**SIAMRAJ PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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 December 31 2022 and 2021, Mr. Kiat Vimolchalao has shareholding at

31.95% of the issued and paid-up share capital.

1. **Basis of preparation of the financial statements**
2. **Basis of adoption**

These financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Thailand Federation of Accounting Professions (TFAC) and the regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017 regarding the preparation and submission of financial statements and reports for the financial performance of the listed companies B.E. 2560. The format of presentation of financial statements is not significant different from the Notification of the Department of Business Development regarding the condensed from should be included in the financial statements (No.3) B.E. 2562 dated December 26, 2019.

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 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.

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

During the year, the Group has adopted a number of revised financial reporting standards, which are effective for the financial statements for the fiscal period 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 and the Company’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.

The management of the Group is currently in process of evaluating the plan to be executed and considering the impact of these standards on the financial statements in the year when they are adopted.

1. **Use of management’s judgement**

The preparation of financial statements in conformity with Thai Financial Reporting Standards (“TFRSs”) also requires the Company and subsidiaries’ management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the year. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

**Allowance for expected credit losses of trade receivables and contract assets**

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group’s historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

**Estimates of cost of services**

The Group estimates the cost of construction for each project based on the details of the construction and calculates the amount and construction material value required in the project, including labor, overheads in all services work to be completed together with considering the changes in construction materials prices, wages and other related expenses. Management has estimated the cost based on the historical experience in business operation and the estimates are regularly reviewed or when actual cost is significantly differed from the estimates.

**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 assets 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. 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.

1. **Significant Accounting policies**
   1. **Principles of consolidation accounting**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”), and the Group’s interests in an associate and joint ventures.

1. **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, Direct cost about purchase investment recognized as part of initial cost of investment.

1. **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.

1. **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.

1. **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.

1. **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.

1. **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. **Revenue and expense recognition**

Revenue includes 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.

Revenues 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 are 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.

**Increamental 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.

**Interest income**

Interest income is recognised as income on an accrual basis by reference to the effective interest rate.

**Dividend income**

Dividend income is recognised as income when Group’s right to receive payment have been established.

**Other income and other expenses**

The Group recognises other income and other expense on the eligibility and liability basis.

* 1. **Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows consist of cash in hand and at banks, and all highly liquid investments which an original maturity is three months or less and not subject to withdrawal restrictions.

* 1. **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 3.7 (f).

* 1. **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.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

An allowance for obsolete are decline in value are made for all deteriorated, changed, obsolete and slow-moving inventories.

* 1. **Non – Current assets classified as held for sale**

The Company classifies as non-current assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

* 1. **Financial assets**

1. **Classification**

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.

1. **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.

1. **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).

1. **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 are 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.

1. **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 FVOCI, 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.

1. **Impairment**

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.

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.

* 1. **Investment property**

Investment properties include properties that are held as right-of-use assets, as well as properties that are owned by the Group are held for long-term rental yields are not occupied.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised 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. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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 | Per the lease term |

* 1. **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 |
| 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.

* 1. **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.

* 1. **Intangible assets**

**Computer software**

Assets with finite useful lives are subsequently measured at cost less accumulated amortisation and allowance for accumulated impairment losses. Amortisation is calculated on 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.

* 1. **Impairment of assets**

The carrying amounts of the Group’s assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets’ recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss.

**Calculation of recoverable amount**

The recoverable amount of a non-financial asset is the greater of the assets’ value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**Reversals of impairment**

An impairment loss in respect of goodwill is not reversed.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at the end of the reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

* 1. **Lease**

**Right of use - Building leasehold**

The Group 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 agreement from contract.

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 Right of Use Asset at cost. The amortisation is performed using the straight-line method over the useful life of 12 years 4 Months - 30 years according to the lease term.

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.

**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.

**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.

* 1. **Financial liabilities**

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.

1. **Measurement**

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

1. **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.

* 1. **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.

* 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.

* 1. **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.

* 1. **Provisions**

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

* 1. **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.

* 1. **Measurement of fair values**

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group use market observable date as fair as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

* Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
* Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., observable prices).
* Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

1. **Related parties transactions**

Relationships with subsidiaries associate and joint ventures are described in notes 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

| **Name of entities** | **Country of incorporation** | **Nature of relationship** |
| --- | --- | --- |
| VIMOLCHALAO CO., LTD. | Thailand | A common shareholders and director with the Company |
| SIAM RAJATHANEE AUTOMATION CO., LTD. | Thailand | A common shareholders and director with the Company |
| K VENTURE CO., LTD. | Thailand | A common shareholders and director with the Company |

The pricing policies for particular types of transactions are explained further below:

|  |  |
| --- | --- |
| **Transactions** | **Pricing policies** |
| Purchases of goods | Prices compatible to those charged to third parties |
| Costs of construction project | Prices compatible to those charged to third parties |
| Sales of goods income | Mutually agreed price |
| Services income | Mutually agreed price |
| Office rental expense | Contractually agreed price |
| Dividend income | As declaration |
| Interest income | Contractually agreed price |
| Interest expense | Contractually agreed price |
| Other income | Mutually agreed price |

* 1. **Balances as at December 31, 2022 and 2021 with related person and parties were as follows:**
     1. **Outstanding balances arising from sales and purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2022** | **2021** | **2022** | **2021** |
| **Trade and other current receivables** |  |  |  |  |
| **Trade receivables** |  |  |  |  |
| - Subsidiaries | - | - | 27 | 371 |
|  | - | - | 27 | 371 |
| **Other receivables** |  |  |  |  |
| - Subsidiaries | **-** | - | 1,627 | 1,614 |
| - Joint venture | 18 | 12 | 18 | 12 |
|  | 18 | 12 | 1,645 | 1,626 |
| **Trade and other payables** |  |  |  |  |
| **Other payables** |  |  |  |  |
| - Company held by major shareholder | 1,448 | 1,633 | 1,448 | 1,633 |
|  | 1,448 | 1,633 | 1,448 | 1,633 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2022** | **2021** | **2022** | **2021** |
| **Lease liabilities** |  |  |  |  |
| - Company held by major shareholder | 16,071 | 22,484 | 16,071 | 22,484 |
|  |  |  |  |  |

* + 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** | |
|  | **2022** | **2021** | **2022** | **2021** |
| Beginning balance | 200 | 10,600 | 47,500 | 33,660 |
| Additional during the period | 1,000 | 600 | 36,200 | 76,800 |
| Received during the period | - | (11,000) | (49,400) | (62,960) |
| **Ending balance** | **1,200** | **200** | **34,300** | **47,500** |

The Company

As at December 31 2022 and 2021, short-term loan to related party in the amount of Baht 1.20 million and 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 collaterals and is due at call.

As at December 31 2022 and 2021, short-term loans to related parties in the amount of Baht 33.10 million and Baht 47.30 million represented loans to two subsidiaries bearing interest at the rate of 3.50% per annum. The loans have no any collaterals and is due at call.

* 1. **Significant transactions with related persons or parties for the years ended December 31 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 years ended December 31,*** | **2022** | **2021** | **2022** | **2021** |
| **Transactions with subsidiaries** |  |  |  |  |
| Purchases of goods | - | - | - | 153 |
| Costs of construction project | - | - | 145 | 65 |
| Sales of goods and services | - | - | 1,291 | 2,152 |
| Dividend income | - | - | 12,000 | - |
| Other income and interest income | - | - | 9,358 | 7,648 |
|  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| ***For the years ended December 31,*** | **2022** | **2021** | **2022** | **2021** |
| **Transactions with joint venture** |  |  |  |  |
| Other income and interest income | 96 | 141 | 96 | 141 |
| **Transactions with companies** |  |  |  |  |
| **held by major shareholders** |  |  |  |  |
| Purchases of goods | 19 | 114 | 19 | 114 |
| Rental expenses | 3,335 | 3,533 | 3,335 | 3,533 |
| Service expenses | 5,655 | 6,279 | 5,655 | 6,279 |

* + 1. **Directors and key management remunerations**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
| ***For the years ended December 31,*** | **2022** | **2021** | **2022** | **2021** |
| Salaries and other short-term |  |  |  |  |
| employee benefits | 16,700 | 15,735 | 10,121 | 9,444 |
| Retirement benefits | 796 | 711 | 199 | 224 |
| **Total** | **17,496** | **16,446** | **10,320** | **9,668** |

1. **Cash and cash equivalents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **2022** | **2021** | **2022** | **2021** |
| Cash on hand | 564 | 401 | 388 | 337 |
| Saving and current accounts | 112,268 | 107,195 | 23,877 | 48,202 |
| Cheque in transit | - | 587 | - | 587 |
| Time deposits with maturity |  |  |  |  |
| not more than 3 months | - | 82 | - | - |
| **Total** | **112,832** | **108,265** | **24,265** | **49,126** |

1. **Trade and other current receivables**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Trade accounts receivable – other parties | 176,448 |  | 193,768 |  | 141,255 |  | 142,512 |
| Trade accounts receivable – related parties |  |  |  |  |  |  |  |
| (Note 4) | - |  | - |  | 27 |  | 371 |
| LessAllowance for expected credit losses | (5,571) |  | (6,468) |  | (693) |  | (176) |
| **Total trade receivables, net** | **170,877** |  | **187,300** |  | **140,589** |  | **142,707** |
| Accrued income | 10,678 |  | 5,661 |  | 7,838 |  | 3,082 |
| Prepaid expenses | 15,260 |  | 28,208 |  | 12,064 |  | 9,230 |
| Value added tax | 93,463 |  | 90,854 |  | 16,315 |  | 29,321 |
| Receivable from debt restructuring | 15,454 |  | 20,454 |  | - |  | - |
| Other receivables – other parties | 27,084 |  | 7,833 |  | 27,083 |  | 7,833 |
| Other receivables – related parties |  |  |  |  |  |  |  |
| (Note 4) | 18 |  | 12 |  | 1,645 |  | 1,626 |
| LessAllowance for expected credit losses | (15,454) |  | (20,454) |  | - |  | - |
| **Total other current receivables, net** | **146,503** |  | **132,568** |  | **64,945** |  | **51,092** |
| **Total** | **317,380** |  | **319,868** |  | **205,534** |  | **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 as stated in note 13.

