**ITALIAN–THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

1. **GENERAL INFORMATION**

Italian–Thai Development Public Company Limited (“the Company”) is incorporated and domiciled in Thailand and has 5 overseas branches and 3 overseas project offices. The Company and subsidiaries are principally engaged in the construction services and other services related to construction support, providing soil and coal extraction and removal services, real estate business, manufacturing and selling construction materials and products, including investments in other projects in Thailand and overseas.

The Company’s registered office address is 2034/132-161, New Petchburi Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok.

1. **BASIS OF FINANCIAL STATEMENTS PREPARATION**
   1. Statement of compliance

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) issued under the Federation of Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The consolidated and separate financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use of certain critical accounting estimates and to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

* 1. Principles of consolidation

The consolidated financial statements include the financial statements of Italian–Thai Development Public Company Limited and subsidiaries in which the Company can exercise control are as follows:

|  | Country of | Percentage of share held | |
| --- | --- | --- | --- |
| Name of Entity | incorporation | by the Company | |
|  |  | 2021 | 2020 |
| Overseas subsidiaries |  |  |  |
| PT.Thailindo Bara Pratama | Indonesia | 99.99 | 99.99 |
| ITD Cementation India Limited | India | 46.64 | 46.64 |
| ITD–Madagascar S.A. | Madagascar | 99.98 | 99.98 |
| ITD Construction SDN. BHD. | Malaysia | 99.99 | 99.99 |
| ITD Bangladesh Company Limited | Bangladesh | 99.99 | 99.99 |
| Italian–Thai Development Vietnam Co., Ltd. | Vietnam | 80.00 | 80.00 |
| ITD Mozambique Limitada | Mozambique | 99.00 | 99.00 |
| Thai Mozambique Logistica SA | Mozambique | 60.00 | 60.00 |
|  |  |  |  |
| Local subsidiaries |  |  |  |
| Italian–Thai International Co., Ltd. | Thailand | 99.99 | 99.99 |
| Bhaka Bhumi Development Co., Ltd. | Thailand | 99.99 | 99.99 |
| Thai Pride Cement Co., Ltd. | Thailand | 99.99 | 99.99 |
| Nha Pralan Crushing Plant Co., Ltd. | Thailand | 99.99 | 99.99 |
| Siam Concrete and Brick Products Co., Ltd. | Thailand | 99.80 | 99.80 |
| Italthai Marine Co., Ltd. | Thailand | 92.59 | 92.59 |
| Italthai Trevi Co., Ltd. | Thailand | 90.94 | 90.94 |
| Asian Steel Product Co., Ltd. | Thailand | 69.90 | 69.90 |
| Thai Maruken Co., Ltd. | Thailand | 50.96 | 50.96 |
| Italian Thai Land Co., Ltd. | Thailand | 99.99 | 99.99 |
| Palit Palangngan Co., Ltd. | Thailand | 78.16 | 78.16 |
| Palang Thai Kaowna Co., Ltd. | Thailand | 99.99 | 99.99 |
| Italian Thai Power Co., Ltd. | Thailand | 99.99 | 99.99 |
| Saraburi Construction Technology Co., Ltd. | Thailand | 99.93 | 99.93 |
| Asia Logistics Development Co., Ltd. | Thailand | 99.93 | 99.93 |
| Asia Industrial and Port Corporation Co., Ltd. | Thailand | 99.93 | 99.93 |
| Myanmar Italian–Thai Power 1 Co., Ltd. | Thailand | 99.95 | 99.95 |
| Italian-Thai Hongsa Co., Ltd. | Thailand | 99.97 | 99.97 |
| APPC Holding Co., Ltd. | Thailand | 64.52 | 64.52 |
| Asian Rail Co., Ltd. | Thailand | 99.99 | 99.99 |
| ITD – ARC Joint Venture | Thailand | 10.00 | 10.00 |
| ITD – VCB Joint Venture | Thailand | 70.00 | - |
|  |  |  |  |
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|  |  |  |  |
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|  |  |  |  |
| Indirect overseas subsidiaries |  |  |  |
| Ayeyarwady Multitrade Co., Ltd. | Myanmar | 99.99 | 99.99 |
| ITD Cementation Projects India Limited | India | 99.99 | 99.99 |
| ITD – Cemindia JV | India | 20.00 | 20.00 |
| ITD – ITD CEM JV | India | 51.00 | 51.00 |
| ITD – ITD CEM JV (Consortium) | India | 60.00 | 60.00 |
| ITD Vertex Consortium SDN. BHD | Malaysia | 70.00 | 70.00 |
| Dawei Development Company Limited (Myanmar) | Myanmar | 75.00 | 75.00 |
| Future Prosperity Investment Company Limited | Republic of Mauritius | 99.99 | 99.99 |
| APPC Hong Kong Company Limited | Hong Kong | 100.00 | 100.00 |
| THAI INTERNATIONAL INDUSTRIAL ESTATE DEVELOPMENT PRIVATE COMPANY LIMITED | Singapore | 100.00 | 100.00 |
| THAI POWER DEVELOPMENT PRIVATE COMPANY LIMITED | Singapore | 100.00 | 100.00 |
| THAI TELECOM DEVELOPMENT PRIVATE  COMPANY LIMITED | Singapore | 100.00 | 100.00 |
| DAWEI TELECOM HOLDING PRIVATE  COMPANY LIMITED | Singapore | 100.00 | 100.00 |
| DAWEI RESIDENCE HOLDING PTE LTD. | Singapore | 50.00 | 50.00 |
| DAWEI POWER HOLDING PTE LTD. | Singapore | 100.00 | 100.00 |
| DAWEI LNG TERMINAL HOLDING PTE LTD. | Singapore | 50.00 | 50.00 |
| MYANDAWEI INDUSTRIAL ESTATE HOLDING  PTE LTD. | Singapore | 50.00 | 50.00 |
| DAWEI TELECOM COMPANY LIMITED | Myanmar | 100.00 | 100.00 |
| DAWEI RESIDENCE COMPANY LIMITED | Myanmar | 50.00 | 50.00 |
| DAWEI POWER COMPANY LIMITED | Myanmar | 100.00 | 100.00 |
| DAWEI LNG TERMINAL COMPANY LIMITED | Myanmar | 50.00 | 50.00 |
| MYANDAWEI INDUSTRIAL ESTATE COMPANY LIMITED | Myanmar | 50.00 | 50.00 |
|  |  |  |  |
| Indirect local subsidiaries |  |  |  |
| Aquathai Co., Ltd. | Thailand | 99.99 | 99.99 |
| Sarithorn Co., Ltd. | Thailand | 99.99 | 99.99 |
| Southern Industries (1996) Co., Ltd. | Thailand | 99.99 | 99.99 |
| Asia Pacific Potash Corporation Limited | Thailand | 90.00 | 90.00 |
| Lasalle Company Limited | Thailand | 99.30 | 99.30 |
| Tongkrai Company Limited | Thailand | 99.40 | 99.40 |
| Tayakhee Company Limited | Thailand | 99.40 | 99.40 |
| Dithee Company Limited | Thailand | 99.40 | 99.40 |
| Panoot Company Limited | Thailand | 99.40 | 99.40 |
| Phannin Company Limited | Thailand | 99.40 | 99.40 |
|  |  |  |  |
|  |  |  |  |
| Takolkiat Company Limited | Thailand | 99.40 | 99.40 |
| Tridayuk Company Limited | Thailand | 99.40 | 99.40 |
| Bhantuwong Company Limited | Thailand | 99.40 | 99.40 |
| Nahathai Company Limited | Thailand | 99.40 | 99.40 |
| Kanika Company Limited | Thailand | 99.40 | 99.40 |
| Sin Rae Muang Thai Co., Ltd. | Thailand | 99.99 | 99.99 |
| Wildemere Co., Ltd. | Thailand | 99.99 | 99.99 |
| APPC Holding Co., Ltd. | Thailand | 35.48 | 35.48 |
| ITD – ARC Joint venture | Thailand | 90.00 | 90.00 |

* 1. Significant changes during the year 2021 are as follows:
* The Company and China Railway Number 10 (Thailand) Company Limited jointly invested in ITD-CREC Joint Venture which is principally engaged in the construction for New State Audit Office of the Kingdom of Thailand. The Company has investment of 51% of the joint venture.
* The Company and Thai Takenaka International Limited jointly invested in ITALIAN-THAI-TAKENAKA Joint Venture which is principally engaged in the construction of Retail 1 (“R1”) and Office 1B (“O1B”) for One Bangkok Mixed-Use development project. The Company has investment of 70% of the joint venture.
* The Company and Nawarat Patanakarn Public Company Limited jointly invested in ITALIANTHAI-NAWARAT Joint Venture which is principally engaged in the construction of water tunnel by Ratchaphruek Road from Khlong Maha Sawat to Petchkasem Road. The Company has investment of 51% of the joint venture.
* The Company and Nawarat Patanakarn Public Company Limited jointly invested in ITD-NAWARAT Joint venture which is principally engaged in the construction of railway Denchai-Chiang Rai-Chiang Khong Contract 1 from Denchai to Ngaw. The Company has investment of 89.55% of the joint venture.
* The Company and Nawarat Patanakarn Public Company Limited jointly invested in ITD-NWR Joint venture which is principally engaged in the construction of Khlong Prem Prachakorn drainage tunnel from Khlong Bang Bua to Chao Phraya River. The Company has investment of 70% of the joint venture.
* The Company and Vichitbhan Construction Company Limited jointly invested in ITD-VCB Joint venture which is principally engaged in the construction of Expressway project Rama 3-Dao Khanong-Ropnokkrungthep ring Metropolitan West Side Contract 3 section Dao Khanong-Suk sawat-Ratchaburana. The Company has 70% investment in the joint venture.
* The Company's branch in Taiwan, ITD-EGC Joint Venture and SQ-ITD Joint Venture were registered for liquidation.
  1. Significant changes during the year 2020 are as follows:
* The Company made additional payment for share capital of Asian Rail Co., Ltd. and Bhaka Bhumi Development Co., Ltd. totalling Baht 114.68 million. There is no change in investment proportion.
* The Company made additional payment for share capital of First Dhaka Elevated Expressway Co., Ltd., an overseas joint control company of BDT 1,395.33 million (equivalent to Baht 519.09 million) and by converting debt to equity of BDT 417.50 million (equivalent to Baht 148.88 million) under the shareholder agreement made in the third quarter of 2019. There is no change in investment proportion for this additional payment of investment.
* The Company registered to liquidate a Company’s branch in Cambodia, Samsung-ITD Joint Venture and ITD-Unique Joint Venture.
* Oriental Residence Bangkok Co., Ltd. increased its shares capital by offering to the existing shareholders. The Company did not participate in additional investment therefore the Company’s proportion in such associated company is diluted from 15.00% to 8.52%. However, the Company continues classified such investment as associated company since the Company still has significant influence by the power to participate over the financial and operating policy decisions of such company but can not control those policies.
  1. The financial statements of the overseas project offices, branches and subsidiaries are translated into Baht using exchange rates at the date of the statement of financial position for assets and liabilities, and the monthly average exchange rates for revenues and expenses. The resultant differences are presented under the caption “Translation adjustments for foreign currency financial statements” as other comprehensive income under other components of shareholders’ equity.

Goodwill arising from the acquisition of the businesses in overseas is treated as assets of the overseas entity, and they are translated at the closing rate.

* 1. Significant transactions and account balances with subsidiaries have been eliminated from the consolidated financial statements, except for intercompany profit in inventories at the end of the year, which has insignificant effect on the consolidated financial statements.
  2. Non–controlling interests represent the portion of subsidiary companies’ profit or loss and net assets that are not held by the Group and are presented separately in the consolidated statement of profit or loss and the statement of changes in shareholders’ equity.
  3. All subsidiaries have the same reporting date of 31 December, except the group companies in India Bangladesh and Myanmar which have a statutory reporting date of 31 March 30 June and 30 September, respectively. However, such companies have prepared the financial information for the consolidation purpose for the year ended 31 December. The financial statements of subsidiaries have been prepare using the same accounting policies of the Group and for the same accounting transactions or accounting events.
  4. Dilution gains (loss) arises on shares issued by subsidiaries and sold to third parties are recognized as surplus (discount) on dilution of investment in subsidiary companies, which is presented under shareholders’ equity in the consolidated financial statements.
  5. The separate financial statements for the years ended 31 December 2021 and 2020 include the financial information (after intercompany eliminations) of overseas project offices and overseas branches for significant entities as follows:

|  |  | |  | |  |  | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | | | 2020 | | | |
|  | Current assets | Non–current assets | Current  liabilities | Non–current  liabilities | Current assets | Non–current assets | Current  liabilities | Non–current  Liabilities |
|  |  |  |  |  |  |  |  |  |
| Cong TY Italian-Thai Development Public Co., Ltd. – Vietnam Project | 333 | 210 | 376 | - | 372 | 258 | 489 | - |
| KOLDAM Project Office | 1,204 | 35 | 1,744 | 1,892 | 1,102 | 32 | 1,602 | 1,882 |
| West Bengal Project Office | 6 | - | 126 | 773 | 5 | - | 127 | 764 |
| Italian–Thai Development Public Co., Ltd. – Philippines Branch | 2,133 | 685 | 1,333 | 1,432 | 1,908 | 11 | 473 | 1,402 |
| Italian–Thai Development Public Co., Ltd. – Bangladesh Branch | 5,987 | 524 | 8,713 | - | 5,342 | 658 | 7,130 | 86 |
| Italian–Thai Development Public Co., Ltd. – Taiwan Branch | - | - | - | - | 15 | - | 147 | - |
| Italian–Thai Development Public Co., Ltd. – India Branch | 534 | 74 | 42 | 624 | 547 | 68 | 45 | 632 |
| Italian–Thai Development Public Co., Ltd. – Cambodia Branch | - | - | - | - | 1 | - | 4 | - |

|  |  | | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- |
|  | 2021 | | 2020 | |
|  | Revenues | Expenses | Revenues | Expenses |
|  |  |  |  |  |
| Cong TY Italian-Thai Development Public Co., Ltd. – Vietnam Project | 368 | 338 | 607 | 542 |
| KOLDAM Project Office | - | 12 | - | 16 |
| West Bengal Project Office | - | 1 | - | 3 |
| Italian–Thai Development Public Co., Ltd. – Philippines Branch | 388 | 367 | - | 2 |
| Italian–Thai Development Public Co., Ltd. – Bangladesh Branch | 2,290 | 3,089 | 1,223 | 2,380 |
| Italian–Thai Development Public Co., Ltd. – Taiwan Branch | 277 | 9 | 13 | 9 |
| Italian–Thai Development Public Co., Ltd. – India Branch | - | 3 | 30 | 7 |
| Italian–Thai Development Public Co., Ltd. – Cambodia Branch | - | 1 | - | 1 |

