**SIAMRAJ PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022**

**(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 March 31, 2022, 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 inancial information have been prepared for the purpose to provide the additional information from the financial statements for the year ended December 31, 2021. 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, 2021.

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

During the period, the Group has adopted a number of revised financial reporting standards, which are effective for the financial statements for the year beginning on or after January 1, 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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, 2023**

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for the financial statements for the year beginning on or after January 1, 2023. 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 management of the Group is currently in process of evaluating the considering the impact of these standards on the financial statements in the year when they are adopted.

* 1. The Coronavirus disease 2019 pandemic is adversely impacting the performance of car parking space for rent and natural gas (NGV) stations for vehicles classified under alternative energy segment. This situation may bring uncertainties and have an environment impact on the group operates. The Group’s management has continuously monitored ongoing situation and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues when the situation is evolved.

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, 2021.

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, 2021.

1. **Related parties transactions**
   1. Balances as at March 31, 2022 and December 31, 2021 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** | |
|  | **March 31,** | **December 31,** | **March 31,** | **December 31,** |
|  | **2022** | **2021** | **2022** | **2021** |
| **Trade and other current receivables** |  |  |  |  |
| **Trade receivables** |  |  |  |  |
| - Subsidiaries | - | - | 225 | 371 |
|  | - | - | 225 | 371 |
| **Other receivables** |  |  |  |  |
| - Subsidiaries | - | - | 1,951 | 1,614 |
| - Joint venture | 16 | 12 | 16 | 12 |
|  | 16 | 12 | 1,967 | 1,626 |
| **Other payables** |  |  |  |  |
| - Company held by major |  |  |  |  |
| shareholder | 1,612 | 1,633 | 1,612 | 1,633 |
|  | 1,612 | 1,633 | 1,612 | 1,633 |

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 three-month periods ended March 31, 2022** |  |  |
| Beginning balance | 200 | 47,500 |
| Additional during the period | 900 | 25,500 |
| Received during the period | - | (46,000) |
| Ending balance | 1,100 | 27,000 |

The Company

As at March 31, 2022, short-term loan to related party in the amount of Baht 1.10 million (December 31, 2021: Baht 0.20 million) represented loan to a joint venture bearing interest at the rate of 3.50% per annum. The loan has no any collatrals and is due at call.

As at March 31, 2022, short-term loans to related parties in the amount of Baht 25.90 million (December 31, 2021: Baht 47.30 million) represented loans to two subsidiaries bearing interest at the rate of 3.50% per annum. The loans have no any collatrals and is due at call.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **(Unit: Thousand Baht)** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **March 31,** | **December 31,** | **March 31,** | **December 31,** |
|  | **2022** | **2021** | **2022** | **2021** |
| **Lease liabilities** |  |  |  |  |
| - Company held by major |  |  |  |  |
| shareholder | 22,095 | 22,484 | 22,095 | 22,484 |

* 1. Significant transactions and amounts in stattements of comprehensive income with related persons or parties for the three-month periods ended March 31, 2022 and 2021 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 three-month periods*** |  |  |  |  |
| ***ended March 31,*** | **2022** | **2021** | **2022** | **2021** |
| **Transactions with subsidiaries** |  |  |  |  |
| Costs of construction project | - | - | 145 | 65 |
| Sales of goods and services | - | - | 2,276 | 2,570 |
| Other income and interest income | - | - | 486 | 211 |
| **Transactions with joint venture** |  |  |  |  |
| Other income and interest income | 22 | 56 | 22 | 56 |
| **Transactions with companies** |  |  |  |  |
| **held by major shareholders** |  |  |  |  |
| Purchases of goods | - | 36 | - | 36 |
| Rental expenses | 857 | 891 | 857 | 891 |
| Service expenses | 1,450 | 1,569 | 1,450 | 1,569 |
| Other income and interest income | - | 1 | - | - |

1. **Directors and key management remunerations**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **(Unit: Thousand Baht)** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| ***For the three-month periods*** |  |  |  |  |
| ***ended March 31,*** | **2022** | **2021** | **2022** | **2021** |
| Salaries and other short-term |  |  |  |  |
| employee benefits | 3,779 | 4,018 | 2,134 | 2,443 |
| Retirement benefits | 202 | 178 | 53 | 56 |
| Total | 3,981 | 4,196 | 2,187 | 2,499 |

1. **Trade and other current receivables**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **(Unit: Thousand Baht)** | | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | | |
|  | **March 31, 2022** |  | **December 31,**  **2021** |  | | **March 31, 2022** |  | **December 31,**  **2021** |
| Trade accounts receivable |  |  |  |  | |  |  |  |
| - other parties | 168,628 |  | 193,768 |  | | 133,316 |  | 142,512 |
| Trade accounts receivable |  |  |  |  | |  |  |  |
| - related parties (note 5) | - |  | - |  | | 225 |  | 371 |
| *Less* Allowance for expected credit |  |  |  |  | |  |  |  |
| losses | (7,069) |  | (6,468) |  | | (521) |  | (176) |
| **Total trade receivables, net** | **161,559** |  | **187,300** |  | | **133,020** |  | **142,707** |
| Accrued income | 5,300 |  | 5,661 |  | | 3,182 |  | 3,082 |
| Prepaid expenses | 52,679 |  | 36,041 |  | | 37,728 |  | 17,063 |
| Receivable from debt restructuring | 19,954 |  | 20,454 |  | | - |  | - |
| Advance payment | 55 |  | - |  | | 50 |  | - |
| Other receivables |  |  |  |  | |  |  |  |
| – related parties (note 5) | 16 |  | 12 |  | | 1,967 |  | 1,626 |
| Value added tax | 97,561 |  | 90,854 |  | | 29,674 |  | 29,321 |
| *Less* Allowance for expected credit |  |  |  |  | |  |  |  |
| losses | (19,954) |  | (20,454) |  | | - |  | - |
| **Total other receivables, net** | **155,611** |  | **132,568** |  | | **72,601** |  | **51,092** |
| **Total** | **317,170** |  | **319,868** |  | | **205,621** |  | **193,799** |

As at December 31, 2021, the Company terminated the contract for machinery and hire of goods manufacturing since the seller company of machinery under the contract, which caused damages to the machinery created as promised. The seller company under contract agreed to refund the money including interest, therefore, this transaction is transferred as a receivable from debt restructuring from assets under construction.

|  |  | | |  | | **(Unit: Thousand Baht)** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | | **Separate**  **financial statements** | | |
|  | **March 31, 2022** |  | **December 31,**  **2021** |  | **March 31, 2022** | |  | **December 31,**  **2021** |
| **Trade accounts receivable** |  |  |  |  |  | |  |  |
| **– other parties** |  |  |  |  |  | |  |  |
| Within credit terms | 122,794 |  | 86,431 |  | 107,162 | |  | 71,804 |
| Overdue: |  |  |  |  |  | |  |  |
| Less than 3 months | 15,954 |  | 94,482 |  | 7,857 | |  | 68,097 |
| 3 - 6 months | 16,637 |  | 4,171 |  | 12,768 | |  | 2,314 |
| 6 - 12 months | 5,076 |  | 5,672 |  | 691 | |  | 162 |
| Over 12 months | 8,167 |  | 3,012 |  | 4,838 | |  | 135 |
|  | **168,628** |  | **193,768** |  | **133,316** | |  | **142,512** |
| **Trade accounts receivable** |  |  |  |  |  | |  |  |
| **– related parties** |  |  |  |  |  | |  |  |
| Within credit terms | - |  | - |  | - | |  | 371 |
| Overdue: |  |  |  |  |  | |  |  |
| Less than 3 months | - |  | - |  | 225 | |  | - |
|  | **-** |  | **-** |  | **225** | |  | **371** |
| *Less* Allowance for expected credit |  |  |  |  |  | |  |  |
| losses | (7,069) |  | (6,468) |  | (521) | |  | (176) |
| **Total trade receivables, net** | **161,559** |  | **187,300** |  | **133,020** | |  | **142,707** |

As at March 31, 2022 a subsidiary’s the rights to claim the payment from account receivables amounting to Baht 3.99 million was used as collateral for long-term borrowings as stated in note 16.