As at December 31, 2022, a subsidiary used the right to claim on receiving the debt settlement amount of Baht 3.79 million to guarantee against long-term borrowings as stated in note 19

As at December 31, 2022 and 2021, trade receivables, included in trade and other current receivables in statements of financial position, can analyse aging as follows:

|  |  | | |  | **Unit: Thousand Baht** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| **Trade accounts receivable – other parties** |  |  |  |  |  |  |  |
| Within credit terms | 120,998 |  | 86,431 |  | 114,542 |  | 71,804 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 31,567 |  | 94,482 |  | 23,305 |  | 68,097 |
| 3 - 6 months | 18,419 |  | 4,171 |  | 2,810 |  | 2,314 |
| 6 - 12 months | 187 |  | 5,672 | 4 | 93 |  | 162 |
| Over 12 months | 5,277 |  | 3,012 |  | 505 |  | 135 |
|  | **176,448** |  | **193,768** |  | **141,255** |  | **142,512** |
| **Trade accounts receivable – related parties** | |  |  |  |  |  |  |
| Within credit terms | - |  | - |  | 27 |  | 371 |
|  | **-** |  | **-** |  | **27** |  | **371** |
| LessAllowance for expected credit losses | (5,571) |  | (6,468) |  | (693) |  | (176) |
| **Total trade receivables, net** | **170,877** |  | **187,300** |  | **140,589** |  | **142,707** |

1. **Contract assets and contract liabilities**
   1. **Contract balances**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| **Contract assets** |  |  |  |  |  |  |  |
| Contract value | 1,258,610 |  | 1,430,524 |  | 1,207,610 |  | 1,373,504 |
| Realised income under percentage of completion | 939,839 |  | 1,354,864 |  | 888,839 |  | 1,298,040 |
| Less Billed construction value | (630,095) |  | (1,293,472) |  | (580,625) |  | (1,239,773) |
| **Contract assets, net** | **309,744** |  | **61,392** |  | **308,214** |  | **58,267** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| **Retention receivables under contract** |  |  |  |  |  |  |  |
| Retention receivables | 6,105 |  | 6,970 |  | 5,880 |  | 6,741 |
| Less Current portion of retention receivables | (4,226) |  | (2,171) |  | (4,226) |  | (2,171) |
| **Retention receivables - net** | **1,879** |  | **4,799** |  | **1,654** |  | **4,570** |
|  |  |  |  |  |  |  |  |
| **Contract liabilities**  Contract value | 1,402,236 |  | 642,784 |  | 1,402,236 |  | 632,364 |
| Billed service contracts income | 1,393,086 |  | 489,781 |  | 1,393,086 |  | 479,883 |
| Less Billed service contracts value | (1,365,500) |  | (469,751) |  | (1,365,500) |  | (460,803) |
| Unbilled income | 27,586 |  | 20,030 |  | 27,586 |  | 19,080 |
| Add Unearned service contracts income | - |  | - |  | - |  | - |
| **Total contract liabilities** | **27,586** |  | **20,030** |  | **27,586** |  | **19,080** |
|  |  |  |  |  |  |  |  |

Outstanding balances of accrued income which are classified by aging as at December 31, 2022 and 2021, are summarised as follows:

|  |  | | |  | **Unit: Thousand Baht** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Within credit terms | 309,744 |  | 61,392 |  | 308,214 |  | 58,267 |
| **Contract assets, net** | **309,744** |  | **61,392** |  | **308,214** |  | **58,267** |

**Revenue recognised in relation to contract**

Revenue recognised in relation to contract balances as at December 31, are as follows;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Revenue recognised that included in service income |  |  |  |  |  |  |  |
| received in advance at the beginning of the year | 15,015 |  | 41,055 |  | 15,015 |  | 41,055 |
| Revenue recognised from changes in variable |  |  |  |  |  |  |  |
| considerations of performance obligations satisfied in |  |  |  |  |  |  |  |
| previous years | - |  | - |  | - |  | - |

* 1. **Revenue to be recognised for the unsatisfied performance obligations**

As at December 31, 2022 and 2021 revenue aggregating to Baht 355.51 million and Baht 248.69 million respectively is expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers. The Group expects to satisfy the performance obligations within 3 years.

1. **Inventories**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Finished goods | 44,491 |  | 117,948 |  | 29,546 |  | 106,656 |
| Work in process | 9,863 |  | 13,711 |  | 6,509 |  | 11,798 |
| Goods in transit | 2,858 |  | 24,302 |  | 2,641 |  | 23,792 |
| **Total** | **57,212** |  | **155,961** |  | **38,696** |  | **142,246** |
| Less Allowance for devaluation |  |  |  |  |  |  |  |
| of inventories | (5,616) |  | (57,222) |  | (5,172) |  | (56,778) |
| **Total inventories, net** | **51,596** |  | **98,739** |  | **33,524** |  | **85,468** |

1. **Fixed deposits pledged as collateral**

As at December 31 2022 and 2021, fixed deposits at financial institutions of the Group and the Company amounting to Baht 120.67 million and Baht 122.18 million respectively (Separate: Baht 104.49 million and Baht 106.09 million respectively), to use as collateral against short-term borrowings from financial institution and the issuance of letters of guarantee for business operation as stated in 17 and 26.1 respectively.

1. **Investments in associates and joint venture**

As at December 31, 2022 and 2021, the immaterial investments in associates and joint venture are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **Unit : Thousand Baht** | | | |
|  |  |  | **Ownership interest** | | **Consolidated**  **financial statement** | | **Separate**  **financial statement** | |
|  | **Country of** | **Nature of** | **(%)** | | **equity method** | | **cost method** | |
| **Name** | **incorporate** | **business** | **2022** | **2021** | **2022** | **2021** | **2022** | **2021** |
|  |  |  |  |  |  |  |  |  |
| Associates of SR Power Holding |  |  |  |  |  |  |  |  |
| Company Limited: |  |  |  |  |  |  |  |  |
| C 2 C Solutions Company Limited | Thailand | Generating electricity  from solar power plant | 25.10 | 25.10 | 9,046 | 9,046 | - | - |
| Less Impairment loss on investment |  |  |  |  | (4,759) | (4,759) | - | - |
|  |  |  |  |  | 4,287 | 4,287 | - | - |
| Soltech Solutions Company Limited | Thailand | Generating electricity  from solar power plant | 25.10 | 25.10 | 26,739 | 26,739 | - | - |
|  |  | Total |  |  | 31,026 | 31,026 | - | - |
| Less Reclassified to non-current assets classified as held for sale | | |  |  | (31,026) | (31,026) | - | - |
|  | Total investment in associates | |  |  | **-** | **-** | **-** | **-** |
| Joint venture: |  |  |  |  |  |  |  |  |
| Joint Venture Siamraj and Tekhatat  Co., Ltd. | Thailand | Construction project | 60 | 60 | 9,869 | 10,110 | 3,000 | 3,000 |
|  |  | Total |  |  | **9,869** | **10,110** | **3,000** | **3,000** |

The movements in investments in associates as at December 31, 2022 and 2021 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit : Thousand Baht** | | |  |
|  | **Consolidated**  **financial statement** | | |  |
|  | **2022** |  | **2021** |  |
| Opening book amount | - |  | 29,038 |  |
| Share of profit | - |  | 1,988 |  |
| Less Reclassified to non-current assets classified as held for sale | - |  | (31,026) |  |
| **Closing book amount** | **-** |  | **-** |  |

As at February 18, 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.

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

As at December 31, 2022 and 2021, 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.

**Unit : Thousand Baht**

|  |  |  |
| --- | --- | --- |
|  | **2022** | **2021** |
|  |  |  |
| **Aggregate carrying amount of individually immaterial associates** | - | 31,026 |
| **The Group’s share of:** |  |  |
| Profit (Loss) from continuing operations | - | 1,988 |
| Other comprehensive income (expense) | - | - |
| Total comprehensive income (expense) | - | 1,988 |
|  |  |  |
| **Aggregate carrying amount of individually immaterial joint venture** | 9,870 | 10,110 |
| **The Group’s share of:** |  |  |
| Profit (Loss) from continuing operations | (240) | (254) |
| Other comprehensive income (expense) | - | - |
| Total comprehensive income (expense) | (240) | (254) |

1. **Investment in subsidiaries**

As at December 31, 2022 and 2021, the Group and 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.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | |  |  | **Unit : Thousand Baht** | | |
|  |  |  | **Ownership interest** **held by parent** | | | **Ownership interest** **held by the Group** | |  | |
| **Name of** | **Country of** | **Nature of** | **(%)** | | | **(%)** | | **Cost method** | |
| **subsidiaries** | **incorporate** | **business** | **2022** | | **2021** | **2022** | **2021** | **2022** | **2021** |
|  |  |  |  | |  |  |  |  |  |
| SR Power Holding Company Limited | Thailand | Investment in solar |  | |  |  |  |  |  |
|  |  | electricity generating |  | |  |  |  |  |  |
|  |  | power plant | 100 | | 100 | 100 | 100 | 30,000 | 30,000 |
| Less Impairment loss on investment |  |  |  | |  |  |  | (2,631) | (2,631) |
|  |  |  |  | |  |  |  | 27,369 | 27,369 |
| SR Commercial Holding | Thailand | Investment in |  |  | |  |  |  |  |
| Company Limited |  | car park service | 100 | 100 | | 100 | 100 | 336,975 | 298,125 |
| Techtronic Co., Ltd. | Thailand | Field of flow  measurement |  |  | |  |  |  |  |
|  |  | business | 100 | 100 | | 100 | 100 | 272,684 | 272,684 |
|  |  | Total |  | |  |  |  | 637,028 | 598,178 |
| Subsidiary of SR Commercial |  |  |  | |  |  |  |  |  |
| Holding Limited: |  |  |  | |  |  |  |  |  |
| TKS Venture Company Limited | Thailand | Car park service |  | |  |  |  |  |  |
|  |  | and building rental | - | | - | 90 | 90 | 155,500 | 137,500 |
| CAPS Company Limited | Thailand | Car park service | - | | - | 80 | 80 | 80,000 | 80,000 |
| BUPS Company Limited | Thailand | Car park service |  | |  |  |  |  |  |
|  |  | and building rental | - | | - | 94 | 94 | 112,800 | 94,000 |
|  |  | Total |  | |  |  |  | 348,300 | 311,500 |

The movements in investments in subsidiaries as at December 31, 2022 and 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Unit : Thousand Baht** | |
|  | **Separate financial statements** | |
|  | **2022** | **2021** |
| Opening book amount | 598,178 | 548,053 |
| Issued additional ordinary shares | 38,850 | 50,125 |
| **Closing book amount** | **637,028** | **598,178** |

On August 5, 2022, the Extraordinary General Meeting of SR Commercial Holding Co., Ltd. (SCH), passed the resolution to increase its share capital from Baht 313.50 million to Baht 369 million divided into 5,550,000 ordinary shares at par value of Baht 10 each. The Company has registered the increase share capital with Department of Business Development, the Ministry of Commerce on August 10, 2022, and called for the paid-up share amount of Baht 7 per share for a total amount of Baht 38.85 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 BUPS Co., Ltd. (BUPS)

On August 5, 2022, the Extraordinary General Meeting of TKS Venture Co., Ltd. (TKS), passed to approve increasing the registered share capital from Baht 150 million to Baht 170 million by issuing 2,000,000 new ordinary shares with a par value of Baht 10 each, and received the payment from the shareholders in full which was registered with the Ministry of Commerce on August 17, 2022.

On August 5, 2022, the Extraordinary General Meeting of BUPS Co., Ltd. (BUPS), passed to approve increasing the registered share capital from Baht 100 million to Baht 140 million by issuing 4,000,000 new ordinary shares with a par value of Baht 10 each, paid-up amount of Baht 5 per share for a total amount of Baht 20 million which was registered with the Ministry of Commerce on August 17, 2022.

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. **Investment properties**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Unit: Thousand Baht** | | | | | | |
|  |  | **Consolidated financial statements** | | | | | | |
|  |  | **Land** |  | **Building and** |  | **Leasehold right** |  | **Total** |
|  |  |  |  | **building improvement** |  |  |  |
| **As at January 1, 2022** | | |  |  |  |  |  |  |
| Cost |  | 3,556 |  | 5,595 |  | 117,915 |  | 127,066 |
| Less Accumulated depreciation |  | - |  | (2,208) |  | (13,612) |  | (15,820) |
| **Net book value** |  | **3,556** |  | **3,387** |  | **104,303** |  | **111,246** |
|  |  |  |  |  |  |  |  |  |
| **For the year ended December 31, 2022** |  |  |  |  |  |  |  |  |
| Opening net book value |  | 3,556 |  | 3,387 |  | 104,303 |  | 111,246 |
| Transfer from property, plant and equipment | | - |  | - |  | 147,662 |  | 147,662 |
| Depreciation |  | - |  | (279) |  | (4,085) |  | (4,364) |
| **Closing net book value** |  | **3,556** |  | **3,108** |  | **247,880** | **254,544** |
|  |  |  |  |  |  |  |
| **As at December 31, 2022** |  |  |  |  |  |  |
| Cost |  | 3,556 |  | 5,595 |  | 265,577 |  | 274,728 |
| Less Accumulated depreciation |  | - |  | (2,487) |  | (17,697) |  | (20,184) |
| **Net book value** |  | **3,556** |  | **3,108** |  | **247,880** |  | **254,544** |
|  |  |  |  |  |  |  |  |  |
| **Fair value** |  |  |  |  |  |  |  | **459,264** |
|  |  |  |  |  |  |  |  |  |
| **As at January 1, 2021** |  |  |  |  |  |  |  |  |
| Cost |  | 3,556 |  | 5,595 |  | 117,755 |  | 126,906 |
| Less Accumulated depreciation |  | **-** |  | (1,928) |  | (9,685) |  | (11,613) |
| **Net book value** |  | **3,556** |  | **3,667** |  | **108,070** |  | **115,293** |
|  | | |  |  |  |  |  |  |
| **For the year ended December 31, 2021** | | |  |  |  |  |  |  |
| Opening net book value |  | 3,556 | 3,667 |  | 108,070 | 115,293 |
| Transfer from property, plant and equipment | | **-** |  | **-** |  | 160 |  | 160 |
| Depreciation |  | - |  | (280) |  | (3,927) | (4,207) | |
| **Closing net book value** |  | **3,556** |  | **3,387** |  | **104,303** |  | **111,246** |
|  |  |  |  |  |  |  |  |  |
| **As at December 31, 2021** |  |  |  |  |  |  |  |  |
| Cost |  | 3,556 |  | 5,595 |  | 117,915 |  | 127,066 |
| Less Accumulated depreciation |  | - |  | (2,208) |  | (13,612) |  | (15,820) |
| **Net book value** |  | **3,556** |  | **3,387** |  | **104,303** |  | **111,246** |
|  |  |  |  |  |  |  |  |  |
| **Fair value** |  |  |  |  |  |  |  | **226,658** |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Unit: Thousand Baht** | | | | | | | |
|  |  | **Separate financial statements** | | | | | | | |
|  |  |  |  | | **Land** |  | **Building and** |  | **Total** |
|  |  |  |  | |  |  | **building improvement** |  |  |
| **As at January 1, 2022** | | | | |  |  |  |  |  |
| Cost |  |  |  | | 3,556 |  | 5,595 |  | 9,151 |
| Less Accumulated depreciation |  |  |  | | - |  | (2,208) |  | (2,208) |
| **Net book value** |  |  |  | | 3,556 |  | 3,387 |  | 6,943 |
|  |  |  |  | |  |  |  |  |  |
| **For the year ended December 31, 2022** |  |  |  | |  |  |  |  |  |
| Opening net book value |  |  |  | | 3,556 |  | 3,387 |  | 6,943 |
| Depreciation |  |  |  | | - |  | (279) |  | (279) |
| **Closing net book value** |  |  |  | | 3,556 |  | 3,108 |  | 6,664 |
|  |  |  |  | |  |  |  |  |  |
| **As at December 31, 2022** |  |  |  | |  |  |  |  |  |
| Cost |  |  |  | | 3,556 |  | 5,595 |  | 9,151 |
| Less Accumulated depreciation |  |  |  | | - |  | (2,487) |  | (2,487) |
| **Net book value** |  |  |  | | 3,556 |  | 3,108 |  | 6,664 |
|  |  |  |  | |  |  |  |  |  |
| **Fair value** |  |  |  | |  |  |  |  | **10,300** |
|  |  |  |  | |  |  |  |  |  |
| **As at January 1, 2021** |  |  |  | |  |  |  |  |  |
| Cost |  |  |  | | 3,556 |  | 5,595 |  | 9,151 |
| Less Accumulated depreciation |  |  |  | | - |  | (1,928) |  | (1,928) |
| **Net book value** |  |  |  | | **3,556** |  | **3,667** |  | **7,223** |
|  |  |  |  | |  |  |  |  |  |
| **For the year ended December 31, 2021** | | |  | |  |  |  |  |  |
| Opening net book value |  |  | |  | 3,556 |  | 3,667 |  | 7,223 |
| Depreciation |  |  | |  | - |  | (280) |  | (280) |
| **Closing net book value** |  |  | |  | **3,556** |  | **3,387** |  | **6,943** |
|  |  |  | |  |  |  |  |  |  |
| **As at December 31, 2021** |  |  | |  |  |  |  |  |  |
| Cost |  |  | |  | 3,556 |  | 5,595 |  | 9,151 |
| Less Accumulated depreciation |  |  | |  | - |  | (2,208) |  | (2,208) |
| **Net book value** |  |  |  | | **3,556** |  | **3,387** |  | **6,943** |
|  |  |  |  | |  |  |  |  |  |
| **Fair value** |  |  | |  |  |  |  |  | **10,300** |

As at December 31, 2022 and 2021, 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:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Unit: Thousand Baht** | |
|  | **Consolidated financial statements** | | **Separate financial**  **statements** | |
|  | **2022** | **2021** | **2022** | **2021** |
| Rental income | 30,653 | 20,956 | - | - |
| Direct operating expenses arise from |  |  |  |  |
| investment property that generated |  |  |  |  |
| rental income | (11,158) | (10,141) | (297) | (297) |
| Direct operating expenses arise from |  |  |  |  |
| investment property that did not |  |  |  |  |
| generate rental income | (16,195) | (12,530) | - | - |

As at December 31, 2022 and 2021, building leasehold of a subsidiary of Baht 247.88 million and Baht 104.30 million were mortgaged as collateral for long-term borrowings from financial institution as stated in note 19.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Unit: Thousand Baht** | |
|  | **Consolidated financial statements** | | **Separate financial**  **statements** | |
|  | **2022** | **2021** | **2022** | **2021** |
| Net book value of right-of-use assets | 247,880 | 104,303 | - | - |
| 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 | - | - | - | - |

1. **Property, plant and equipment**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | | | |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Land** | **Buildings** |  |  | **Furniture** |  |  |  |  | |
|  | **and Land** | **and buildings** |  | **Tools and** | **and office** |  | **Leasehold** | **Construction** |  | |
|  | **improvement** | **improvement** | **Utilities** | **equipment** | **equipment** | **Vehicles** | **improvement** | **in process** | **Total** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at January 1, 2022** |  |  |  |  |  |  |  |  |  | |
| Cost | 21,811 | 14,745 | 14,764 | 85,291 | 31,252 | 31,805 | 1,999 | 516,827 | 718,494 | |
| Less Accumulated depreciation | (2,893) | (9,763) | (14,295) | (79,612) | (27,872) | (31,018) | (1,200) | - | (166,653) | |
| **Net book value** | **18,918** | **4,982** | **469** | **5,679** | **3,380** | **787** | **799** | **516,827** | **551,841** | |
|  |  |  |  |  |  |  |  |  |  | |
| **For the year ended December 31, 2022** |  |  |  |  |  |  |  |  |  | |
| Opening net book value | 18,918 | 4,982 | 469 | 5,679 | 3,380 | 787 | 799 | 516,827 | 551,841 | |
| Additions | - | 144 | 99 | 240 | 1,717 | - | - | 268,850 | 271,050 | |
| Disposals, net | - | - | - | (99) | (30) | (638) | - | (656) | (1,423) | |
| Reclassifications from right-of-use assets (Note 14) | - | - | - | 112 | - | 4,039 | - | - | 4,151 | |
| Reclassifications to right-of-use assets (Note 14) | - | - | - | - | - | - | - | (487,422) | (487,422) | |
| Reclassifications to investment properties (Note 12) | - | - | - | - | - | - | - | (147,662) | (147,662) | |
| Transfer in/(out) | 22,700 | - | - | - | - | - | - | (22,700) | - | |
| Depreciation charge | (6,311) | (621) | (360) | (3,046) | (1,605) | (2,553) | (205) | - | (14,701) | |
| Impairment | (20,538) | - | - | - | - | - | - | (61,384) | (81,922) | |
| **Closing net book value** | **14,769** | **4,505** | **208** | **2,886** | **3,462** | **1,635** | **594** | **65,853** | **93,912** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at December 31, 2022** |  |  |  |  |  |  |  |  |  | |
| Cost | 44,512 | 14,888 | 14,863 | 84,007 | 26,637 | 33,770 | 1,999 | 127,237 | 347,913 | |
| Less Accumulated depreciation | (9,205) | (10,383) | (14,655) | (81,121) | (23,175) | (32,135) | (1,405) | - | (172,079) | |
| Less Accumulated impairment allowance | (20,538) | - | - | - | - | - | - | (61,384) | (81,922) | |
| **Net book value** | **14,769** | **4,505** | **208** | **2,886** | **3,462** | **1,635** | **594** | **65,853** | **93,912** | |
|  | **Unit: Thousand Baht** | | | | | | | | |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Land** | **Buildings** |  |  | **Furniture** |  |  |  |  | |
|  | **and Land** | **and buildings** |  | **Tools and** | **and office** |  | **Leasehold** | **Construction** |  | |
|  | **improvement** | **improvement** | **Utilities** | **equipment** | **equipment** | **Vehicles** | **improvement** | **in process** | **Total** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at January 1, 2021** |  |  |  |  |  |  |  |  |  | |
| Cost | 11,708 | 14,745 | 14,587 | 87,162 | 30,515 | 46,533 | 2,405 | 134,828 | 342,483 | |
| Less Accumulated depreciation | (411) | (9,093) | (13,952) | (78,715) | (26,914) | (45,487) | (1,401) | - | (175,973) | |
| **Net book value** | **11,297** | **5,652** | **635** | **8,447** | **3,601** | **1,046** | **1,004** | **134,828** | **166,510** | |
|  |  |  |  |  |  |  |  |  |  | |
| **For the year ended December 31, 2021** |  |  |  |  |  |  |  |  |  | |
| Opening net book value | 11,297 | 5,652 | 635 | 8,447 | 3,601 | 1,046 | 1,004 | 134,828 | 166,510 | |
| Additions | - | - | - | 629 | 1,378 | 1,044 | - | 437,824 | 440,875 | |
| Disposals, net | - | - | - | (203) | (61) | (4,936) | - | - | (5,200) | |
| Reclassifications from right-of-use assets (Note 14) | - | - | - | - | - | 5,668 | - | - | 5,668 | |
| Reclassifications to right-of-use assets (Note 14) | - | - | - | - | - | (864) | - | (5,000) | (5,864) | |
| Transfer in/(out) | 10,103 | - | 177 | - | - | - | - | (10,280) | - | |
| Transfer to inventories | - | - | - | - | - | - | - | (18,625) | (18,625) | |
| Transfer to receivable from debt restructuring | - | - | - | - | - | - | - | (21,920) | (21,920) | |
| Depreciation charge | (2,482) | (670) | (343) | (3,194) | (1,538) | (1,171) | (205) | - | (9,603) | |
| **Closing net book value** | **18,918** | **4,982** | **469** | **5,679** | **3,380** | **787** | **799** | **516,827** | **551,841** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at December 31, 2021** |  |  |  |  |  |  |  |  |  | |
| Cost | 21,811 | 14,745 | 14,764 | 85,291 | 31,252 | 31,805 | 1,999 | 516,827 | 718,494 | |
| Less Accumulated depreciation | (2,893) | (9,763) | (14,295) | (79,612) | (27,872) | (31,018) | (1,200) | - | (166,653) | |
| **Net book value** | **18,918** | **4,982** | **469** | **5,679** | **3,380** | **787** | **799** | **516,827** | **551,841** | |
|  | **Unit: Thousand Baht** | | | | | | | | |
|  | **Separate financial statements** | | | | | | | | |
|  | **Land** | **Buildings** |  |  | **Furniture** |  |  |  |  | |
|  | **and Land** | **and buildings** |  | **Tools and** | **and office** |  | **Leasehold** | **Construction** |  | |
|  | **improvement** | **improvement** | **Utilities** | **equipment** | **equipment** | **Vehicles** | **improvement** | **in process** | **Total** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at January 1, 2022** |  |  |  |  |  |  |  |  |  | |
| Cost | 17,311 | 7,400 | 14,727 | 80,454 | 25,132 | 26,915 | 1,998 | 112,982 | 286,919 | |
| Less Accumulated depreciation | (2,893) | (7,330) | (14,278) | (77,203) | (22,656) | (26,182) | (1,200) | - | (151,742) | |
| **Net book value** | **14,418** | **70** | **449** | **3,251** | **2,476** | **733** | **798** | **112,982** | **135,177** | |
|  |  |  |  |  |  |  |  |  |  | |
| **For the year ended December 31, 2022** |  |  |  |  |  |  |  |  |  | |
| Opening net book value | 14,418 | 70 | 449 | 3,251 | 2,476 | 733 | 798 | 112,982 | 135,177 | |
| Additions | - | - | - | 48 | 1,082 | - | - | 2,450 | 3,580 | |
| Disposals, net | - | - | - | (84) | (30) | (588) | - | (656) | (1,358) | |
| Reclassifications from right-of-use assets (Note 14) | - | - | - | - | - | 2,503 | - | - | 2,503 | |
| Transfer in/(out) | 22,701 | - | - | - | - | - | - | (22,701) | - | |
| Depreciation charge | (6,312) | (68) | (339) | (2,242) | (1,028) | (843) | (205) | - | (11,037) | |
| Impairment | (20,538) | - | - | - | - | - | - | (61,384) | (81,922) | |
| **Closing net book value** | **10,269** | **2** | **110** | **973** | **2,500** | **1,805** | **593** | **30,691** | **46,943** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at December 31, 2022** |  |  |  |  |  |  |  |  |  | |
| Cost | 40,012 | 7,400 | 14,727 | 78,889 | 19,935 | 26,582 | 1,998 | 92,075 | 281,618 | |
| Less Accumulated depreciation | (9,205) | (7,398) | (14,617) | (77,916) | (17,435) | (24,777) | (1,405) | - | (152,753) | |
| Less Accumulated impairment allowance | (20,538) | - | - | - | - | - | - | (61,384) | (81,922) | |
| **Net book value** | **10,269** | **2** | **110** | **973** | **2,500** | **1,805** | **593** | **30,691** | **46,943** | |
|  |  |  |  |  |  |  |  |  |  | |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | | | |
|  | **Separate financial statements** | | | | | | | | |
|  | **Land** | **Buildings** |  |  | **Furniture** |  |  |  |  | |
|  | **and Land** | **and buildings** |  | **Tools and** | **and office** |  | **Leasehold** | **Construction** |  | |
|  | **improvement** | **improvement** | **Utilities** | **equipment** | **equipment** | **Vehicles** | **improvement** | **in process** | **Total** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at January 1, 2021** |  |  |  |  |  |  |  |  |  | |
| Cost | 7,208 | 7,400 | 14,550 | 82,638 | 24,478 | 39,216 | 2,405 | 88,754 | 266,649 | |
| Less Accumulated depreciation | (411) | (7,199) | (13,942) | (77,138) | (22,298) | (38,191) | (1,402) | - | (160,581) | |
| **Net book value** | **6,797** | **201** | **608** | **5,500** | **2,180** | **1,025** | **1,003** | **88,754** | **106,068** | |
|  |  |  |  |  |  |  |  |  |  | |
| **For the year ended December 31, 2021** |  |  |  |  |  |  |  |  |  | |
| Opening net book value | 6,797 | 201 | 608 | 5,500 | 2,180 | 1,025 | 1,003 | 88,754 | 106,068 | |
| Additions | - | - | - | 316 | 1,295 | 35 | - | 53,056 | 54,702 | |
| Disposals, net | - | - | - | (203) | (61) | (4,936) | - | - | (5,200) | |
| Reclassifications from right-of-use assets (Note 14) | - | - | - | - | - | 5,668 | - | - | 5,668 | |
| Transfer in/(out) | 10,103 | - | 177 | - | - | - | - | (10,280) | - | |
| Transfer to inventories | - | - | - | - | - | - | - | (18,548) | (18,548) | |
| Depreciation charge | (2,482) | (131) | (336) | (2,362) | (938) | (1,059) | (205) | - | (7,513) | |
| **Closing net book value** | **14,418** | **70** | **449** | **3,251** | **2,476** | **733** | **798** | **112,982** | **135,177** | |
|  |  |  |  |  |  |  |  |  |  | |
| **As at December 31, 2021** |  |  |  |  |  |  |  |  |  | |
| Cost | 17,311 | 7,400 | 14,727 | 80,454 | 25,132 | 26,915 | 1,998 | 112,982 | 286,919 | |
| Less Accumulated depreciation | (2,893) | (7,330) | (14,278) | (77,203) | (22,656) | (26,182) | (1,200) | - | (151,742) | |
| **Net book value** | **14,418** | **70** | **449** | **3,251** | **2,476** | **733** | **798** | **112,982** | **135,177** | |
|  |  |  |  |  |  |  |  |  |  | |

