**SIAMRAJ PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021**

**(UNAUDITED/REVIEWED ONLY)**

1. **General information**
   1. **Company Information**

Name : SIAMRAJ PUBLIC COMPANY LIMITED (“The Company”)

Registration : The Company was incorporated in Thailand on February 20, 1984 and converted to be public company limited on February 2, 2015.

Head office address : 289/9 Moo 10, Old Railway Road, Samrong, Phrapradaeng,

Samutprakarn 10130.

Type of business : 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.

The major shareholder : As at September 30, 2021. Mr. Kiat Vimolchalao has shareholding at 31.95% of the issued and paid-up share capital.

1. **Basis for the preparation of interim financial statements**
   1. **Basis for the interim financial information preparation**

This interim financial information have been prepared and presented the condensed form in conformity with Thai According Standards TAS 34 "Interim Financial Reporting" including the interpretations and guidelines promulgated by the Federation of Accounting Professions, and applicable related rules and regulations of the Securities and Exchange Commission.

This financial information has been prepared for the purpose to provide the additional information from the financial statements for the year ended December 31, 2020. This interim financial information do not include all of financial information in accordance with the requirements of the annual financial statements. Accordingly, they focus on new activities, events and circumstance, so do not duplicate information previously reported. Therefore, this interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2020.

* 1. **Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

* 1. **Financial reporting standards that will become effective for the financial statements for the period beginning on or after January 1, 2022**

The revised Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

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

* 1. **Impact of Coronavirus 2019 disease (COVID-19) pandemic**

The Coronavirus 2019 disease (COVID-19) pandemic situation has currently returned that caused an economic slowdown and affected the performance of car parking space for rent and natural gas (NGV) stations for vehicles classified under alternative energy segment, as well as affecting the operation of the contractor sector. Nevertheless, the Group's management will continue to monitor the progress of the situation and assesses the financial impact on the value of the asset, provisions and contingent liabilities. Therefore, the Management has used estimates and judgements in the other issues when the situation is changed.

1. **Significant accounting policies**

The interim financial information are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2020

1. **Significant accounting judgements and estimates**

The preparation of interim financial information that requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Interim financial information preparation that the management made critical judgements in applying accounting policies of the Group about significant areas of estimation uncertainty that have been estimated as the same of financial statements for the year ended December 31, 2020.

1. **Related parties transactions**
   1. Balances as at September 30, 2021 and December 31, 2020 with related person and parties were as follows:
2. **Outstanding balances arising from sales and purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **September 30,** | **December 31,** | **September 30,** | **December 31,** |
|  | **2021** | **2020** | **2021** | **2020** |
| **Trade and other current receivables** |  |  |  |  |
| **Trade receivables** |  |  |  |  |
| - Subsidiaries | - | - | 371 | - |
|  | - | - | 371 | - |
| **Other receivables** |  |  |  |  |
| - Subsidiaries | - | - | 1,547 | 1,699 |
| - Joint venture | 11 | 48 | 11 | 48 |
|  | 11 | 48 | 1,558 | 1,747 |
| **Trade and other payables** |  |  |  |  |
| **Trade payables** |  |  |  |  |
| - Subsidiaries | - | - | 164 | 73 |
|  | - | - | 164 | 73 |
| **Other payables** |  |  |  |  |
| - Subsidiaries | - | - | - | 70 |
| - Company held by major |  |  |  |  |
| shareholder | 1,773 | 1,713 | 1,773 | 1,713 |
|  | 1,773 | 1,713 | 1,773 | 1,783 |

1. **Short-term loans to related parties**

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | |
|  | **Consolidated financial statements** | **Separate**  **financial statements** |
| **For the nine-month periods ended September 30, 2021** |  |  |
| Beginning balance | 10,600 | 33,660 |
| Additional during the period | 600 | 44,400 |
| Received during the period | (11,000) | (37,960) |
| Ending balance | 200 | 40,100 |

The Company

As at September 30, 2021, short-term loan to related party in the amount of Baht 0.20 million (December 31, 2020: Baht 4.60 million) represented loan to a joint venture bearing interest at the rate of 3.50% per annum. The loan has no any collaterals and is due at call.

As at September 30, 2021, short-term loans to related parties in the amount of Baht 39.90 million (December 31, 2020: Baht 29.06 million) represented loans to four subsidiaries bearing interest at the rate of 3.50% per annum. The loans have no any collaterals and is due at call.

1. **Outstanding balances arising from lease liabilities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **September 30,** | **December 31,** | **September 30,** | **December 31,** |
|  | **2021** | **2020** | **2021** | **2020** |
| **Lease liabilities** |  |  |  |  |
| - Company held by major |  |  |  |  |
| shareholder | 23,060 | 25,911 | 23,060 | 25,911 |
|  | 23,060 | 25,911 | 23,060 | 25,911 |

* 1. Significant transactions with related persons or parties for the nine-month periods ended September 30, 2021 and 2020 with related parties were as follows:

1. **Revenues from sales of goods and services/purchases of goods and services, interest income and expenses**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| ***For the nine-month periods*** |  |  |  |  |
| ***ended September 30,*** | **2021** | **2020** | **2021** | **2020** |
| **Transactions with subsidiaries** |  |  |  |  |
| Purchases of goods | **-** | - | 73 | - |
| Costs of construction project | - | - | 65 | 101 |
| Cost of services | - | - | - | 38 |
| Sales of goods and services | - | - | 7,170 | 5,895 |
| Dividend income | - | - | - | 6,754 |
| Other income and interest income | - | - | 928 | 523 |
| Interest paid | - | - | - | 252 |
| **Transactions with joint venture** |  |  |  |  |
| Other income and interest income | 125 | 237 | 125 | 237 |
| **Transactions with companies** |  |  |  |  |
| **held by major shareholders** |  |  |  |  |
| Purchases of goods | 108 | 72 | 108 | 72 |
| Rental expenses | 2,675 | 2,672 | 2,675 | 2,672 |
| Service expenses | 4,838 | 4,706 | 4,838 | 4,706 |
| Other income and interest income | - | 21 | - | 21 |
|  |  |  |  |  |

1. **Directors and key management remunerations**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| ***For the nine-month periods*** |  |  |  |  |
| ***ended September 30,*** | **2021** | **2020** | **2021** | **2020** |
| Salaries and other short-term |  |  |  |  |
| employee benefits | 11,890 | 11,234 | 7,179 | 8,243 |
| Post-employment benefits | 534 | 367 | 168 | 122 |
| Total | 12,424 | 11,601 | 7,347 | 8,365 |

1. **Trade and other current receivables**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | | |
|  | **September 30,**  **2021** |  | **December 31,**  **2020** |  | | **September 30,**  **2021** |  | **December 31,**  **2020** |
| Trade accounts receivable - other parties | 175,318 |  | 289,485 |  | | 131,873 |  | 239,200 |
| Trade accounts receivable |  |  |  |  | |  |  |  |
| – related parties (Note 5) | - |  | - |  | | 371 |  | - |
| Less Allowance for expected credit |  |  |  |  | |  |  |  |
| losses | (3,304) |  | (1,435) |  | | (196) |  | (538) |
| Total trade receivables, net | 172,014 |  | 288,050 |  | | 132,048 |  | 238,662 |
| Accrued income | 10,940 |  | 10,174 |  | | 8,306 |  | 7,753 |
| Prepaid expenses | 57,004 |  | 46,285 |  | | 24,181 |  | 12,812 |
| Receivable from debt restructuring | 21,920 |  | - |  | | - |  | - |
| Advance payment | 7 |  | 102 |  | | 7 |  | 21 |
| Other receivables – others parties | - |  | 40 |  | | - |  | - |
| Other receivables |  |  |  |  | |  |  |  |
| – related parties (Note 5) | 11 |  | 48 |  | | 1,558 |  | 1,747 |
| Value added tax | 54,396 |  | 43,788 |  | | 987 |  | - |
| **Total** | **316,292** |  | **388,487** |  | | **167,087** |  | **260,995** |

During of 2021, the Company cancelled the contract for trading machinery and hire of goods manufacturing of which the Company recorded as assets under construction amount of Baht 21.92 million due to the Company's contractual machinery incurred disasters which resulted the damage to the machines created under the contract. The seller under the contract agrees to refund the money with interest, thus the transaction is transferred as a receivable from debt restructuring as stated in note 11.

|  |  | | |  | | **Unit: Thousand Baht** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | | **Separate**  **financial statements** | | |
|  | **September 30,**  **2021** |  | **December 31,**  **2020** |  | **September 30,**  **2021** | |  | **December 31,**  **2020** |
| **Trade accounts receivable**  **– other parties** |  |  |  |  |  | |  |  |
| Within credit terms | 119,404 |  | 223,933 |  | 99,793 | |  | 205,025 |
| Overdue: |  |  |  |  |  | |  |  |
| Less than 3 months | 42,081 |  | 55,345 |  | 30,924 | |  | 31,913 |
| 3 - 6 months | 8,110 |  | 6,166 |  | 991 | |  | 1,531 |
| 6 - 12 months | 2,853 |  | 3,480 |  | - | |  | 446 |
| Over 12 months | 2,870 |  | 561 |  | 165 | |  | 285 |
|  | 175,318 |  | 289,485 |  | 131,873 | |  | 239,200 |
| **Trade accounts receivable**  **– related parties** |  |  |  |  |  | |  |  |
| Within credit terms | - |  | - |  | 371 | |  | - |
| Overdue: |  |  |  |  |  | |  |  |
| Less than 3 months | - |  | - |  | - | |  | - |
|  | - |  | - |  | 371 | |  | - |
| Less Allowance for expected credit  losses | (3,304) |  | (1,435) |  | (196) | |  | (538) |
| **Total trade receivables-net** | **172,014** |  | **288,050** |  | **132,048** | |  | **238,662** |

1. **Unbilled receivables under construction contracts**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **September 30,**  **2021** |  | **December 31,**  **2020** |  | **September 30,**  **2021** |  | **December 31,**  **2020** |
| Contract assets in relation to |  |  |  |  |  |  |  |
| construction contracts | 74,031 |  | 158,926 |  | 69,045 |  | 149,121 |

1. **Inventories**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **September 30,**  **2021** |  | **December 31,**  **2020** |  | **September 30,**  **2021** |  | **December 31,**  **2020** |
| Finished goods | 251,308 |  | 248,695 |  | 238,642 |  | 238,424 |
| Work in process | 25,749 |  | 26,377 |  | 20,671 |  | 25,156 |
| Goods in transit | 9,667 |  | 830 |  | 2,754 |  | 647 |
| **Total** | **286,724** |  | **275,902** |  | **262,067** |  | **264,227** |
| Less Allowance for devaluation |  |  |  |  |  |  |  |
| of inventories | (168,484) |  | (130,335) |  | (168,040) |  | (129,890) |
| **Total inventories, net** | **118,240** |  | **145,567** |  | **94,027** |  | **134,337** |

1. **Fixed deposits pledged as collateral**

**The Company**

As at September 30, 2021 and December 31, 2020, fixed deposits at financial institutions of the Company amounting to Baht 107.34 million and Baht 109.88 million respectively to use as collateral against the issuance of letters of guarantee for electricity usage and certain services (note 23.1) and to secure credit facilities from financial institutions (note 14).

**Subsidiary**

As at September 30, 2021 and December 31, 2020, fixed deposit at financial institutions of subsidiary amounting to Baht 5.51 million and Baht 15.86 million respectively was pledged as collateral against short-term credit facilities as stated in note 14 and letter of guarantee with a bank as stated in notes 23.1.

As at September 30, 2021 and December 31, 2020, fixed deposit at financial institutions of subsidiary amounting to Baht 1.40 million was pledged as collateral for letter of guarantee with a bank as stated in note 23.1.

As at September 30, 2021 and December 31, 2020, fixed deposit at financial institutions of subsidiary amounting to Baht 35.00 million was pledged as collateral against letter of guarantee with a bank as stated in note 23.1.

1. **Investments in subsidiaries**
   1. **Investment details**

As at September 30, 2021, investments in subsidiaries that have been significantly changed from the financial statements for the year ended December 31, 2020 are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **Unit: Thousand Baht** | |
|  |  |  | **Ownership interest held**  **by the parent (%)** | | **Ownership interest held**  **by the Group (%)** | | **Investment at**  **cost method** | |
| **Name of** | **Country of** | **Nature of** | **September 30,** | **December 31,** | **September 30** | **December 31,** | **September 30** | **December 31,** |
| **subsidiaries** | **incorporate** | **business** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
|  |  |  |  |  |  |  |  |  |
| SR Commercial  Holding Company Limited | Thailand | Investment in  car park service | 100 | 100 | 100 | 100 | 264,375 | 248,000 |
|  | | |  |  |  |  |  |  |
| **Indirect subsidiary** | | |  |  |  |  |  |  |
| Subsidiary of SR Commercial Holding Company Limited | | |  |  |  |  |  |  |
| TKS Venture Company Limited | Thailand | Car park service |  |  |  |  |  |  |
|  |  | and building rental | - | - | 90 | 80 | 103,750 | 80,000 |
| CAPS Company Limited | Thailand | Car park service | - | - | 80 | 72 | 80,000 | 72,200 |

* 1. **Movements of investments**

Movements of investments in subsidiaries for nine-month periods ended September 30, 2021 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | **Unit: Thousand Baht** |
|  |  |  | **Separate**  **financial statements** |
| As at January 1, 2021 |  |  | 548,053 |
| Issued additional ordinary shares - SR Commercial Holding Company Limited | | | 16,375 |
| **As at September 30, 2021** |  |  | **564,428** |

On June 18, 2021, the Extraordinary General Meeting of SR Commercial Holding Co., Ltd. (SCH), passed the resolution to increase its share capital from Baht 293 million to Baht 313.50 million divided into 2,050,000 ordinary shares at par value of Baht 10.00 each. The Company has registered the increase share capital with Department of Business Development, the Ministry of Commerce on July 1, 2021 and called for the paid-up share amount of Baht 2.50 per share for a total amount of Baht 5.12 million each and already received the payment at the same date. The increase share capital was taken to invest in TKS Venture Co., Ltd. (TKS), and CAPS Co., Ltd (CAPS).