1. **Inventories**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **(Unit: Thousand Baht)** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **March 31, 2022** |  | **December 31,**  **2021** |  | **March 31, 2022** |  | **December 31,**  **2021** |
| Finished goods | 95,610 |  | 117,948 |  | 83,564 |  | 106,656 |
| Work in process | 20,228 |  | 13,711 |  | 16,799 |  | 11,798 |
| Goods in transit | 47,953 |  | 24,302 |  | 39,215 |  | 23,792 |
| Total | 163,791 |  | 155,961 |  | 139,578 |  | 142,246 |
| *Less* Allowance for devaluation |  |  |  |  |  |  |  |
| of inventories | (56,631) |  | (57,222) |  | (56,187) |  | (56,778) |
| **Total inventories, net** | **107,160** |  | **98,739** |  | **83,391** |  | **85,468** |

1. **Non-current assets classified as held for sale**

As at Febuary18, 2022 SR Power Holding Company Limited has signed in Share Sale and Purchase Agreement for sale common stock of C2C Solutions Company Limited and Soltech Solutions Company Limited (Generating electricity from solar power plant) The company held 25.10 % to PSS Amarenco HoldCo 1 PTE.LTD, The agreement will become effective upon the fulfillment of all the terms and conditions as prescribed in the agreement.

The Company's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company reclassified related assets and liabilities of the project as assets and liabilities held-for-sale in the consolidated statement of financial position and measured them at the lower of carrying amount and fair value less costs to sell.

1. **Fixed deposits pledged as collateral**

The Company

As at March 31, 2022 and December 31, 2021, fixed deposits at financial institutions of the Company amounting to Baht 106.93 million and Baht 106.09 million respectively was pledged as collateral against short - term credit facilities and to use as collateral against the issuance of letters of guarantee for electricity usage as stated in notes 13 and 21.1.

Subsidiary

As at March 31, 2022 and December 31, 2021, fixed deposit at financial institutions of subsidiary amounting to Baht 5.66 million and Baht 5.51 million respectively was pledged as collateral against short-term credit facilities and letter of guarantee with a bank as stated in note 13 and 21.1.

As at March 31, 2022 and December 31, 2021, 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 21.1.

As at March 31, 2022 and December 31, 2021, fixed deposit at financial institutions of subsidiary amounting to Baht 9.23 million and Baht 9.18 million respectively was pledged as collateral against letter of guarantee with a bank as stated in note 21.1.

1. **Property, plant and equipment**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **(Unit: Thousand Baht)** | |
|  | **Consolidated**  **financial statements** |  | **Separate**  **financial statements** |
| **For the three-month periods ended March 31, 2022** |  |  |  |
| Beginning book value | 551,841 |  | 135,177 |
| Additions | 78,160 |  | 1,656 |
| Reclassifications from right-of-use assets (note 11) | 592 |  | 592 |
| Disposal and written-off of assets | (1,095) |  | (1,043) |
| Depreciation | (2,875) |  | (2,426) |
| **Ending net book value** | **626,623** |  | **133,956** |

As at March 31, 2022 and December 31, 2021, the subsidiary used part of land with its construction at net book value of Baht 5.80 million and Baht 5.75 million respectively were mortgaged as collateral  
for financial institution against overdrafts and short-term borrowings from financial institution as stated in note 13.

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

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **(Unit: Thousand Baht)** | |
|  | **Consolidated**  **financial statements** |  | **Separate**  **financial statements** |
| **For the three-month periods ended March 31, 2022** |  |  |  |
| Beginning book value | 695,088 |  | 54,471 |
| Reclassifications to property, plant and |  |  |  |
| equipment (note 10) | (592) |  | (592) |
| Depreciation | (14,662) |  | (3,067) |
| **Ending net book value** | **679,834** |  | **50,812** |

As at March 31, 2022 and December 31, 2021, right-of-use assets of land and building of a subsidiary of Baht 230.42 million and Baht 219.54 million respectively were mortgaged as collateral for long-term borrowings from financial institution as stated in note 16.

1. **Tax expense**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit: Thousand Baht)** | | | | | | | | | |
|  | **Consolidated financial statements** | | | | | | | | | |
| ***Deferred tax*** | As at  January 1,  2022 | |  | | (Charged) / credited to | | | |  | As at  March 31,  2022 |
| Profit  or loss | |  | Other comprehensive income |
| ***Deferred tax assets*** |  | |  | |  | |  |  |  |  |
| Allowance for expected credit losses | 5,268 | |  | | 20 | |  | - |  | 5,288 |
| Allowance for devaluation of goods | 11,445 | |  | | (118) | |  | - |  | 11,327 |
| Provisions for employee benefits | 3,532 | |  | | (440) | |  | - |  | 3,092 |
| Change in value of available-for-sale |  | |  | |  | |  |  |  |  |
| investments | 4,737 | |  | | - | |  | 41 |  | 4,778 |
| Taxable loss carries forward | 43,797 | |  | | 1,053 | |  | - |  | 44,850 |
| Depreciation | (1,141) | |  | | 110 | |  | - |  | (1,031) |
| Customers relationships | (6,527) | |  | | 205 | |  | - |  | (6,322) |
| Others | 5,706 | |  | | (3,949) | |  | - |  | 1,757 |
| **Total** | **66,817** | |  | | **(3,119)** | |  | **41** |  | **63,739** |
|  | | **(Unit: Thousand Baht)** | | | | | | | | |
|  | | **Separate financial statements** | | | | | | | | |
| ***Deferred tax*** | | As at  January 1,  2022 | |  | | (Charged) / credited to | | |  | As at  March 31,  2022 |
| Profit  or loss |  | Other comprehensive income |
| ***Deferred tax assets*** | |  | |  | |  |  |  |  |  |
| Allowance for expected credit loss | | 34 | |  | | 69 |  | - |  | 103 |
| Allowance for devaluation of goods | | 11,355 | |  | | (118) |  | - |  | 11,237 |
| Provisions for employee benefits | | 2,384 | |  | | (475) |  | - |  | 1,909 |
| Change in value of available-for-sale  investments | | 4,737 | |  | | - |  | 41 |  | 4,778 |
| Taxable loss carries forward | | 30,125 | |  | | 725 |  | - |  | 30,850 |
| Depreciation | | (408) | |  | | 102 |  | - |  | (306) |
| Others | | 4,587 | |  | | (1,192) |  | - |  | 3,395 |
| **Total** | | **52,814** | |  | | **(889)** |  | **41** |  | **51,966** |

Tax expense for the three-month periods ended March 31, 2022 and 2021 are summarized as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **(Unit: Thousand Baht)** | | |
| ***Income tax recognised in profit or loss*** | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| **For the three-month periods ended March 31,** | **2022** |  | **2021** |  | **2022** |  | **2021** |
| **Current tax expense** |  |  |  |  |  |  |  |
| Current for the period | 724 |  | 497 |  | - |  | - |
| **Deferred tax expense** |  |  |  |  |  |  |  |
| Changes in temporary differences | 3,119 |  | (2,198) |  | 889 |  | (1,885) |
| **Total income tax** | **3,843** |  | **(1,701)** |  | **889** |  | **(1,885)** |

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **(Unit: Thousand Baht)** | | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | | |
|  | **March 31,**  **2022** |  | **December 31,**  **2021** |  | **March 31,**  **2022** |  | **December 31,**  **2021** |
| Promissory notes | 95,000 |  | 140,800 |  | 95,000 |  | 140,800 |
| Trust receipt | 6,987 |  | 9,664 |  | 6,987 |  | 9,664 |
| **Total** | **101,987** |  | **150,464** |  | **101,987** |  | **150,464** |

As at March 31, 2022 and December 31, 2021, short-term borrowings from financial institution represented promissory notes. Promissory notes had maturity within 6 months amount of Baht 95 million and within 5 months amount of Baht 140.80 million respectively and secured by the Company’s fixed deposits amounting to Baht 101.64 million as stated in note 9.

As at March 31, 2022 and December 31, 2021, short-term borrowings from financial institution represented trust receipts which was repayable within 3 month amount of Baht 6.99 million and within 4 month amount of Baht 9.66 million respectively denominated in Euro. 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** | | |
|  | **March 31,**  **2022** |  | **December 31,**  **2021** |  | **March 31,**  **2022** |  | **December 31,**  **2021** |
| Trade payables - others | 112,782 |  | 134,664 |  | 95,749 |  | 118,196 |
| Accrued expenses | 86,397 |  | 66,359 |  | 36,093 |  | 19,902 |
| Cash received in advance for services | 25,709 |  | 23,623 |  | 16,689 |  | 16,297 |
| Other payables – other parties | 42,853 |  | 89,775 |  | 1,220 |  | 2,487 |
| Other payables – related parties (note 5) | 1,612 |  | 1,633 |  | 1,612 |  | 1,633 |
| Others | - |  | 2,163 |  | - |  | 2,163 |
| **Total trade and other current payables** | **269,353** |  | **318,217** |  | **151,363** |  | **160,678** |

1. **Contract liabilities**

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** | | |
|  | **March 31,**  **2022** |  | **December 31,**  **2021** |  | **March 31,**  **2022** |  | **December 31,**  **2021** |
| Contract liabilities in relation to construction |  |  |  |  |  |  |  |
| contracts | 58,076 |  | 20,030 |  | 57,563 |  | 19,080 |

***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**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **March 31,**  **2022** |  | **March 31,**  **2021** |  | **March 31,**  **2022** |  | **March 31,**  **2021** |
| Revenue recognised from balance of contract |  |  |  |  |  |  |  |
| liabilities | 15,773 |  | 32,528 |  | 15,335 |  | 32,528 |

1. **LONG-TERM BORROWINGS**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit : Thousand Baht)** | | | | | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **March 31,**  **2022** |  | **December 31,**  **2021** |  | **March 31,**  **2022** |  | **December 31,**  **2021** |
| Current portion of long-term borrowings |  |  |  |  |  |  |  |
| from financial institution | 46,400 |  | 51,772 |  | 11,568 |  | 8,539 |
| *Less* Deferred upfront fee | (297) |  | (240) |  | - |  | - |
| **Total** | **46,103** |  | **51,532** |  | **11,568** |  | **8,539** |
| Long-term borrowings from financial |  |  |  |  |  |  |  |
| institution | 846,681 |  | 693,962 |  | 24,432 |  | 27,461 |
| *Less* Deferred upfront fee | (2,109) |  | (1,706) |  | - |  | - |
| **Total** | **844,572** |  | **692,256** |  | **24,432** |  | **27,461** |
| **Total long-term borrowings from** |  |  |  |  |  |  |  |
| **financial institutions** | **890, 675** |  | **743,788** |  | **36,000** |  | **36,000** |

As at March 31, 2022 and December 31, 2021, there was long-term borrowings from a financial institution, amount of Baht 36 million denominated in Thai Baht. The principal and interest are repayable on a monthly basis. The first installment due in April 2022 pay in 54 periods, The loan bears an interest rate of 2% per annum for the 1st – 2nd year after that, the interest rate is fixed at 7% per annum throughout the contract period. Were guaranteed by Thai Credit Guarantee Corporation.

As at March 31, 2022 and December 31, 2021, long-term borrowings from a financial institution of a subsidiary, “TKS”, amount of Baht 346.06 million and Baht 221.68 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 presented in the right-of-use assets (note 11), the right-of-use of building presented in the investment property amount of Baht 103.33 million, and other shareholder of TKS which is an indirect subsidiary and the rights to payment from account receivables as stated in note 6.