As at December 31, 2022 and 2021, the subsidiary used part of land with its construction at net book value of Baht 5.50 million and Baht 5.75 million respectively, to mortgage as collaterals with financial institution against overdrafts.

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 cancellation of machinery trading and hire of goods manufacturing contracts as stated in note 6.

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

|  | **Unit: Thousand Baht** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | **Land** | **Buildings** | **Tool and** | **Vehicles** | **Total** |
|  |  |  | **equipment** |  |  |
| **As at January 1, 2022** |  |  |  |  |  |
| Cost | 48,044 | 701,058 | 4,852 | 38,607 | 792,561 |
| Less Accumulated depreciation | (6,961) | (69,830) | (805) | (19,877) | (97,473) |
| **Net book value** | **41,083** | **631,228** | **4,047** | **18,730** | **695,088** |
|  |  |  |  |  |  |
| **For the year ended December 31, 2022** |  |  |  |  |  |
| Opening net book value | 41,083 | 631,228 | 4,047 | 18,730 | 695,088 |
| Additions | - | 688 | - | 1,352 | 2,040 |
| Reclassifications from property, plant and equipment  (note 13) | - | 487,422 | - | - | 487,422 |
| Reclassifications to property, plant and equipment  (note 13) | - | - | (112) | (4,039) | (4,151) |
| Lease modifications and reassessments | - | (3,924) | (1) | - | (3,925) |
| Depreciation | (8,326) | (42,466) | (1,007) | (6,077) | (57,876) |
| Impairment | (9,481) | - | (1,237) | - | (10,718) |
| **Closing net book value** | **23,276** | **1,072,948** | **1,690** | **9,966** | **1,107,880** |
|  |  |  |  |  |  |
| **As at December 31, 2022** |  |  |  |  |  |
| Cost | 48,044 | 1,183,520 | 4,656 | 25,701 | 1,261,921 |
| Less Accumulated depreciation | (15,287) | (110,572) | (1,729) | (15,735) | (143,323) |
| Less Impairment allowance | (9,481) | - | (1,237) | - | (10,718) |
| **Net book value** | **23,276** | **1,072,948** | **1,690** | **9,966** | **1,107,880** |

|  | **Unit: Thousand Baht** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
|  | **Land** | **Buildings** | **Tool and** | **Vehicles** | **Total** |
|  |  |  | **Equipment** |  |  |
|  |  |  |  |  |  |
| **As at January 1, 2021** |  |  |  |  |  |
| Cost | 48,044 | 678,070 | 1,965 | 64,443 | 792,522 |
| Less Accumulated depreciation | (3,797) | (19,884) | (320) | (30,907) | (54,908) |
| **Net book value** | **44,247** | **658,186** | **1,645** | **33,536** | **737,614** |
|  |  |  |  |  |  |
| **For the year ended December 31, 2021** |  |  |  |  |  |
| Opening net book value | 44,247 | 658,186 | 1,645 | 33,536 | 737,614 |
| Additions | - | 19,042 | 2,887 | - | 21,929 |
| Reclassifications from property, plant and equipment  (note 13) | - | 5,000 | - | 864 | 5,864 |
| Reclassifications to property, plant and equipment  (note 13) | - | - | - | (5,668) | (5,668) |
| Lease modifications and reassessments | - | (878) | (16) | - | (894) |
| Depreciation | (3,164) | (50,122) | (469) | (10,002) | (63,757) |
| **Closing net book value** | **41,083** | **631,228** | **4,047** | **18,730** | **695,088** |
|  |  |  |  |  |  |
| **As at December 31, 2021** |  |  |  |  |  |
| Cost | 48,044 | 701,058 | 4,852 | 38,607 | 792,561 |
| Less Accumulated depreciation | (6,961) | (69,830) | (805) | (19,877) | (97,473) |
| **Net book value** | **41,083** | **631,228** | **4,047** | **18,730** | **695,088** |

|  | **Unit: Thousand Baht** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Land** | **Buildings** | **Tools and** | **Vehicles** | **Total** |
|  |  |  | **Equipment** |  |  |
|  |  |  |  |  |  |
| **As at January 1, 2022** |  |  |  |  |  |
| Cost | 23,747 | 27,097 | 4,418 | 29,280 | 84,542 |
| Less Accumulated depreciation | (6,362) | (5,454) | (691) | (17,564) | (30,071) |
| **Net book value** | **17,385** | **21,643** | **3,727** | **11,716** | **54,471** |
|  |  |  |  |  |  |
| **For the year ended December 31, 2022** |  |  |  |  |  |
| Opening net book value | 17,385 | 21,643 | 3,727 | 11,716 | 54,471 |
| Additions | - | - | - | 766 | 766 |
| Reclassifications to property, plant and equipment | - | - | - | (2,503) | (2,503) |
| Lease modifications and reassessments | - | (3,924) | (1) | - | (3,925) |
| Depreciation | (3,165) | (2,813) | (896) | (5,174) | (12,048) |
| Impairment allowance | (9,481) | - | (1,237) | - | (10,718) |
| **Closing net book value** | **4,739** | **14,906** | **1,593** | **4,805** | **26,043** |
|  |  |  |  |  |  |
| **As at December 31, 2022** |  |  |  |  |  |
| Cost | 23,747 | 21,450 | 4,334 | 18,253 | 67,785 |
| Less Accumulated depreciation | (9,527) | (6,544) | (1,504) | (13,448) | (31,024) |
| Less Impairment allowance | (9,481) | - | (1,237) | - | (10,718) |
| **Net book value** | **4,739** | **14,906** | **1,593** | **4,805** | **26,043** |
|  |  |  |  |  |  |
| **As at January 1, 2021** |  |  |  |  |  |
| Cost | 23,747 | 28,150 | 1,630 | 55,980 | 109,507 |
| Less Accumulated depreciation | (3,198) | (2,815) | (305) | (30,467) | (36,785) |
| **Net book value** | **20,549** | **25,335** | **1,325** | **25,513** | **72,722** |

|  | **Unit: Thousand Baht** | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
|  | **Land** | **Buildings** | **Tools and** | **Vehicles** | **Total** |
|  |  |  | **Equipment** |  |  |
|  |  |  |  |  |  |
| **For the year ended December 31, 2021** |  |  |  |  |  |
| Opening net book value | 20,549 | 25,335 | 1,325 | 25,513 | 72,722 |
| Additions | - | - | 2,887 | - | 2,887 |
| Reclassifications to property, plant and equipment | - | - | - | (5,668) | (5,668) |
| Lease modifications and reassessments | - | (878) | (16) | - | (894) |
| Depreciation | (3,164) | (2,814) | (469) | (8,129) | (14,576) |
| **Closing net book value** | **17,385** | **21,643** | **3,727** | **11,716** | **54,471** |
|  |  |  |  |  |  |
| **As at December 31, 2021** |  |  |  |  |  |
| Cost | 23,747 | 27,097 | 4,418 | 29,280 | 84,542 |
| Less Accumulated depreciation | (6,362) | (5,454) | (691) | (17,564) | (30,071) |
| **Net book value** | **17,385** | **21,643** | **3,727** | **11,716** | **54,471** |

On December 31, 2021, the subsidiary, “CAPS” reassessed rights-of-use assets and lease liabilities from a contract modification due to CAPS granted extension period to receive a 50% discount on its monthly land rental. In addition, the monthly minimum payment was changed from Baht 450,000 per month from ending March 31, 2022 to March 31, 2023 and extend permission of running business for the next 1 year from ending January 27, 2033 to January 27, 2034.

As at December 31, 2022 and 2021, right of use of land and building of a subsidiary of Baht 693.19 million and Baht 189.25 million respectively, was mortgaged as collateral for long-term borrowings from financial institution as stated in note 19.

Expenses relating to leases were not included in recognition of lease liabilities and right-of-use assets as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Unit: Thousand Baht** | |
|  | **Consolidated financial statements** | | **Separate financial statements** | |
|  | **2022** | **2021** | **2022** | **2021** |
| Interest expenses from lease liabilities | 7,818 | 8,268 | 2,527 | 3,303 |
| Expense relating to short-term leases | 72 | 482 | - | 303 |
| Expense relating to leases of low-value assets | 620 | 552 | - | - |
| Expense relating to variable lease payments | 623 | 544 | 623 | 544 |
|  |  |  |  |  |

1. **Intangible assets**

|  |  | | | **Unit: Thousand Baht** | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | | **Consolidated financial statements** | | | | | |
|  |  |  |  | | **Customer relationship** |  | **Computer program** |  | **Total** |
| **As at January 1, 2022** | | | | |  |  |  |  |  |
| Cost | | | | | 50,000 |  | 11,768 |  | 61,768 |
| Less Accumulated amortisation | | | | | (17,362) |  | (11,289) |  | (28,651) |
| **Net book value** | | | | | **32,638** |  | **479** |  | **33,117** |
|  | | | | |  |  |  |  |  |
| **For the year ended December 31, 2022** | | | | |  |  |  |  |  |
| Opening net book value |  |  |  | | 32,638 |  | 479 |  | 33,117 |
| Additions |  |  |  | | - |  | 119 |  | 119 |
| Amortisation charge |  |  |  | | (4,164) |  | (68) |  | (4,232) |
| **Closing net book value** |  |  |  | | **28,474** |  | **530** |  | **29,004** |
|  |  |  |  | |  |  |  |  |  |
| **As at December 31, 2022** | | | | |  |  |  |  |  |
| Cost |  |  |  | | 50,000 |  | 11,887 |  | 61,887 |
| Less Accumulated amortisation |  |  |  | | (21,526) |  | (11,357) |  | (32,883) |
| **Net book value** |  |  |  | | **28,474** |  | **530** |  | **29,004** |
|  |  |  |  | |  |  |  |  |  |
| **As at January 1, 2021** |  |  |  | |  |  |  |  |  |
| Cost |  |  |  | | 50,000 |  | 11,717 |  | 61,717 |
| Less Accumulated amortisation |  |  |  | | (13,198) |  | (11,182) |  | (24,380) |
| **Net book value** |  |  |  | | **36,802** |  | **535** |  | **37,337** |
|  |  |  |  | |  |  |  |  |  |
| **For the year ended December 31, 2021** |  |  |  | |  |  |  |  |  |
| Opening net book value |  |  |  | | 36,802 |  | 535 |  | 37,337 |
| Additions |  |  |  | | - |  | 51 |  | 51 |
| Amortisation charge |  |  |  | | (4,164) |  | (107) |  | (4,271) |
| **Closing net book value** |  |  |  | | **32,638** |  | **479** |  | **33,117** |
|  |  |  |  | |  |  |  |  |  |
| **As at December 31, 2021** |  |  |  | |  |  |  |  |  |
| Cost |  |  |  | | 50,000 |  | 11,768 |  | 61,768 |
| Less Accumulated amortisation |  |  |  | | (17,362) |  | (11,289) |  | (28,651) |
| **Net book value** |  |  |  | | **32,638** |  | **479** |  | **33,117** |

|  |  | | | **Unit: Thousand Baht** | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | | | **Separate financial statements** | | |
|  |  |  |  |  |  | **Computer program** | |  | **Total** |
| **As at January 1, 2022** | | | |  |  |  | |  |  |
| Cost | | | |  |  | 11,448 | |  | 11,448 |
| Less Accumulated amortisation | | | |  |  | (11,224) | |  | (11,224) |
| **Net book value** | | | |  |  | **224** | |  | **224** |
|  | | | |  |  |  | |  |  |
| **For the year ended December 31, 2022** | | | |  |  |  | |  |  |
| Opening net book value |  |  |  |  |  | 224 | |  | 224 |
| Amortisation charge |  |  |  |  |  | (34) | |  | (34) |
| **Closing net book value** |  |  |  |  |  | **190** | |  | **190** |
|  |  |  |  |  |  |  | |  |  |
| **As at December 31, 2022** | | | |  |  |  | |  |  |
| Cost |  |  |  |  |  | 11,448 | |  | 11,448 |
| Less Accumulated amortisation |  |  |  |  |  | (11,258) | |  | (11,258) |
| **Net book value** |  |  |  |  |  | **190** | |  | **190** |
|  |  |  |  |  |  |  | |  |  |
| **As at January 1, 2021** |  |  |  |  |  |  | |  |  |
| Cost |  |  |  |  |  | 11,448 | |  | 11,448 |
| Less Accumulated amortisation |  |  |  |  |  | (11,146) | |  | (11,146) |
| **Net book value** |  |  |  |  |  | **302** | |  | **302** |
|  |  |  |  |  |  |  | |  |  |
| **For the year ended December 31, 2021** | | | |  |  |  | |  |  |
| Opening net book value |  |  |  |  |  | 302 | |  | 302 |
| Amortisation charge |  |  |  |  |  | (78) | |  | (78) |
| **Closing net book value** |  |  |  |  |  | **224** | |  | **224** |
|  |  |  |  |  |  |  | |  |  |
| **As at December 31, 2021** |  |  |  |  |  |  | |  |  |
| Cost |  |  |  |  |  | 11,448 | |  | 11,448 |
| Less Accumulated amortisation |  |  |  |  |  | (11,224) | |  | (11,224) |
| **Net book value** |  |  |  |  |  | **224** | |  | **224** |

1. **Income tax**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | |
|  | **Consolidated financial statements** | | | | | | |
|  | **As at**  **January 1, 2022** |  | **(Charged) / credited to** | | |  | **As at**  **December 31, 2022** |
| **Profit**  **or loss** |  | **Other comprehensive income** |
| ***Deferred tax*** |  |  |  |  |  |  |  |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 5,268 |  | (1,203) |  | - |  | 4,065 |
| Loss on devaluation of goods | 11,445 |  | (10,322) |  | - |  | 1,123 |
| Loss on impairment of assets | - |  | 18,528 |  | - |  | 18,528 |
| Provisions for employee benefits | 3,532 |  | (818) |  | - |  | 2,714 |
| Change in value of available-for-sale |  |  |  |  |  |  |  |
| investments | 4,737 |  | - |  | 129 |  | 4,866 |
| Taxable loss carries forward | 43,797 |  | (3,510) |  | - |  | 40,287 |
| Depreciation | (1,141) |  | 441 |  | - |  | (700) |
| Customers relationships | (6,527) |  | 833 |  | - |  | (5,694) |
| Others | 5,706 |  | (7,132) |  | - |  | (1,426) |
| **Total** | **66,817** |  | **(3,183)** |  | **129** |  | **63,763** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | |
|  | **Consolidated financial statements** | | | | | | |
|  | **As at**  **January 1, 2021** |  | **(Charged) / credited to** | | |  | **As at**  **December 31, 2021** |
| **Profit**  **or loss** |  | **Other comprehensive income** |
| ***Deferred tax*** |  |  |  |  |  |  |  |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 171 |  | 5,097 |  | - |  | 5,268 |
| Loss on devaluation of goods | 15,017 |  | (3,572) |  | - |  | 11,445 |
| Provisions for import duty | 12,394 |  | (12,394) |  | - |  | - |
| Provisions for employee benefits | 3,791 |  | (178) |  | (81) |  | 3,532 |
| Change in value of available-for-sale |  |  |  |  |  |  |  |
| investments | 4,720 |  | - |  | 17 |  | 4,737 |
| Taxable loss carries forward | 16,715 |  | 27,082 |  | - |  | 43,797 |
| Depreciation | (1,582) |  | 441 |  | - |  | (1,141) |
| Customers relationships | (7,360) |  | 833 |  | - |  | (6,527) |
| Others | 3,588 |  | 2,118 |  | - |  | 5,706 |
| **Total** | **47,454** |  | **19,427** |  | **(64)** |  | **66,817** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | |
|  | **Separate financial statements** | | | | | | |
|  | **As at**  **January 1, 2022** |  | **(Charged) / credited to** | | |  | **As at**  **December 31, 2022** |
| **Profit**  **or loss** |  | **Other comprehensive income** |
| ***Deferred tax*** |  |  |  |  |  |  |  |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 34 |  | 104 |  | - |  | 138 |
| Loss on devaluation of goods | 11,355 |  | (10,321) |  | - |  | 1,034 |
| Loss on impairment of assets | - |  | 18,528 |  | - |  | 18,528 |
| Provisions for employee benefits | 2,384 |  | (765) |  | - |  | 1,619 |
| Change in value of available-for-sale |  |  |  |  |  |  |  |
| investments | 4,737 |  | - |  | 129 |  | 4,866 |
| Taxable loss carries forward | 30,125 |  | 690 |  | - |  | 30,815 |
| Depreciation | (408) |  | 408 |  | - |  | - |
| Others | 4,587 |  | (2,500) |  | - |  | 2,087 |
| **Total** | **52,814** |  | **6,144** |  | **129** |  | **59,087** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | |
|  | **Separate financial statements** | | | | | | |
|  | **As at**  **January 1, 2021** |  | **(Charged) / credited to** | | |  | **As at**  **December 31, 2021** |
| **Profit**  **or loss** |  | **Other comprehensive income** |
| ***Deferred tax*** |  |  |  |  |  |  |  |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 107 |  | (73) |  | - |  | 34 |
| Loss on devaluation of goods | 14,927 |  | (3,572) |  | - |  | 11,355 |
| Provisions for import duty | 12,394 |  | (12,394) |  | - |  | - |
| Provisions for employee benefits | 2,844 |  | (92) |  | (368) |  | 2,384 |
| Change in value of available-for-sale |  |  |  |  |  |  |  |
| investments | 4,720 |  | - |  | 17 |  | 4,737 |
| Taxable loss carries forward | 16,715 |  | 13,410 |  | - |  | 30,125 |
| Depreciation | (817) |  | 409 |  | - |  | (408) |
| Others | 1,316 |  | 3,271 |  | - |  | 4,587 |
| **Total** | **52,206** |  | **959** |  | **(351)** |  | **52,814** |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
| ***Income tax recognised in profit or loss*** | **Consolidated financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| **Current income tax** |  |  |  |  |  |  |  |
| Current for the period | 3,471 |  | 3,213 |  | - |  | - |
| **Deferred tax** |  |  |  |  |  |  |  |
| Changes in temporary differences | 3,183 |  | (19,428) |  | (6,144) |  | (959) |
| **Total income tax** | **6,654** |  | **(16,215)** |  | **(6,144)** |  | **(959)** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Reconciliation of effective tax rate*** | **Consolidated financial statements** | | | | | | |
|  | **2022** | | |  | **2021** | | |
|  | ***Rate***  ***(%)*** |  | ***(Thousand Baht)*** |  | ***Rate***  ***(%)*** |  | ***(Thousand Baht)*** |
| Profit before income tax expense |  |  | (57,890) |  |  |  | (155,134) |
| Income tax using the Thai corporation tax rate | 20 |  | (11,578) |  | 20 |  | (31,027) |
| Non-deductible expenses |  |  | 2,180 |  |  |  | 870 |
| Additional expenses deductible for tax purposes |  |  | (1,090) |  |  |  | (3,899) |
| Current year losses for which unrecognized as  deferred tax assets |  |  | 5,896 |  |  |  | 16,498 |
| Reversal of deferred tax |  |  | 10,556 |  |  |  | - |
| Tax losses utilisation |  |  | - |  |  |  | 1,343 |
| Others |  |  | 690 |  |  |  | - |
| **Total** |  |  | **6,654** |  |  |  | **(16,215)** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Reconciliation of effective tax rate*** | **Separate financial statements** | | | | | | |
|  | **2022** | | |  | **2021** | | |
|  | ***Rate***  ***(%)*** |  | ***(Thousand Baht)*** |  | ***Rate***  ***(%)*** |  | ***(Thousand Baht)*** |
| Profit before income tax expense |  |  | (23,091) |  |  |  | (95,285) |
| Income tax using the Thai corporation tax rate | 20 |  | (4,619) |  | 20 |  | (19,057) |
| Exempted revenues |  |  | (2,400) |  |  |  | - |
| Non-deductible expenses |  |  | 875 |  |  |  | 362 |
| Additional expenses deductible for tax purposes |  |  | (166) |  |  |  | (131) |
| Current year losses for which unrecognized as |  |  |  |  |  |  |  |
| deferred tax assets |  |  | - |  |  |  | 16,088 |
| Tax losses utilisation |  |  | - |  |  |  | 1,343 |
| Others |  |  | 166 |  |  |  | 436 |
| **Total** |  |  | **(6,144)** |  |  |  | **(959)** |