On March 9, 2021, the Annual General Meeting of SR Commercial Holding Co., Ltd. (SCH), passed the resolution to increase its share capital from Baht 248 million to Baht 293 million divided into 4,500,000 ordinary shares at par value of Baht 10.00 each. The Company has registered the increase share capital with Department of Business Development, the Ministry of Commerce on March 12, 2021 and called for the paid-up share amount of Baht 2.50 per share for a total amount of Baht 12.50 million each and already received the payment at the same date. The increase share capital was taken to invest in TKS Venture Co., Ltd. (TKS).

On March 9, 2021, the Annual General Meeting of TKS Venture Co., Ltd. (TKS), passed to approve increasing the registered share capital from Baht 100 million to Baht 150 million by issuing 5,000,000 new ordinary shares with a par value of Baht 10 each, paid –up amount of Baht 2.50 per share for a total amount of Baht 12.50 million which was registered with the Ministry of Commerce on March 19, 2021.

1. **Property, plant and equipment**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Unit: Thousand Baht** | |
|  | **Consolidated**  **financial statements** |  | **Separate**  **financial statements** |
| **For the nine-month periods ended September 30, 2021** |  |  |  |
| Beginning book value | 166,510 |  | 106,068 |
| Additions | 261,260 |  | 47,865 |
| Reclassifications from right-of-use assets (Note 12) | 3,940 |  | 3,940 |
| Reclassifications to right-of-use assets (Note 12) | (5,000) |  | - |
| Disposal/write-off assets | (4,090) |  | (4,013) |
| Transfer to receivable from debt restructuring | (21,920) |  | - |
| Transfer to inventories | (18,548) |  | (18,548) |
| Depreciation | (7,167) |  | (5,572) |
| **Ending net book value** | **374,985** |  | **129,740** |

During of 2021, the Company transferred assets under construction amounting to Baht 21.92 million to be a receivable from debt restructuring due to the contracts cancellation of machinery trading and hire of goods manufacturing as stated in note 6.

As at September 30, 2021 and December 31, 2020, the subsidiary used part of land with its construction at net book value of Baht 5.85 million and Baht 6.13 million respectively to mortgage as collaterals with financial institution against overdrafts and long-term borrowings from financial institution as stated in note 14.

1. **Right-of-use assets**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Unit: Thousand Baht** | |
|  | **Consolidated**  **financial statements** |  | **Separate**  **financial statements** |
| **For the nine-month periods ended September 30, 2021** |  |  |  |
| Beginning book value-net | 737,614 |  | 72,722 |
| Additions - at cost | 20,422 |  | 517 |
| Changes in lease | (894) |  | (894) |
| Reclassifications from property, plant and |  |  |  |
| equipment (note 11) | 5,000 |  | - |
| Reclassifications to property, plant and |  |  |  |
| equipment (note 11) | (3,940) |  | (3,940) |
| Depreciation | (46,568) |  | (11,238) |
| **Ending book value-net** | **711,634** |  | **57,167** |

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

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

As at September 30, 2021 and December 31, 2020, right-of-use of land and building of a subsidiary in the amount of Baht 191.05 million and Baht 190.62 million respectively was mortgaged as collaterals against long-term borrowings from financial institution as stated in note 17.

1. **Tax expense**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | |
|  | **Consolidated financial statements** | | | | | | |
| ***Deferred tax*** | As at  January 1,  2021 |  | (Charged) / credited to | | |  | As at  September 30,  2021 |
| Profit  or loss |  | Other comprehensive income |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 171 |  | 374 |  | - |  | 545 |
| Allowance for devaluation of goods | 15,017 |  | 7,630 |  | - |  | 22,647 |
| Provisions for import duty | 12,394 |  | - |  | - |  | 12,394 |
| Provisions for employee benefits | 3,791 |  | 42 |  | - |  | 3,833 |
| Change in value of available-for-sale  investments | 4,720 |  | - |  | (43) |  | 4,677 |
| Taxable loss carries forward | 16,715 |  | 4,342 |  | - |  | 21,057 |
| Depreciation | (1,582) |  | 331 |  | - |  | (1,251) |
| Customers relationships | (7,360) |  | 623 |  | - |  | (6,737) |
| Others | 3,588 |  | (243) |  | - |  | 3,345 |
| **Total** | **47,454** |  | **13,099** |  | **(43)** |  | **60,510** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | |
|  | **Separate financial statements** | | | | | | |
| ***Deferred tax*** | As at  January 1,  2021 |  | (Charged) / credited to | | |  | As at  September 30,  2021 |
| Profit  or loss |  | Other comprehensive income |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 107 |  | (68) |  | - |  | 39 |
| Allowance for devaluation of goods | 14,927 |  | 7,630 |  | - |  | 22,557 |
| Provisions for import duty | 12,394 |  | - |  | - |  | 12,394 |
| Provisions for employee benefits | 2,844 |  | (31) |  | - |  | 2,813 |
| Change in value of available-for-sale  investments | 4,720 |  | - |  | (43) |  | 4,677 |
| Taxable loss carries forward | 16,715 |  | 4,342 |  | - |  | 21,057 |
| Depreciation | (817) |  | 307 |  | - |  | (510) |
| Others | 1,316 |  | (668) |  | - |  | 648 |
| **Total** | **52,206** |  | **11,512** |  | **(43)** |  | **63,675** |

Tax expense for the nine-month periods ended September 30, 2021 and 2020 are summarised as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
| ***Income tax recognised in profit or loss*** | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| **For the nine-month periods ended September 30,** | **2021** |  | **2020** |  | **2021** |  | **2020** |
| **Current tax expense** |  |  |  |  |  |  |  |
| Current for the period | 1,489 |  | 2,363 |  | - |  | - |
| **Deferred tax expense** |  |  |  |  |  |  |  |
| Changes in temporary differences | (13,099) |  | (15,990) |  | (11,512) |  | (11,819) |
| **Total income tax** | **(11,610)** |  | **(13,627)** |  | **(11,512)** |  | **(11,819)** |

1. **Short-term borrowings from financial institutions**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **September 30, 2021** |  | **December 31,**  **2020** |  | **September 30, 2021** |  | **December 31,**  **2020** |
| Promissory notes | 156,743 |  | 242,000 |  | 156,743 |  | 242,000 |
| Trust receipt | 19,225 |  | 71,819 |  | 19,225 |  | 71,819 |
| **Total** | **175,968** |  | **313,819** |  | **175,968** |  | **313,819** |

As at September 30, 2021 and December 31, 2020, short-term borrowings from financial institution represented promissory notes. Promissory notes had maturity within 5 months amount of Baht 157 million and within 4 months amount of Baht 242 million respectively denominated in Thai Baht and secured by the Company’s fixed deposits amounting to Baht 101.64 million as stated in note 9.

As at September 30, 2021 and December 31, 2020, short-term borrowings from financial institution represented trust receipts which was repayable within 3 month amount of 19.23 million and within 4 month amount 71.82 million respectively denominated in Thai Baht and US Dollar. The trust receipts were secured by the Company’s fixed deposits amounting to Baht 99.84 million as stated in note 9.

1. **Trade and other current payables**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | | | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **September 30, 2021** |  | **December 31,**  **2020** |  | **September 30, 2021** |  | **December 31,**  **2020** |
| Trade payables – related parties (note 5) | - |  | - |  | 164 |  | 73 |
| Trade payables – others parties | 94,277 |  | 115,958 |  | 68,706 |  | 94,686 |
| Total trade accounts payable | 94,277 |  | 115,958 |  | 68,870 |  | 94,759 |
| Other current payables |  |  |  |  |  |  |  |
| Accrued expenses | 58,574 |  | 44,276 |  | 24,987 |  | 30,170 |
| Cash received in advance for services | 30,626 |  | 9,205 |  | 11,879 |  | 5,164 |
| Other payables – related parties (note 5) | 1,773 |  | 1,713 |  | 1,773 |  | 1,783 |
| Other payables – other parties | 68,164 |  | 27,229 |  | 1,240 |  | 6,952 |
| Others | - |  | 2,893 |  | - |  | 2,893 |
| Total other current payables | 159,137 |  | 85,316 |  | 39,879 |  | 46,962 |
| **Total trade and other current payables** | **253,414** |  | **201,274** |  | **108,749** |  | **141,721** |

1. **Advance received under construction contracts**

Advance received under construction contracts are contract liabilities in relation to construction contract which had the details as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | | | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **September 30,**  **2021** |  | **December 31,**  **2020** |  | **September 30,**  **2021** |  | **December 31,**  **2020** |
| Contract liabilities in relation to  Construction contracts | 29,302 |  | 44,519 |  | 27,109 |  | 44,519 |

***Revenue recognised in relation to contract liabilities***

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Unit : Thousand Baht** | | |
|  |  | **Consolidated/Separate** | | |
|  |  | **financial statements** | | |
|  |  | **September 30,**  **2021** |  | **September 30,**  **2020** |
| Revenue recognised from balance of contract liabilities |  | 39,742 |  | 126,519 |

1. **Long-term borrowings**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | | |
|  | **September 30,**  **2021** |  | **December 31,**  **2020** |
| Current portion of long-term borrowings from financial institution | 39,603 |  | 13,802 |
| Less Deferred borrowings fee | (140) |  | (140) |
| **Total** | **39,463** |  | **13,662** |
| Long-term borrowings from financial institution | 610,878 |  | 530,898 |
| Less Deferred borrowings fee | (1,866) |  | (998) |
| **Total** | **609,012** |  | **529,900** |
| **Total long-term borrowings from financial institutions** | **648,475** |  | **543,562** |

As at September 30, 2021 and December 31, 2020, long-term borrowings from a financial institution of a subsidiary, “TKS”, amount of Baht 225.15 million and Baht 224.18 million respectively denominated in Thai Baht. The principal and interest are repayable on a monthly basis. The first installment is due in June 2019 and the last installment in 2028. The borrowings carries an interest rate of MLR-1.00% per annum throughout the contract period. The borrowings are guaranteed by the right-of-use of land and building amount of Baht 191.05 million (note 12) and the right-of-use of building presented in the investment property amount of Baht 105.29 million, and other shareholder of TKS.

TKS’s principal repayment of a long-term borrowing 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 September 30, 2021 and December 31, 2020, there was a long-term loan from a financial institution of a subsidiary, “CAPS” amount of Baht 320.59 million and Baht 319.37 million respectively denominated in Thai Baht. The principal and interest are repayable on a monthly basis. The first installment due in September 2021 and due within 2029. The loan bears an interest rate of MLR-2.50% per annum for the 1st -3rd year, MLR-1.75% per annum for the 4th -6th year, and MLR per annum for the 7th -10th year. Later the Group entered into interest rate swap contract to hedge the fluctuation of interest rate at fixed rate of 3.50% from January 31, 2020 to November 30, 2022 and 4.25% from November 30, 2022 to February 28, 2025.

CAPS’s principal repayment of a long-term borrowings 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 ten months from December 2020 to September 2021, and the principal repayment amount will be paid since October 2021 onwards which the repayment period will not be extended.

As at September 30, 2021, there was a long-term loan from a financial institution of a subsidiary, “BUPS” amount of Baht 102.73 million denominated in Thai Baht. The principal and interest are repayable on a monthly basis. The first installment due in January 2023 and due within 2031. The loan bears an interest rate of MLR-2.50% per annum for the 1st -3rd year, moreover, the rate is not less than 3% per year, MLR-1.75% per annum for the 4th -6th year, and MLR per annum for the 7th -10th year.

1. **Lease liabilities**

As at September 30, 2021, lease liabilities are as below:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Unit: Thousand Baht** | |
|  | **Consolidated financial statements** |  | **Separate**  **financial statements** |
| Lease liabilities | 239,138 |  | 69,377 |
| Less: Deferred interest expense | (78,211) |  | (9,194) |
| Total | 160,927 |  | 60,183 |
| Less: Current portion | (15,498) |  | (12,624) |
| Lease liabilities - net of current portion | 145,429 |  | 47,559 |

The minimum lease payments to be paid under the lease were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **September 30,**  **2021** |  | **December 31,**  **2020** |  | **September 30,**  **2021** |  | **December 31, 2020** |
| Within 1 year | 21,928 |  | 22,029 |  | 15,203 |  | 18,196 |
| Over 1 year but within 5 years | 87,624 |  | 83,046 |  | 41,852 |  | 46,346 |
| Over 5 years | 129,586 |  | 121,972 |  | 12,322 |  | 20,393 |
|  | 239,138 |  | 227,047 |  | 69,377 |  | 84,935 |
| Less: Deferred interest expenses | (78,211) |  | (68,882) |  | (9,194) |  | (11,872) |
| Present value of future minimum  lease payments | 160,927 |  | 158,165 |  | 60,183 |  | 73,063 |

The expenses for the nine-month periods ended September 30, 2021, relating to leases are recognized in the following items in profit or loss:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** |  | **Separate**  **financial statements** |
| For the nine-month periods ended September 30, 2021 |  |  |  |
| Interest expense on lease liabilities | 6,185 |  | 2,543 |
| Expense relating to short-term lease | 470 |  | 306 |
| Expense relating to leases of low-value assets | 375 |  | - |
| Expense relating to variable lease payments | 415 |  | 415 |
| Total | **7,445** |  | **3,264** |

1. **Dividend**

**The Company**

On April 23, 2020, the Annual General Meeting of shareholder of the Company passed a resolution to approve the dividend payment to the shareholders from the results of operation as at December 31, 2019 at Baht 0.03 per share, total amount Baht 20.30 million. The dividend was paid on May 22, 2020.

**Subsidiaries**

On April 10, 2020, the Annual General Meeting of shareholder of Techtronic Co., Ltd., approved the dividend payment to the shareholders from the results of operation as at December 31, 2019 at the rate Baht 29.00 per share, total amount Baht 5.80 million. The dividend was paid on May 10, 2020.

On April 24, 2020, Siamrajathanee Joint Venture approved the dividend payment 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 April 30, 2020.

On May 22, 2020, Siamrajathanee Joint Venture approved the dividend payment 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 May 29, 2020.

1. **Supplemental disclosure of cash flows information**

Reconciliation of liabilities arising from financing activities

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
| **Lease liabilities** | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| ***For the nine-month periods ended 30 September*** | **2021** |  | **2020** |  | **2021** |  | **2020** |
| As at January 1 | 158,165 |  | 194,500 |  | 73,063 |  | 83,713 |
| Movements in cash flows | (13,883) |  | (12,618) |  | (12,393) |  | (12,082) |
| **Non-cash changes:** |  |  |  |  |  |  |  |
| Contract cancellation | (17) |  | - |  | (17) |  | - |
| Finance costs | 2,969 |  | 2,108 |  | - |  | 488 |
| Lease modifications and reassessments | (985) |  | (41,106) |  | (988) |  | - |
| Additions | 14,678 |  | 6,267 |  | 518 |  | 6,267 |
| As at September 30 | **160,927** |  | **149,151** |  | **60,183** |  | **78,386** |

1. **Operating segments**

The Group has 5 reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different services and are managed separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

* Segment 1 Industrial pumps
* Segment 2 Natural gas metering and transmission systems
* Segment 3 Alternative energy
* Segment 4 Field of flow measurement business
* Segment 5 Other business - car park service consists of the management of parking building and

commercial property for rental and services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Therefore, the inter-segment price determining is based on the normal course of business.

**Unit: Thousand Baht**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **For the nine-month periods ended September 30, 2021** | | | | | |
|  | **Industrial**  **Pumps** | **Natural gas**  **metering and**  **transmission**  **systems** | **Alternative energy** | **Field of flow**  **measurement**  **business** | **Others business**  **- car park service** | **Total** |
|  |  |  |  |  |  |  |
| Revenues by segment | 159,618 | 213,950 | 109,320 | 137,646 | 36,976 | 657,510 |
|  |  |  |  |  |  |  |
| Profit (Loss) by segment | 55,469 | (4,681) | (37,124) | 31,649 | (19,760) | 25,553 |
| Distribution costs | (27,080) | (932) | (22,459) | (9,697) | (806) | (60,974) |
| Unallocated income (expenses) |  |  |  |  |  |  |
| Other income |  |  |  |  |  | 6,179 |
| Administrative expense |  |  |  |  |  | (65,209) |
| Other gains (losses) |  |  |  |  |  | 9,803 |
| Finance costs |  |  |  |  |  | (18,928) |
| Share of profits from investment in |  |  |  |  |  |  |
| associates and joint venture |  |  |  |  |  | 1,088 |
| Profit (Loss) before income tax expense |  |  |  |  |  | (102,488) |
| Tax expense |  |  |  |  |  | 11,610 |
| Profit (Loss) for the period |  |  |  |  |  | (90,878) |
|  |  |  |  |  |  |  |
| Other comprehensive income (expense) for |  |  |  |  |  |  |
| the period, net of tax |  |  |  |  |  | 170 |
| Total comprehensive income (expense) for  the period |  |  |  |  |  | (90,708) |

**Unit: Thousand Baht**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | |
|  | **For the nine-month periods ended September 30, 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 | 193,023 | 411,952 | 568,796 | 118,531 | 43,543 | 1,335,845 |
|  |  |  |  |  |  |  |
| Profit (Loss) by segment | 62,926 | (103,389) | (27,702) | 30,919 | 18,233 | (19,013) |
| Distribution costs | (29,466) | (1,225) | (14,089) | (10,808) | (1,163) | (56,751) |
| Unallocated income (expenses) |  |  |  |  |  |  |
| Other income |  |  |  |  |  | 3,921 |
| Administrative expense |  |  |  |  |  | (74,744) |
| Other gains (losses) |  |  |  |  |  | 5,203 |
| Finance costs |  |  |  |  |  | (11,916) |
| Share of profits from investment in |  |  |  |  |  |  |
| associates and joint venture |  |  |  |  |  | 1,471 |
| Profit (Loss) before income tax expense |  |  |  |  |  | (151,829) |
| Tax expense |  |  |  |  |  | 13,627 |
| Profit (Loss) for the period |  |  |  |  |  | (138,202) |
|  |  |  |  |  |  |  |
| Other comprehensive income (expense) for |  |  |  |  |  |  |
| the period, net of tax |  |  |  |  |  | (1,089) |
| Total comprehensive income (expense) for  the period |  |  |  |  |  | (139,291) |

Industrial pumps, natural gas metering and transmission systems, alternative energy and filed of liquid flow measure business are recognised when the performance obligations are satisfied at a point in time and over time.

Other business – car park service are recognised when the performance obligations are satisfied at a point in time and over time.

1. **Fair value**

The following table presents financial assets and liabilities that are measured at fair value, excluding its fair value closed to carrying amount.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | | **Unit: Thousand Baht** | |
|  | **Consolidated financial statements** | | | | | |
|  | **Level 1** | | **Level 2** | | **Total** | |
|  | **September 30,**  **2021** | **December 31,**  **2020** | **September 30,**  **2021** | **December 31,**  **2020** | **September 30,**  **2021** | **December 31,**  **2020** |
| **Assets** |  |  |  |  |  |  |
| Investment in debt securities | 1,711 | 66,213 | - | - | 1,711 | 66,213 |
| Investment in equity securities | 2,142 | 1,929 | - | - | 2,142 | 1,929 |
| Derivative financial assets |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | 1,514 | 281 | 1,514 | 281 |
| **Total** | **3,853** | **68,142** | **1,514** | **281** | **5,367** | **68,423** |
| **Liabilities** |  |  |  |  |  |  |
| Derivative financial liabilities |  |  |  |  |  |  |
| Interest rate swap | - | - | 2,481 | 3,908 | 2,481 | 3,908 |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | - | 1,448 | - | 1,448 |
| **Total** | **-** | **-** | **2,481** | **5,356** | **2,481** | **5,356** |
|  |  | |  | | **Unit: Thousand Baht** | |
|  | **Separate financial statements** | | | | | |
|  | **Level 1** | | **Level 2** | | **Total** | |
|  | **September 30,**  **2021** | **December 31,**  **2020** | **September 30,**  **2021** | **December 31,**  **2020** | **September 30,**  **2021** | **December 31,**  **2020** |
| **Assets** |  |  |  |  |  |  |
| Investment in debt securities | 1,575 | 66,213 | - | - | 1,575 | 66,213 |
| Investment in equity securities | 2,142 | 1,929 | - | - | 2,142 | 1,929 |
| Derivative financial assets |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | 1,514 | 269 | 1,514 | 269 |
| **Total** | **3,717** | **68,142** | **1,514** | **269** | **5,231** | **68,411** |
| **Liabilities** |  |  |  |  |  |  |
| Derivative financial liabilities |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | - | 1,376 | - | 1,376 |
| **Total** | **-** | **-** | **-** | **1,376** | **-** | **1,376** |

1. **Commitments with non-related parties**
   1. **Letters of guarantee**

|  |  |  | **Unit: Thousand Baht** |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** |  | **Separate**  **financial statements** |
|  | **September 30, 2021** |  | **September 30, 2021** |
| Letters of guarantee issued by banks for  electricity usage | 1,900 |  | 1,100 |
| Letters of guarantee issued by a bank to secure to  guarantee rental space for building construction  and to manage car park buildings | 43,460 |  | - |
| Letters of guarantee were issued for certain services  and construction contracts | 307,560 |  | 307,560 |
| Letters of guarantee issued by banks to secure  sales of good and rendering of services | 10,250 |  | - |
| **Total** | **363,170** |  | **308,660** |

The Group and the Company have commitments under letters of guarantee issued by local financial institutions which were guaranteed by fixed deposits at financial institutions as stated in note 9.

* 1. **Capital expenditures commitment**

Commitment relating to capital expenditures are obligated as at the statement of financial position date but not recognised in the financial statements as follows:

|  |  |  | **Unit: Thousand Baht** |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** |  | **Separate**  **financial statements** |
|  | **September 30, 2021** |  | **September 30, 2021** |
| Property, plant and equipment | 402,495 |  | 6,300 |
| **Total** | **402,495** |  | **6,300** |

* 1. **Litigation**

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 total approximate 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 disputed to the Appeal Board against such assessment and claims.

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

On October 24, 2019, the Company filed a complaint with the Central Tax Court against the Customs Department and the Appeal Board. On September 28, 2020, the Central Tax Court dismissed this case and ordered the Company to pay Baht 65.89 million. At present, the Company is in the process to appeal this case to the Court of Appeal for Specialised Cases.

1. **Interim financial statements approval**

These interim financial statements were approved and authorized for issue by the Company's Board of directors on November 11, 2021.