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 March 31, 2022 and December 31, 2021, there was a long-term loan from a financial institution of a subsidiary, “CAPS” amount of Baht 316.68 million and Baht 314.85 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. were guaranteed by the company.

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 twenty two months from December 2020 to September 2022, and the principal repayment amount will be paid since October 2022 onwards which the repayment period will not be extended.

As at March 31, 2022 and December 31, 2021, there was a long-term loan from a financial institution of a subsidiary, “BUPS” amount of Baht 191.94 million and Baht 171.25 million respectively 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. The borrowings are guaranteed by the right-of-use of land and building and the right-of-use of building presented in the right-of-use assets (note 11) and other shareholder of BUPS which is an indirect subsidiary including guaranteed by the Company.

1. **Lease liabilities**

As at March 31, 2022, lease liabilities are as below:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **(Unit: Thousand Baht)** | |
|  | **Consolidated financial statements** |  | **Separate**  **financial statements** |
| Lease liabilities | 229,318 |  | 61,748 |
| *Less* Deferred interest expense | (76,640) |  | (8,028) |
| Total | 152,678 |  | 53,720 |
| *Less* Current portion | (13,321) |  | (11,477) |
| Lease liabilities - net of current portion | 139,357 |  | 42,243 |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **(Unit: Thousand Baht)** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **March 31,**  **2022** |  | **December 31,**  **2021** |  | **March 31,**  **2022** |  | **December 31, 2021** |
| Within 1 year | 18,335 |  | 19,584 |  | 13,804 |  | 14,900 |
| Over 1 year but within 5 years | 89,883 |  | 78,185 |  | 41,085 |  | 38,130 |
| Over 5 years | 121,100 |  | 135,677 |  | 6,859 |  | 12,166 |
|  | 229,318 |  | 233,446 |  | 61,748 |  | 65,196 |
| *Less* Deferred interest expenses | (76,640) |  | (78,632) |  | (8,028) |  | (8,704) |
| Present value of future minimum |  |  |  |  |  |  |  |
| lease payments | 152,678 |  | 154,814 |  | 53,720 |  | 56,492 |

The expenses for the three-month periods ended March 31, 2022, relating to leases are recognized in the following items in profit or loss:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **(Unit: Thousand Baht)** | | |
|  | **Consolidated**  **financial statements** |  | **Separate**  **financial statements** |
| For the three-month periods ended March 31, 2022 |  |  |  |
| Interest expense on lease liabilities | 1,993 |  | 676 |
| Expense relating to short-term lease | 20 |  | - |
| Expense relating to leases of low-value assets | 94 |  | - |
| Expense relating to variable lease payments | 133 |  | 133 |
| Total | 2,240 |  | 809 |
|  |  |  |  | |

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 three-month periods ended March 31,* | **2022** |  | **2021** |  | **2022** |  | **2021** |
| As at January 1 | 154,814 |  | 158,165 |  | 56,492 |  | 73,063 |
| Movements in cash flows | (3,821) |  | (7,351) |  | (2,697) |  | (6,772) |
| Non-cash changes: |  |  |  |  |  |  |  |
| Contract cancellation | - |  | (17) |  | - |  | (17) |
| Finance costs | 1,760 |  | 891 |  | - |  | - |
| Rental discount | (75) |  | - |  | (75) |  | - |
| Additions | - |  | 864 |  | - |  | - |
| As at March 31 | 152,678 |  | 152,552 |  | 53,720 |  | 66,274 |

1. **Operating segments**

The Group has 5 reportable segments, as described below, which are the Group’s strategic divisions. It is considered from the performance of The Group by product and service group. 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 as follows:

* 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 price determining between segments is based on the normal course of business.

**(Unit: Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Consolidated financial statements** | | | | | |
|  | | **For the three-month periods ended March 31, 2022** | | | | | |
|  | | **Industrial**  **Pumps** | | **Natural gas**  **metering and**  **transmission**  **systems** | **Alternative energy** | **Field of flow**  **measurement**  **business** | **Others business**  **- car park service** | **Total** |
|  | |  | |  |  |  |  |  |
| Revenues by segment | | 60,249 | | 124,132 | 13,193 | 30,409 | 17,799 | 245,782 |
|  | |  | |  |  |  |  |  |
| Profit (Loss) by segment | | 19,212 | | 6,331 | (21) | 11,410 | (1,995) | 34,937 |
| Distribution costs | | (8,392) | | (390) | (4,866) | (4,310) | (33) | (17,991) |
| Unallocated income (expenses) | |  | |  |  |  |  |  |
| Other income | |  | |  |  |  |  | 1,815 |
| Administrative expense | |  | |  |  |  |  | (21,041) |
| Other gains (losses) | |  | |  |  |  |  | 1,030 |
| Finance costs | |  | |  |  |  |  | (1,060) |
| Share of profits from investment in | |  | |  |  |  |  |  |
| associates and joint venture | |  | |  |  |  |  | (57) |
| Profit (Loss) before income tax expense | |  | |  |  |  |  | (2,367) |
| Tax expense | |  | |  |  |  |  | (3,843) |
| Profit (Loss) for the period | |  | |  |  |  |  | (6,210) |
|  | |  | |  |  |  |  |  |
| Other comprehensive income (expense) for | |  | |  |  |  |  |  |
| the period, net of tax | |  | |  |  |  |  | (165) |
| Total comprehensive income (expense) for | |  | |  |  |  |  |  |
| the period | |  | |  |  |  |  | (6,375) |

**(Unit: Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Consolidated financial statements** | | | | | |
|  | | **For the three-month periods ended March 31, 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 | | 62,440 | | 68,734 | 43,737 | 35,154 | 15,638 | 225,703 |
|  | |  | |  |  |  |  |  |
| Profit (Loss) by segment | | 20,711 | | (2,164) | 1,088 | 8,920 | (3,866) | 24,689 |
| Distribution costs | | (7,988) | | (307) | (9,972) | (3,484) | (282) | (22,033) |
| Unallocated income (expenses) | |  | |  |  |  |  |  |
| Other income | |  | |  |  |  |  | 1,836 |
| Administrative expense | |  | |  |  |  |  | (22,860) |
| Other gains (losses) | |  | |  |  |  |  | 883 |
| Finance costs | |  | |  |  |  |  | (7,755) |
| Share of profits from investment in | |  | |  |  |  |  |  |
| associates and joint venture | |  | |  |  |  |  | 209 |
| Profit (Loss) before income tax expense | |  | |  |  |  |  | (25,031) |
| Tax expense | |  | |  |  |  |  | 1,701 |
| Profit (Loss) for the period | |  | |  |  |  |  | (23,330) |
|  | |  | |  |  |  |  |  |
| Other comprehensive income (expense) for | |  | |  |  |  |  |  |
| the period, net of tax | |  | |  |  |  |  | 68 |
| Total comprehensive income (expense) for | |  | |  |  |  |  |  |
| the period | |  | |  |  |  |  | (23,262) |
|  | |  | |  |  |  |  |  |

Industrial pumps, natual gas metering and transmission systems, alternative energy and filed of flow measurement 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.

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** | |
|  | **March 31,**  **2022** | **December 31,**  **2021** | **March 31,**  **2022** | **December 31,**  **2021** | **March 31,**  **2022** | **December 31,**  **2021** |
| **Assets** |  |  |  |  |  |  |
| Investment in debt securities | 86 | 73 | - | - | 86 | 73 |
| Investment in equity securities | 1,638 | 1,845 | - | - | 1,638 | 1,845 |
| Derivative financial assets |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | 528 | 197 | 528 | 197 |
| **Total** | **1,724** | **1,918** | **528** | **197** | **2,252** | **2,115** |
| **Liabilities** |  |  |  |  |  |  |
| Derivative financial liabilities |  |  |  |  |  |  |
| Interest rate swap | - | - | 795 | 1,873 | 795 | 1,873 |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | 630 | 1,205 | 630 | 1,205 |
| **Total** | **-** | **-** | **1,425** | **3,078** | **1,425** | **3,078** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | | **(Unit: Thousand Baht)** | |
|  | **Separate financial statements** | | | | | |
|  | **Level 1** | | **Level 2** | | **Total** | |
|  | **March 31,**  **2022** | **December 31,**  **2021** | **March 31,**  **2022** | **December 31,**  **2021** | **March 31,**  **2022** | **December 31,**  **2021** |
| **Assets** |  |  |  |  |  |  |
| Investment in debt securities | 81 | 68 | - | - | 81 | 68 |
| Investment in equity securities | 1,638 | 1,845 | - | - | 1,638 | 1,845 |
| Derivative financial assets |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | 341 | 197 | 341 | 197 |
| **Total** | **1,719** | **1,913** | **341** | **197** | **2,060** | **2,110** |
| **Liabilities** |  |  |  |  |  |  |
| Derivative financial liabilities |  |  |  |  |  |  |
| Foreign currency forward |  |  |  |  |  |  |
| contracts | - | - | 630 | 1,205 | 630 | 1,205 |
| **Total** | **-** | **-** | **630** | **1,205** | **630** | **1,205** |

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

|  | **(Unit: Thousand Baht)** | | |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** |  | **Separate**  **financial statements** |
|  | **March 31,**  **2022** |  | **March 31,**  **2022** |
| Letters of guarantee issued by banks for |  |  |  |
| electricity usage | 2,300 |  | 1,100 |
| Letters of guarantee issued by a bank to secure to |  |  |  |
| guarantee rental space for building construction |  |  |  |
| and to manage car park buildings | 43,140 |  | - |
| Letters of guarantee were issued for certain services |  |  |  |
| and construction contracts | 421,330 |  | 421,330 |
| Letters of guarantee issued by banks to secure |  |  |  |
| sales of good and rendering of services | 12,410 |  | - |

The Group/Company has commiments 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 as liabilities as follows:

|  | **(Unit: Thousand Baht)** | | |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** |  | **Separate**  **financial statements** |
|  | **March 31,**  **2022** |  | **March 31,**  **2022** |
| Property, plant and equipment | 135,434 |  | 1,073 |

* 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 Borad 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 Compan is in the process to appeal this case to the Court of Appeal for Specialised Cases.

On November 1, 2021, the Court of Appeal for Specialized Cases, Tax Case Division, read the verdict dated August 11, 2021 by ordering the 1st defendant (Customs Department) to charge additional import taxes from the plaintiff not exceeding the import duties payable or additional payable unless the amendment in accordance with the decision of the Central Tax Court. On December 17, 2021, the Company filed the appeal to the Supreme Court, and the case is still pending the Supreme Court’s trial. The outcome of case have not been known.

On January 11, 2022, the 1st defendant (Customs Department) filed the requesting a permission to the Supreme Court including objected the decision of the Appeal Court of Specialized Cases in accordance with the Dika appeal dated December 27, 2021, with the appeal for legal issues regarding the import tax and duties surcharge was carried out during the Customs Act B.E. 2466 and is still effective, with the surcharge at the rate of 1% per month or a fraction of the month from the principal import tax due to the shortage payment of all 42 import declaration, calculated from the date of discharge until payment is completed. There is no limit that not exceed than import duties.

On April 24, 2022, the Company has filed an objection against the 1st defendant's dika appeal (Customs Department).

1. **Events after the reporting period**

According to the minutes of the Annual General Meeting of shareholders for the year 2022 of Techtronic Co., Ltd., held on April 1, 2022, passed the resolution to approve the dividend payment to the shareholders from the results of operation for the year ended December 31, 2021 at Baht 60 per share, total amount of Baht 12 million. The dividend payment is made on April 28, 2022

1. **Interim financial statements approval**

These interim financial statements were approved and authorized for issue by the Company's Board of directors on May 12, 2022.