**Unit: Thousand Baht**

|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Unrecognised deferred tax assets*** | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Tax losses brought forward | 24,284 |  | 16,498 |  | 11,085 |  | 16,088 |

The tax losses expire in 2024 - 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | | |  | **Unit: Thousand Baht** | | | |
|  |  | | | |  | **Consolidated /** **Separate**  **financial statements** | | | |
|  |  |  | |  |  | **2022** |  | **2021** |
| Promissory note |  |  |  | |  | 265,000 |  | 140,800 |
| Trust receipt |  |  |  | |  | 20,502 |  | 9,664 |
| **Total** |  |  |  | |  | **285,502** |  | **150,464** |

Effective interest rate of short-term borrowings from financial institutions are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated /** **Separate**  **financial statements** | |
|  | **2022** | **2021** |
| Promissory note | 2.00% to 3.50% | 2.00% to 4.75% |
|  |  | MLR-2.00% |
| Trust receipt | 2.70% to 3.45% | 2.85% |

As at December 31 2022 and 2021, short-term borrowings from financial institution represented promissory notes which had maturity within 6 months amount of Baht 265 million and within 5 months amount of Baht 140.80 million respectively, denominated in Thai Baht.

As at December 31 2022 and 2021, short-term borrowings from financial institution represented trust receipts which was repayable within 5 months amount of 20.50 million denominated in Euro and US Dollar and within 4 months amount of Baht 9.66 million respectively, denominated in Euro.

As at December 31 2022 and 2021, short-term borrowings from financial institutions were secured by the Company’s deposits at financial institution as stated in note 9.

1. **Trade and other current payables**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | | |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Trade payables - others | 134,694 |  | 134,664 |  | 124,424 |  | 118,196 |
| **Total trade payables, net** | **134,694** |  | **134,664** |  | **124,424** |  | **118,196** |
| Other current payables |  |  |  |  |  |  |  |
| Accrued expenses | 79,643 |  | 49,351 |  | 46,161 |  | 19,902 |
| Retention deposit | 30,988 |  | 17,008 |  | - |  | - |
| Advance received for goods | 20,264 |  | 23,623 |  | 10,293 |  | 16,297 |
| Other payables - others | 29,941 |  | 91,938 |  | 916 |  | 4,650 |
| - related parties |  |  |  |  |  |  |  |
| (Note 4) | 1,448 |  | 1,633 |  | 1,448 |  | 1,633 |
| **Total other current payables** | **162,284** |  | **183,553** |  | **58,818** |  | **42,482** |
| **Total trade and other current payables** | **296,978** |  | **318,217** |  | **183,242** |  | **160,678** |

1. **Long-term borrowings**

As at December 31, 2022 and 2021, long-term borrowings consist of

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | | **(Unit: Thousand Baht)** | |
|  |  |  | **Consolidated financial statement** | | **Separate financial statement** | |
| **No.** | **Interest rate (% per annum)** | **Repayment** | **2022** | **2021** | **2022** | **2021** |
| 1 | Fixed rate at 2% | Repay principal and interest every month for 12 installments, the first year commenced | 2,000 | 6,000 | 2,000 | 6,000 |
|  |  | in May 2022 |  |  |  |  |
| 2 | At the rate of 2% for 1st-24th month | Repay principal and interest every month for 60 installments, the first year commenced | 25,556 | 30,000 | 25,556 | 30,000 |
|  | At the rate of 7% for 25th month onwards | in May 2022 |  |  |  |  |
| 3 | MLR -1.00% | Pay interest on monthly basis, commenced in November 2020 and repay principal | 194,527 | 212,126 | - | - |
|  |  | every month for 120 installments, the first year commenced in June 2019 |  |  |  |  |
| 4 | At the rate of 2% for 1st-24th month | Repay principal and interest every month for 60 installments, the first year commenced | 9,164 | 10,000 | - | - |
|  | At the rate of 6% for 25th month onwards | in September 2022 |  |  |  |  |
| 5 | MLR | Repay principal and interest every month for 120 installments, 1st-17th installment is | 220,680 | - | - | - |
|  |  | granted for principal and the first installment commenced in July 2023 |  |  |  |  |
| 6 | MLR -2.50% for 1st-36th installment | Repay principal and interest every month for 120 installments, 1st-34th installment is | 316,801 | 315,407 | - | - |
|  | MLR -1.75% for 36th-72nd installment | granted for principal and the first installment commenced in October 2022 |  |  |  |  |
|  | MLR for 72nd installment onwards |  |  |  |  |  |
| 7 | MLR -2.50% not less than 3.00% for 1st-3th year | Repay principal and interest every month for 120 installments, 1st-22nd installment is | 252,677 | 172,200 | - | - |
|  | MLR -1.75% for 4th-6th year, MLR per annum for 7th-10th year | granted for principal and the first installment commenced in April 2023 |  |  |  |  |
| Total | | | 1,021,405 | 745,733 | 27,556 | 36,000 |
| Deferred financial fee | | | (2,235) | (1,945) | - | - |
|  | | | 1,019,170 | 743,788 | 27,556 | 36,000 |
| Current portion | | | (98,564) | (51,532) | (8,336) | (8,539) |
| **Long-term borrowings – net of current portion** | | | **920,606** | **692,256** | **19,220** | **27,461** |

Details of long-term borrowings

As at December 31, 2022 and 2021, the Company has signed long-term borrowings agreements with financial institutions in the announcement, with the following details:

1. On April 22, 2021, the Company signed borrowing agreement with a limit of Baht 6 million. The principal and interest are repayable on the maturity period of 13 months, the first installment commenced in May 2022. This borrowing does not have any collaterals.
2. On September 27, 2021, the Company signed borrowing agreement with a limit of Baht 30 million. The principal and interest are repayable on the maturity period of 7 months, the first installment commenced in May 2022, This borrowing is secured by the Industrial Credit Guarantee Corporation.
3. On April 20, 2018, "TKS", indirect subsidiary has signed borrowing agreement with a limit of Baht 280 million. The principal repayment is granted for 1st-12th installment and the first principal and interest are repayable in June 2019 ended in May 2028. This borrowing is secured by other companies holding shares in "TKS" and by mortgaging investment properties and right-of -use assets as stated in notes 12 and 14, respectively.

In 2020, "TKS" suspended the principal repayment of long-term borrowings from financial institutions in accordance with the measures to assist additional debtors during the COVID-19 pandemic for 6 months from June to November 2020, and will begin paying such principal from December 2020 without extending the agreement period, and suspend interest at the rate of 50% during the said 6-month period, the suspended interest will be paid in January to November 2021.

1. On August 20, 2021, "TKS", indirect subsidiary has signed borrowing agreement with a limit of Baht 10 million. The principal repayment is granted for 1st-12th installment and the first principal and interest are repayable in September 2022 ended in August 2024. This borrowing is secured by the Industrial Credit Guarantee Corporation and other companies holding shares in "TKS" and by mortgaging investment properties and right-of -use assets as stated in notes 12 and 14, respectively.
2. On March 8, 2022, "TKS", indirect subsidiary has signed borrowing agreement with a limit of Baht 230 million. The principal repayment is granted for 1st-17th installment and the first principal and interest are repayable in July 2023 ended in March 2032. This borrowing is secured by the Company and other companies holding shares in "TKS" and by mortgaging investment properties and right-of -use assets as stated in notes 12 and 14, respectively as well as the right to claim on receiving the debt settlement as stated in note 6.
3. On December 9, 2019, "CAPS", indirect subsidiary has signed borrowing agreement with a limit of Baht 320 million. The principal repayment is granted for 1st-34th installment and the first principal and interest are repayable in October 2022 ended in November 2029. This borrowing is secured by other companies holding shares in "CAPS".

Later in 2020, an interest rate swap was entered into to hedge against the risk of interest rate fluctuations from January 31, 2020 to November 30, 2022, with a fixed interest rate of 3.50% and from November 30, 2022 to February 28, 2025, with a fixed interest rate of 4.25%.

On April 15, 2020, "CAPS" suspended the principal repayment of long-term borrowings from financial institutions in accordance with the measures to provide additional assistance to debtors during the COVID-19 pandemic for 9 months from December 2020 to August 2021, the principal repayment will be started from September 2021 onwards, without extending the agreement period.

1. On May 11, 2021, "BUPS", indirect subsidiary signed borrowing agreement with a limit of Baht 260 million. The principal repayment is granted for 1st-22nd installment and the first principal and interest are repayable in April 2023 ended in May 2031. This borrowing is secured by other companies holding shares in "BUPS" and by mortgaging investment properties and right-of -use assets as stated in notes 12 and 14, respectively

The changes in long-term borrowings for the year ended December 31, 2022 and 2021 are as follows

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **(Unit: Thousand Baht)** | | | |
|  | **Consolidated financial statements** | | **Separate financial statements** | |
|  | **2565** | **2564** | **2565** | **2564** |
| Beginning balance | 743,788 | 543,562 | 36,000 | - |
| Proceeds during the period | 302,180 | 218,200 | - | 36,000 |
| Repayment during the period | (26,509) | (17,167) | (8,444) | - |
| Deferred borrowings fee | (575) | (1,000) | - | - |
| Amortised borrowings fee | 286 | 193 | - | - |
| **Ending balance** | **1,019,170** | **743,788** | **27,556** | **36,000** |

Under the long-term borrowings agreement, the Group is required to comply with the terms and conditions specified in the agreement, including certain financial conditions specified in the agreement, such as maintaining the debt-to-equity ratio and maintaining the debt coverage ratio, etc. As at December 31, 2022 and 2021, the Group has complied with the aforementioned conditions.

The Group has unused borrowings line as at December 31, as following

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit: Thousand Baht)** | | | | | | |
|  | **Consolidated financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Floating interest rate |  |  |  |  |  |  |  |
| Expire over one year |  |  |  |  |  |  |  |
| - Overdrafts line | 21,500 |  | 31,500 |  | 21,500 |  | 21,500 |
| - Borrowings line | 116,700 |  | 155,600 |  | - |  | - |
|  | **138,200** |  | **187,100** |  | **21,500** |  | **21,500** |

1. **Lease liabilities**

Carrying value of lease liabilities and movements as at December 31, 2022, and 2021 are presented as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated financial statements** | | |  | **Separate**  **financial statements** | | |
| ***For the year ended December 31,*** | **2022** |  | **2021** |  | **2022** |  | **2021** |
| As at January 1 | 154,814 |  | 158,165 |  | 56,492 |  | 73,063 |
| Movements in cash flows | (20,492) |  | (20,220) |  | (13,107) |  | (18,267) |
| **Non-cash changes:** |  |  |  |  |  |  |  |
| Lease termination | - |  | (17) |  | - |  | (17) |
| Finance costs | 7,020 |  | 2,780 |  | - |  | - |
| Lease modifications and reassessments | (4,349) |  | (1,174) |  | (4,349) |  | (1,174) |
| Additions | 2,040 |  | 15,280 |  | 766 |  | 2,887 |
| **As at December 31** | **139,033** |  | **154,814** |  | **39,802** |  | **56,492** |
|  |  |  |  |  |  |  |  |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Within 1 year | 19,355 |  | 19,584 |  | 10,070 |  | 14,900 |
| Over 1 year but within 5 years | 70,196 |  | 78,185 |  | 29,791 | 2 | 38,130 |
| Over 5 years | 119,671 |  | 135,677 |  | 5,429 |  | 12,166 |
|  | 209,222 |  | 233,446 |  | 45,290 |  | 65,196 |
| Less Deferred interest expenses | (70,189) |  | (78,632) |  | (5,488) |  | (8,704) |
| Present value of future minimum  lease payments | 139,033 |  | 154,814 |  | 39,802 |  | 56,492 |
| Less Current portion | (13,021) |  | (14,383) |  | (8,307) |  | (12,417) |
| **Lease liabilities - net of current portion** | **126,012** |  | **140,431** |  | **31,495** |  | **44,075** |

1. **Provision for employee benefit**

***Defined benefit plans***

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest risk and market (investment) risk.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| As at January 1, | 17,668 |  | 18,957 |  | 11,920 |  | 14,221 |
| **Recognised in profit or loss:** |  |  |  |  |  |  |  |
| Current service costs | 1,524 |  | 1,725 |  | 982 |  | 1,290 |
| Interest cost | 384 |  | 327 |  | 246 |  | 247 |
|  | 1,908 |  | 2,052 |  | 1,228 |  | 1,537 |
| **Recognised in other comprehensive income** |  |  |  |  |  |  |  |
| Actuarial gains (losses) |  |  |  |  |  |  |  |
| * Demographic assumptions | - |  | 11 |  | - |  | 9 |
| * Financial assumptions | - |  | (3,002) |  | - |  | (2,139) |
| * Experience adjustment | - |  | 2,586 |  | - |  | 292 |
| New valuation for retirement benefits | - |  | (405) |  | - |  | (1,838) |
|  |  |  |  |  |  |  |  |
| Benefit paid | (5,052) |  | (2,936) |  | (5,052) |  | (2,000) |
|  |  |  |  |  |  |  |  |
| **As at December 31,** | **14,524** |  | **17,668** |  | **8,096** |  | **11,920** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Principal actuarial assumptions*** | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  | (%) | | | | | | |
| Discount rate | 1.92 – 3.05 |  | 1.92 – 2.28 |  | 1.92 |  | 1.92 |
| Future salary growth | 5.23 – 5.47 |  | 5.23 – 5.47 |  | 5.23 |  | 5.23 |
| Employee turnover | 6.00 – 27.00 |  | 6.00 – 27.00 |  | 6.00 – 23.00 |  | 6.00 – 23.00 |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
| ***Effect to the defined benefit obligation*** | **0.5% increase in assumption** | | |  | **0.5% decrease in assumption** | | |
| ***As at December 31,*** | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  | (%) | | | | | | |
| Discount rate | 3.32 – 6.21 |  | 3.03 – 6.54 |  | 3.50 – 6.66 |  | 3.22 – 7.04 |
| Future salary growth | 3.86 – 6.97 |  | 3.10– 6.82 |  | 3.69 – 6.52 |  | 2.95 – 6.40 |
| Employee turnover | 4.11 – 7.75 |  | 3.45 -7.83 |  | 1.98 – 8.37 |  | 2.11 – 8.47 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
| ***Effect to the defined benefit obligation*** | **0.5% increase in assumption** | | |  | **0.5% decrease in assumption** | | |
| ***As at December 31,*** | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  | (%) | | | | | | |
| Discount rate | 4.19 |  | 3.03 |  | 4.46 |  | 3.22 |
| Future salary growth | 4.79 |  | 3.10 |  | 4.54 |  | 2.95 |
| Employee turnover | 5.33 |  | 3.45 |  | 5.68 |  | 3.67 |

1. **Dividend paid**

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. **Expense by nature**

**Unit: Thousand Baht**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  |  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Changes in inventories of finished goods |  |  |  |  |  |  |  |  |
| and work in process (increase)/decrease |  | 77,312 |  | 143,400 |  | 82,399 |  | 145,126 |
| Purchase of finished goods |  | 439,514 |  | 276,169 |  | 432,298 |  | 267,082 |
| Subcontract costs |  | 402,888 |  | 249,558 |  | 387,114 |  | 220,886 |
| Depreciation and amortization |  | 81,173 |  | 81,837 |  | 23,400 |  | 22,446 |
| Employee benefit expenses |  | 129,706 |  | 159,815 |  | 93,568 |  | 125,219 |

1. **Operating segments and revenue allocation**

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:

* + - * 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 equipment of the flow measurement meter.
* 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 year ended December 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 | 286,893 | 745,911 | 71,602 | 148,360 | 76,371 | 1,329,137 |
|  |  |  |  |  |  |  |
| Profit (Loss) by segment | 89,537 | 61,551 | 5,306 | 48,098 | (6,432) | 198,060 |
| Distribution costs | (37,324) | (3,474) | (19,670) | (17,624) | (73) | (78,165) |
| Unallocated income (expenses) |  |  |  |  |  |  |
| Other income |  |  |  |  |  | 8,034 |
| Administrative expenses |  |  |  |  |  | (170,203) |
| Other gains (losses) |  |  |  |  |  | 6,756 |
| Finance costs |  |  |  |  |  | (22,132) |
| Share of profit from investment |  |  |  |  |  |  |
| in associates and joint venture |  |  |  |  |  | (240) |
| Profit (Loss) before income tax |  |  |  |  |  | (57,890) |
| Tax expense |  |  |  |  |  | (6,654) |
| Profit (Loss) for the year |  |  |  |  |  | (64,544) |
| Other comprehensive income (expense) for the year, net of tax |  |  |  |  |  | (516) |
| Total comprehensive income (expense) for the year |  |  |  |  |  | (65,060) |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **(Unit : Thousand Baht)** | | | | | |
|  | | **Consolidated financial statements** | | | | | |
|  | | **For the year ended December 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 | 219,080 | 332,291 | 124,538 | 205,807 | 52,215 | 933,931 |
|  |  |  |  |  |  |  |
| Profit (Loss) by segment | 75,465 | (24,927) | 9,633 | 50,018 | (23,368) | 86,821 |
| Distribution costs | (35,858) | (1,558) | (26,981) | (13,641) | (856) | (78,894) |
| Unallocated income (expenses) |  |  |  |  |  |  |
| Other income |  |  |  |  |  | 8,392 |
| Administrative expense |  |  |  |  |  | (115,798) |
| Other gains (losses) |  |  |  |  |  | 16,580 |
| Finance costs |  |  |  |  |  | (21,321) |
| Share of profits from investment in |  |  |  |  |  |  |
| associates and joint venture |  |  |  |  |  | 1,735 |
| Profit (Loss) before income tax expense |  |  |  |  |  | (102,485) |
| Tax expense |  |  |  |  |  | 16,215 |
| Profit (Loss) from continuing operations |  |  |  |  |  | (86,270) |
| Profit (loss) for the year  from discontinued operations |  |  |  |  |  | (52,649) |
| Profit (Loss) for the year |  |  |  |  |  | (138,919) |
| Other comprehensive income (expense) for the year, net of tax |  |  |  |  |  | 256 |
| Total comprehensive income (expense) for the year |  |  |  |  |  | (138,663) |

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 is recognised when the performance obligations are satisfied at a point in time.

1. **Financial instruments**
   1. Foreign exchange risk

The Group and the Company exposure to foreign currency risk in respect of goods acquisition that are denominated in foreign currencies. To management this, the subsidiary entered into forward contract which has a period not exceed one year.

As at December 31, 2022 and 2021, the Group and the Company has the remaining trade accounts payable denominated in foreign currency as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated financial statements** | | | | | | | |
|  |  | **Financial liabilities** | |  |  | **Averaged exchange rate** | |
| **Currency** |  | **(Million)** | |  |  | **(Thai baht per foreign currency)** | |
|  |  | **December 31, 2022** | **December 31, 2021** |  |  | **December 31, 2022** | **December 31, 2021** |
| United States Dollars |  | 28.11 | 45.73 |  |  | 34.7555 | 33.5956 |
| Euro |  | 5.67 | 4.69 |  |  | 37.3282 | 38.2816 |
| Yen |  | 0.43 | 0.47 |  |  | 0.2647 | 0.2945 |
| **Separate financial statements** | | | | | | | |
|  |  | **Financial liabilities** | |  |  | **Averaged exchange rate** | |
| **Currency** |  | **(Million)** | |  |  | **(Thai baht per foreign currency)** | |
|  |  | **December 31, 2022** | **December 31, 2021** |  |  | **December 31, 2022** | **December 31, 2021** |
| United States Dollars |  | 26.10 | 44.28 |  |  | 34.7555 | 33.5956 |
| Euro |  | 3.51 | 3.94 |  |  | 37.3282 | 38.2816 |
| Yen |  | 0.43 | 0.47 |  |  | 0.2647 | 0.2945 |

As at December 31, 2022 and 2021, the outstanding of forward contracts of the Company are summarized below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Consolidated /** **Separate financial statements** | | | |
| **As at December 31, 2022** | | | |
| **Currency** | **Amount** | **Contractual exchange rate** | **Maturity date** |
|  | (Million) | (Thai baht per foreign currency) |  |
| United States Dollars | 16.04 | 34.11 – 37.61 | February – June 2023 |
| Euro | 11.23 | 36.94 – 37.19 | January – March 2023 |
| **Consolidated / Separate financial statements** | | | |
| **As at December 31, 2021** | | | |
| **Currency** | **Amount** | **Contractual exchange rate** | **Maturity date** |
|  | (Million) | (Thai baht per foreign currency) |  |
| United States Dollars | 15.34 | 32.75 – 33.81 | February – March 2022 |
| Euro | 43.67 | 38.60 – 39.22 | January –May 2022 |

As at December 31, 2022 and 2021, the Company recorded losses on changes in fair value of forward contract amount of Baht 1.04 million and Baht 1.01 million which included in gains (losses) on exchange rate in administrative expenses.