* 1. In addition, the separate financial statements for the years 2021 and 2020, recognizes assets, liabilities, revenues and expenses of the joint operations which are classified as joint operations based on the Company’s management consideration about the economic contents of the joint venture agreements and concluded that the Company has rights to the assets, and obligations for the liabilities relating to the arrangements including revenues and expenses sharing relevant to such joint operation, The Company therefore, prepared and presented the financial statements of such joint operations proportionately based on the Company’s interests. Joint operations are as follows:

|  | Portion of joint operations (percent) | |  |
| --- | --- | --- | --- |
| Name of Entity | 2021 | 2020 | Type of businesses |
|  |  |  |  |
| ITD – SQ Joint Venture | 50.00 | 50.00 | Soil and coal extraction and removal services for the Electricity Generating Authority of Thailand |
| ITD – RT Joint Venture | 70.00 | 70.00 | Construction the double track train from Map Kabao – Thanon Chira junction, Contract No.3 tunnel works under the state railway of Thailand |
| SMCC – ITD Joint Venture | 49.00 | 49.00 | Construction of Dhaka Mass Transit Development project line 6 (CP-06) at Dhaka, Bangladesh with Dhaka Mass Transit Company Limited. |
| ItalianThai – Takenaka Joint Venture | 70.00 | - | Construction of Retail 1 (“R1”) and Office 1B (“O1B”) for One Bangkok Mixed-Use development project. |
| ItalianThai – Nawarat Joint Venture | 51.00 | - | Construction of water tunnel by Ratchaphruek Road from Klong Maha Sawat to Petchkasem Road. |
| ITD-NWR Joint Venture | 70.00 | - | Construction of Khlong Prem Prachakorn drainage tunnel from Khlong Bang Bua to Chao Phraya River. |
| ITD-Nawarat Joint Venture | 80.00 | - | Construction of railway Denchai-Chiang Rai-Chiang Khong Contract 1 from Denchai to Ngaw. |

The separate financial statements as at 31 December 2021 and 2020 and for the years then ended included assets, liabilities, revenues and expenses of such joint operations (after intercompany eliminations) as follows:

|  |  | |  | |  |  | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | | | 2020 | | | |
|  | Current assets | Non–current assets | Current  liabilities | Non–current  liabilities | Current assets | Non–current assets | Current  liabilities | Non–current  Liabilities |
|  |  |  |  |  |  |  |  |  |
| ITD – SQ Joint Venture | 10 | - | - | - | 72 | 5 | 2 | - |
| ITD – RT Joint Venture | 938 | 16 | 509 | - | 1,043 | 23 | 780 | - |
| SMCC – ITD Joint Venture | 1,675 | 159 | 1,037 | 392 | 1,388 | 202 | 535 | 910 |
| ItalianThai – Takenaka  Joint Venture | 176 | - | 33 | 293 | - | - | - | - |
| ItalianThai – Nawarat  Joint Venture | 128 | 12 | 104 | 189 | - | - | - | - |
| ITD-NWR Joint Venture | 212 | 36 | 126 | 395 | - | - | - | - |
| ITD-Nawarat Joint Venture | 4 | - | - | - | - | - | - | - |

|  |  | | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- |
|  | 2021 | | 2020 | |
|  | Revenues | Expenses | Revenues | Expenses |
|  |  |  |  |  |
| ITD – SQ Joint Venture | 1 | 38 | - | 171 |
| ITD – RT Joint Venture | 2,212 | 944 | 1,116 | 408 |
| SMCC – ITD Joint Venture | 1,728 | 1,508 | 701 | 613 |
| ItalianThai – Takenaka Joint Venture | 44 | 28 | - | - |
| ItalianThai – Nawarat Joint Venture | 47 | 3 | - | - |
| ITD-NWR Joint Venture | 77 | 27 | - | - |
| ITD-Nawarat Joint Venture | 1 | 1 | - | - |

1. **CHANGES IN THE FINANCIAL REPORTING STANDARDS**
2. Financial Reporting Standards, Interpretations and guidance which effective for the accounting period beginning on or after 1 January 2021 are as follows:
   * 1. Thai Accounting Standard 1, “Presentation of financial statements” and Thai Accounting Standard 8, “Accounting policies, Changes in Accounting Estimates and Errors”

There is an amendment to the definition of the term “Materiality” to comply with Thai Financial Reporting Standards (“TFRS”) and frameworks, including the explanation that clarifies the materiality application to Thai Financial Reporting Standard 1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

* + 1. Thai Financial Reporting Standard 3, “Business combinations”

This standard was amended to provide more consideration as follow;

* + Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of purchase whether it is considered as purchase of an asset or business combination.
  + Amendment to the definition of the term “Business” to define the business combination to include, at a minimum, an input and a substantive process that together significantly contributes to the ability to create outputs. Furthermore, amendment to the definition of “Outputs” which focus on goods and services provided to the customers and removing reference to an ability to lower the costs.
    1. Thai Financial Reporting Standard 9, “Financial instruments” and Thai Financial Reporting Standard 7, “Disclosure of Financial instruments”

These standards change specific hedge accounting requirements to the uncertainties arising from the impact of interest rate benchmark reform including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to disclose all hedging relationships directly affected by such uncertainty.

* + 1. Conceptual Framework for Financial Reporting

The definition in the conceptual framework definition was amended to define assets and liabilities and criteria for recognizing assets and liabilities in financial statements by adding the conceptual and application consideration as follow:

* Measurement including factors to be considered when selecting a benchmark basis
* Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
* Derecognition assets and liabilities from financial statements.

In addition, this framework describes about responsibilities by function, conservative consideration concept, and uncertainty in the measurement of values in the preparation of financial information. The revision in conceptual framework also affects the revision in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

* + 1. Thai Financial Reporting Standard 16, “Leases”

TFRS 16 amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic as lease modifications.

However, the Group has initially adopted this amended TFRS that is effective for annual accounting periods beginning on or after 1 January 2021 and has not early adopted this TFRS before the effective date. The application has no material impact on the financial statements.

1. Financial Reporting Standards and guidance which effective for the accounting period beginning on or after 1 January 2022.

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevance to the interest rate benchmark (IBOR) reform Phase 2 amendments (Phase 2 amendments). The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flow or hedging relationship arising from the change of interest rate benchmark to alternative benchmark rates. The impact financial reporting standards are as follows:

|  |  |
| --- | --- |
| **Financial reporting standard** | **Name of standard** |
| Thai Financial Reporting Standard 4 | Insurance contracts |
| Thai Financial Reporting Standard 7 | Disclosure of financial instruments |
| Thai Financial Reporting Standard 9 | Financial instruments |
| Thai Financial Reporting Standard 16 | Lease |
| Accounting guidance | Financial instruments and disclosures for insurance business |

The significant information are as follows:

* Applying a practical expedient on relief measurement when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), have to comply with 2 conditions are 1) the changes that are necessary as a direct result of the IBOR reform and 2) the new basis for determining contractual cash flows are considered economically equivalent, will not result in an immediate gain or loss in the statement of profit or loss. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
* Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS7 requires addition disclosures as follows:

* The nature and extent of risks arising from the IBOR reform including methods that the entity uses in managing for the transition to alternative benchmark rates.
* The quantitative information related to the financial instruments that have yet transitioning to an alternative benchmark rate as at the end of the reporting period, by separate significant benchmark rates under the IBOR reform.
* The changing to an entity’s risk management strategies that the risk arising from financial instruments and transition to alternative benchmark rates.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards and guidelines on accounting which have been announced in the Royal Gazette on 22 December 2021. Such Thai Financial Reporting Standards and guidelines on accounting are not applicable to the Group.

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

1. **EFFECT FROM THE PANDEMIC OF CORONAVIRUS DISEASE 2019 (COVID-19)**

The COVID-19 pandemic has caused economic slowdown and adversely impacted most businesses and industries in many countries around the world. This situation has brought about uncertainties and has impacted on the environment in which the group operates. The Group’s management has continuously monitored ongoing development and assessed the impact in respect of the domestic and overseas construction projects, including the financial impact in respect of the revenues and expenses, valuation of assets, provisions and contingent liabilities. The management has monitored the impact from such matter on the group’s financial statements which using estimate and judgement in respect of various issues as the situation has evolved.

From the uncertainty situation in 2020. The Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 pandemic in preparing the financial statements for the year ended 31 December 2020. However, the accounting guidance already expired on 31 December 2020, therefore the discontinuation of application of the accounting relief relevance to the matter as follows:

1. Impairment of assets

The Group uses the forward-looking information into account when determining expected credit losses in cases where the Group uses a simplified approach to determine expected credit losses. There is no material impact on the financial statements.

1. Fair value measurement

The Group measures the value of investments in non-marketable equity securities at fair value by considers to measures every year. The impact from the discontinuation of such accounting relief is disclosed in note 18 to the financial statements. However, if there are factors which may cause significant changes in the fair value of such investments, the Group will consider to measure the value within such period.

1. Deferred tax

The Group considers to use information relating to the COVID-19 pandemic situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilized. There is no material impact on the financial statements.

1. **SIGNIFICANT ACCOUNTING POLICIES**
   1. Revenues recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expect to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates. Judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time as the nature of revenues as follow:

*Revenues from construction work*

Revenue from construction work is recognized over time based on stage of completion for the cumulative costs incurred with total costs budget estimation until the completion of the project. The related costs are recognized in profit or loss when they are incurred.

The Group will set the provision for the total anticipated loss on construction projects in the accounts as soon as the possibility of loss is ascertained.

*Revenues from other service related to construction work*

Revenue from other service related to construction work is recognized overtime when the services are provided to customer and inspected by the project consultant of customer. The related costs are recognized in profit or loss when they incur.

*Revenues from excavating service - soil and coal extraction and removal services*

Revenues from excavating service - soil and coal extraction and removal services are recognized over time when the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognized in profit or loss when they are incurred.

*Revenue from sales of construction materials and products*

Revenue from sales of construction materials and products is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods. The Group is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur. Therefore, the Group will adjust recognized revenue for the estimated returns, which are estimated based on the historical data.

*Revenue from sales of property development*

Revenue from sales of property development is recognized when a customer obtains control of the property development, generally on delivery and transfer of ownership to the customers.

*Interest income*

Interest income is recognized over time - period on an accrued basis.

*Other Revenue*

Other revenue is recognized based on an accrual basis.

*Dividend income*

Dividend income is recognized when the right to receive the dividends is established.

* 1. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

* 1. Trade accounts receivable and contract assets

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

The Group recognizes contract assets if it had fulfilled their performance obligation before it receive the consideration from customers, by presenting them as “Earned revenues not yet billed” in the statement of financial position, the Group recognize contract liabilities for consideration received in respect of performance obligations that have not been fulfilled, by presenting them as “Receipts in excess of contract work in progress” in the statement of financial position.

Trade accounts receivable are measured at the transaction value less allowances for doubtful accounts for the estimated losses.

The contract assets are measured at the consideration value that the Group expects to receive less allowances for doubtful account.

The Group applies simplified approach to measuring expected credit losses, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, receivables have been grouped based on similar types of credit risk. The expected credit loss rates are calculated based on payment profiles of each group, adjusted for factors that are specific to the debtors, and payment ability of the debtors at the end of year. The impairment losses are recognized in profit or loss.

* 1. Inventories and work in process

Construction materials, inventories and work in process are valued at the lower of weighted average cost and net realizable value and are charged to production costs whenever consumed. Management periodically review and provide allowance for obsolete inventories.

Factory and office supplies are valued at the lower of first-in, first-out cost or net realizable value.

* 1. Financial instrument

*Recognition and derecognition*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial instrument is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

*Classification and initial measurement of financial assets*

The Group classified financial assets into the categorized (1) amortized cost (2) fair value through other comprehensive income (FVOCI) or (3) fair value through profit or loss (FVTPL) based on 2 criteria as follow:

1. The entity’s business model for managing the financial asset, and
2. The contractual cash flow characteristics of the financial asset

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

All revenue and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within separately.

*Subsequent measurement of financial assets*

*Financial assets at amortized cost*

Financial assets are measured at amortized cost if the assets meet the following conditions:

1. The Company held such financial assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
2. The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets are subsequently measured at amortized cost using the effective interest method and are subjected to impairment which recognized in the profit or loss as separate item.

*Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorized at FVTPL.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

*Financial assets at fair value through other comprehensive income (FVOCI)*

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

1. they are held under a business model whose objective it is “hold to collect” the associated cash flows and sell and
2. the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. (SPPI)

Any gains or losses recognized in other comprehensive income (OCI)will be recycled upon derecognition of the financial assets.

*Impairment of financial assets*

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI (if any). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

*Classification and initial measurement of financial liabilities*

The Group classifies the financial instruments issued by the Company as financial liabilities or equity securities by considering contractual obligations to deliver financial assets to third parties.

The Group’s financial liabilities include borrowings, trade and other accounts payables and derivative financial instruments.

The Group initial recognized the financial liabilities at fair value and adjusted with transaction costs that are directly attributable to the acquisition of the financial liabilities.

*Subsequent measurement of financial liabilities*

Financial liabilities are subsequently measured at amortized cost using the effective interest method and are expensed in the profit or loss except derivative liabilities are measured at fair value through profit or loss.

*Derivative financial instruments and hedge accounting*

The Group entered the derivative contract that is hedging instruments of a particular risk associated with the cash flows of recognized assets and liabilities (cash flow hedges).

The Group documents the economic relationship between hedging instrument and the hedged items, Nature of risk being hedged, risk management objective, risk management strategy for assessment the hedge effectiveness and measure the hedge ineffectiveness.

The Group initially recognized the derivatives at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group recognized the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges in the cash flow hedge reserve under equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss as other gains or losses.

The full fair value of a hedging derivative and derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets hedge accounting criteria. The Group will classify the cumulative gain or loss, and deferred costs of hedging reported inequity are immediate to profit or loss.

* 1. Contract cost assets

Contract cost assets are the costs to fulfil a contract to satisfy performance obligations in future that relate directly to a contract and the Group expects to recover these costs. However, the fulfilment costs are expended when incurred, if the expected amortization period is one year or less.

Contract cost assets are measured at cost less accumulated amortization and impairment losses. Amortization is charged to profit or loss base on systematic basis over the term of the contract it relates to consistent with the related revenue recognition.

* 1. Costs of property development projects

Costs of property development projects are presented at costs or net realizable value whichever is lower. Project development costs include land cost, construction costs and expenses directly related to the development projects, including interest expense incurred from related loan interest. These will be amortized to cost of sales based on the percentage of sold area of each project.

* 1. Borrowing costs

Interest expense incurred on loans to finance the acquisition and development of the project is capitalized as a cost of each project. The Group will cease the capitalization of interest when the project is completed, or if suspended, until development is resumed.

* 1. Investments

1. Investments in available for sale securities are presented at fair value. Gains (losses) arising from changes in the value of such investments are separately presented as part of shareholders’ equity under the caption “Unrealized gain (loss) on changes in value of investments”. When the securities are sold, the change is included in the statement of profit or loss.
2. Investments in non-marketable equity securities, which the Company classifies as other investments, are presented at fair value. Gain (losses) arising from changes in the value of such investments are presented in profit or loss.
3. Investments in subsidiaries, associated and joint control companies, and joint ventures are accounted for by the cost method in the separate financial statements. Investments in associated and joint control companies and joint ventures are accounted for by the equity method in the consolidated financial statements.

The fair value of available-for-sale securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

The weighted average method is used for computation of the cost of investments.

The Group will record impairment losses (if any) for the investments in subsidiaries, associated and joint control companies, joint ventures and other investments in the statement of profit or loss when the carrying amount exceeds the recoverable amount.

* 1. Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated and joint control companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company’s operations.

*Subsidiaries*

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

When the Company ceases to has control, it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint control company, joint venture. In addition, any amounts previously recognized in other comprehensive income in respect of the Company are accounted for as if the Company had directly disposed of the related assets or liabilities.

*Associated companies*

Associated companies are those companies in which the Company has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company’s share of the total recognized gains or losses of associated companies by the equity accounting method, from the date that significant influence commences until the date that significant influence ceases. When the Company’s share of losses exceeds its interest in an associate company, the Company will account for the share of losses not exceeding its investments and further losses are no longer accounted for, except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associated company.

*Joint control company*

Joint control company is these company in which the Company has contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

*Joint arrangement*

A joint arrangement is an arrangement of which two or more parties have joint control in an entity. A joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

* *Joint ventures*

Joint ventures accounted for under the equity method of accounting, interests in joint ventures are initially recorded at cost and adjusted thereafter to recognize the Company’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company’s share of losses in a joint venture equal or exceeds its interests in the joint ventures, the Company will recognize such losses as obligation of the Company’s interest in the joint ventures.

* *Joint operations*

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

* 1. Land awaiting developments

Land awaiting developments are valued at cost or net realizable value whichever is lower.

* 1. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, The Group state investment properties at fair value which valuate by the independent valuer. Any gains or losses arising from changes in the value of investment properties are recognized in the statement of profit or loss.

On disposal of investment properties, the Group recognized the difference between the net disposal proceeds and the carrying amount of the asset in the statement of profit or loss in the period when the asset is derecognized.

* 1. Property, plant and equipment, and depreciation

Property, plant and equipment are presented at cost less accumulated depreciation and allowance for impairment of assets (if any). Costs are measured by the cash or cash equivalent price including interest expense on incurred from related loan for the acquisition of asset that bring it to the location and condition necessary for its intended use.

The Group depreciates buildings and equipment by the straight-line method over their estimated useful lives based on the segregation of components of assets, if each part is significant with different useful lives. Estimated useful lives of the assets are as follows:

|  |  |  |
| --- | --- | --- |
| Buildings and factories | 20 – 30 | years |
| Machinery and equipment | 3 – 25 | years |
| Furniture, fixtures and office equipment | 3 – 7 | years |
| Vehicles | 5 – 12 | years |
| Site offices and temporary camps | 5 – 12 | years |

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

* 1. Right-of-use assets and lease liabilities

*Leases - where the Group is the lessee*

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

* fixed payments including in-substance fixed payments;
* variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
* amounts expected to be payable under a residual value guarantee;
* the exercise price, under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period; and
* payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

The Group measures the ROU asset at cost less accumulated depreciation and impairment loss (if any) and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group will depreciate the ROU asset from the commencement date to the end of the useful lives of the underlying asset. The useful lives of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

* a change in an index or a rate used to determine those payments
* a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee
* the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

*Short-term leases and leases of low-value assets*

The Group has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*Leases - where the Group is the lessor*

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognized as a lease receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognized over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss 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 assets and recognized as an expense over the lease term on the same basis as the lease income.

* 1. Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the share of the identifiable net assets which the Company acquired. Goodwill is measured at cost less allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment loss on goodwill is not reversed.

* 1. Costs of property development projects

Costs of property development projects are presented at costs or net realizable value whichever is lower. Project development costs include land cost, construction costs and expenses directly related to the development projects, including interest expense incurred from related loan interest. These will be amortized to cost of sales based on the percentage of sold area of each project.

* 1. Potash mining right

Potash mining right represents the excess of the cost of investment over the fair value of the subsidiary’s net assets which, in management’s view, represents future economic benefits attributable to the potash mining rights. Potash mining right will be amortized using the units of potash production over the estimated potash reserve from the start of production.

* 1. Deferred exploration and development expenses

All expenses incurred in relation to the exploration for mineral reserves and expenses for the application of the mining concession are recorded as deferred exploration and development expenses until the commencement of the commercial production or the abandonment of the project. These expenses will be amortized based on the proportion of the units of production and the total estimated proven and probable recoverable reserves, from the commencement of the commercial operations. When the project is proven not commercially feasible and the property is abandoned or becomes worthless, these expenses will be recorded as expenditure.

* 1. Advances from customers under construction contracts

Advances received from customers is payment for expenses to fulfil the performance obligation which is contract liabilities in respect of performance obligation that have not been fulfilled and presenting as “Advances from customers under construction contracts”. Advances from customers under construction contracts will be deducted from the bill of work over the period as indicated in the construction agreement. Advances from customers under construction contracts spanning more than 1 year are classified as non-current liabilities.

* 1. Debentures

Debentures are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, debentures are presented at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowing on an effective interest basis. Gains or losses on early redemption are recognized in the statement of profit or loss upon redemption.

* 1. Impairment of asset

The Group assesses whether there is an indication that any assets may be impaired. If any such indication exists, the Group makes an estimate of the assets recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less cost to sell and value in use.

* 1. Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

*Current income tax*

Current income tax is the expected tax payable or income tax benefit on the taxable profit for the period, using income tax rate enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years, which is different from profit or loss in the financial statements. The income tax in the consolidated and separate financial statements includes income tax of overseas entities which are calculated based on the cash collection, the revenues or the net profit based on tax rate, whichever is higher.

*Deferred tax*

Deferred taxes are calculated on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and if they are intended to be settled on a net basis or when tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

* 1. Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Financial assets and liabilities, denominated in foreign currencies, which are outstanding at the reporting date, are translated into Baht at the exchange rates ruling on the reporting date. Gains and losses on exchange are included in the statement of profit or loss.

* 1. Employee benefits

*Short-term employment benefits*

Salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred on the accrual basis.

*Post-employment benefits (Defined contribution plan)*

The Group, and their employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Group. The fund’s assets are held in a separate trust fund from the Company’s and subsidiaries’ assets. The Company’s and subsidiaries’ contributions to the fund are recognized as expenses when incurred.

*Post-employment benefits (Defined benefit plan)*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under the labour law.

The obligations under the defined benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employee benefits are recognized in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation, fair value of plan assets and actuarial gains (losses).

The expected rate of return of plan assets is the Group’s expectation of the average long-term rate of return expected on investments of the fund during the estimated term of obligations. Plan assets are measured at fair value as at the reporting date.

* 1. Segment reporting

Segment results that are reported to the Group’s executive committee (the chief operating decision makers) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

* 1. Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

* 1. Basic earnings per share

Basic earnings per share are determined by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

* 1. Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of outstanding ordinary shares is assumed to be converted to common shares that dilute the total number of shares.

A calculation is done to determine the potential number of shares that could have been acquired at market price (determined as the average share price of the Company’s shares during the year) based on the outstanding warrants to determine the number of potential ordinary shares to be additionally issued.

* 1. Provision for liabilities and expenses, and contingent assets

The Group recognized provision for liabilities and expenses in the financial statements when they have present legal or constructive obligations as a result of past events with probable future outflows of resources to settle the obligations, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually certain.

* 1. Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into 3 levels of a fair value hierarchy. The 3 levels are defined based on the observability of significant inputs to the measurement, as follows:

* Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
* Level 2 : inputs other than quoted prices included within Level 1 that are observable comparable

for the asset or liability, either directly or indirectly

* Level 3 : no observable inputs for the asset or liability.

1. **CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT**

The preparation of the financial statements requires management to undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Critical accounting estimates, assumption and judgments are as follows:

* 1. Construction revenues

The consideration of performance obligation on the contracts with customers required management’s judgment to identify the performance obligation on each contract. In addition, the revenues from contract modification which have not yet been determined for the corresponding change in price also requires the management’s judgment to estimates the change to transaction prices and amount which the Group will be entitled to receive based on the reasonable consideration of all available information. In addition, the level of progress of performance under the obligation to complete the construction over time for each construction contract requires management assessment based on information available at the reporting date. In this process, management carries out significant judgments about milestones, actual work performed and the estimated costs to complete the work. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. Actual outcomes in terms of actual costs or revenues may be higher or lower than estimates at reporting date, which would affect the revenue and profit recognized in future years as an adjustment to the amounts recorded to date.

* 1. Claims income

A claim is an amount that the Group seeks to collect from their customers or another party as reimbursement for costs not included in the contract price. A claim income may arise from, for example, customer who caused delays, errors in specifications or design, and disputed variations in contract work. The measurement of the amounts of revenue arising from claims is subject to a high level of uncertainty and often depends on the outcome of negotiations.

* 1. Allowance for loss on construction projects

The Group reviews their construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognized immediately in the statement of profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

* 1. Impairment of receivables and contract assets

The Group accounts for allowance for impairment loss equal to the estimated collection losses that may incur in the collection of receivables and contract asset. The estimated losses are based on historical collection experience coupled with a review of outstanding receivables at reporting date.

* 1. Allowance for obsolete, slow-moving and defective inventories

The Group provides allowances for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category and such requires management judgment.

* 1. Allowance for diminution in value of cost of property development projects and land held for development

The Group treats cost of property development projects and land held for development, as diminution when the management judges that there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of such cost of property development projects and land held for development based on net realizable value. The determination of what is “significant” or “prolonged” and such devaluation requires management judgment.

* 1. Allowance for impairment of investments

The Group treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

* 1. Impairment of goodwill

The Company annually reviews goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of management estimates.

* 1. Impairment of project under development

The Group treats cost of projects under development as diminution when the management judges that there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of such cost of projects under development based on net realizable value. The determination of what is “significant” or “prolonged” and such devaluation requires management judgment.

* 1. Joint arrangements

Management applied judgment to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement.

* 1. Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for plant and equipment and intangible assets and will revise the depreciation and amortization charge where useful lives and residual values previously estimated have changed or subject to be written off for their technical obsolescence or if they are no longer in use.

* 1. Investment property

The Group presents investment property at the fair value estimated by an independent appraiser, and recognize changes in the fair value in profit or loss. The fair values of investment properties are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

* 1. Allowances for impairment of assets

The Group regularly considers allowances for impairment of assets when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value below their cost, the Group, make an estimate of the assets recoverable amount. The determination of recoverable amount requires management judgment.

* 1. Post-employment benefits under defined benefit plans

Obligation under defined benefit plans is determined based on actuarial techniques. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.

* 1. Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group’s future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in tax jurisdictions.

* 1. Contingent liabilities from litigation

The Group normally has contingent liabilities as a result of disputes and litigation. Management use judgment to assess the results of the disputes and litigation and recognize reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.

* 1. Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 47.

* 1. Lease

*Determining the lease term*

The Group exercises judgement in determining whether it is reasonably certain to exercise option to terminate or extend a lease in determining the lease term which considered all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease or not to exercise the option to terminate the lease.

*Determining of discount rate*

The discount rate, which was used to calculate the lease liability, is the rate implicit in the leases if it can be readily determined, or the lessee’s incremental borrowing rate if not. The Company used the rate implicit in the lease for hire purchase leases and incremental borrowing rate for other leases. The Company estimated interest rate closely to incremental borrowing rate.

1. **FINANCIAL ASSETS AND LIABILITIES**
   1. Categories of financial assets and financial liabilities

The carrying amount of financial assets and financial liabilities in each category are as follows:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
| Transactions | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| *Financial assets measured at amortized cost* |  |  |  |  |
| Cash and cash equivalents | 3,553,615 | 4,055,622 | 1,702,066 | 2,981,349 |
| Fixed deposits less than one year | 1,118,326 | 1,287,381 | - | - |
| Restricted deposits with banks | 571,452 | 234,492 | 569,274 | 231,263 |
| Current portion of promissory notes receivable | 50,000 | 50,000 | 50,000 | 50,000 |
| Trade accounts receivable-unrelated parties | 11,051,915 | 10,303,681 | 9,238,061 | 8,667,329 |
| Trade and other accounts receivable-related parties | 1,466,899 | 1,883,443 | 3,688,729 | 3,801,143 |
| Current portion of Finance lease receivable – subsidiary | - | - | 6,239 | 6,112 |
| Contract assets (Retention receivable) | 3,934,209 | 3,495,900 | 2,433,649 | 2,448,450 |
| Short-term loans and advances to related parties | 359,491 | 352,571 | 648,469 | 576,003 |
| Finance lease receivable – subsidiary | - | - | 26,882 | 28,961 |
| Promissory notes receivable | 285,939 | 335,939 | 285,939 | 335,939 |
| Long-term loans and advances to related parties | 1,112,512 | 1,010,737 | 657,724 | 799,875 |
|  |  |  |  |  |
| *Financial assets measured at fair value through profit or loss (FVTPL)* | | | | |
| Other current assets (Derivative assets) | 76,880 | 34,362 | 76,880 | 34,362 |
| Other long-term investments | 789,647 | 655,524 | 585,744 | 520,298 |
|  |  |  |  |  |
| *Financial assets measured at fair value through Comprehensive income (FVOCI)* | | | | |
| Other long-term investments | 467,918 | 369,918 | 440,655 | 348,394 |
| **Total Financial assets** | 24,838,803 | 24,119,786 | 20,410,311 | 20,879,694 |
|  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |
| *Financial liabilities measured at amortized cost* |  |  |  |  |
| Bank overdrafts and short-term loans from financial   institutions | 7,255,513 | 7,118,552 | 4,560,619 | 4,701,073 |
| Liabilities under trust receipts | 2,749,862 | 2,792,671 | 2,749,862 | 2,792,671 |
| Trade and other accounts payable - unrelated parties | 21,263,657 | 16,039,373 | 15,826,098 | 11,743,967 |
| Trade and other accounts payable - related parties | 2,338,462 | 1,577,322 | 2,980,555 | 2,222,956 |
| Short-term loans and advance from related parties | 29,838 | 76,826 | 950,039 | 499,264 |
| Current portion of lease liabilities | 696,737 | 850,832 | 554,292 | 658,854 |
| Current portion of long-term loans | 14,060,347 | 11,943,288 | 13,160,908 | 11,224,108 |
| Current portion of debentures | 5,998,585 | 4,045,690 | 5,998,585 | 4,045,690 |
| Retentions payable | 1,072,862 | 1,004,595 | 1,024,109 | 929,029 |
| Current portion of other financial liabilities | 569,810 | 367,327 | 519,201 | 346,188 |
| Other accounts payable - unrelated parties | 1,188,081 | 3,271,320 | 1,188,081 | 3,271,320 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Lease liabilities | 1,037,599 | 1,379,533 | 428,309 | 742,150 |
| Long-term loans | 6,884,894 | 9,298,098 | 3,903,838 | 5,853,279 |
| Debentures | 8,416,954 | 10,437,709 | 8,416,954 | 10,437,709 |
| Other financial liabilities | 1,235,506 | 1,099,543 | 1,043,025 | 994,118 |
|  |  |  |  |  |
| *Financial liabilities measured at fair value through profit or loss (FVTPL)* | | | | |
| Other non-current liabilities(Derivative liabilities) | 79,235 | 167,703 | - | - |
| **Total Financial liabilities** | 74,877,942 | 71,470,382 | 63,304,475 | 60,462,376 |

* 1. Financial assets measured at amortized costs

Financial assets measured at amortized costs comprises with trade accounts receivable and the debt instruments.

* 1. Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss comprise with equity instrument which are not held for trading. The Group has made the irrevocable election to present subsequent change in the fair value of equity instruments in non-marketable securities through profit or loss.

* 1. Financial assets measured at fair value through comprehensive income

Financial assets at fair value through other comprehensive income comprise with equity instrument which are not held for trading. The Group has made the irrevocable election to present subsequent change in the fair value of equity instruments in marketable securities through other comprehensive income.

* 1. Derivative financial instruments and hedge accounting

The Group has the financial derivative as following:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| **Derivative assets** |  |  |  |  |
| Derivative assets were not designated as a hedging instrument |  |  |  |  |
| - Forward contract | 76,880 | 34,362 | 76,880 | 34,362 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Derivative liabilities** |  |  |  |  |
| Derivative liabilities designated as a hedging instrument |  |  |  |  |
| - Interest rate swap | 79,235 | 167,703 | - | - |
| Total | 79,235 | 167,703 | - | - |

A subsidiary has entered into an interest rate swap agreement with a local financial institution for long-term loan from a financial institution amounting to Baht 2,706.00 million, exchanging interest rate floating rate to fixed rate of 6.95% per annum. The period of such agreement is 11 March 2020 to   
30 December 2022.

As at 31 December 2021, the interest rate swap contract, designated as a hedging instrument, has a fair value of Baht 79.24 million, presented under other current liabilities in the statement of financial position and the change in fair value loss which considered as effectiveness cash flow hedge instrument of Baht 5.84 million, presented in other comprehensive income.

1. **FINANCIAL INSTRUMENTS RISK**
   1. Risk management objectives and policies

The Group has main financial instruments for each item of financial assets and liabilities as discussed in note 7. Risk management is integral to the business of the Group. The Group has a system of controls in order to create an acceptable balance of risk levels. It is considered between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Group is exposed to various types of risks related to these financial instruments. The major risks include credit risk, liquidity risk and market risk. These consist of foreign exchange risk and interest rate risk. The Group has risk management policies as follow;

**Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The group is exposed to credit risk from financial assets including cash and cash equivalents, trade and other receivables, contractual cash flow of investment in debt instrument, which is measured at amortized cost, measured at fair value through other comprehensive income and measured at fair value through profit and loss, derivative including credit risk from account receivables, other receivables, and loans.

*Credit risk management*

The management manages risk by establishing appropriate credit control policies and procedures. Therefore, the Group does not expect to suffer any significant losses from credit granting. Since the granting of credit is made in advance. The maximum amount that a company may incur on credit is the book value of the receivable shown in the statement of financial position.

*Impairment loss of financial assets*

Trade and other account receivable

The Group considers the simplified approach in accordance with Thai Financial Reporting Standard No. 9 to measure expected credit losses over the life of all trade receivables and contractual assets. As such transactions do not contain any significant financial elements. In determining the expected credit loss. Management has classified customers on a common credit risk profile basis and according to groups of overdue periods.

An estimate of the expected credit loss rate is based on past service and sales history and experience of credit losses incurred from 2014 to the end of the accounting period updated to reflect current information. However, the Group has opted for temporary relief measures for additional accounting options, without bringing information that has been forecast in the future (Forward-looking information) is used to measure the expected credit losses arising from accepting payments from customers.

Loans and advances to related parties

The Group has loans to related parties measured at amortized cost. The Group recognizes expected credit losses over the next 12 months on loans that do not incur a significant credit risk increase. The Company has recognized the expected credit loss over the life of the loans with significant increase in credit risk.

Other debt instrument

The Group has cash and cash equivalents retentions receivables and other receivables which are required to determine the impairment loss according to Thai Financial Reporting Standard No. 9. However, the Group has determined that the impairment amount is insignificant.

**Liquidity risk**

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis below:

As at 31 December 2021, the Group's non-derivative financial liabilities maturity (Including contractual interest payments (if any)) as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | |  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | | | |
|  | Within 1 year | 1 – 2 years | 2 - 5 years | Over 5 years | Total |
|  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 7,255,513 | - | - | - | 7,255,513 |
| Liabilities under trust receipts | 2,749,862 | - | - | - | 2,749,862 |
| Trade and other accounts payable  - unrelated parties | 21,263,657 | 1,188,081 | - | - | 22,451,738 |
| Trade and other accounts payable  - related parties | 2,338,462 | - | - | - | 2,338,462 |
| Short-term loans and advance from  related parties | 29,838 | - | - | - | 29,838 |
| Lease liability | 696,737 | 1,037,599 | - | - | 1,734,336 |
| Long-term loans | 14,060,347 | 6,407,835 | 477,059 | - | 20,945,241 |
| Debenture | 5,998,585 | 3,987,271 | 4,429,683 | - | 14,415,539 |
| Other financial liabilities | 569,810 | 1,235,506 | - | - | 1,805,316 |
| Retentions payable | 1,072,862 | - | - | - | 1,072,862 |
| Non-current liabilities (derivative  liabilities) | 79,235 | - | - | - | 79,235 |
| Total | 56,114,908 | 13,856,292 | 4,906,742 | - | 74,877,942 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | |  | (Unit : Thousand Baht) | |
|  | Separate F/S | | | | |
|  | Within 1 year | 1 – 2 years | 2 - 5 years | Over 5 years | Total |
|  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 4,560,619 | - | - | - | 4,560,619 |
| Liabilities under trust receipts | 2,749,862 | - | - | - | 2,749,862 |
| Trade and other accounts payable - unrelated parties | 15,826,098 | 1,188,081 | - | - | 17,014,179 |
| Trade and other accounts payable -  related parties | 2,980,555 | - | - | - | 2,980,555 |
| Short-term loans and advance from  related parties | 950,039 | - | - | - | 950,039 |
| Lease liability | 554,292 | 428,309 | - | - | 982,601 |
| Long-term loans | 13,160,908 | 3,426,779 | 477,059 | - | 17,064,746 |
| Debenture | 5,998,585 | 3,987,271 | 4,429,683 | - | 14,415,539 |
| Other financial liabilities | 519,201 | 1,043,025 | - | - | 1,562,226 |
| Retentions payable | 1,024,109 | - | - | - | 1,024,109 |
| Non-current liabilities (derivative  liabilities) | 79,235 | - | - | - | 79,235 |
| Total | 48,403,503 | 10,073,465 | 4,906,742 | - | 63,383,710 |

**Market risk**

The Group exposures to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

*Interest rate risk*

The Group exposures to interest rate risk relates primarily to their cash at banks, bank overdrafts, loans, lease liabilities and debentures. Most of the Group’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, therefore the Group’s interest rate is at low risk level.

*Sensitivity Analysis*

Cash-flow sensitivity analysis of financial instruments with variable interest rate at the end of reporting period may resulted the gain or loss from such analysis. However, the Group has determined that the result from sensitivity analysis is not significant.

*Foreign currency risk*

Group exposures to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

As at 31 December 2021, the balances of financial assets and liabilities denominated in foreign currencies of the subsidiaries are summarized below :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | |
|  | Million | Million | Million | Million |
|  | USD | EUR | LAK | SGD |
|  |  |  |  |  |
| Trade accounts receivable and   retention | 9 | 6 | - | 2 |
| Trade accounts receivable and  loans related parties | 29 | - | - | - |
| Trade account payable | 2 | 1 | 93 | - |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | |  |
|  | Million | Million | Million | Million | Million |
|  | USD | EUR | INR | JPY | BDT |
|  |  |  |  |  |  |
| Trade accounts receivable and  loans related parties | 95 | - | - | - | 53 |
| Trade account payable | 1 | 1 | - | - | - |

As at 31 December 2021, the Group has forward exchange contracts outstanding as summarized below

|  |  |  |
| --- | --- | --- |
| Foreign currency | Balance (million) | Contractual exchange rate |
|  |  |  |
| Euro (Bought) | 43 | 36.2397 – 36.4644 |
| USD (Bought) | 10 | 32.5850 – 33.8400 |

In addition, the Group is exposed to foreign exchange fluctuations arising from Investments in subsidiaries, associated and joint control companies, and joint ventures which does not hedge such risk.

* 1. Capital management risk

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support their business and maximize shareholder value to reduce the financial cost of capital and to maintain the debt-to-equity ratio in accordance with the terms of the loan and debenture agreements

In order to maintain or revise the capital structure, The Group may adjust the dividend payment policy. Issuance of new shares or issuing new debentures to pay off existing debts or selling assets to reduce debt burden.

1. **PROMISSORY NOTES**

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated and Separate F/S | |
|  | 31 December 2021 | 31 December 2020 |
|  |  |  |
| Promissory Notes | 335,939 | 385,939 |
| Less : Current portion | (50,000) | (50,000) |
| Net | 285,939 | 335,939 |

In the year 2018, the Company entered into an agreement with a debtor for the repayment of construction work. Such debtor agreed to settlement the debt by issuing promissory notes to the Company for installment payments of 10 years with interest at 4.18 percent per annum.

The Company has long–term loan from a local financial institution which has balance as at 31 December 2021 of Baht 335.94 million (2020 : Baht 385.94 million). Such loan bears interest at 4 percent per annum. The principal and interest are repayable when the Company received debt settlement for the promissory notes from the debtor mentioned above. (As discussed in Note 31)

1. **TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES**

## 

## Trade accounts receivable balances as at 31 December 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Trade accounts receivables | 12,197,430 | 11,419,247 | 9,519,340 | 9,006,689 |
| Less : Allowance for impairment losses | (1,145,515) | (1,115,566) | (281,279) | (339,360) |
| Net | 11,051,915 | 10,303,681 | 9,238,061 | 8,667,329 |

Allowance for impairment losses of trade accounts receivables - unrelated parties classify by outstanding ages are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | | |
|  | 2021 | | 2020 | |
| Outstanding ages | Carrying amounts | Allowance for impairment losses | Carrying amounts | Allowance for impairment losses |
|  |  |  |  |  |
| Less than 3 months | 8,709,297 | (1,374) | 7,860,838 | (109,066) |
| 3 – 6 months | 234,684 | (3) | 376,309 | (14,033) |
| 6 – 12 months | 159,064 | (1,980) | 282,913 | (12,699) |
| More than 12 months | 3,094,385 | (1,142,158) | 2,899,187 | (979,768) |
| Total | 12,197,430 | (1,145,515) | 11,419,247 | (1,115,566) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Separate F/S | | | |
|  | 2021 | | 2020 | |
| Outstanding ages | Carrying amounts | Allowance for impairment losses | Carrying amounts | Allowance for impairment losses |
|  |  |  |  |  |
| Less than 3 months | 7,313,173 | (1,374) | 6,530,450 | (14,666) |
| 3 – 6 months | 18,396 | (3) | 276,258 | (2,728) |
| 6 – 12 months | 83,799 | (1,980) | 211,892 | (1,344) |
| More than 12 months | 2,103,972 | (277,922) | 1,988,089 | (320,622) |
| Total | 9,519,340 | (281,279) | 9,006,689 | (339,360) |

A reconciliation of loss on impairment trade accounts receivable – unrelated parties for the year ended 31 December 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| As at 1 January 2021 | 1,115,566 | 339,360 |
| Recognize increase allowance for impairment losses | 72,209 | - |
| Reversal of impairment loss | (90,607) | (58,081) |
| Translation adjustment for foreign currency  financial statement | 48,347 | - |
| As at 31 December 2021 | 1,145,515 | 281,279 |

The Company recognizes the impairment of receivables by forward-looking “expected credit loss” (ECL) model, except for the following receivables:

* As at 31 December 2021 and 2020, the consolidated and separate financial statements include trade accounts receivable from a State Enterprise in respect of a construction project totalling Baht 1,125.79 million the construction was completed in September 2019. The Company has been negotiating for the collection of this outstanding amount which has been held by the employer since the employer had claimed for a penalty charge regarding to the completion of construction work after the key completion dates and also after the final completion date of the contract. The Company opposed to the claims by submitting letters to the employer and received a notification letter from the employer summarizing the consideration of the extension of the completion dates for some cases of the delay causes and reduction the penalty charges for partial amount on 14 September 2020.

However, the Company still opposed to the extended number of days relating to the causes of construction delays as approved by the employer. Consequently, the Company submitted a letter to the employer to reserve the right for abstaining and reducing the remaining penalty charges on 11 November 2020 requesting the employer to review the accommodate all causes of delay to affect the number of delays correctly and fairly along with the clarifying details and submitting the supporting documents in order to request the collection of the outstanding construction work. Currently, this matter has been in consideration of the project consultant to prepare the opinion report propose to the Project Owner’s Management Bureau for the approval from the Work Inspection Committee (WIC) and proposing to the Board of Directors for further approval.

On 24 June 2021, the Company submitted a letter to the employer asking for accelerating the consideration of the extension of time and refund the remaining balance of penalty which has been held by the employer. However, the Company’s management decidedly believes that the extension of times for abstaining and reducing the remaining penalty charges will be approved. The Company will receive the full payment for the remaining construction work from project owner.

* As at 31 December 2021, the Group has outstanding trade receivables from the government sectors totalling Baht 689.58 million and receivables from the private sectors totalling Baht 145.20 million   
  (2020 : Baht 532.71 million and Baht 210.39 million, respectively) for various construction projects in both of Thailand and overseas which is under the negotiation process for the debt collection for the construction work. Such construction projects have been certified by the project consultant and the employer. Therefore, the Group’s management believes that they are able to collect such outstanding in full amount.
* As at 31 December 2021, the consolidated financial statement include trade receivable from private sector of an overseas subsidiary of Baht 68.75 million (2020 : Baht 87.24 million). The debt collection is depended on the result from the negotiation with the employer as discussed in Note 45.

1. **TRADE AND OTHER ACCOUNTS RECEIVABLE – RELATED PARTIES**

# 

# The outstanding balances as at 31 December 2021 and 2020 are as follows:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| **Accounts receivable** |  |  |  |  |
| Subsidiaries | - | - | 2,700,671 | 2,880,925 |
| Associated and joint control companies   and joint ventures | 1,657,576 | 1,969,017 | 1,238,822 | 1,140,922 |
| Related parties | 387,334 | 460,477 | 295,526 | 364,605 |
| Total | 2,044,910 | 2,429,494 | 4,235,019 | 4,386,452 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Other accounts receivable** |  |  |  |  |
| Joint operations | - | 34,743 | - | 34,743 |
|  |  |  |  |  |
| Trade and other accounts receivable  - related parties | 2,044,910 | 2,464,237 | 4,235,019 | 4,421,195 |
| Less : Allowance for impairment loss | (578,011) | (580,794) | (546,290) | (620,052) |
| Net | 1,466,899 | 1,883,443 | 3,688,729 | 3,801,143 |

Allowance for impairment losses of trade accounts receivables - related parties classify by outstanding ages are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | | |
|  | 2021 | | 2020 | |
| Outstanding ages | Carrying amounts | Allowance for impairment losses | Carrying amounts | Allowance for impairment losses |
|  |  |  |  |  |
| Less than 3 months | 173,060 | (1) | 938,114 | (22) |
| 3 – 6 months | 109,584 | - | 14,150 | (44) |
| 6 – 12 months | 25,123 | (2) | 253,667 | (71) |
| 12 – 24 months | 479,412 | (56,317) | 78,050 | (428) |
| More than 24 months | 1,257,731 | (521,691) | 1,180,256 | (580,229) |
| Total | 2,044,910 | (578,011) | 2,464,237 | (580,794) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Separate F/S | | | |
|  | 2021 | | 2020 | |
| Outstanding ages | Carrying amounts | Allowance for impairment losses | Carrying amounts | Allowance for impairment losses |
|  |  |  |  |  |
| Less than 3 months | 570,436 | (817) | 1,273,651 | (4,404) |
| 3 – 6 months | 66,945 | (1,119) | 128,860 | (3,816) |
| 6 – 12 months | 440,109 | (1,588) | 683,042 | (17,995) |
| 12 – 24 months | 1,321,234 | (13,307) | 560,358 | (24,349) |
| More than 24 months | 1,836,295 | (529,459) | 1,775,284 | (569,488) |
| Total | 4,235,019 | (546,290) | 4,421,195 | (620,052) |

A reconciliation of loss on impairment for trade and other accounts receivables - related parties for the year ended 31 December 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| As at 1 January 2021 | 580,794 | 620,052 |
| Recognize increase allowance for impairment losses | 804 | 3,839 |
| Reversal of impairment loss | (9,699) | (77,601) |
| Translation adjustment for foreign currency  financial statement | 6,112 | - |
| As at 31 December 2021 | 578,011 | 546,290 |

1. **CONTRACT ASSETS AND CONTRACT LIABILITIES**

The Group has an outstanding balances of contract assets and contract liabilities with customers as follows:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| **Contract assets** |  |  |  |  |
| Contract assets - current |  |  |  |  |
| Earned revenues not yet billed - net | 24,558,525 | 22,366,105 | 19,505,832 | 18,032,163 |
| Retentions receivable | 3,934,209 | 3,495,900 | 2,433,649 | 2,448,450 |
| Costs to fulfil a contract asset | 66,411 | 61,157 | 66,411 | 61,157 |
| Total contract assets - current | 28,559,145 | 25,923,162 | 22,005,892 | 20,541,770 |
|  |  |  |  |  |
| Contract assets – non-current |  |  |  |  |
| Costs to fulfil a contract asset | 1,856,591 | 15,177 | 1,856,591 | 15,177 |
| Total contract assets – non-current | 1,856,591 | 15,177 | 1,856,591 | 15,177 |
|  |  |  |  |  |
| **Total contract assets – non-current** | 30,415,736 | 25,938,339 | 23,862,483 | 20,556,947 |
|  |  |  |  |  |
| **Contract liabilities** |  |  |  |  |
| Contract liabilities - current |  |  |  |  |
| Receipts in excess of contracted work  in progress | 2,509,236 | 2,799,109 | 30,584 | 534,207 |
| Customer advances under construction  contracts due for revenue recognition  within 1 year | 7,297,970 | 6,964,227 | 6,410,600 | 6,677,880 |
| Total contract liabilities - current | 9,807,206 | 9,763,336 | 6,441,184 | 7,212,087 |
|  |  |  |  |  |
| Contract liabilities – non - current |  |  |  |  |
| Customer advances under construction  contracts - net | 6,787,706 | 5,695,411 | 4,807,847 | 3,920,684 |
| Total contract liabilities – non - current | 6,787,706 | 5,695,411 | 4,807,847 | 3,920,684 |
|  |  |  |  |  |
| **Total contract liabilities** | 16,594,912 | 15,458,747 | 11,249,031 | 11,132,771 |

1. Earned revenues not yet billed

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Earned revenues not yet billed | 24,603,330 | 22,404,966 | 19,550,637 | 18,071,024 |
| Less : Allowance for impairment losses | (44,805) | (38,861) | (44,805) | (38,861) |
| Net | 24,558,525 | 22,366,105 | 19,505,832 | 18,032,163 |

As at 31 December 2021, the Group and the Company has an outstanding balance of earned revenues not yet billed expected to bill with customers within 1 year Baht 20,848.60 million and Baht 15,799.99 million, respectively (2020: the Group and the Company has an outstanding balance of earned revenues not yet billed expected to bill with customers within 1 year Baht 17,032.28 million and Baht 13,301.24 million respectively).

A reconciliation of loss on impairment earned revenues not yet billed for year ended 31 December 2021 as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| As at 1 January 2021 | 38,861 | 38,861 |
| Recognize increase allowance for impairment losses | 5,944 | 5,944 |
| As at 31 December 2021 | 44,805 | 44,805 |

As at 31 December 2021, the consolidated financial statements included the Company’s portion of earned revenues but not yet billed of Baht 263.15 million (Rupees 587.91 million) (2020: Baht 276.94 million (Rupees 675.92 million)) for a construction project with a State Enterprise of an overseas joint venture between the Company and an overseas subsidiary. The Joint Venture has completed the construction work in December 2018 and received the Taking Over Certificate from the employer in the year 2019 and received the Performance Certificate on 24 December 2020.

On 11 June 2021, the employer made the partial payment for the construction work to the joint venture. However, the joint venture is currently under the negotiation with the employer to claim the remaining construction work done. The joint venture’s management has assessed the realization based on information from the legal opinion of an independent counsel and believes that they will get the full payment from the employer. The recoverability of such earned revenues not yet billed is dependent on the outcome from the negotiation with the employer which cannot presently be concluded.

1. Costs to fulfil contracts

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Current | 66,411 | 61,157 | 66,411 | 61,157 |
| Non - current | 1,856,591 | 15,177 | 1,856,591 | 15,177 |
| Total | 1,923,002 | 76,334 | 1,923,002 | 76,334 |

Movement of costs to fulfill contracts for the year ended 31 December 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Beginning balance | 76,334 | 217,360 | 76,334 | 217,360 |
| Add : Increase | 2,051,105 | - | 2,051,105 | - |
| Ending balance | 2,127,439 | 217,360 | 2,127,439 | 217,360 |
| Less : Accumulated amortization costs | (204,437) | (141,026) | (204,437) | (141,026) |
| Net | 1,923,002 | 76,334 | 1,923,002 | 76,334 |

1. Revenue recognized in relation to contract balances

During the year 2021, the Group recognized revenues which was included in the contract liabilities balance at the being period of Baht 9,763.34 million (Separate F/S : Baht 7,212.09 million).

1. Revenue to be recognized for the remaining performance obligations

As at 31 December 2021, the Group expects to recognized revenue in the future in respect of performance obligations which are unsatisfied with customers for the significant contract and contract which has duration more than one-year totalling Baht 155,636.84 million (Separate F/S : Baht 86,809.43 million).

1. **SHORT–TERM LOANS AND ADVANCES TO RELATED PARTIES**

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 1,362,023 | 1,260,456 |
| Associated companies and joint ventures | 368,642 | 362,499 | 244,283 | 219,165 |
| Related companies | 15,944 | 14,330 | - | - |
| Other joint venture partner | - | 2,237 | - | 2,237 |
| Total | 384,586 | 379,066 | 1,606,306 | 1,481,858 |
| Less : Allowance for impairment loss | (25,095) | (26,495) | (957,837) | (905,855) |
| Short-term loans and advances to  related parties - net | 359,491 | 352,571 | 648,469 | 576,003 |

Movements in the short - term loans and advances to subsidiaries and related parties for the year ended 31 December 2021 are as follows:

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | |
|  | 1 January  2021 | During the year | | | | 31 December  2021 |
|  | Increase | Decrease | Reclassification | Translation adjustment |
|  |  |  |  |  |  |  |
| Associated company  and joint venture | 362,499 | 11,028 | (4,885) | - | - | 368,642 |
| Related companies | 14,330 | - | - | - | 1,614 | 15,944 |
| Other joint venture  partner | 2,237 | - | (2,237) | - | - | - |
| Total | 379,066 | 11,028 | (7,122) | - | 1,614 | 384,586 |

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | |
|  | 1 January  2021 | During the year | | | | 31 December  2021 |
|  | Increase | Decrease | Reclassification | Translation adjustment |
|  |  |  |  |  |  |  |
| Subsidiaries | 1,260,456 | 117,920 | (102,129) | 82,696 | 3,080 | 1,362,023 |
| Associated company  and joint venture | 219,165 | 30,004 | (4,886) | - | - | 244,283 |
| Other joint venture  partner | 2,237 | - | (2,237) | - | - | - |
| Total | 1,481,858 | 147,924 | (109,252) | 82,696 | 3,080 | 1,606,306 |

A reconciliation of loss short-term loans and advances to subsidiaries and related parties for the year ended 31 December 2021 and 2020 are as follows:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| As at 1 January | 26,495 | 26,318 | 905,855 | 388,055 |
| Recognize increase allowance for  impairment losses | - | 233 | 101,069 | 567,800 |
| Reversal of allowance for impairment loss | (3,014) | - | (52,167) | - |
| Translation adjustment for foreign  currency financial statement | 1,614 | (56) | 3,080 | - |
| As at 31 December | 25,095 | 26,495 | 957,837 | 905,855 |

During the year 2020, The management of the Company recognized allowance for impairment losses for short-term loans and advances to subsidiaries to two overseas subsidiaries totalling Baht 545.29 million due to the Company's management has assessed the likelihood of payments from both subsidiaries as relatively likely due to the financial situation and economic conditions in the subsidiary.

1. **INVENTORIES AND WORK IN PROCESS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Work in process | 76,824 | 80,539 | - | - |
| Materials and inventories | 4,568,561 | 3,972,718 | 2,290,785 | 2,132,112 |
| Total | 4,645,385 | 4,053,257 | 2,290,785 | 2,132,112 |
| Less : Allowance for obsolete inventories | (141,807) | (130,471) | (119,177) | (114,465) |
| Net | 4,503,578 | 3,922,786 | 2,171,608 | 2,017,647 |

During the years 2021 and 2020, movements in allowance for obsolete inventories are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Balance as at 1 January | 130,471 | 73,723 | 114,465 | 62,230 |
| Add : Additional allowance | 11,377 | 57,438 | 4,236 | 51,867 |
| Less : Reversal of allowance | (760) | (1,058) | - | - |
| Add : Translation adjustment | 719 | 368 | 476 | 368 |
| Balance as at 31 December | 141,807 | 130,471 | 119,177 | 114,465 |

1. **COSTS OF PROPERTY DEVELOPMENT PROJECTS**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | |
|  |  | Consolidated F/S | |
|  |  | 2021 | 2020 |
|  |  |  |  |
| Land |  | 187,301 | 264,520 |
| Cost of property development projects |  | 306,877 | 353,443 |
| Utilities installation |  | 55,809 | 44,869 |
| Capitalized borrowing costs |  | 9,199 | 8,084 |
| Total |  | 559,186 | 670,916 |
| Less : Amounts transferred to cost of sales |  | (260,452) | (365,287) |
| Net |  | 298,734 | 305,629 |

As at 31 December 2021 and 2020, the above land and constructions have been pledged as collaterals for overdraft, loan and credit facilities with local banks as discussed in Note 28.

During the years 2021 and 2020, the Company capitalized interest amounting to Baht 3.84 million and Baht 3.84 million, respectively, to the cost of property development project. The capitalization rates of interest are based on the borrowing costs as discussed in Note 28.

The changes in cost of property development projects for the years ended 31 December 2021 and 2020 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | |
|  |  | Consolidated F/S | |
|  |  | 2021 | 2020 |
|  |  |  |  |
| Balance as at 1 January |  | 305,629 | 450,711 |
| Add : Cost of property development |  | 253,557 | 220,205 |
| Less : Cost of sales |  | (260,452) | (365,287) |
| Balance as at 31 December |  | 298,734 | 305,629 |

1. **RESTRICTED DEPOSIT WITH BANKS**
   1. During the year 2019, a project office in India had deposited cash with bank of Baht 252.96 million as collateral for the issuance of performance bonds to the employer. The period of guarantee will be extended until further orders of the Court with regard to the dispute between the Project Office and the employer. Currently, the outcome of the lawsuit not yet finalize.
   2. During the year 2021, the Company has entered into agreements to pledge the deposits and its interest as collateral with two banks are as follows:

* Deposit with a local bank of Baht 150.14 million as business collateral in order to secure the repayment obligations of the Company and an overseas subsidiary.
* Deposit with an overseas bank of USD 5 million (equivalents to Baht 166.11 million) as collateral for an overseas subsidiary for issuing Standby Letter of Credit according to the conditions in the loan agreement for their project under development as discussed in Note 27.

1. **INVESTMENTS IN SUBSIDIARIES, AOSSCIATED AND JOINT CONTROL COMPANIES, AND JOINT VENTURES**

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 31 December  2021 | 31 December 2020 | 31 December  2021 | 31 December 2020 | |
|  |  |  |  |  | |
| Investment in subsidiaries | - | - | 11,690,855 | 11,788,289 | |
| Investment in associated  and joint control companies | 2,621,117 | 2,333,075 | 2,794,559 | 2,369,980 | |
| Investment in joint ventures | 380,276 | 342,721 | - | - | |
| Total | 3,001,393 | 2,675,796 | 14,485,414 | 14,158,269 | |

The Group regularly assesses the values of investments in subsidiaries, associated and joint control companies, and joint ventures. An allowance for impairment is promptly taken up when there is a reliable indication that the decline value can be determined.

* 1. Investment in subsidiaries

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Separate F/S | |
|  | 2021 | 2020 |
|  |  |  |
| Investment in subsidiaries | 16,216,496 | 16,086,496 |
| Less : Allowance for impairment | (4,525,641) | (4,298,207) |
| Investment in subsidiaries – net | 11,690,855 | 11,788,289 |

Movements in investment in subsidiaries for the years ended 31 December 2021 and 2020 are as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Separate F/S | |
|  | 2021 | 2020 |
|  |  |  |
| Balance as at 1 January | 11,788,289 | 11,895,423 |
| Add : Additional investments during the year | 130,000 | 114,675 |
| Less : Allowance for impairment | (227,434) | (221,809) |
| Balance as at 31 December | 11,690,855 | 11,788,289 |

Investment in subsidiaries as at 31 December 2021 and 2020 comprise investments as follows:

|  |  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Percentage | | Separate F/S | | | |
|  |  | Paid-up | of shareholding | | Cost | | | |
|  | Nature of business | Capital | 2021 | 2020 | 2021 | | 2020 | |
|  |  |  | Percent | Percent |  | |  | |
| **Investment in subsidiaries** |  |  |  |  |  | |  | |
| Italian-Thai International Co., Ltd. | Holding company | 4,710,000 | 99.99 | 99.99 | 4,710,000 | | 4,580,000 | |
| Less : Allowance for impairment |  | |  |  | (677,818) | | (552,584) | |
| Net |  |  |  |  | 4,032,182 | | 4,027,416 | |
| Bhaka Bhumi Development Co., Ltd. | Real estate development | 20,000 | 99.99 | 99.99 | 20,000 | | 20,000 | |
| Thai Pride Cement Co., Ltd. | Manufacture and distribution of cement | 1,300,000 | 99.99 | 99.99 | 1,585,000 | | 1,585,000 | |
| Nha Pralan Crushing Plant Co., Ltd. | Rock quarrying, processing and distribution | 31,000 | 99.99 | 99.99 | 30,999 | | 30,999 | |
| Less : Allowance for impairment |  |  |  |  | (30,999) | | (30,999) | |
| Net |  |  |  |  | - | | - | |
| Siam Concrete and Brick Products Co., Ltd. | Manufacture and distribution of concrete products | 126,000 | 99.80 | 99.80 | 124,296 | | 124,296 | |
| Italthai Marine Co., Ltd. | Production and sale of vessels and | 810,000 | 92.59 | 92.59 | 430,000 | | 430,000 | |
| Less : Allowance for impairment | equipment |  |  |  | (430,000) | | (430,000) | |
| Net |  |  |  |  | - | | - | |
| Italthai Trevi Co., Ltd. | Foundation and piling work services | 80,000 | 90.94 | 90.94 | 84,189 | | 84,189 | |
| Asian Steel Product Co., Ltd. | Manufacture and distribution of large steel pipes | 20,000 | 69.90 | 69.90 | 7,004 | | 7,004 | |
| Thai Maruken Co., Ltd. | Lease and sale of sheet piles and beams for foundation construction work | 20,000 | 50.96 | 50.96 | 10,196 | | 10,196 | |
| Italian-Thai Land Co., Ltd. | Not yet operational | 422,000 | 99.99 | 99.99 | 412,050 | | 412,050 | |
| Palang Thai Kaowna Co., Ltd. | Not yet operational | 459,000 | 99.99 | 99.99 | 458,650 | | 458,650 | |
| Less : Allowance for impairment |  | |  |  | (206,146) | | (206,146) | |
| Net |  |  |  |  | 252,504 | | 252,504 | |
| Palit Palang Ngan Co., Ltd. | Not yet operational | 123,000 | 78.16 | 78.16 | 95,440 | | 95,440 | |
| Italian Thai Power Co., Ltd. | Production and distribution of electricity | 650,000 | 99.99 | 99.99 | 650,000 | | 650,000 | |
| Less : Allowance for impairment |  | |  |  | (650,000) | | (650,000) | |
| Net |  |  |  |  | - | | - | |
| Saraburi Construction Technology Co., Ltd. | Manufacture, distribution and installation of concrete sheet | 250 | 99.93 | 99.93 | 250 | | 250 | |
| Asia Logistics Development Co., Ltd. | Not yet operational | 1,000 | 99.93 | 99.93 | 999 | | 999 | |
| Asia Industrial and Port Corporation Co., Ltd. | Not yet operational | 1,000 | 99.93 | 99.93 | 999 | | 999 | |
| Myanmar Italian-Thai Power 1 Co., Ltd. | Not yet operational | 250 | 99.95 | 99.95 | 250 | | 250 | |
| Italian – Thai Hongsa Co., Ltd. | Coal mining contractor | 250 | 99.97 | 99.97 | 250 | | 250 | |
| APPC Holding Co., Ltd. | Holding company | 4,279,987 | 64.52 | 64.52 | 2,761,592 | | 2,761,592 | |
| Asian Rail Co., Ltd. | Construction services | 100,000 | 99.99 | 99.99 | 100,000 | | 100,000 | |
| ITD-ARC Joint Venture | Construction services | - | 10.00 | 10.00 | - | | - | |
| ITD – VCB Joint Venture | Construction services | - | 70.00 | - | - | | - | |
|  |  |  |  |  |  | |  | |
| **Overseas subsidiary companies** |  |  |  |  |  | |  | |
| PT. Thailindo Bara Pratama | Coal mining contractor | 1,038,674 | 99.99 | 99.99 | 2,286,218 | 2,286,218 | |
| Less : Allowance for impairment |  | Million IDR |  |  | (2,286,218) | (2,184,018) | |
| Net |  |  |  |  | - | 102,200 | |
|  |  |  |  |  |  |  | |
| ITD Cementation India Limited | Construction services in India | 172 | 46.64 | 46.64 | 2,143,951 | 2,143,951 | |
|  |  | Million INR |  |  |  |  | |
|  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  | |
| ITD–Madagascar S.A. | Mining business | 3,567 | 99.98 | 99.98 | 227,988 | 227,988 | |
| Less : Allowance for impairment |  | Million MGA |  |  | (227,988) | (227,988) | |
| Net |  |  |  |  | - | - | |
| ITD Construction SDN.BHD. | Construction services in Malaysia | 0.75 | 99.99 | 99.99 | 7,312 | 7,312 | |
| Less : Allowance for impairment |  | Million MYR |  |  | (7,312) | (7,312) | |
| Net |  |  |  |  | - | - | |
| ITD Bangladesh Company Limited | Construction services in Bangladesh | 4  Million BDT | 99.99 | 99.99 | 1,546 | 1,546 | |
| Italian–Thai Development Vietnam Co., Ltd. | Not yet operational | 6,000  Million VND | 80.00 | 80.00 | 9,160 | 9,160 | |
| Less : Allowance for impairment |  |  |  |  | (9,160) | (9,160) | |
| Net |  |  |  |  | - | - | |
| ITD Mozambique Limitada | Construction services in the Republic of Mozambique | 1,373,615  USD | 99.00 | 99.00 | 46,121 | 46,121 | |
| Thai Mozambique Logistica SA. | Concession for constructing Port and Railway in the Republic of Mozambique | 364,999  USD | 60.00 | 60.00 | 12,036 | 12,036 | |
| Total investment in subsidiaries - net |  |  |  |  | 11,690,855 | 11,788,289 | |

During the year 2021, the Company recognized the allowance for impairment loss on investment in subsidiaries totalling Baht 153.34 million. The Company’s management has considered the recoverable amount of such investments under the current economic situation and circumstances.

During the year 2021, the Company made additional investment in share capital of a local subsidiary of Baht 130 million. Such subsidiary used some cash received for debt settlement to the Company totalling Baht 74.09 million which the Company had previously recognized full allowance for impairment loss for such receivable, short-term loans and advances to such subsidiary. The Company therefore reverses allowance for impairment loss for such transactions and considers to recognize allowance for impairment of investments during the year.

During the year 2020, the subsidiary companies hired independent appraisers to re-appraise the value of investment properties under the market approach and found that the fair value of such investment properties has increased. As a result, the realizable value of investment in such subsidiaries has increased. The Company’s management therefore reversed the allowance for impairment of investments in such subsidiaries totalling Baht 119.89 million. In addition, the Company’s management has considered the recoverable amount of investments in a subsidiary and made additional allowance for impairment loss on such investment of Baht 341.70 million.

non–controlling interests

Subsidiaries with material non-controlling interests are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | (Unit : Million Baht) | | | |
|  | Proportion of ownership  interests held by the NCI (Percentage) | | Other comprehensive  income (loss) allocated to NCI | | Accumulated NCI | |
| Name | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |
| Italthai Trevi Co., Ltd. | 9.06 | 9.06 | 1 | 1 | 68 | 61 |
| Asian Steel Product Co., Ltd. | 30.10 | 30.10 | - | 1 | 52 | 61 |
| Thai Maruken Co., Ltd. | 49.04 | 49.04 | - | - | 230 | 266 |
| ITD Cementation India Limited | 53.36 | 53.36 | 216 | (73) | 2,604 | 2,146 |
| Italthai Marine Co., Ltd. | 7.41 | 7.41 | (1) | 1 | (30) | (38) |

During the year 2021, subsidiaries paid dividends to the non-controlling interests of Baht 39.90 million (2020 : Baht 38.36 million).

Significant financial information of the subsidiaries with material non-controlling interest in the aggregate amounts before eliminations are summarized as follows:

|  |  | |  | |  | |  | | (Unit : Million Baht) | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | For the years ended 31 December | | | | | | | | | | | | |
|  | Italthai Trevi Co., Ltd. | | | Asian Steel Product Co., Ltd. | | | Thai Maruken Co., Ltd. | | ITD Cementation India Limited | | Italthai Marine  Co., Ltd. | |
|  | 2021 | 2020 | | 2021 | | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  | |  | |  |  |  |  |  |  |  |
| Current assets | 930 | 744 | | 159 | | 195 | 299 | 297 | 13,392 | 10,896 | 28 | 48 |
| Non-current assets | 481 | 500 | | 47 | | 53 | 1,733 | 2,022 | 3,253 | 2,701 | 24 | 80 |
| Current liabilities | 499 | 336 | | 19 | | 32 | 738 | 910 | 9,155 | 7,460 | 462 | 598 |
| Non-current liabilities | 167 | 235 | | 14 | | 13 | 825 | 867 | 2,160 | 2,116 | 1 | 40 |
| Equity attributable to the Company’s shareholder | 678 | 613 | | 121 | | 142 | 239 | 277 | 2,276 | 1,875 | (380) | (471) |
| Non-controlling interests | 68 | 61 | | 52 | | 61 | 230 | 266 | 2,604 | 2,146 | (30) | (38) |
|  |  |  | |  | |  |  |  |  |  |  |  |
| Revenue | 795 | 781 | | 90 | | 179 | 814 | 1,110 | 16,183 | 10,890 | 173 | 154 |
| Profit (loss) for attributable to the Company’s shareholders | 53 | 4 | | (7) | | 33 | (7) | 52 | 216 | (64) | 95 | (71) |
| Profit (loss) for attributable to non-controlling interests | 5 | - | | (3) | | 14 | (6) | 50 | 247 | (73) | 8 | (5) |
| Profit (loss) for the year | 58 | 4 | | (10) | | 47 | (13) | 102 | 463 | (137) | 103 | (76) |
|  |  |  | |  | |  |  |  |  |  |  |  |
| Other comprehensive income (loss) | 14 | 6 | | - | | 6 | (1) | - | 405 | (136) | (8) | 8 |
| Other comprehensive income (loss) attributable to the Company’s shareholder | 13 | 5 | | - | | 5 | (1) | - | 189 | (63) | (7) | 7 |
| Other comprehensive income (loss) attributable to non-controlling interests | 1 | 1 | | - | | 1 | - | - | 216 | (73) | (1) | 1 |
| Total comprehensive income (loss) for the year | 72 | 10 | | (10) | | 53 | (14) | 102 | 868 | (273) | (95) | (68) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | (Unit : Million Baht) | | |
|  | For the year ended 31 December 2021 | | | | | |
|  | Italthai Trevi Co., Ltd. | Asian Steel Product  Co., Ltd. | | Thai Maruken Co., Ltd. | ITD Cementation India Limited | Italthai Marine  Co., Ltd. | |
|  |  |  | |  |  |  | |
| Net cash from (used in) operating activities | 279 | 43 | | (124) | 1,502 | (45) | |
| Net cash from (used in) investing activities | (150) | (2) | | (26) | (643) | 27 | |
| Net cash from (used in) financing activities | (17) | (20) | | 168 | (586) | 21 | |
| Net cash increase | 112 | 21 | | 18 | 273 | 3 | |

* 1. Investment in associated and joint control companies

Significant judgment and assumptions

Associates are those companies in which the Company has significant influence, but not control over the financial and operating policies. The Company normally has share with voting right between 20% - 50% of total voting right, excepted Siam Pacific Holding Co., Ltd. which the company holding 46.69% and a subsidiary holding 4.30% (totalling 50.99%) because the Company has no control such companies and classifies as associated companies.

The Company has investment in First Dhaka Elevated Expressway Co., Ltd. which the Company held 51% of shares. The Company classifies such investment as joint control company since the Company has jointly control in this entity with other shareholders either financial policy or operating policies, which the decision in such activities requires the unanimous consent from all shareholders.

Investment in associated and joint control companies is initially recorded at cost and adjusted thereafter to recognize profit or loss by the proportion of shareholder have the Company in the associated companies.

Movements in investment in associated and joint control companies, which are accounted for by the equity method in the consolidated financial statements, for the years ended 31 December 2021 and 2020 are as follows:

|  |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Balance as at 1 January | 2,333,075 | 2,695,606 | 2,369,980 | 1,702,014 |
| Add : Additional investment | 424,579 | 519,090 | 424,579 | 519,090 |
| Add : Transfer debt to equity | 1,266 | 148,876 | - | 148,876 |
|  |  |  |  |  |
| Less : Share of profit from associated and joint control companies | (66,339) | (138,037) | - | - |
| Less : Dividend from associated companies | (4,379) | (2,502) | - | - |
| Less : Elimination profit from construction services for project under development of joint control company | (175,459) | (849,515) | - | - |
| Add (less) : Translation adjustment for foreign currency  financial statements | 108,374 | (40,443) | - | - |
| Balance as at 31 December | 2,621,117 | 2,333,075 | 2,794,559 | 2,369,980 |

A reconciliation of the condensed financial information for the carrying amounts of the investment in associated and joint control companies are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  |  |  |  | | (Unit : Thousand Baht) | | | |
|  |  | 31 December 2021 | | | | | | | | | | |
|  | ATO-Asia Turnouts Co., Ltd. | Siam Pacific Holding Co., Ltd. | Bangkok Steel Wire Co., Ltd. | Oriental Residence Bangkok Co., Ltd. | MCRP Construction Corporation,  Philippines | Sino Lao Aluminum Corporation Limited | | MCRP  Holding | | First Dhaka  Elevated  Expressway  Co., Ltd | Dawei LNG  Terminal  Co., Ltd. | Total |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Total net assets of associated companies | 64,017 | 56,513 | 608,415 | (29,251) | - | 219,752 | | - | | 5,312,600 | 1,292 | 6,233,338 |
| Proportion of ownership interests held by the Company (%) | 48.99 | 46.69 | 19.98 | 8.52 | 24.00 | 50.00\* | | 24.00 | | 51.00 | 50.00 | - |
| Net assets by the Company’s proportion | 31,362 | 26,386 | 121,561 | (2,492) | - | 109,876 | | - | | 2,709,426 | 646 | 2,996,765 |
| Other adjustment | - | 2,525 | 866 | 2,492 | - | 131,406 | | - | | (512,987) | 50 | (375,648) |
| Carrying amount of the investment in associated and joint control companies | 31,362 | 28,911 | 122,427 | - | - | 241,282 | | - | | 2,196,439 | 696 | 2,621,117 |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Dividend received from associated company | - | - | 4,379 | - | - | - | | - | | - | - | 4,379 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  |  |  | (Unit : Thousand Baht) | | | |
|  | 31 December 2020 | | | | | | | | | |
|  | ATO-Asia Turnouts Co., Ltd. | Siam Pacific Holding Co., Ltd. | Bangkok Steel Wire Co., Ltd. | Oriental Residence Bangkok Co., Ltd. | MCRP Construction Corporation,  Philippines | Sino Lao Aluminum Corporation Limited | | MCRP  Holding | First Dhaka  Elevated  Expressway  Co., Ltd. | Total |
|  |  |  |  |  |  |  | |  |  |  |
| Total net assets of associated companies | 72,200 | 56,582 | 540,661 | 63,227 | - | 310,517 | | - | 3,809,209 | 4,852,396 |
| Proportion of ownership interests held by the Company (%) | 48.99 | 46.69 | 19.98 | 8.52 | 24.00 | 50.00\* | | 24.00 | 51.00 | - |
| Net assets by the Company’s proportion | 35,371 | 26,418 | 108,024 | 5,387 | - | 155,259 | | - | 1,942,697 | 2,273,156 |
| Other adjustment | - | 2,525 | 868 | (5,387) | - | 116,884 | | - | (54,971) | 59,919 |
| Carrying amount of the investment in associated and  joint control companies | 35,371 | 28,943 | 108,892 | - | - | 272,143 | | - | 1,887,726 | 2,333,075 |
|  |  |  |  |  |  |  | |  |  |  |
| Dividend received from associated company | - | - | 2,502 | - | - | - | | - | - | 2,502 |

\* The Company had paid for share capital for its portion of 34% in accordance with agreement but a shareholder has not paid for its share capital in accordance with shareholder agreement. As a result, the Company’s interest become 50% of share capital.

Unrecognized gain (loss) from associated company

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | |
|  |  | 2021 | 2020 |
|  |  |  |  |
| Unrecognized gain (loss) from associated company |  | (8,248) | 40,385 |
| Cumulative unrecognized share of gain (loss) from associated company |  | (2,861) | 5,387 |

Investment in associated and joint control companies as at 31 December 2021 and 2020 comprise investments as follows:

|  | |  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | Percentage | | Consolidated F/S | | Separate F/S | |
|  | |  | Paid-up Capital | of shareholding | | Equity | | Cost | |
|  | | Nature of business | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  | |  |  | Percent | Percent |  |  |  |  |
| **Investment in associated companies** | | |  |  |  |  |  |  |  |
| ATO-Asia Turnouts Co., Ltd. | | Production and distribution of turnouts for railway projects | 5,000 | 48.99 | 48.99 | 31,362 | 35,371 | 2,450 | 2,450 |
| Siam Pacific Holding Co., Ltd. | | Holding company | 58,625 | 46.69 | 46.69 | 26,386 | 26,418 | 27,373 | 27,373 |
| Bangkok Steel Wire Co., Ltd. | | Production and distribution of P.C. wire | 313,000 | 19.98 | 19.98 | 122,427 | 108,892 | 71,603 | 71,603 |
| Oriental Residence Bangkok Co., Ltd. | | Real estate development | 880,620 | 8.52 | 8.52 | - | - | 75,000 | 75,000 |
|  | |  | |  |  |  |  |  |  |
| **Overseas companies** | | | |  |  |  |  |  |  |
| MCRP Construction Corporation,  Philippines | | Construction contractor in Philippines | 25  Million Peso | 24.00 | 24.00 | 12,000 | 12,000 | 12,000 | 12,000 |
| Less : Allowance for impairment | |  |  |  |  | (12,000) | (12,000) | (12,000) | (12,000) |
| Net | |  |  |  |  | - | - | - | - |
| MCRP Holding Corporation,  Philippines | | Holding company in Philippines | 5  Million Peso | 24.00 | 24.00 | 3,000 | 3,000 | 3,000 | 3,000 |
| Less : Allowance for impairment | |  |  |  |  | (3,000) | (3,000) | (3,000) | (3,000) |
| Net | |  |  |  |  | - | - | - | - |
| Sino Lao Aluminum | | Bauxite mine business in | 32 | 34.00 | 34.00 | 241,282 | 272,143 | 521,537 | 521,537 |
| Corporation Limited | | Laos | Million USD) |  |  |  |  |  |  |
|  |  | |  |  |  |  |  |  |  |
| **Investment in associated companies held by subsidiaries** | | |  |  |  |  |  |  |  |
| Siam Pacific Holding Co., Ltd. Holding company | | | 58,625 | 4.30 | 4.30 | 2,525 | 2,525 | - | - |
| Dawei LNG Terminal Company Limited. | | Dawei Concession Project | 75,000  USD | 50.00 | - | 696 | - | - | - |
| Total investment in associated companies - net | | |  |  |  | 424,678 | 445,349 | 697,963 | 697,963 |
|  | |  |  |  |  |  |  |  |  |
| **Investment in joint control company** | | |  |  |  |  |  |  |  |
| First Dhaka Elevated Expressway | | Concession for constructing | 11,095 | 51.00 | 51.00 | 2,196,439 | 1,887,726 | 2,096,596 | 1,672,017 |
| Co., Ltd. | | elevated expressway in Bangladesh | Million BDT |  |  |  |  |  |  |
|  | |  |  |  |  |  |  |  |  |
| Total investment in associated joint control companies – net | | |  |  |  | 2,621,117 | 2,333,075 | 2,794,559 | 2,369,980 |

Significant financial information of the associate and joint control companies in the aggregate amounts are summarized as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | | | | | |
|  | For the years ended 31 December | | | | | | | |
|  | Current assets | | Non - current assets | | Current liabilities | | Non - current liabilities | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |
| ATO-Asia Turnouts Co., Ltd. | 67 | 65 | 25 | 33 | 28 | 26 | - | - |
| Bangkok Steel Wire Co., Ltd. | 964 | 712 | 248 | 259 | 574 | 403 | 30 | 28 |
| Oriental Residence Bangkok Co., Ltd. | 2,158 | 2,173 | 933 | 1,034 | 2,253 | 2,254 | 868 | 891 |
| Sino Lao Aluminum Corporation Limited | - | 1 | 823 | 891 | 357 | 323 | 246 | 258 |
| Siam Pacific Holding Co., Ltd. | - | - | 62 | 62 | - | - | 6 | 6 |
| First Dhaka Elevated Expressway Co., Ltd. | 404 | 722 | 13,228 | 8,164 | 4,129 | 3,401 | 4,190 | 1,676 |
| Total | 3,593 | 3,673 | 15,319 | 10,443 | 7,341 | 6,407 | 5,340 | 2,859 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | | (Unit : Million Baht) | |
|  | For the years ended 31 December | | | | | |
|  | Revenues | | Profit (loss) | | Other  comprehensive income | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |
| ATO-Asia Turnouts Co., Ltd. | 121 | 42 | (8) | (19) | - | - |
| Bangkok Steel Wire Co., Ltd. | 1,396 | 1,171 | 85 | 40 | - | - |
| Oriental Residence Bangkok Co., Ltd. | 111 | 146 | (97) | (94) | - | - |
| Sino Lao Aluminum Corporation Limited | - | - | (74) | (364) | (33) | (27) |
| First Dhaka Elevated Expressway Co., Ltd. | 2 | 18 | (107) | (24) | 66 | (101) |
| Total | 1,630 | 1,377 | (201) | (461) | 33 | (128) |

The significant projects under development which the Company invested through associated and joint control companies are as follows:

*Bauxite Mining and the construction of Alumina Production Plant Project*

The Company had investment through Sino Lao Aluminum Corporation which is located in Lao People's Democratic Republic. This associated company obtained the concession right from the Government of Lao People’s Democratic Republic for bauxite mining in the year 2009. The Company has investment in associated, trade accounts receivable, retentions receivable and loans to associated company in order to invest in such project totalling Baht 1,159.94 million. The associated company has been in process to obtain approval for the ESIA Certificate of the project. The associated company has already complied with the regulation of Minerals law and submitted documentation to the Office of Natural Resources and Environment Policy and Planning, Ministry of Natural Resources and Environment.

In January 2021, the associated company received a letter from the Office of the Prime Minister of the Lao People's Democratic Republic to support the project and assign the relevant departments to review the condition in the agreement in order to comply with the current applicable policies and laws.

In September 2021, the associated company has signed a memorandum of understanding (MOU) with a strategic partner and engage the project consultant to prepare the Upgrading Bankable Feasibility Study to assess the project feasibility in order to support the seeking of financing for future project development.

*Dhaka Elevated Expressway Project*

The Company invested through First Dhaka Elevated Expressway Co., Ltd. which is the joint control company was established in the People's Republic of Bangladesh.

In the year 2011, the joint control company has entered into the concession agreement with Bangladesh Bridge Authority of the Government of the People’s Republic of Bangladesh which has the concession rights to constructs and operates of the Dhaka Elevated Expressway. The concession value is approximately Baht 41,192 million and the period is 25 years included 42 months of construction period by starting concession age since 1 January 2020 which was the Joint control company has received the construction commencement letter.

As of 31 December 2021, the Company has investment in associated and accounts receivable in such project totalling Baht 2,516.26 million. The progress of construction work of 1st Tranche distance of 7.45 kilometers is 75.20%, the 2nd and 3rd Tranche totally distances of 12.28 kilometers is 27.27% and the Central Control Building is 46.65%.

During the year 2021, the joint control company made a payment for the capital increase of the joint venture in the amount of BDT 1,109.23 million (equivalent to Baht 424.58 million). There is no change in investment proportion for this additional investment.

* 1. Investment in joint ventures

Movements in investment in joint ventures, which are accounted for by the equity method in the consolidated financial statements, during the years ended 31 December 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Balance as at 1 January | 342,721 | 276,342 | - | - |
| Add : Share of profit from joint ventures | 142,034 | 155,775 | - | - |
| Less : Cash receipts for the profit sharing from  joint venture | (141,391) | (66,244) | - | - |
| Less : Translation adjustment on foreign  currency financial statements | 36,912 | (23,152) | - | - |
| Balance as at 31 December | 380,276 | 342,721 | - | - |

Investments in joint ventures as at 31 December 2021 and 2020, comprise investments in the following entities:

|  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Percentage | | Consolidated F/S | | Separate F/S | |
|  |  | of shareholding | | Equity | | Cost | |
|  | Nature of business | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  | Percent | Percent |  |  |  |  |
| **Investments in joint ventures** |  |  |  |  |  |  |  |
| ITD-EGC Joint Venture | Construction services in Republic of China | - | 55.00 | - | 279,852 | - | 274,923 |
| Less : Allowance for impairment |  |  |  | - | (274,923) | - | (274,923) |
| Net |  |  |  | - | 4,929 | - | - |
| IOT Joint Venture | Construction services | 40.00 | 40.00 |  | - | - | - |
| CMC/ITD/SONG DA Joint Venture | Construction services | 30.00 | 30.00 | 179,332 | 179,332 | - | - |
| ITD SINOHYDRO Joint Venture | Construction services | 51.00 | 51.00 | 133,105 | 77,533 | - | - |
| ITD – CREC Joint Venture | Construction services | 51.00 | - | - | - | - | - |
| Total investments in joint venture – net | |  |  | 312,437 | 261,794 | - | - |
|  | |  |  |  |  |  |  |
| **Investments in joint ventures held by subsidiaries** | |  |  |  |  |  |  |
| CEC-ITD Cem-TPL Joint Venture | Construction services | 18.66 | 18.66 | 67,839 | 80,927 | - | - |
| Total investments in joint venture held by subsidiaries – net | |  |  | 67,839 | 80,927 | - | - |
|  | |  |  |  |  |  |  |
| **Total investments in joint ventures - net** | |  |  | 380,276 | 342,721 | - | - |
|  | |  |  |  |  |  |  |
| **Total investments in subsidiaries, associated companies**  **and joint control companies and joint ventures** | |  |  | 3,001,393 | 2,675,796 | 14,485,414 | 14,158,269 |

A reconciliation of the condense financial information to the carrying amounts of the investment in joint ventures are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | | | | | | | | | |
|  | For the years ended 31 December | | | | | | | | | | | |
|  | ITD – EGC Joint Venture | | IOT Joint Venture | | CMC/ITD/SONGDA  Joint Venture | | ITD-SINOHYDRO Joint Venture | | CEC-ITD CEM-TPL Joint Venture | | ITD – CREC Joint Venture | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total net assets of joint venture | - | 9 | - | - | 598 | 598 | 261 | 153 | 113 | 134 | - | - |
| Proportion of ownership Interest (%) | - | 55 | 40 | 40 | 30 | 30 | 51 | 51 | 19 | 19 | 51 | - |
| Net assets by proportion | - | 5 | - | - | 179 | 179 | 133 | 78 | 21 | 25 | - | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other adjustment | - | - | - | - | - | - | - | - | 47 | 56 | - | - |
| Carrying amount of the investment (obligation) | - | 5 | - | - | 179 | 179 | 133 | 78 | 68 | 81 | - | - |

Significant financial information of the joint ventures in the aggregate amounts are summarized as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | | (Unit : Million Baht) | | | | | | | | | |
|  |  | |  | | For the years ended 31 December | | | | | | | | | |
|  | ITD – EGC  Joint Venture | | IOT  Joint Venture | | CMC/ITD/  SONGDA  Joint Venture | | ITD -SINOHYDRO Joint Venture | | CEC-ITD  CEM-TPL  Joint Venture | | ITD – CREC Joint Venture | | Total | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | - | 3 | - | - | 97 | 97 | 8 | 70 | 472 | 764 | 15 | - | 592 | 934 |
| Other current assets | - | 2 | - | - | 1,634 | 1,634 | 999 | 826 | 1,000 | 695 | 334 | - | 3,967 | 3,157 |
| Total current assets | - | 5 | - | - | 1,731 | 1,731 | 1,007 | 896 | 1,472 | 1,459 | 349 | - | 4,559 | 4,091 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Non-current assets | - | - | - | - | 1,107 | 1,107 | 38 | 56 | 187 | 277 | 5 | - | 1,337 | 1,440 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other current liabilities (including trade payables and provision) | - | - | - | - | 2,240 | 2,240 | 784 | 602 | 1,543 | 1,596 | 354 | - | 4,921 | 4,438 |
| Total current liabilities | - | - | - | - | 2,240 | 2,240 | 784 | 602 | 1,543 | 1,596 | 354 | - | 4,921 | 4,438 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Non-current liabilities | - | - | - | - | - | - | - | 199 | 3 | 6 | - | - | 3 | 205 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net assets | - | 5 |  | - | 598 | 598 | 261 | 151 | 113 | 134 | - | - | 972 | 888 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | | | | | | | |
|  | For the years ended 31 December | | | | | | | | | |
|  | Revenues | | Profit (loss) | | Other comprehensive income (loss) | | Depreciation and amortization | | Tax | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |  |  |
| ITD – EGC Joint Venture | - | 23 | - | 18 | - | - | - | - | - | - |
| IOT Joint Venture | - | - | - | - | - | - | - | - | - | - |
| CMC/ITD/SONGDA Joint Venture | - | - | - | - | - | - | - | - | - | - |
| ITD-SINOHYDRO Joint Venture | 1,461 | 915 | 89 | 6 | - | - | 23 | 23 | 161 | 62 |
| CEC – ITD CEM – TPL Joint Venture | 1,616 | 1,924 | 207 | 225 | - | - | 49 | 119 | 168 | 283 |
| ITD – CREC Joint Venture | 195 | - | - | - | - | - | 1 | - | - | - |
| Total | 3,272 | 2,862 | 296 | 249 | - | - | 73 | 142 | 329 | 345 |

As at 31 December 2021 and 2020, the consolidated financial statement included investments in a joint venture accounted for by the equity method of Baht 179.33 million for which the figures are based on financial information of a joint venture as of 30 September 2019 which had been reviewed by the joint venture's auditor. The joint venture's management was unable to prepare the financial information up to date since the joint venture and the project owner have been in dispute regarding the termination of construction contract.

On 20 November 2019, CMC/ITD/SONGDA Joint Venture and the employer have been in dispute regarding the termination of construction contract. The Joint Venture and its employer have been appointed the Dispute Adjudication Board (DAB) to consider the dispute between counter parties. However, on 15 January 2021, DAB has considered the outcome of the dispute which conclude that the Notice of Termination from the employer is invalid and requiring the employer to release the performance securities to the Joint Venture.

In April 2021, the Joint Venture submitted a letter to the employer for further discussions in order to claim the right to receive the settlement regarding to the value of construction work which has been done by the Joint Venture including the value of materials and supplies, and machinery which belong to the Joint Venture but it has located in the construction project. However, this matter was a failure. As a result, the joint venture sent a letter to DAB requesting a decision by 1 October 2021. However, this matter is under the DAB’s consideration which cannot presently be concluded. Therefore, the joint venture’s management is unable to assess the potential impact to the realizable value of assets, the obligation in current liabilities including contingent liabilities from such matter.

1. **OTHER LONG–TERM INVESTMENTS**

Other long-term investments are financial assets for equity instruments which are not held for trading, the Group made an election to present subsequent change in the fair value of equity instruments in non-marketable securities through profit or loss and made an election to present subsequent change in the fair value of equity instruments in marketable securities through other comprehensive income:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Investment at fair value through profit or loss | 789,647 | 655,524 | 585,744 | 520,298 |
| Investment at fair value through other comprehensive income | 467,918 | 369,918 | 440,655 | 348,394 |
| Other long-term investments | 1,257,565 | 1,025,442 | 1,026,399 | 868,692 |

Movements in other long-term investments during the years ended 31 December 2021 and 2020 are as follows:

1. Investments at fair value through profit or loss

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Balance as at 1 January 2021 | 655,524 | 520,298 |
| Less : Disposal during the year | (9,100) | (9,100) |
| Add : Gain on fair value measurement of investments | 143,223 | 74,546 |
| Balance as at 31 December 2021 | 789,647 | 585,744 |

1. Investments at fair value through other comprehensive income

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Balance as at 1 January 2021 | 369,918 | 348,394 |
| Add : Gain on change in fair value of investments | 98,000 | 92,261 |
| Balance as at 31 December 2021 | 467,918 | 440,655 |

Other long-term investments as at 31 December 2021 and 2020 comprise investments as follows:

|  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Percentage of | |  | |  | |
|  |  | Shareholding | | Consolidated F/S | | Separate F/S | |
|  | Nature of business | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  | Percent | Percent |  |  |  |  |
| **Investments in other companies** |  |  |  |  |  |  |  |
| a) Investment at fair value through profit or loss | |  |  |  |  |  |  |
| M-Home SPV 3 Co., Ltd. | Real estate development | 11.54 | 11.54 | 12 | 12 | 12 | 12 |
| Less : Allowance for impairment |  |  |  | (12) | (12) | (12) | (12) |
| Net |  |  |  | - | - | - | - |
| Siam Steel Syndicate Plc. | Manufacture and distribution for | 1.15 | 1.15 | 55,885 | 55,885 | 55,885 | 55,885 |
| Less : Loss from change in fair value of  investment | construction |  |  | (50,600) | - | (50,600) | - |
| Net |  |  |  | 5,285 | 55,885 | 5,285 | 55,885 |
| Siam Fiber Optics Co., Ltd. | Manufacture and distribution of optic fibers | - | 10.00 | - | 24,000 | - | 24,000 |
| Less : Allowance for impairment |  |  |  | - | (14,900) | - | (14,900) |
| Net |  |  |  | - | 9,100 | - | 9,100 |
| Bell Development Co., Ltd. | Real estate development | 2.29 | 2.29 | 47,313 | 47,313 | 47,313 | 47,313 |
| Add : Profit from change in fair value of  investment |  |  |  | 23,993 | - | 23,993 | - |
| Total |  |  |  | 71,306 | 47,313 | 71,306 | 47,313 |
| The Bangkok Club Co., Ltd. | Entertainment services | 0.44 | 0.44 | 3,000 | 3,000 | 3,000 | 3,000 |
| Less : Allowance for impairment |  |  |  | (2,500) | (2,500) | (2,500) | (2,500) |
| Net |  |  |  | 500 | 500 | 500 | 500 |
| Nishio Rent All (Thailand) Co., Ltd. | Construction machinery Rental | 15.00 | 15.00 | 7,500 | 7,500 | 7,500 | 7,500 |
| Asia Era One Co., Ltd. | Joint investment |  |  |  |  |  |  |
| (2020 : Eastern High-Speed Rail Linking Three Airports Co., Ltd. | | 2.57 | 5.00 | 200,000 | 200,000 | 200,000 | 200,000 |
| Praram 9 Square Co., Ltd. | Real estate development  and rental | 6.32 | 6.32 | 200,000 | 200,000 | 200,000 | 200,000 |
| Add : Gain on change in fair value of  investment |  |  |  | 101,153 | - | 101,153 | - |
| Net |  |  |  | 301,153 | 200,000 | 301,153 | 200,000 |
| Total Investment at fair value through profit or loss – net | |  |  | 585,744 | 520,298 | 585,744 | 520,298 |
|  |  |  |  |  |  |  |  |
| b) Investment at fair value through other comprehensive income | |  |  |  |  |  |  |
| Charoong Thai Wire and Cable Plc. | Manufacture and distribution of | 12.90 | 12.90 | 308,715 | 308,715 | 308,715 | 308,715 |
| Add : Unrealized gain on changes in fair value of investments | wire and cable |  |  | 130,132 | 37,743 | 130,132 | 37,743 |
| Total |  |  |  | 438,847 | 346,458 | 438,847 | 346,458 |
| TTCL Plc. | Construction services | 0.07 | 0.07 | 400 | 400 | 400 | 400 |
| Add : Unrealized gain from changes in fair value of investments |  |  |  | 1,408 | 1,536 | 1,408 | 1,536 |
| Total |  |  |  | 1,808 | 1,936 | 1,808 | 1,936 |
| Total Investment in other listed  companies – net |  |  |  | 440,655 | 348,394 | 440,655 | 349,394 |
|  |  |  |  |  |  |  |  |
| Total Investments at fair value through other comprehensive income – net | |  |  | 1,026,399 | 868,692 | 1,026,399 | 868,692 |
|  |  |  |  |  |  |  |  |
| **Investments held by subsidiaries**  a) Investment at fair value through profit or loss | |  |  |  |  |  |  |
| Bell Development Co., Ltd. | Real estate development | 6.55 | 6.55 | 135,226 | 135,226 | - | - |
| Add : Unrealized gain from changes in fair  value of investments |  |  |  | 68,677 | - | - | - |
| รวม |  |  |  | 203,903 | 135,226 | - | - |
|  |  |  |  |  |  |  |  |
| b) Investment at fair value through other comprehensive income | |  |  |  |  |  |  |
| Charoong Thai Wire and Cable Plc. | Manufacture and distribution of | 0.80 | 0.80 | 19,178 | 19,178 | - | - |
| Add : Unrealized gain from changes in fair  value of investments | wire and cable |  |  | 8,085 | 2,346 | - | - |
| Total |  |  |  | 27,263 | 21,524 | - | - |
| Total investment held by subsidiaries – net | |  |  | 231,166 | 156,750 | - | - |
|  |  |  |  |  |  |  |  |
| **Total other long-term investments – net** | |  |  | 1,257,565 | 1,025,442 | 1,026,399 | 868,692 |

1. **LONG**-**TERM LOANS AND ADVANCES TO RELATED PARTIES**

The outstanding balances as at 31 December 2021 and 2020 are as follows:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 763,832 | 867,254 |
| Joint Venture | 1,157 | - | 1,157 | - |
| Joint control companies | 1,111,355 | 1,010,737 | - | - |
| Total | 1,112,512 | 1,010,737 | 764,989 | 867,254 |
| Less : Allowance for impairment loss | - | - | (107,265) | (67,379) |
| Net | 1,112,512 | 1,010,737 | 657,724 | 799,875 |

Significant movements in the long - term loans and advances to related parties for the year ended 31 December 2021 are as follows:

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | |
|  | 1 January  2021 | During the year | | | | 31 December  2021 |
|  | Increase | Decrease | Reclassification | Translation adjustment |
|  |  |  |  |  |  |  |
| Joint Venture | - | 1,160 | (3) | - | - | 1,157 |
| Joint control  companies | 1,010,737 | - | - | - | 100,618 | 1,111,355 |
| Total | 1,010,737 | 1,160 | (3) | - | 100,618 | 1,112,512 |

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | |
|  | 1 January  2021 | During the year | | | | 31 December  2021 |
|  | Increase | Decrease | Reclassification | Translation adjustment |
|  |  |  |  |  |  |  |
| Subsidiaries | 867,254 | 159,048 | (179,774) | (82,696) | - | 763,832 |
| Joint Venture | - | 1,160 | (3) | - | - | 1,157 |
| Total | 867,254 | 160,208 | (179,777) | (82,696) | - | 764,989 |

A reconciliation of loss on impairment on the long-term loans and advances for the year ended 31 December 2021 and 2020 are as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Separate F/S | |
|  | 2021 | 2020 |
|  |  |  |
| As at 1 January | 67,379 | 358,149 |
| Recognized allowance for impairment losses | 43,480 | 6,884 |
| Reversal of impairment losses | (3,594) | (297,654) |
| As at 31 December | 107,265 | 67,379 |

During the year 2020, the Company eliminated long-term loans and advances to one subsidiary,   
the Company recorded allowances for impairment loss for loans and advance totalling Baht 297.65 million. Therefore, the Company reverse impairment loss of loans and advance during the year.

1. **LAND AWAITING DEVELOPMENT**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Land awaiting development - As at 1 January | 323,943 | 296,219 | - | - |
| Add : Purchase during the year | - | 27,251 | - | - |
| Less : Disposal during the year | (2,327) | - | - | - |
| Land awaiting development – As at 31 December | 321,616 | 323,470 | - | - |
| Less : Impairment loss | (4,761) | (4,288) | - | - |
| Land awaiting development – net | 316,855 | 319,182 | - | - |

As at 31 December 2021 and 2020, land awaiting of development of the Group of Baht 284.49 million and Baht 284.49 million, respectively, are the land for using in Potash Mining Project in Udon Thani province.

1. **INVESTMENT PROPERTIES**

As at 31 December 2021, investment properties presented at fair value consist of:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | |  |  | (Unit : Thousand Baht) | |
|  | |  |  | Consolidated F/S | Separate F/S |
|  | |  |  |  |  |
| Land |  | |  | 2,271,247 | 943,074 |
| Building |  | |  | 341,285 | 341,285 | |
| Total |  | |  | 2,612,532 | 1,284,359 |

Investment properties was subsequent measurement at fair value which assess by independent appraisers under the market approach.

Movements in investment properties for the years ended 31 December 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Net book value as at 1 January | 2,510,466 | 2,041,160 | 1,182,293 | 1,068,821 |
| Add : Additional during the year | 107,896 | - | 107,896 | - |
| Less : Disposal during the year | (5,830) | (5,831) | (5,830) | (5,831) |
| Add : Gain on revaluation of assets | - | 475,137 | - | 119,303 |
| Net book value as at 31 December | 2,612,532 | 2,510,466 | 1,284,359 | 1,182,293 |

1. **PROPERTY, PLANT AND EQUIPMENT**

|  | (Unit : Thousand Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | | |
|  |  | |  | Machinery, |  | Machinery |  |
|  |  | |  | Office equipment, | Site office and | and equipment |  |
|  |  | | Building | Furniture | temporary | under |  |
|  | Land | | and factories | and vehicle | camps | installation | Total |
| **Cost** |  | |  |  |  |  |  |
| **1 January 2020** | 1,869,274 | | 6,929,264 | 35,987,350 | 1,275,336 | 7,291,111 | 53,352,335 |
| Acquisitions / Transfer in | 685,528 | | 876,228 | 10,685,185 | 12,664 | 3,482,706 | 15,742,311 |
| Transfer from right-of-use assets | - | | - | 421,810 | - | - | 421,810 |
| Disposals / Transfer out | - | | (35,928) | (3,406,308) | (140,683) | (9,064,835) | (12,647,754) |
| Translation adjustment | (709) | | (4,464) | (158,069) | (2) | (668) | (163,912) |
| **31 December 2020** | 2,554,093 | | 7,765,100 | 43,529,968 | 1,147,315 | 1,708,314 | 56,704,790 |
| Acquisitions / Transfer in | 50,936 | | 602,632 | 2,827,227 | 4,278 | 1,072,825 | 4,557,898 |
| Transfer from right-of-use assets | - | | - | 415,082 | - | - | 415,082 |
| Disposals / Transfer out | - | | (50,732) | (1,568,548) | (6,450) | (1,841,269) | (3,466,999) |
| Translation adjustment | 2,117 | | 15,755 | 662,714 | 6 | 1,853 | 682,445 |
| **31 December 2021** | 2,607,146 | | 8,332,755 | 45,866,443 | 1,145,149 | 941,723 | 58,893,216 |
|  |  | | | | | | |
| **Accumulated depreciation** |  | |  |  |  |  |  |
| **1 January 2020** | - | | 5,125,931 | 20,327,158 | 1,004,039 | - | 26,457,128 |
| Depreciation for the year | - | | 303,937 | 3,084,534 | 89,266 | - | 3,477,737 |
| Transfer from right-of-use assets | - | | - | 167,945 | - | - | 167,945 |
| Accumulated depreciation for disposals | - | | (30,836) | (2,752,968) | (140,683) | - | (2,924,487) |
| Translation adjustment | - | | (1,343) | (111,760) | (2) | - | (113,105) |
| **31 December 2020** | - | | 5,397,689 | 20,714,909 | 952,620 | - | 27,065,218 |
| Depreciation for the year | - | | 405,601 | 3,585,325 | 40,381 | - | 4,031,307 |
| Transfer from right-of-use assets | - | | - | 162,460 | - | - | 162,460 |
| Accumulated depreciation for disposals | - | | (34,871) | (1,201,933) | (1,048) | - | (1,237,852) |
| Translation adjustment | - | | 5,659 | 394,789 | 6 | - | 400,454 |
| **31 December 2021** | - | | 5,774,078 | 23,655,550 | 991,959 | - | 30,421,587 |
|  |  | |  |  |  |  |  |
| **Less Allowance for impairment** |  | |  |  |  |  |  |
| 31 December 2020 | 15,219 | | 1,818 | 8,500 | - | - | 25,537 |
| 31 December 2021 | 15,219 | | 1,818 | 46,803 | - | - | 63,840 |
| **Net book value** |  | |  |  |  |  |  |
| **31 December 2020** | 2,538,874 | | 2,365,593 | 22,806,559 | 194,695 | 1,708,314 | 29,614,035 |
| **31 December 2021** | 2,591,927 | | 2,556,859 | 22,164,090 | 153,190 | 941,723 | 28,407,789 |
|  | |  |  |  |  |  |  |
| **Depreciation for the year 2020** | | | |  |  |  | 3,477,737 |
| **Depreciation for the year 2021** | | | |  |  |  | 4,031,307 |

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | | | | | | |
|  |  |  | | Machinery, | |  | |  | |  | |
|  |  |  | | office | | Site office | | Machinery | |  | |
|  |  |  | | equipment, | | and | | and equipment | |  | |
|  |  | Building | | furniture | | temporary | | under | |  | |
|  | Land | and factories | | and vehicle | | camps | | installation | | