | | |
|  | **FVPL** | **FVOCI** | **Amortised cost** | **Total** | **FVPL** | **FVOCI** | **Amortised cost** | **Total** |
|  | **Thounsand**  **Baht** | **Thounsand**  **Baht** | **Thounsand**  **Baht** | **Thounsand**  **Baht** | **Thounsand**  **Baht** | **Thounsand**  **Baht** | **Thounsand**  **Baht** | **Thounsand**  **Baht** |
|  |  |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | - | - | 109,020 | 109,020 | - | - | 108,476 | 108,476 |
| Trade and other receivable | - | - | 389,922 | 389,922 | - | - | 665,714 | 665,714 |
| Unbilled receivables under construction contracts | - | - | 158,926 | 158,926 | - | - | 97,186 | 97,186 |
| Loans to related parties | - | - | 10,600 | 10,600 | - | - | 9,600 | 9,600 |
| Less Loss allowance  (2019: Allowance for  doubtful accounts  under TAS 101) | - | - | (1,435) | (1,435) | - | - | (57) | (57) |

ii) Amount recognised in profit or loss and other comprehensive income

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated/Separate financial statement** | | | |
|  | **For the year ended** | | **For the year ended** | |
|  | **31 December 2020** | | **31 December 2019** | |
|  |  | **Other** |  | **Other** |
|  |  | **comprehensive** |  | **comprehensive** |
|  | **Profit or loss** | **income** | **Profit or loss** | **income** |
|  | **Thousand Baht** | **Thousand**  **Baht** | **Thousand Baht** | **Thousand**  **Baht** |
|  |  |  |  |  |
| Fair value gain/(loss) on equity |  |  |  |  |
| investments at FVOCI (2019 : relating to |  |  |  |  |
| available - for - sale investment) | - | (1,866) | - | (4,755) |
|  |  |  |  |  |
| Fair value gain/(loss) on |  |  |  |  |
| debt securities FVPL (2019 : relating to |  |  |  |  |
| available - for - sale investment) | 744 | - | 2,254 | - |

|  |
| --- |
| **17 Inventories, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Finished goods | 248,695 | 176,405 | 238,424 | 169,666 |
| Work in process | 26,377 | 9,723 | 25,156 | 9,664 |
| Goods in transit | 830 | 9,932 | 647 | 9,837 |
|  |  |  |  |  |
| Total | 275,902 | 196,060 | 264,227 | 189,167 |
| Less Allowance for net realisable value | (130,335) | (60,599) | (129,890) | (59,762) |
|  |  |  |  |  |
| Total inventories, net | 145,567 | 135,461 | 134,337 | 129,405 |

During the year ended 31 December 2020 and 2019, amounts recognised as cost of sales and cost of service in profit or loss are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Cost of sales of goods and rendering of service | 882,639 | 739,418 | 794,414 | 647,340 |
| Write-down of inventories to net realisable value | 71,962 | 599 | 71,947 | 599 |
| Reversal of written-down inventories  to net realisable value | (2,226) | (1,014) | (1,819) | (908) |

The Group sold inventory that was previously written-down at original cost. Therefore, the Group reversed the allowance for net realisable value during the year.

|  |
| --- |
| **18 Deposits at financial institutions used as collateral** |

The Company

18.1 As at 31 December 2020, fixed deposits at financial institutions of the Company amounting to Baht 109.88 million (2019: Baht 109.88 million) were used as collateral against the letters of guarantee for electricity usage from financial institutions (Notes 42.1 (a)) and to secure some credit facilities from financial institutions (Notes 28).

Subsidiary

18.2 As at 31 December 2020, a fixed deposit at financial institutions of subsidiary amounting to Baht 15.86 million (2019: 15.86 million) was pledged as collateral for short-term credit facilities and letter of guarantee with a bank (Note 42.1 (c)).

18.3 As at 31 December 2020, a fixed deposit at financial institutions of subsidiary amounting to Baht 1.40 million (2019: Baht 1.40 million) was pledged as collateral for letter of guarantee with a bank (Note 42.1 (b)).

18.4 As at 31 December 2020, a fixed deposit at financial institutions of subsidiary amounting to Baht 35.00 million (2019: nil) was pledged as collateral for letter of guarantee with a bank (Note 42.1 (d)).

|  |
| --- |
| **19 Investments in available-for-sale** |

The movements in investment in available-for-sale during the year 2019 are as follows:

|  |  |
| --- | --- |
|  | **Consolidated/Separate** |
|  | **financial statements** |
|  | **Thousand Baht** |
|  |  |
| **At 1 January 2019** | 8,550 |
| Additions/Disposal of investment | - |
| Change in fair value of available-for-sale investment | (4,755) |
|  |  |
| **At 31 December 2019** | 3,795 |

As at 31 December 2019 the summary of available-for-sale investment is as follows:

|  |  |
| --- | --- |
|  | **Consolidated/Separate** |
|  | **financial statements** |
|  | **Thousand Baht** |
|  |  |
| **Available-for-sale investment** |  |
| Equity securities | 25,532 |
| Loss on fair value | (21,737) |
|  |  |
|  | 3,795 |

The fair value of available for sale securities are based on quoted bid prices at the close business on the statement of financial position date by reference from the Stock Exchange of Laos. The fair value is within level 1 of the fair value hierarchy.

During the years ended 31 December 2019, the following gain (loss) were recognised in other comprehensive income

|  |  |
| --- | --- |
|  | **Consolidated/Separate** |
|  | **financial statements** |
|  | **2019**  **Thousand Baht** |
|  |  |
| **Gain (loss) recognised in other Comprehensive income** |  |
| Fair value measurement - available-for-sale investment | (4,755) |
|  |  |
| **Total** | (4,755) |

|  |
| --- |
| **20 Investment in associates and joint venture** |

As at 31 December 2020 and 2019, the immaterial investments in associates and joint venture are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | | **Unit : Thousand Baht** | | | |
|  |  |  |  | | **Consolidated** | | **Separate** | |
|  |  |  |  | | **financial statement** | | **financial statement** | |
|  |  |  | **Ownership interest (%)** | | **equity method** | | **cost method** | |
|  | **Country of** | **Nature of** |  |  |  |  |  |  |
| **Name** | **incorporate** | **business** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |  |  |  |  |
| **Associates of SR Power Holding** |  |  |  |  |  |  |  |  |
| **Company Limited** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| C 2 C Solutions Company Limited | Thailand | Generating  electricity  from solar  power plant | 25.1 | 25.1 | 8,456 | 9,302 | - | - |
| Less Impairment loss on investment |  |  |  |  | (4,759) | - | - | - |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | 3,697 | 9,302 | - | - |
| Soltech Solutions Company Limited | Thailand | Generating  electricity  from solar  power plant | 25.1 | 25.1 | 25,341 | 23,904 | - | - |
|  |  |  |  |  |  |  |  |  |
|  |  | Total |  |  | 29,038 | 33,206 | - | - |
| **Joint venture** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Joint Venture Siamraj and Tekhatat  Co., Ltd. | Thailand | Construction project | 60 | 60 | 10,364 | 10,680 | 3,000 | 3,000 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | 10,364 | 10,680 | 3,000 | 3,000 |

The movements in investments in associates as at 31 December 2020 and 2019 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | **Separate**  **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thounsand Baht** | **Thounsand Baht** | **Thounsand Baht** | **Thounsand Baht** |
|  |  |  |  |  |
| Opening book amont | 33,206 | 31,100 | - | - |
| Share of profit | 591 | 2,106 | - | - |
| Impairment loss on investment in associate | (4,759) | - | - | - |
|  |  |  |  |  |
|  | 29,038 | 33,206 | - | - |

As at 31 December 2020, the Group impairment loss on investment in C 2 C Solutions Company Limited amounting to Baht 4.76 million

**Contingent liabilities in respect of associates and joint ventures**

As at 31 December 2020 and 2019, there are no contingent liabilities in respect of the Group's interest in associates and joint venture.

**Immaterial associates and joint venture**

The table below is the carrying amount of its interests, in aggregate, in all individually immaterial associates that are accounted for using equity method.

|  |  |  |
| --- | --- | --- |
|  | **2020** | **2020** |
|  | **Thoudsand Baht** | **Thoudsand Baht** |
|  |  |  |
| **Aggregate carrying amount of individually immaterial associates** | 29,038 | 33,206 |
|  |  |  |
| **The Group’s share of:** |  |  |
| Profit (Loss) from continuing operations | 591 | 2,106 |
| Other comprehensive income | - | - |
|  |  |  |
| Total comprehensive income | 591 | 2,106 |
|  |  |  |
| **Aggregate carrying amount of individually immaterial joint venture** | 10,364 | 10,680 |
|  |  |  |
| **The Group’s share of:** |  |  |
| Profit (Loss) from continuing operations | (316) | 352 |
| Other comprehensive income | - | - |
|  |  |  |
| Total comprehensive income (expense) | (316) | 352 |

|  |
| --- |
| **21 Investment in subsidiaries** |

**Investment in associates and joint venture**

As at 31 December 2020 and 2019, the subsidiaries included in consolidated financial statement. The subsidiaries have only ordinary shares in which the Group directly and indirectly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **Thousand Baht** | |
|  |  |  | **Ownership interest** | | **Ownership interest** | |  | |
| **Name of** | **Country of** | **Nature of** | **held by parent (%)** | | **held by the Group (%)** | | **Cost method** | |
| **subsidiaries** | **incorporate** | **business** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |  |  |  |  |
| Siamrajathanee Joint Venture | Thailand | Construction of natural-  gas metering and  transmission systems | - | 90 | - | 90 | - | - |
|  |  |  |  |  |  |  |  |  |
| SR Power Holding  Company Limited | Thailand | Investment in solar  electricity generation  power plant | 100 | 100 | 100 | 100 | 30,000 | 30,000 |
| Less Impairment loss on investment |  |  |  |  |  |  | (2,631) | - |
|  |  |  |  |  |  |  | 27,369 | 30,000 |
| SR Commercial Holding  Company Limited | Thailand | Investment in  car park service | 100 | 100 | 100 | 100 | 248,000 | 154,000 |
|  |  |  |  |  |  |  |  |  |
| Techtronic Co., Ltd. | Thailand | Field of flow  measurement  business | 100 | 100 | 100 | 100 | 272,684 | 272,684 |
|  |  |  |  |  |  |  |  |  |
|  |  | Total |  |  |  |  | 548,053 | 456,684 |
|  |  |  |  |  |  |  |  |  |
| Subsidiary of SR Commercial  Holding Limited | | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| TKS Venture Company | Thailand | Car park service |  |  |  |  |  |  |
| Limited |  | and building rental | - | - | 80 | 80 | 80,000 | 80,000 |
| CAPS Company Limited | Thailand | Car park service | - | - | 72 | 72 | 72,000 | 72,000 |
| BUPS Company Limited | Thailand | Car park service | - | - |  |  |  |  |
|  |  | and building rental |  |  | 94 | - | 94,000 | - |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | 246,000 | 152,000 |

The Company hold the percentage of interest in Siamrajathanee Joint Venture at rate of 90% which the Company has power over the investee and right to variable returns. A related company holds the remaining 10% stake.

The movements in investments in subsidiaries as at 31 December 2020 and 2019 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Separate**  **financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening book amount | 456,684 | 400,684 |
| Called up of the authorised share capital | - | 48,000 |
| Issued additional ordinary shares | 94,000 | 8,000 |
| Impairment loss on investment in subsidiary | (2,631) | - |
|  |  |  |
| Closing book amount | 548,053 | 456,684 |

On 30 May 2020, the Extraordinary General Meeting of the Shareholders of SR Commercial Holding Co., Ltd. (SCH) approved the investment in the construction of a parking building in the Burapha University Hospital project. SCH has issued additional ordinary shares from Baht 154 million to Baht 248 million by issuing 9.40 million shares with a par value of 10 Baht per share which were registered with the Ministry of Commerce on 12 June 2020 and approved by the establishment of BUPS Co., Ltd. which has a registered capital of Baht 100 million. SCH invested in 94% of BUPS Company Limited amounting to Baht 94 million. On 12 June 2020, the subsidiary fully received the share subscription and were registered with the Ministry of Commerce on the same date.

On 31 May 2020, Siamrajathanee Joint Venture has been liquidated.

As at 31 December 2020, the Company recognised impairment loss on investment in SR Power Holding Company Limited amounting to Baht 2.6 million.

On 3 January 2019, a Board of Director’s meeting of SR Commercial Holding Company Limited (SCH) passed a resolution to approve the called-up of the authorised share capital from existing shareholders from Baht 98 million to Baht 146 million for ordinary shares of 6,400,000 shares with a par value of Baht 10 per share. The called-up amount was Baht 7.5 per share, totaling Baht 48 million. On 18 January 2019, the subsidiary fully received the called-up share capital and registered the increase in paid-up share capital with the Ministry of Commerce on the same day.

On 18 January 2019, the Extraordinary General Meeting of the Shareholders of SR Commercial Holding Company Limited passed a resolution to issue additional ordinary shares from Baht 146 million to Baht 154 million by issuing 800,000 shares with a par value of 10 Baht per share. On 23 January 2019, the subsidiary fully received the share subscription and registered with the Ministry of Commerce on the same day.

On 18 January 2019, a Board of Director’s meeting of CAPS Company Limited passed a resolution to approve the called up of the authorised share capital from existing shareholders from Baht 25 million to Baht 100 million for ordinary shares of 10,000,000 shares with a par value of Baht 10 per share. The called-up amount was 7.5 Baht per share, totaling Baht 75 million of which the SCH’S portion was Baht 48 million. On 18 January 2019, the subsidiary fully received the called-up share capital and registered the increase in paid-up share capital with the Ministry of Commerce on the same day.

On 18 January 2019, the Extraordinary General Meeting of the Shareholders of SR Commercial Holding Company Limited passed a resolution to approve to purchase shares of CAPS Company Limited in the amount of Baht 8 million from an existing shareholder for 800,000 shares with a par value of 10 Baht per share. SCH’s share portion increased from 64% to 72% which had an impact to discount on change in ownership interest in subsidiary, totaling Baht 0.1 million. On 24 January 2019, SCH paid the full amount and registered with the Ministry of Commerce on the same day.

|  |
| --- |
| **22 Investment property, net** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | | |
|  |
|  | **Land**  **Thousand Baht** | **Building**  **Thousand Baht** | **Leasehold right**  **Thousand Baht** | **Total**  **Thousand Baht** |
|  |  |  |  |  |
| **As at 1 January 2019** |  |  |  |  |
| Cost | 3,556 | 5,595 | 116,971 | 126,122 |
| Less Accumulated depreciation | - | (1,369) | (1,891) | (3,260) |
|  |  |  |  |  |
| Net book amount | 3,556 | 4,226 | 115,080 | 122,862 |
|  |  |  |  |  |
|  |  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |  |
| Opening net book amount | 3,556 | 4,226 | 115,080 | 122,862 |
| Depreciation | - | (280) | (3,894) | (4,174) |
|  |  |  |  |  |
| Closing net book amount | 3,556 | 3,946 | 111,186 | 118,688 |
|  |  |  |  |  |
| **As at 31 December 2019** |  |  |  |  |
| Cost | 3,556 | 5,595 | 116,971 | 126,122 |
| Less Accumulated depreciation | - | (1,649) | (5,785) | (7,434) |
|  |  |  |  |  |
| Net book amount | 3,556 | 3,946 | 111,186 | 118,688 |
|  |  |  |  |  |
| Fair Value |  |  |  | 229,336 |
|  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |
| Opening net book amount | 3,556 | 3,946 | 111,186 | 118,688 |
| Additons | - | - | 784 | 784 |
| Depreciation | - | (279) | (3,900) | (4,179) |
|  |  |  |  |  |
| Closing net book amount | 3,556 | 3,667 | 108,070 | 115,293 |
|  |  |  |  |  |
|  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |
| Cost | 3,556 | 5,595 | 117,755 | 126,906 |
| Less Accumulated depreciation | - | (1,928) | (9,685) | (11,613) |
|  |  |  |  |  |
| Net book amount | 3,556 | 3,667 | 108,070 | 115,293 |
|  |  |  |  |  |
| Fair Value |  |  |  | 228,436 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate** | | |
|  | **financial statements** | | |
|  | **Land**  **Thousand Baht** | **Building**  **Thousand Baht** | **Total**  **Thousand Baht** |
| **As at 1 January 2019** |  |  |  |
| Cost | 3,556 | 5,595 | 9,151 |
| Less Accumulated depreciation | - | (1,369) | (1,369) |
|  |  |  |  |
| Ending book value, net | 3,556 | 4,226 | 7,782 |
|  |  |  |  |
|  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |
| Opening net book amount | 3,556 | 4,226 | 7,782 |
| Depreciation | - | (280) | (280) |
|  |  |  |  |
| Closing net book aomount | 3,556 | 3,946 | 7,502 |
|  |  |  |  |
| **As at 31 December 2019** |  |  |  |
| Cost | 3,556 | 5,595 | 9,151 |
| Less Accumulated depreciation | - | (1,649) | (1,649) |
|  |  |  |  |
| Net book amount | 3,556 | 3,946 | 7,502 |
|  |  |  |  |
| Fair Value |  |  | 11,200 |
|  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |
| Opening net book amount | 3,556 | 3,946 | 7,502 |
| Depreciation | - | (279) | (279) |
|  |  |  |  |
| Closing net book aomount | 3,556 | 3,667 | 7,223 |
|  |  |  |  |
| **As at 31 December 2020** |  |  |  |
| Cost | 3,556 | 5,595 | 9,151 |
| Less Accumulated depreciation | - | (1,928) | (1,928) |
|  |  |  |  |
| Net book amount | 3,556 | 3,667 | 7,223 |
|  |  |  |  |
| Fair Value |  |  | 10,300 |

As at 31 December 2020 and 2019, fair values of investment property units have been derived using the market approach which is sales prices of comparable land and building in close proximity and income approach which is discounted cash flow of average rental and average expense of comparable land and building in close proximity. The most significant input into this valuation approach is price per square wah, average rental and average expense respectively. The fair value measurement has been reclassified to level 2.

Amounts recognised in profit and loss that are related to investment properties are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Rental income | 28,258 | 30,836 |
| Direct operating expenses arise from investment property that |  |  |
| generated rental income | (11,027) | (12,832) |
| Direct operating expenses arise from investment property that |  |  |
| did not generate rental income | (8,814) | (6,667) |

|  |  |  |
| --- | --- | --- |
|  | **Separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Rental income | - | - |
| Direct operating expense arise from investment property that |  |  |
| generated rental income | (297) | (298) |
| Direct operating expense arise from investment property that |  |  |
| did not generated rental income | - | - |

As at 31 December 2020, building leasehold of a subsidiary of Baht 108.07 million were mortgaged as collateral for long-term loan from financial institution (2019: Baht 111.19 million) (Note 31).

As at 31 December, the Group has right-of-use assets for the lease of land and building leasehold that are classified as investment properties as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | | |
|  | **2020** | **2019** | | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | | **Thousand Baht** | **Thousand Baht** |
|  |  |  | |  |  |
| Net book value of right-of-use assets | 108,070 | - | | - | - |
|  |  |  | |  |  |
| Total cash outflow for leases | - | - | | - | - |
|  |  |  | |  |  |
| Expense relating to short-term leases | - | - | | - | - |
| Expense relating to leases of low-value assets | - | - | | - | - |
| Expense relating to variable lease payments | - | - | | - | - |
| Gains or losses arising from sale and |  |  | |  |  |
| leaseback transaction | - | - | | - | - |

During the year 2020, additions to the right-of-use assets that are included in the investment properties in consolidated statements were Baht 0.78 million.

|  |
| --- |
| **23 Property, plant and equipment, net** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** **financial statements** | | | | | | | | | |
|  | **Land** | **Buildings** |  |  | **Funiture** |  |  |  |  |  |
|  | **and land** | **and buildings** |  | **Tools and** | **and office** |  | **Building** | **Leasehold** | **Construction** |  |
|  | **improvement** | **improvement** | **Utilities** | **equipments** | **equipments** | **Vehicles** | **leasehold** | **improvement** | **in process** | **Total** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| **As at 1 January 2019** |  |  |  |  |  |  |  |  |  |  |
| Cost | 4,883 | 14,518 | 14,550 | 83,856 | 28,034 | 106,597 | 207,910 | 2,294 | 3,780 | 466,422 |
| Less Accumulated depreciation | (377) | (6,798) | (13,334) | (73,602) | (23,490) | (67,210) | (3,504) | (629) | - | (188,944) |
|  |  |  |  |  |  |  |  |  |  |  |
| Net book amount | 4,506 | 7,720 | 1,216 | 10,254 | 4,544 | 39,387 | 204,406 | 1,665 | 3,780 | 277,478 |
|  |  |  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 4,506 | 7,720 | 1,216 | 10,254 | 4,544 | 39,387 | 204,406 | 1,665 | 3,780 | 277,478 |
| Additions | - | 85 | 37 | 930 | 2,890 | 8,880 | - | 143 | 238,913 | 251,878 |
| Disposals, net | - | - | - | (42) | (45) | (326) | - | - | - | (413) |
| Depreciation charge | (3) | (1,243) | (307) | (3,012) | (2,317) | (12,672) | (6,860) | (310) | - | (26,724) |
|  |  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 4,503 | 6,562 | 946 | 8,130 | 5,072 | 35,269 | 197,546 | 1,498 | 242,693 | 502,219 |
|  |  |  |  |  |  |  |  |  |  |  |
| **As at 31 December 2019** |  |  |  |  |  |  |  |  |  |  |
| Cost | 4,533 | 14,603 | 14,587 | 84,532 | 30,273 | 111,127 | 207,910 | 2,405 | 242,693 | 712,663 |
| Less Accumulated depreciation | (30) | (8,041) | (13,641) | (76,402) | (25,201) | (75,858) | (10,364) | (907) | - | (210,444) |
|  |  |  |  |  |  |  |  |  |  |  |
| Net book amount | 4,503 | 6,562 | 946 | 8,130 | 5,072 | 35,269 | 197,546 | 1,498 | 242,693 | 502,219 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** **financial statements** | | | | | | | | | |
|  | **Land** | **Buildings** |  |  | **Funiture** |  |  |  |  |  |
|  | **and land** | **and buildings** |  | **Tools and** | **and office** |  | **Building** | **Leasehold** | **Construction** |  |
|  | **improvement** | **improvement** | **Utilities** | **equipments** | **equipments** | **Vehicles** | **leasehold** | **improvement** | **in process** | **Total** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| **As at 1 January 2020** |  |  |  |  |  |  |  |  |  |  |
| Cost | 4,533 | 14,603 | 14,587 | 84,532 | 30,273 | 111,127 | 207,910 | 2,405 | 242,693 | 712,663 |
| Less Accumulated depreciation | (30) | (8,041) | (13,641) | (76,402) | (25,201) | (75,858) | (10,364) | (907) | - | (210,444) |
|  |  |  |  |  |  |  |  |  |  |  |
| Net book amount (previously reported) | 4,503 | 6,562 | 946 | 8,130 | 5,072 | 35,269 | 197,546 | 1,498 | 242,693 | 502,219 |
|  |  |  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |  |  |  |  |  |
| Opening net book amount (previously reported) | 4,503 | 6,562 | 946 | 8,130 | 5,072 | 35,269 | 197,546 | 1,498 | 242,693 | 502,219 |
| Adjustment from adoption of TFRS 16 |  |  |  |  |  |  |  |  |  |  |
| on 1 January 2020 | - | - | - | - | (5) | (33,885) | (197,546) | - | - | (231,436) |
|  |  |  |  |  |  |  |  |  |  |  |
| Opening net book amount (restated) | 4,503 | 6,562 | 946 | 8,130 | 5,067 | 1,384 | - | 1,498 | 242,693 | 270,783 |
| Additions | - | 21 | - | 3,206 | 523 | 9 | - | - | 292,570 | 296,329 |
| Disposals, net | - | - | - | (51) | (3) | (13) | - | - | - | (67) |
| Reclassifications from right-of-use assets (Note 24) | - | - | - | - | 5 | 717 | - | - | - | 722 |
| Reclassifications to right-of-use assets (Note 24) | - | - | - | - | - | - | - | - | (393,139) | (393,139) |
| Tranfer in/(out) | 7,175 | 121 | - | - | - | - | - | - | (7,296) | - |
| Depreciation charge | (381) | (1,052) | (311) | (2,838) | (1,991) | (1,051) | - | (494) | - | (8,118) |
|  |  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 11,297 | 5,652 | 635 | 8,447 | 3,601 | 1,046 | - | 1,004 | 134,828 | 166,510 |
|  |  |  |  |  |  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |  |  |  |  |  |
| Cost | 11,708 | 14,745 | 14,587 | 87,688 | 30,793 | 77,955 | - | 2,405 | 134,828 | 374,709 |
| Less Accumulated depreciation | (411) | (9,093) | (13,952) | (79,241) | (27,192) | (76,909) | - | (1,401) | - | (208,199) |
|  |  |  |  |  |  |  |  |  |  |  |
| Net book amount | 11,297 | 5,652 | 635 | 8,447 | 3,601 | 1,046 | - | 1,004 | 134,828 | 166,510 |

As at 31 December 2020, land and building of a subsidiary of Baht 6.13 million were mortgaged as collateral for credit facility on bank overdrafts (2019 : Baht 6.34 million).

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | **Land**  **and land** | **Buildings**  **and buildings** |  | **Tools and** | **Furniture**  **and office** |  | **Leasehold** | **Construction** |  |
|  | **improvement** | **improvement** | **Utilities** | **equipments** | **equipments** | **Vehicles** | **improvement** | **in process** | **Total** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |
| **As at 1 January 2019** |  |  |  |  |  |  |  |  |  |
| Cost | 33 | 7,400 | 14,550 | 81,649 | 23,456 | 89,929 | 2,262 | 98 | 219,377 |
| Less Accumulated depreciation | (27) | (5,923) | (13,334) | (72,904) | (20,548) | (53,995) | (597) | - | (167,328) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 6 | 1,477 | 1,216 | 8,745 | 2,908 | 35,934 | 1,665 | 98 | 52,049 |
|  |  |  |  |  |  |  |  |  |  |
| **For the year ended31 December 2019** |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 6 | 1,477 | 1,216 | 8,745 | 2,908 | 35,934 | 1,665 | 98 | 52,049 |
| Additions | - | - | - | 630 | 1,769 | 8,880 | 143 | 60,237 | 71,659 |
| Disposals, net | - | - | - | (42) | (45) | (326) | - | - | (413) |
| Depreciation charge | (3) | (740) | (304) | (2,589) | (1,452) | (10,362) | (310) | - | (15,760) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 3 | 737 | 912 | 6,744 | 3,180 | 34,126 | 1,498 | 60,335 | 107,535 |
|  |  |  |  |  |  |  |  |  |  |
| **As at 31 December 2019** |  |  |  |  |  |  |  |  |  |
| Cost | 33 | 7,400 | 14,550 | 82,025 | 24,574 | 95,308 | 2,405 | 60,335 | 286,630 |
| Less Accumulated depreciation | (30) | (6,663) | (13,638) | (75,281) | (21,394) | (61,182) | (907) | - | (179,095) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 3 | 737 | 912 | 6,744 | 3,180 | 34,126 | 1,498 | 60,335 | 107,535 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | **Land and land** | **Buildings and buildings** |  | **Tools and** | **Furniture**  **and office** |  | **Leasehold** | **Construction** |  |
|  | **improvement** | **improvement** | **Utilities** | **equipments** | **equipments** | **Vehicles** | **improvement** | **in process** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |  |  |  |  |
| **As at 1 January 2020** |  |  |  |  |  |  |  |  |  |
| Cost | 33 | 7,400 | 14,550 | 82,025 | 24,574 | 95,308 | 2,405 | 60,335 | 286,630 |
| Less Accumulated depreciation | (30) | (6,663) | (13,638) | (75,281) | (21,394) | (61,182) | (907) | - | (179,095) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 3 | 737 | 912 | 6,744 | 3,180 | 34,126 | 1,498 | 60,335 | 107,535 |
|  |  |  |  |  |  |  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |  |  |  |  |  |  |
| Opening net book amount |  |  |  |  |  |  |  |  |  |
| (previously reported) | 3 | 737 | 912 | 6,744 | 3,180 | 34,126 | 1,498 | 60,335 | 107,535 |
| Adjustment from adoption of TFRS 16 |  |  |  |  |  |  |  |  |  |
| on 1 January 2020 | - | - | - | - | (5) | (32,526) | - | - | (32,531) |
| Opening net book amount (restated) | 3 | 737 | 912 | 6,744 | 3,175 | 1,600 | 1,498 | 60,335 | 75,004 |
| Additions | - | - | - | 1,105 | 184 | 9 | - | 35,594 | 36,892 |
| Disposals, net | - | - | - | - | (3) | (13) | - | - | (16) |
| Writen- off,net | - | - | - | - | 5 | - | - | - | 5 |
| Transfer in/(out) | 7,175 | - | - | - | - | - | - | (7,175) | - |
| Depreciation charge | (381) | (536) | (304) | (2,349) | (1,181) | (571) | (495) | - | (5,817) |
|  |  |  |  |  |  |  |  |  |  |
| Closing net book amount | 6,797 | 201 | 608 | 5,500 | 2,180 | 1,025 | 1,003 | 88,754 | 106,068 |
|  |  |  |  |  |  |  |  |  |  |
| **As at 31 December 2020** |  |  |  |  |  |  |  |  |  |
| Cost | 7,208 | 7,400 | 14,550 | 82,638 | 24,478 | 39,217 | 2,405 | 88,754 | 266,650 |
| Less Accumulated depreciation | (411) | (7,199) | (13,942) | (77,138) | (22,298) | (38,192) | (1,402) | - | (160,582) |
|  |  |  |  |  |  |  |  |  |  |
| Net book amount | 6,797 | 201 | 608 | 5,500 | 2,180 | 1,025 | 1,003 | 88,754 | 106,068 |

From 2020, the Group are presented right-of-use assets as a separate line item in the financial position as a results of changes in accounting policy in note 24.

During the year ended 31 December 2019, additions include Baht 8.85 million of assets leased under finance leases (where the Group is the lessee)

As at 31December 2019, leased assets included above, where the Group is a lessee under a finance lease, comprise of vehicles and building leasehold as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated** | **Separate** |
|  | **financial statements** | **financial statements** |
|  | **2019** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Cost - finance leases | 275,825 | 55,285 |
| Less Accumulated depreciation | (41,583) | (19,948) |
|  |  |  |
| Net book amount | 234,242 | 35,337 |

Consolidated financial statements

Borrowing costs of Baht 9.96 million (2019: Baht 1.59 million), arising from both specific and general financing entered into for the construction of a car parking building, were capitalised during the year and are included in ‘additions’.   
A capitalisation rate of 3.75% (2019: 2.01%) was used representing the actual borrowing cost of the loan used to finance the construction project.

Separate financial statements

Borrowing costs of Baht 2.20 million (2019: nil), arising from general financing, were capitalised during the year and are included in ‘additions’. A capitalisation rate of 2.99% (2019: nil) was used representing the actual borrowing cost of the loan used to finance the construction project.

|  |
| --- |
| **24 Right-of-use assets, net** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | **Land** | **Buildings** | **Equipment** | **Vehicles** | **Total** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| Balance as at 1 January 2020 (Note 5) | 47,979 | 310,871 | 553 | 34,290 | 393,693 |
| Additions | - | 15,109 | 1,418 | 12,602 | 29,129 |
| Lease termination | - | - | - | (1,833) | (1,833) |
| Lease modifications and reassessments | 65 | (41,050) | - | - | (40,985) |
| Reclassifications from property, plant and |  |  |  |  |  |
| equipment (Note 23) | - | 393,139 | - | - | 393,139 |
| Reclassifications to property, plant and |  |  |  |  |  |
| equipment (Note 23) | - | - | (5) | (717) | (722) |
| Depreciation | (3,797) | (19,883) | (321) | (10,806) | (34,807) |
|  |  |  |  |  |  |
| Balance as at 31 December 2020 | 44,247 | 658,186 | 1,645 | 33,536 | 737,614 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Land** | **Buildings** | **Equipment** | **Vehicles** | **Total** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| Balance as at 1 January 2020 (Note 5) | 23,747 | 28,150 | 553 | 32,526 | 84,976 |
| Additions | - | - | 1,082 | 5,185 | 6,267 |
| Lease termination | - | - | - | (1,833) | (1,833) |
| Reclassifications to property, plant and |  |  |  |  |  |
| equipment (Note 23) | - | - | (5) | - | (5) |
| Depreciation | (3,198) | (2,815) | (305) | (10,365) | (16,683) |
|  |  |  |  |  |  |
| Balance as at 31 December 2020 | 20,549 | 25,335 | 1,325 | 25,513 | 72,722 |

A subsidiary, “CAPS”, has reclassified construction in process on leased land that already finished its construction as right of use in amount of Baht 393.14 million on 28 September 2020 which was a commercial operation date.

On 30 September 2020, the subsidiary, CAPS, reassessed rights-of-use assets and lease liabilities from a contract modification for the period from 28 September 2020 to 31 March 2022. During this period, CAPS will receive a 50% discount on its monthly land rental. In addition, the monthly minimum payment was changed from Baht 450,000 monthly during the first year of operation and increased annually by 10% to 7.5% of the monthly sales amounts. From 1 April 2022 to 27 January 2033, the monthly minimum payment will change to 7.5% of monthly sales amounts or Baht 450,000 whichever is higher. This contract modification resulted in a Baht 41.1 million decrease in right-of-use assets and lease liabilities.

As at 31 December 2020, right of use of land and building of a subsidiary of Baht 190.62 million was mortgaged as collateral for long-term loan from financial institution (2019: Baht 197.55 million) (Note 31).

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | **Separate financial statements** |
|  | **2020** | **2020** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Expense relating to short-term leases | 1,108 | 928 |
| Expense relating to leases of low-value assets | 557 | 233 |
| Expense relating to variable lease payments | 1,471 | - |
| Income from subleasing right-of-use asset | - | - |
| Gains or losses arising from sale and leaseback transaction | - | - |
|  |  |  |
| Total cash outflow for leases | 3,136 | 2,632 |

|  |
| --- |
| **25 Goodwill** |

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Field of flow measurement business** | | | |
|  |  |  |  |  |
| Gross margin**1** |  |  |  | 29.14% |
| Growth rate**2** |  |  |  | 2.00% |
| Discount rate**3** |  |  |  | 9.00% |

**1** Budgeted gross margin.

**2** Weighted average growth rate used to extrapolate cash flows beyond the budget period.

**3** Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

A reduction in gross margin of 1% and a fall in growth rate to 1% or a raise in discount rate of 1.5% would remove the remaining headroom of the cash generating units.

|  |
| --- |
| **26 Intangible assets, net** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** | | |
|  | **financial statements** | | |
|  | **Customer relationship**  **Thousand Baht** | **Computer program**  **Thousand Baht** | **Total**  **Thousand Baht** |
|  |  |  |  |
| **As at 1 January 2019** |  |  |  |
| Cost | 50,000 | 11,113 | 61,113 |
| Less Accumulated amortisation | (4,860) | (10,654) | (15,514) |
|  |  |  |  |
| Net book amount | 45,140 | 459 | 45,599 |
|  |  |  |  |
| **For the year ended 31 December 2019** |  |  |  |
| Opening net book amount | 45,140 | 459 | 45,599 |
| Additions | - | 312 | 312 |
| Amortisation charge | (4,163) | (341) | (4,504) |
|  |  |  |  |
| Closing net book amount | 40,977 | 430 | 41,407 |
|  |  |  |  |
| **As at 31 December 2019** |  |  |  |
| Cost | 50,000 | 11,425 | 61,425 |
| Less Accumulated depreciation | (9,023) | (10,995) | (20,018) |
|  |  |  |  |
| Net book amount | 40,977 | 430 | 41,407 |
|  |  |  |  |
| **For the year ended 31 December 2020** |  |  |  |
| Opening net book amount | 40,977 | 430 | 41,407 |
| Additions | - | 292 | 292 |
| Amortisation charge | (4,175) | (187) | (4,362) |
|  |  |  |  |
| Closing net book amount | 36,802 | 535 | 37,337 |
|  |  |  |  |
| **As at 31 December 2020** |  |  |  |
| Cost | 50,000 | 11,717 | 61,717 |
| Less Accumulated depreciation | (13,198) | (11,182) | (24,380) |
|  |  |  |  |
| Net book amount | 36,802 | 535 | 37,337 |

|  |  |
| --- | --- |
|  | **Separate** |
|  | **financial statements** |
|  | **Computer program**  **Thousand Baht** |
|  |  |
| **At 1 January 2019** |  |
| Cost | 11,091 |
| Less Accumulated amortisation | (10,649) |
|  |  |
| Net book amount | 442 |
|  |  |
| **For the year ended 31 December 2019** |  |
| Opening net book amount | 442 |
| Additions | 313 |
| Amortisation charge | (334) |
|  |  |
| Closing net book amount | 421 |
|  |  |
| **At 31 December 2019** |  |
| Cost | 11,404 |
| Less Accumulated amortisation | (10,983) |
|  |  |
| Net book amount | 421 |
|  |  |
| **For the year ended 31 December 2020** |  |
| Opening net book amount | 421 |
| Additions | 44 |
| Amortisation charge | (163) |
|  |  |
| Closing net book amount | 302 |
|  |  |
| **At 31 December 2020** |  |
| Cost | 11,448 |
| Less Accumulated amortisation | (11,146) |
|  |  |
| Net book amount | 302 |

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | | |
|  | **2020** | **2019** | | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | | **Thousand Baht** | **Thousand Baht** |
|  |  |  | |  |  |
| Cost of goods sold | 24 | 7 | | - | - |
| Selling expense | 79 | 225 | | 79 | 225 |
| Administrative expense | 4,259 | 4,272 | | 84 | 109 |

|  |
| --- |
| **27 Deferred income taxes** |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| **Deferred tax assets:** |  |  |  |  |
| Deferred tax asset to be recovered |  |  |  |  |
| within 12 months | 6,151 | 7,726 | 5,604 | 7,229 |
| Deferred tax asset to be recovered |  |  |  |  |
| more than 12 months | 52,419 | 30,015 | 47,859 | 26,991 |
|  |  |  |  |  |
|  | 58,570 | 37,741 | 53,463 | 34,220 |
|  |  |  |  |  |
| **Deferred tax liabilities:** |  |  |  |  |
| Deferred tax liabilities to be settled |  |  |  |  |
| within 12 months | (1,276) | (1,276) | (409) | (409) |
| Deferred tax liabilities to be settled |  |  |  |  |
| more than 12 months | (9,840) | (9,516) | (848) | (817) |
|  |  |  |  |  |
|  | (11,116) | (10,792) | (1,257) | (1,226) |
|  |  |  |  |  |
| **Deferred tax assets, net** | 47,454 | 26,949 | 52,206 | 32,994 |

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | |
|  | **Allowance for doubtful**  **accounts** | **Allowance for net realisable value** | **Provision for**  **import duty** | **Employee benefit obligations** | **Change in**  **value of**  **available-for-sale**  **investments** | **Tax losses** | **Others** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |  |  |  |  |
| As at 1 January 2019 | 112 | 12,203 | 12,394 | 2,491 | 3,396 | 335 | 4,484 | 35,415 |
| Change in profit or loss | (101) | (83) | - | 371 | - | 737 | (180) | 744 |
| Change in other |  |  |  |  |  |  |  |  |
| comprehensive income | - | - | - | 631 | 951 | - | - | 1,582 |
|  |  |  |  |  |  |  |  |  |
| As at 31 December 2019 | 11 | 12,120 | 12,394 | 3,493 | 4,347 | 1,072 | 4,304 | 37,741 |
| Adjustments from changes |  |  |  |  |  |  |  |  |
| in accounting policy (Note 5) | (11) | - | - | - | - | - | - | (11) |
|  |  |  |  |  |  |  |  |  |
| As at 1 January 2020 | - | 12,120 | 12,394 | 3,493 | 4,347 | 1,072 | 4,304 | 37,730 |
| Change in profit or loss | 171 | 2,897 | - | 298 | - | 15,643 | 1,458 | 20,467 |
| Change in other |  |  |  |  |  |  |  |  |
| comprehensive income | - | - | - | - | 373 | - | - | 373 |
|  |  |  |  |  |  |  |  |  |
| As at 31 December 2020 | 171 | 15,017 | 12,394 | 3,791 | 4,720 | 16,715 | 5,762 | 58,570 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | |
|  |  | **Customer** |  |  |
|  | **Depreciation** | **relationships** | **Others** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| As at 1 January 2019 | (2,464) | (9,028) | (130) | (11,622) |
| Change in profit or loss | 441 | 833 | (444) | 830 |
| Change in other |  |  |  |  |
| comprehensive income | - | - | - | - |
|  |  |  |  |  |
| As at 31 December 2019 | (2,023) | (8,195) | (574) | (10,792) |
|  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| As at 1 January 2020 | (2,023) | (8,195) | (574) | (10,792) |
| Change in profit or loss | 441 | 835 | (1,600) | (324) |
| Change in other |  |  |  |  |
| comprehensive income | - | - | - | - |
|  |  |  |  |  |
| As at 31 December 2020 | (1,582) | (7,360) | (2,174) | (11,116) |

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax asset of Baht 5.16 million (2019: Baht 0.71 million) from tax losses of Baht 25.81 million (2019: Baht 3.56 million), to carry forward against future taxable income; these tax losses of Baht 25.81 million (2019: Baht 3.56 million) will expire between 2023 and 2026 (2019 : between 2023 and 2025).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | |
|  | **Allowance for doubtful**  **accounts** | **Allowance for net realisable value** | **Provision for**  **import duty** | **Employee benefit obligations** | **Change in**  **value of**  **Investment in equity securities** | **Tax losses** | **Others** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |  |  |  |  |
| As at 1 January 2019 | 77 | 12,014 | 12,394 | 2,072 | 3,396 | - | 2,756 | 32,709 |
| Change in profit or loss | (66) | (62) | - | 139 | - | - | 116 | 127 |
| Change in other |  |  |  |  |  |  |  |  |
| comprehensive income | - | - | - | 433 | 951 | - | - | 1,384 |
|  |  |  |  |  |  |  |  |  |
| As at 31 December 2019 | 11 | 11,952 | 12,394 | 2,644 | 4,347 | - | 2,872 | 34,220 |
| Adjustments form changes in |  |  |  |  |  |  |  |  |
| accounting policy (Note 5) | (11) | - | - | - | - | - | - | (11) |
|  |  |  |  |  |  |  |  |  |
| As at 1 January 2020 | - | 11,952 | 12,394 | 2,644 | 4,347 | - | 2,872 | 34,209 |
| Change in profit or loss | 107 | 2,975 | - | 200 | - | 16,715 | (1,116) | 18,881 |
| Change in other |  |  |  |  |  |  |  |  |
| comprehensive income | - | - | - | - | 373 | - | - | 373 |
|  |  |  |  |  |  |  |  |  |
| As at 31 December 2020 | 107 | 14,927 | 12,394 | 2,844 | 4,720 | 16,715 | 1,756 | 53,463 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **Depreciation** | **Others** | **Depreciation** | |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | |
|  |  |  |  | |
| **Deferred tax liabilities** |  |  |  | |
| As at 1 January 2019 | (1,635) | - | (1,635) | |
| Change in profit or loss | 409 | - | 409 | |
|  |  |  |  | |
| As at 31 December 2019 | (1,226) | - | (1,226) | |
|  |  |  |  | |
| As at 1 January 2020 | (1,226) | - | (1,226) | |
| Change in profit or loss | 409 | (440) | (31) | |
|  |  |  |  | |
| As at 31 December 2020 | (817) | (440) | (1,257) | |

|  |
| --- |
| **28 Short-term loans from financial institutions** |

Details of short-term loans from financial institutions are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated/Separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Promissory note | 242,000 | 85,000 |
| Trust receipt | 71,819 | - |
|  |  |  |
| Total short-term loans from financial institutions | 313,819 | 85,000 |

Effective interest rate from institutions are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated/Separate** | |
|  | **financial statements** | |
|  | **2020** | **2019** |
|  |  |  |
| Promissory note | 2.60% to 3.50%  MLR-2.00% | 2.65% to 3.00% |
| Trust receipt | 2.20% to 2.85% |  |

As at 31 December 2020, short-term from financial institution represented promissory notes. Promissory notes had maturity within 4 months (2019 : 3 months) amounting to Baht 242 million (2019 : Baht 85.00 million) and secured by the company’s fixed deposits amounting to Baht 84.54 million (2019 : secured by the company’s fixed deposits amounting to Baht 84.54 million) (Note 18.1).

As at 31 December 2020, short-term from financial institution represented trust receipts which was repayable within   
4 months amounting to Baht 71.82 million (2019 : nil) denominated in Thai Baht and US Dollar. The trust receipts were secured by the company’s fixed deposits amounting to Baht 99.84 million (2019 : nil) (Note 18.1).

|  |
| --- |
| **29 Trade and other payable** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Trade payables - others | 115,958 | 174,046 | 94,686 | 158,776 |
| - related parties |  |  |  |  |
| (Note 41 (a)) | - | 7 | 73 | 3,970 |
| Accrued expenses | 44,276 | 149,169 | 30,170 | 119,686 |
| Advance received for goods |  |  |  |  |
| and service | 9,205 | 12,983 | 5,164 | 9,195 |
| Other payables - others | 27,229 | 6,463 | 6,952 | 5,885 |
| - related parties |  |  |  |  |
| (Note 41 (a)) | 1,713 | 1,713 | 1,783 | 1,713 |
| Others | 2,893 | 6,049 | 2,893 | 6,049 |
|  |  |  |  |  |
| Total | 201,274 | 350,430 | 141,721 | 305,274 |

|  |
| --- |
| **30 Advance received under construction contracts** |

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated/Separate**  **financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** |
| Contract liabilities in relation to construction contracts |  |  |
| - Current | 44,519 | 127,801 |
| - Non Current | - | - |
|  |  |  |
| Total Contract liabilities | 44,519 | 127,801 |

*Significant changes in contract liabilities*

Contract liabilities in relation to construction contracts increased from new construction projects in starting phases.

*Revenue recognised in relation to contract liabilities*

Revenue recognised in the current year relates to brought forward contract liabilities realised in this year

|  |  |  |
| --- | --- | --- |
|  | **Consolidated/Separate** | |
|  | **financial statement** | |
|  | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Revenue recognised that was included in the contract liability balance | 126,879 | 59,087 |

|  |
| --- |
| **31 Long-term loans from financial institutions, net** |

Details of long-term loans from financial institutions are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Current portion of long-term loan from financial institution | 13,802 | 32,200 |
| Long-term loan from financial institution | 530,898 | 276,900 |
| Less deferred upfront fee | (1,138) | (1,278) |
|  |  |  |
| Total long-term loans from financial institutions | 543,562 | 307,822 |

Movement of long-term loans from financial institutions are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Beginning balance | 307,822 | 209,348 |
| Additional during the period | 249,600 | 117,300 |
| Payment during the period | (14,000) | (18,200) |
| Deferred upfront fee | - | (700) |
| Amortisation upfront fee | 140 | 74 |
|  |  |  |
| Ending balance | 543,562 | 307,822 |

As at 31 December 2020, long-term loan from a financial institution of a subsidiary, “TKS”, of Baht 224.18 million denominated in Thai Baht (2019 : Baht 191.22 million).The principal and interest are repayable monthly. The first installment is due in June 2019 and the last installment in 2028. The loan carries an interest rate of MLR-1.00% per annum (2019 : MLR-1.00% per annum) throughout the contract period. The loan is guaranteed by the right of use of land and building of Baht 190.62 million (Note 24) and the right of use of building presented in the investment property of Baht 108.07 million (Note 22), and other shareholder of TKS.

TKS’s principal repayment of a long-term loan from a financial institution has been suspended under the financial institution’s measures to assist clients impacted by the COVID-19 pandemic. The suspension is for six months from June to November 2020 and the principal repayment amount will be paid since December 2020 onwards which the repayment period will not be extended, and the interest has been reduced by 50% during the six months and the suspended interest will be paid during January to November 2021.

As at 31 December 2020, there was a long-term loan from a financial institution of a subsidiary, “CAPS” of Baht 319.37 million   
(2019: 116.60 million) denominated in Thai Baht. The principal and interest are repayable monthly. The first installment due in September 2021 and due within 2029. The loan bears an interest rate of MLR-2.50% per annum from first year until third year, for the fourth to the sixth year at MLR-1.75% per annum and for the seventh to the tenth year at MLR per annum. Later the Group entered into interest rate swap contract to hedge the fluctuation of interest rate at fixed rate of 3.50% from 31 January 2020 to 30 November 2022 and 4.25% from 30 November 2022 to 28 February 2025.

CAPS’s principal repayment of a long-term loan from a financial institution has been suspended under the financial institution’s measures to assist clients impacted by the COVID-19 pandemic. The suspension is for nine months from December 2020 to August 2021, and the principal repayment amount will be paid since September 2020 onwards which the repayment period will not be extended.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Floating rate** |  |  |  |  |
| Expiring beyond one year |  |  |  |  |
| - Bank overdraft | 38,500 | 38,500 | 31,500 | 31,500 |
| - Bank loans | 55,300 | 272,700 | - | - |
|  |  |  |  |  |
|  | 93,800 | 311,200 | 31,500 | 31,500 |

|  |
| --- |
| **32 Finance lease liabilities, net** |

The finance leases liabilities arising from lease agreements of vehicles are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated** | **Separate** |
|  | **financial statements** | **financial statements** |
|  | **2019** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Not later than one year | 10,829 | 10,576 |
| Later than 1 year but not later |  |  |
| than 5 year | 22,261 | 22,071 |
|  |  |  |
|  | 33,090 | 32,647 |
| Less Deferred interest expenses | (2,401) | (2,376) |
| Present value of finance lease |  |  |
| liabilities, net | 30,689 | 30,271 |
|  |  |  |
| Representing lease liabilities |  |  |
| - Current | 9,627 | 9,392 |
| - Non - current | 21,062 | 20,879 |
|  |  |  |
|  | 30,689 | 30,271 |

The present value of finance lease liabilities is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated** | **Separate** |
|  | **financial statements** | **financial statements** |
|  | **2019** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** |
|  |  |  |
| Not later than one year | 9,627 | 9,392 |
| Later than 1 year but not later |  |  |
| than 5 year | 21,062 | 20,879 |
|  |  |  |
|  | 30,689 | 30,271 |

|  |
| --- |
| **33 Retirement benefit obligations** |

Retirement benefit obligation as at 31 December 2020 and 2019 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Statement of financial position: |  |  |  |  |
| Retirement benefits | 18,957 | 17,465 | 14,221 | 13,222 |
| Liability in the statement of |  |  |  |  |
| financial position | 18,957 | 17,465 | 14,221 | 13,222 |
|  |  |  |  |  |
| Loss charge included |  |  |  |  |
| in operating profit for retirement benefits | 1,492 | 5,402 | 999 | 4,241 |
|  |  |  |  |  |
| Remeasurement for retirement benefits | - | (3,156) | - | (2,166) |

**Retirement benefits**

The plans are final salary retirement plans. The level of benefits provided depends on members’ years of service and their salaries in the final years leading up to retirement.

The amounts recognised in the statement of financial position are determined as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| As at 1 January | 17,465 | 12,454 | 13,222 | 10,362 |
| Current service cost | 1,198 | 1,363 | 776 | 1,130 |
| Interest expense | 294 | 528 | 223 | 450 |
| Past service cost | - | 3,511 | - | 2,661 |
| Benefit paid | - | (3,547) | - | (3,547) |
| Remeasurement for retirement benefits | - | 3,156 | - | 2,166 |
|  |  |  |  |  |
| As at 31 December | 18,957 | 17,465 | 14,221 | 13,222 |

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day’s pay to 400 day’s pay. The effects of the amendment were recognised as past service cost during the year.

The significant actuarial assumptions used were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Discount rate | 1.52% - 1.54% | 1.52% - 1.54% | 1.54% | 1.54% |
| Salary growth rate | 6.22% - 7.16% | 6.22% - 7.16% | 7.16% | 7.16% |
| Turnover rate | 10.00% - 36.00% | 10.00% - 36.00% | 10.00% - 21.00% | 10.00% - 21.00% |

Sensitivity analysis for each significant assumption used is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  | **Impact on defined benefit obligation** | | |
|  | **Change in assumption** | **Increase in assumption** | **Decrease in assumption** |
|  |  |  |  |
| Discount rate | 0.5% | Decrease by 4.41 - 6.51% | Increase by 4.45 - 7.04% |
| Salary growth rate | 0.5% | Increase by 5.16 - 7.75% | Decrease by 4.84 - 7.19% |
| Turnover Rate | 0.5% | Decrease by 5.79 - 8.61% | Increase by 1.64 - 9.42% |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **Impact on defined benefit obligation** | | |
|  | **Change in assumption** | **Increase in assumption** | **Decrease in assumption** |
|  |  |  |  |
| Discount rate | 0.5% | Decrease by 4.14% | Increase by 4.45% |
| Salary growth rate | 0.5% | Increase by 5.16% | Decrease by 4.84% |
| Turnover Rate | 0.5% | Decrease by 5.79% | Increase by 6.26% |

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

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

The weighted average durations of the Group’s defined benefit obligation is 13 - 14 years (2019 : 13 years).

Expected maturity analysis of undiscounted retirement benefits are as follow :

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | **Less than** | **Between** | **Between** |  |  |
|  | **1 year** | **1 - 2 year** | **2 - 5 year** | **Over 5 year** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |
| Retirement benefits |  |  |  |  |  |
| As at 31 December 2019 | - | - | 5,653 | 19,760 | 25,413 |
| As at 31 December 2020 | - | 1,421 | 4,767 | 19,225 | 25,413 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Less than** | **Between** | **Between** |  |  |
|  | **1 year** | **1 - 2 year** | **2 - 5 year** | **Over 5 year** | **Total** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |  |
| Retirement benefits |  |  |  |  |  |
| As at 31 December 2019 | - | - | 5,653 | 12,712 | 18,365 |
| As at 31 December 2020 | - | 1,421 | 4,767 | 12,177 | 18,365 |

|  |
| --- |
| **34 Share capital and premium on share capital** |

As at 31 December 2020, the total number of authorised ordinary shares is 676,700,000 shares (2019 : 676,700,000 shares) with a par value of Baht 0.50 per share (2019 : Baht 0.50 per share). All issued shares are fully paid.

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription received in excess of the issued shares’ par value to a reserve account (share premium). The share premium is not available for dividend distribution.

|  |
| --- |
| **35 Legal reserve** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated/Separate**  **financial statements** | |
|  | **2020** | **2019** |
|  | **Thousand** | **Thousand** |
|  | **Bah** | **Bah** |
|  |  |  |
| At 1 January | 23,776 | 21,955 |
| Appropriation during the year | - | 1,821 |
|  |  |  |
| At 31 December | 23,776 | 23,776 |

Under the public limited company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 % of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 % of the registered capital. The legal reserve is non-distributable.

|  |
| --- |
| **36 Other income** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Commission revenues | - | 241 | - | 241 |
| Dividend income (Note 39) |  | - | 6,754 | 31,300 |
| Revenue from services | 120 | 480 | 7,712 | 8,760 |
| Interest income | 1,822 | 2,914 | 2,315 | 4,694 |
| Other income | 3,066 | 3,307 | 1,845 | 2,313 |
|  |  |  |  |  |
| Total | 5,008 | 6,942 | 18,626 | 47,308 |

|  |
| --- |
| **37 Expense by nature** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Changes in inventories of finished goods |  |  |  |  |
| and work in process increase/(decrease) | 89,351 | 1,453 | 84,250 | 2,255 |
| Purchase of finished goods | 769,213 | 626,026 | 762,620 | 619,457 |
| Subcontract costs | 574,218 | 571,206 | 548,831 | 548,631 |
| Depreciation and amortisation | 51,466 | 35,402 | 22,942 | 16,374 |
| Staff costs | 188,434 | 188,909 | 156,514 | 158,692 |

|  |
| --- |
| **38 Income tax expense** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current tax : |  |  |  |  |
| Current tax on profits for the year | 5,671 | 7,535 | - | 2,162 |
|  |  |  |  |  |
| Total Current tax | 5,671 | 7,535 | - | 2,162 |
|  |  |  |  |  |
| Deferred tax : |  |  |  |  |
| (Increase) decrease in deferred tax assets (Note 27) | (20,143) | (1,574) | (18,850) | (536) |
|  |  |  |  |  |
| Total deferred tax | (20,143) | (1,574) | (18,850) | (536) |
|  |  |  |  |  |
| Income tax expense | (14,472) | 5,961 | (18,850) | 1,626 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Profit before tax | (148,024) | 27,195 | (144,695) | 38,047 |
|  |  |  |  |  |
| Tax calculated at a tax rate of 20% |  |  |  |  |
| (2019 : 20%) | (29,605) | 5,439 | (28,939) | 7,609 |
| Tax effect of : |  |  |  |  |
| Non taxable income | - | - | (1,351) | (6,260) |
| Additional deductible expense | (1,257) | (730) | (243) | (238) |
| Expenses not deductible |  |  |  |  |
| for tax purpose | 721 | 738 | 632 | 515 |
| Tax losses for which no deferred |  |  |  |  |
| income tax asset was recognised | 3,465 | 295 | - | - |
| Reversal of unutilised deferred tax assets | 12,204 | 219 | 11,051 | - |
|  |  |  |  |  |
| Tax charge | (14,472) | 5,961 | (18,850) | 1,626 |

The tax (charge)/credit relating to component of other comprehensive income (expense) is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **2020** | | | **2019** | | |
|  |  | **Tax (charge)** |  |  | **Tax (charge)** |  |
|  | **Before tax** | **credit** | **After tax** | **Before tax** | **credit** | **After tax** |
|  | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** |
| Fair value loss: |  |  |  |  |  |  |
| - available-for-sale investment | 1,866 | (373) | 1,493 | 4,755 | (951) | 3,804 |
| Remeasurement on retirement |  |  |  |  |  |  |
| benefit obligations | - | - | - | 3,156 | (631) | 2,525 |
|  |  |  |  |  |  |  |
| **Other comprehensive expense** | 1,866 | (373) | 1,493 | 7,911 | (1,582) | 6,329 |
|  |  |  |  |  |  |  |
| Current tax |  | - |  |  | - |  |
| Deferred tax (Note 27) |  | (373) |  |  | (1,582) |  |
|  |  |  |  |  |  |  |
|  |  | (373) |  |  | (1,582) |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | |
|  | **2020** | | | **2019** | | |
|  |  | **Tax (charge)** |  |  | **Tax (charge)** |  |
|  | **Before tax** | **credit** | **After tax** | **Before tax** | **credit** | **After tax** |
|  | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** | **Thousand**  **Baht** |
| Fair value loss: |  |  |  |  |  |  |
| - available-for-sale investment | 1,866 | (373) | 1,493 | 4,755 | (951) | 3,804 |
| Remeasurement on retirement |  |  |  |  |  |  |
| benefit obligations | - | - | - | 2,166 | (433) | 1,733 |
|  |  |  |  |  |  |  |
| **Other comprehensive expense** | 1,866 | (373) | 1,493 | 6,921 | (1,384) | 5,537 |
|  |  |  |  |  |  |  |
| Current tax |  | - |  |  | - |  |
| Deferred tax (Note 27) |  | (373) |  |  | (1,384) |  |
|  |  |  |  |  |  |  |
|  |  | (373) |  |  | (1,384) |  |

|  |
| --- |
| **39 Dividend** |

The Company

On 23 April 2020, the Annual General Meeting of shareholder of the Company pass a resolution to approve a payment of dividend to the shareholders at the rate Baht 0.03 per share with the total dividend amounting to Baht 20.30 million from its net operating profit for the year ended 31 December 2019. The dividend was paid on 22 May 2020.

On 25 April 2019, the Annual General Meeting of shareholder of the Company pass a resolution to approve a payment of dividend to the shareholders at the of rate Baht 0.064 per share with the total dividend amounting to Baht 43.31 million. The dividend was paid on 24 May 2019 from its net operating profit for the year ended 31 December 2018.

Subsidiaries

On 10 April 2020, the Annual General Meeting of shareholder of Techtronic Co., Ltd., approve a payment of dividend to the shareholders at the rate Baht 29.00 per share with the total dividend amounting to Baht 5.80 million from its net operating profit for the year ended 31 December 2019. The dividend was paid on 10 May 2020.

On 24 April 2020, Siamrajathanee Joint Venture approved a payment of dividend amounting to Baht 0.95 million.   
The Company’s portion was Baht 0.86 million and non-controlling interest’s portion was Baht 0.09 million which were paid on 30 April 2020.

On 22 May 2020, Siamrajathanee Joint Venture approved a payment of dividend amounting to Baht 0.11 million.   
The Company’s portion was Baht 0.10 million and non-controlling interest’s portion was Baht 0.01 million which were paid on   
29 May 2020.

On 12 April 2019, the Annual General Meeting of shareholder of Techtronic Co.,Ltd. approved a payment of dividend to the shareholders at the rate of Baht 75.50 per share with the total dividend amounting to Baht 15.10 million from its net operating profit for the year ended 31 December 2018. The Company’s portion is Baht 15.10 million which was paid in May to September 2019

On 4 June 2019, Siamrajathanee Joint Venture approved a payment of dividend amounting to Baht 18 million. The Company’s portion was Baht 16.20 million and the non-controlling interest’s portion was Baht 1.80 million which were paid on 27 June 2019.

|  |
| --- |
| **40 Earnings (losses) per share** |

Basic earnings per share attributable to equity holders of the parent is calculated by dividing the net profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares issued during the year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Net profit (loss) for the period attributable to |  |  |  |  |
| the parent company (Thousand Baht) | (129,682) | 20,383 | (125,845) | 36,421 |
| Weighted average number of ordinary |  |  |  |  |
| shares (Shares) | 676,700,000 | 676,700,000 | 676,700,000 | 676,700,000 |
|  |  |  |  |  |
| Basic earnings (losses) per share (Baht) | (0.1916) | 0.0301 | (0.1860) | 0.0538 |

There are no potential dilutive ordinary shares issuance during the year.

|  |
| --- |
| **41 Related party transactions** |

Enterprises and individuals related with the company, both directly and indirectly, through one or more intermediaries, of which hacing a control over, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning an interest of the Company with a significant influence over the enterprise. Key management personnel, including directors and officers of the Company, and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

the Group is controlled by Mr. Kiat Vimolchalao who is the Chief Executive Officer of the Company.

The significant related party transactions are as follows:

**(a) Outstanding balances arising from sales and purchases of good and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
| **Other receivables** |  |  |  |  |
| - Subsidiaries | - | - | 1,699 | 2,077 |
| - Joint venture | 48 | 168 | 48 | 168 |
|  |  |  |  |  |
|  | 48 | 168 | 1,747 | 2,245 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
| **Trade and other payables** |  |  |  |  |
| Trade payables |  |  |  |  |
| - Subsidiaries | - | - | 73 | 3,963 |
| - Company held by major  shareholders | - | 7 | - | 7 |
|  |  |  |  |  |
|  | - | 7 | 73 | 3,970 |
| Other payables |  |  |  |  |
| - Subsidiaries | - | - | 70 | - |
| - Company held by major  shareholders | 1,713 | 1,713 | 1,713 | 1,713 |
|  | 1,713 | 1,713 | 1,783 | 1,713 |

1. **Loans to related parties**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020**  **Thousand Baht** | **2019**  **Thousand Baht** | **2020**  **Thousand Baht** | **2019**  **Thousand Baht** |
|  |  |  |  |  |
| Beginning balance | 9,600 | 41,000 | 41,000 | 70,600 |
| Additional during the year | 6,500 | 7,000 | 44,600 | 102,600 |
| Received during the year | (5,500) | (38,400) | (52,000) | (132,200) |
|  |  |  |  |  |
| Ending balance | 10,600 | 9,600 | 33,660 | 41,000 |

The Company

As at 31 December 2020, short-term loan to related party of Baht 4.60 million (2019 : Baht 9.60 million) represented loan to a joint venture bearing interest at the rate of 3.5% per annum (2019 : 5% per annum). The loan is unsecured and is due at call.

As at 31 December 2020, short-term loans to related parties of Baht 29.06 million (2019 : Baht 31.40 million) represented loan to two subsidiaries bearing interest at the rate of 3.5% per annum (2019 : 5% per annum). The loans are unsecured and due at call.

Subsidiaries

As at 31 December 2020, short-term loan to related parties of Baht 6.00 million (2019 : nil) represented loan to a related party bearing interest at the rate of 1.50% per annum (2019 : nil). The loan is unsecured and is due at call.

Loans are current portion. The fair value is closed to the book value since the effect of the discount rate is insignificant.

**(c) Outstanding balances arising from lease liabilities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
| **Lease liabilities** |  |  |  |  |
| - Company held by major |  |  |  |  |
| shareholder | 25,911 | - | 25,911 | - |

**(d) Loans from related parties**

The movements of short-term loans from related parties can be analysed as follows:

|  |  |  |
| --- | --- | --- |
|  |  | **Separate financial statements** |
|  |  | **Thousand Baht** |
| **For the year ended 31 December 2020** |  |  |
| Beginning balance |  | - |
| Additional during the period |  | 105,000 |
| Received during the period |  | (105,000) |
|  |  |  |
| Ending balance |  | - |

During 2020, short-term loans from related parties represented loans from two subsidiaries bearing interest at the rate of 1.5% and 3.5% per annum. The loans are unsecured and fully received during the year.

**(e) Revenues from sales of goods and services/purchases of goods and services, interest income and expenses**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
| **For the year ended 31 December** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| **Transactions with subsidiaries** |  |  |  |  |
| Purchases of goods | - | - | 106 | 70 |
| Costs of construction project | - | - | 101 | 207 |
| Sales of goods and services | - | - | 7,908 | 8,302 |
| Dividend income | - | - | 6,754 | 31,300 |
| Other income and |  |  |  |  |
| interest income | - | - | 780 | 2,176 |
| Interest expenses | - | - | 394 | - |
|  |  |  |  |  |
| **Transactions with** |  |  |  |  |
| **joint venture** |  |  |  |  |
| Other income and |  |  |  |  |
| interest income | 308 | 1,617 | 308 | 1,522 |
|  |  |  |  |  |
| **Transactions with companies**  **held by major shareholders** |  |  |  |  |
| Purchases of goods | 72 | 62 | 72 | 62 |
| Rental expenses | 3,562 | 3,562 | 3,562 | 3,562 |
| Service expenses | 6,274 | 6,274 | 6,274 | 6,274 |
| Sales of goods and |  |  |  |  |
| rendering of services | - | 2 | - | 2 |
| Other income and |  |  |  |  |
| interest income | 44 | - | - | - |

**(f) Directors and key management remunerations**

The remuneration paid or payable to the Group’s key management, that includes executive and non-executive directors and executive committee members are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
| **For the year ended** | **2020** | **2019** | **2020** | **2019** |
| **31 December** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Salaries and other short-term |  |  |  |  |
| employee benefits | 21,594 | 28,552 | 15,597 | 22,829 |
| Retirement benefits | 735 | 997 | 244 | 636 |
|  |  |  |  |  |
| Total | 22,329 | 29,549 | 15,841 | 23,465 |

|  |
| --- |
| **42 Commitments and contingent liabilities** |

**42.1 Letters of guarantee**

The Company

(a) As at 31 December 2020, the Company had letters of guarantee issued by banks for electricity usage amounting to Baht 0.60 million. (2019 : Baht 0.60 million) (Note 18.1). The letters of guarantee were issued for certain services and construction contracts amounting to Baht 472.74 million (2019 : Baht 434.12 million).

Subsidiaries

(b) As at 31 December 2020, a subsidiary had letters of guarantee issued by a bank for for electricity usage amounting to Baht 0.80 million (2019 : Baht 0.80 million) (Note 18.3).

(c) As at 31 December 2020, a subsidiary had letters of guarantee issued by banks to secure sales of good and rendering of services amounting to Baht 9.48 million (2019 : Baht 7.03 million) (Note 18.2).

(d) As at 31 December 2020, a subsidiary had letters of guarantee issued by a bank to secure to guarantee rental space for building construction and to manage car park buildings amounting to Baht 35.00 million (2019 : nil) (Note 18.4).

**42.2 Capital expenditure commitments**

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Property, plant and equipment | 304,773 | 226,015 | 31,405 | 27,174 |
|  |  |  |  |  |
| Total | 304,773 | 226,015 | 31,405 | 27,174 |

**42.3 Operating lease commitments**

The future minimum lease payments under non-cancellable operating leases comprise of land, buildings, equipment and vehicles are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Within 1 year | - | 12,424 | - | 7,050 |
| Later than 1 year but |  |  |  |  |
| not later than 5 years | - | 51,434 | - | 16,259 |
| Later than 5 years | - | 142,635 | - | 10,364 |
|  |  |  |  |  |
| Total | - | 206,493 | - | 33,673 |

**42.4 Contingent liabilities**

During the year 2012, the Company received 42 notices of import duty assessment from the Customs Department. The notices claimed that the Company should have paid the underpayments of import duty, value added tax, related tax penalty and other fees in amounting to about Baht 65.89 million (2019 : Baht 65.89 million), which was already recorded as a liability under “Provision for import duty and value added tax”. The Company has appealed and filed to the Appeal Board against such claims.

On 30 August 2019, the Appeal Board has dismissed this appeal.

On 24 October 2019, the Company filed a complaint with the Central Tax Court against the Customs Department and the Appeal Board. On 28 September 2020, the Central Tax Court dismissed this case and ordered the Company to pay Baht 65.89 million.

The Company appealed the Court decision on 24 November 2020 and currently, the case is under consideration of the Court of Appeal for Specialised Cases.

|  |
| --- |
| **43 Derivatives** |

The Group has the following derivatives financial instruments :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated** | | **Separate** | |
|  | **financial statements** | | **financial statements** | |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** | **Thousand Baht** |
|  |  |  |  |  |
| Current assets |  |  |  |  |
| Foreign currency forward contracts | 281 | - | 269 | - |
|  |  |  |  |  |
| Current liabilities |  |  |  |  |
| Foreign currency forward contracts | 1,448 | - | 1,376 | - |
|  |  |  |  |  |
| Non-current liabilities |  |  |  |  |
| Interest rate swap | 3,908 | - | - | - |