* 1. 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 managed the certain risk 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 December 31, 2022 and 2021, the Group’s interest rate hedge 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 and maturity are summarised in the table below.

|  | **(Unit : Thousand Baht)** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at December 31, 2022** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Non-Interest**  **bearing** | **Total** | **Interest rate**  **(% p.a.)** |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 79,027 | - | - | - | - | - | 33,805 | 112,832 | 0.10 – 0.45 |
| Short-term loans to related parties | 1,200 | - | - | - | - | - | - | 1,200 | 3.50 |
| Deposits at financial institutions  used as collateral | 120,667 | - | - | - | - | - | - | 120,667 | 0.15 - 1.00 |
|  | **200,894** | - | - | - | - | - | **33,805** | **234,699** |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term borrowings from  financial institutions | 285,502 | - | - | - | - | - | - | 285,502 | 2.00 – 3.50 |
| Long-term borrowings from  financial institutions | - | - | - | 98,564 | 562,995 | 357,611 | - | 1,019,170 | 2.00 – 7.00 |
| Lease liabilities | 13,021 | 49,030 | 76,982 | - | - | - | - | 139,033 | 2.90 - 6.92 |
|  | **298,523** | **49,030** | **76,982** | **98,564** | **562,995** | **357,611** | **-** | **1,443,705** |  |

|  | **(Unit : Thousand Baht)** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at December 31, 2021** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Non-Interest**  **bearing** | **Total** | **Interest rate**  **(% p.a.)** |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 85,461 | - | - | - | - | - | 22,804 | 108,265 | 0.25 – 2.00 |
| Short-term loans to related parties | 200 | - | - | - | - | - | - | 200 | 3.50 – 5.00 |
| Deposits at financial institutions  used as collateral | 122,184 | - | - | - | - | - | - | 122,184 | 0.15 – 1.00 |
|  | **207,845** | **-** | **-** | **-** | **-** | **-** | **22,804** | **230,649** |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term borrowings from  financial institutions | 140,464 | - | - | 10,000 | - | - | - | 150,464 | 2.00 – 4.75 |
| Long-term borrowings from  financial institutions | - | - | - | 49,947 | 429,558 | 264,283 | - | 743,788 | 2.00 – 7.00 |
| Finance lease liabilities | 14,383 | 37,551 | 102,880 | - | - | - | - | 154,814 | 3.28 – 6.92 |
|  | **154,847** | **37,551** | **102,880** | **59,947** | **429,558** | **264,283** | **-** | **1,049,066** |  |

|  | **(Unit : Thousand Baht)** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at December 31, 2022** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Non-Interest**  **bearing** | **Total** | **Interest rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 14,056 | - | - | - | - | - | 10,209 | 24,265 | 0.10 – 0.45 |
| Short-term loans  to related parties | 34,300 | - | - | - | - | - | - | 34,300 | 3.50 |
| Deposits at financial institutions  used as collateral | 104,486 | - | - | - | - | - | - | 104,486 | 0.15 – 0.375 |
|  | **152,842** | **-** | **-** | **-** | **-** | **-** | **10,209** | **163,051** |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term borrowings from  financial institutions | 285,502 | - | - | - | - | - | - | 285,502 | 2.00 – 3.50 |
| Long-term borrowings from  financial institutions | - | - | - | 8,336 | 19,220 | - | - | 27,556 | 2.00 – 7.00 |
| Lease liabilities | 8,307 | 26,332 | 5,163 | - | - | - | - | 39,802 | 2.90 – 5.00 |
|  | **293,809** | **26,332** | **5,163** | **8,336** | **19,220** | - | - | **352,860** |  |

|  | **(Unit : Thousand Baht)** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | **Fixed interest rates** | | | **Floating interest rates** | | |  |  |  |
| **As at December 31, 2021** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Within**  **1 year** | **1 - 5**  **years** | **Over 5**  **years** | **Non-Interest**  **bearing** | **Total** | **Interest rate**  **(% p.a.)** |
|  |  |  |  |  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 40,898 | - | - | - | - | - | 8,228 | 49,126 | 0.25 – 2.00 |
| Short-term loans  to related parties | 47,500 | - | - | - | - | - | - | 47,500 | 3.50 – 5.00 |
| Deposits at financial institutions  used as collateral | 106,094 | - | - | - | - | - | - | 106,094 | 0.15 – 0.50 |
|  | **194,492** | **-** | **-** | **-** | **-** | **-** | **8,228** | **202,720** |  |
|  |  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Short-term borrowings from  financial institutions | 140,464 | - | - | 10,000 | - | - | - | 150,464 | 2.00 - 4.75 |
| Long-term borrowings from  financial institutions | - | - | - | 8,539 | 27,461 | - | - | 36,000 | 2.00 – 7.00 |
| Finance lease liabilities | 12,417 | 18,141 | 25,934 | - | - | - | - | 56,492 | 3.28 - 5.77 |
|  | **152,881** | **18,141** | **25,934** | **18,539** | **27,461** | **-** | **-** | **242,956** |  |

***Sensitivit***

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.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | **(Unit:Thousand Baht)** |
|  | **Consolidated financial statements** | | |
|  | **Impact to net profit** | | |
|  | **2022** |  | **2021** |
| Interest rate - increase 0.5% \* | 5,096 |  | 3,769 |
| Interest rate - decrease 0.5% \* | (5,096) |  | (3,769) |

\* Holding all other variables constant

* 1. 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 the 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 contract assets*

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.

* 1. 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 19. 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.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | |
|  | **Consolidated financial statements** | | | | | |
| **Due date** | **Carrying amount** | **1 year**  **or less** | **1-5 years** | **More than 5 years** | **Total** | **Book value** |
| **As at December 31, 2022** |  |  |  |  |  |  |
| **Non-derivative financial liabilities** |  |  |  |  |  |  |
| Short-term borrowings from financial institutions | - | 285,502 | - | - | 285,502 | 285,502 |
| Trade and other payables | - | 296,978 | - | - | 296,978 | 296,978 |
| Lease liabilities | - | 19,355 | 70,196 | 119,695 | 209,246 | 139,033 |
| Long-term borrowings from financial institutions | - | 99,944 | 554,076 | 365,280 | 1,019,300 | 1,019,170 |
| **Total** **non-derivative financial liabilities** | **-** | **701,779** | **624,272** | **484,975** | **1,811,026** | **1,740,683** |
|  |  |  |  |  |  |  |
| **Derivatives** |  |  |  |  |  |  |
| Foreign currency forward contracts | - | 968 | - | - | 968 | 968 |
| **Total derivative liabilities** | **-** | **968** | **-** | **-** | **968** | **968** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | |
|  | **Consolidated financial statements** | | | | | |
| **Due date** | **Carrying amount** | **1 year**  **or less** | **1- 5 years** | **More than 5 years** | **Total** | **Book value** |
| **As at December 31, 2021** |  |  |  |  |  |  |
| **Non-derivative financial liabilities** |  |  |  |  |  |  |
| Short-term borrowings from financial institutions | - | 150,464 | - | - | 150,464 | 150,464 |
| Trade and other payables | - | 318,217 | - | - | 318,217 | 318,217 |
| Lease liabilities | - | 19,584 | 78,185 | 135,677 | 233,446 | 154,814 |
| Long-term borrowings from financial institutions | - | 52,375 | 435,425 | 262,600 | 750,400 | 743,788 |
| **Total** **non-derivative financial liabilities** | **-** | **540,640** | **513,610** | **398,277** | **1,452,527** | **1,367,283** |
|  |  |  |  |  |  |  |
| **Derivatives** |  |  |  |  |  |  |
| Foreign currency forward contracts | - | 1,205 | - | - | 1,205 | 1,205 |
| Interest rate swap | - | - | 1,873 | - | 1,873 | 1,873 |
| **Total derivative liabilities** | **-** | **1,205** | **1,873** | **-** | **3,078** | **3,078** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | |
|  | **Separate financial statements** | | | | | |
| **Due date** | **Carrying amount** | **1 year**  **or less** | **1 5 years** | **More than 5 years** | **Total** | **Book value** |
| **As at December 31, 2022** |  |  |  |  |  |  |
| **Non-derivative financial liabilities** |  |  |  |  |  |  |
| Short-term borrowings from financial institutions | - | 285,502 | - | - | 285,502 | 285,502 |
| Trade and other payables | - | 183,242 | - | - | 183,242 | 183,242 |
| Lease liabilities | - | 10,070 | 29,791 | 5,453 | 45,314 | 39,802 |
| Long-term borrowings from financial institutions | - | 8,336 | 19,220 | - | 27,556 | 27,556 |
| **Total** **non-derivative financial liabilities** | **-** | **487,150** | **49,011** | **5,453** | **541,614** | **536,102** |
|  |  |  |  |  |  |  |
| **Derivatives** |  |  |  |  |  |  |
| Foreign currency forward contracts | - | 1,037 | - | - | 1,037 | 1,037 |
| **Total derivative liabilities** | **-** | **1,037** | **-** | **-** | **1,037** | **1,037** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Thousand Baht** | | | | | |
|  | **Separate financial statements** | | | | | |
| **Due date** | **Carrying amount** | **1 year**  **or less** | **More than 1 year but less than 5 years** | **More than 5 years** | **Total** | **Book value** |
| **As at December 31, 2021** |  |  |  |  |  |  |
| **Non-derivative financial liabilities** |  |  |  |  |  |  |
| Short-term borrowings from financial institutions | - | 150,464 | - | - | 150,464 | 150,464 |
| Trade and other payables | - | 160,678 | - | - | 160,678 | 160,678 |
| Lease liabilities | - | 14,900 | 38,130 | 12,166 | 65,196 | 56,492 |
| Long-term borrowings from financial institutions | - | 8,539 | 27,461 | - | 36,000 | 36,000 |
| **Total** **non-derivative financial liabilities** | **-** | **334,581** | **65,591** | **12,166** | **412,338** | **403,634** |
|  |  |  |  |  |  |  |
| **Derivatives** |  |  |  |  |  |  |
| Foreign currency forward contracts | - | 1,205 | - | - | 1,205 | 1,205 |
| **Total derivative liabilities** | **-** | **1,205** | **-** | **-** | **1,205** | **1,205** |

* 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** | | | | |
|  | **2022** | **2021** | | **2022** | | **2021** | | **2022** | | | **2021** | |
| **Assets** |  |  | |  | |  | |  | | |  | |
| Investment in debt securities | - | 73 | | - | | - | | - | | | 73 | |
| Investment in equity securities | 1,200 | 1,845 | | - | | - | | 1,200 | | | 1,845 | |
| Derivative financial assets |  |  | |  | |  | |  | | |  | |
| Foreign currency forward contracts | - | - | | - | | 197 | | - | | | 197 | |
| **Total** | **1,200** | **1,918** | | **-** | | **197** | | **1,200** | | | **2,115** | |
|  |  |  | |  | |  | |  | | |  | |
| **Liabilities** |  |  | |  | |  | |  | | |  | |
| Derivative financial liabilities |  |  | |  | |  | |  | | |  | |
| Interest rate swap | - | - | | - | | 1,873 | | - | | | 1,873 | |
| Foreign currency forward contracts | - | - | | 968 | | 1,205 | | 968 | | | 1,205 | |
| **Total** | - | **-** | | **968** | | **3,078** | | **968** | | | **3,078** | |
|  | | **Unit: Thousand Baht** | | | | | | | | | | |
|  | | **Separate financial statements** | | | | | | | | | | |
|  | | | **Level 1** | | | | **Level 2** | | | | **Total** | | |
|  | | | **2022** | | **2021** | | **2022** | | **2021** | | **2022** | **2021** | |
| **Assets** | | |  | |  | |  | |  | |  |  | |
| Investment in debt securities | | | - | | 68 | | - | | - | | - | 68 | |
| Investment in equity securities | | | 1,200 | | 1,845 | | - | | - | | 1,200 | 1,845 | |
| Derivative financial assets | | |  | |  | |  | |  | |  |  | |
| Foreign currency forward contract | | | - | | - | | - | | 197 | | - | 197 | |
| **Total** | | | **1,200** | | **1,913** | | - | | **197** | | **1,200** | **2,110** | |
|  | | |  | |  | |  | |  | |  |  | |
| **Liabilities** | | |  | |  | |  | |  | |  |  | |
| Derivative financial liabilities | | |  | |  | |  | |  | |  |  | |
| Foreign currency forward contract | | | **-** | | **-** | | **1,037** | | **1,205** | | **1,037** | **1,205** | |
| **Total** | | | **-** | | **-** | | **1,037** | | **1,205** | | **1,037** | **1,205** | |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | **Unit: Thousand Baht** | | |
|  | **Consolidated financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Letters of guarantee issued by banks for  electricity usage | 2,300 |  | 2,300 |  | 1,100 |  | 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 |  | 43,140 |  | **-** |  | **-** |
| Letters of guarantee were issued for certain services and construction contracts | 396,310 |  | 324,560 |  | 396,310 |  | 324,560 |
| Letters of guarantee issued by banks to secure sales of good and rendering of services | 10,630 |  | 11,940 |  | - |  | - |

The Group and the company has 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** | |
|  | **2022** | **2021** | **2022** | **2021** |
| Property, plant and equipment | 8,182 | 255,455 | 682 | 1,759 |
| **Total** | **8,182** | **255,455** | **682** | **1,759** |

* 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.

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 has 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. 2469 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. **Financial statements approval**

These financial statements were approved and authorised for issue by the Company's Board of directors on February 23, 2023.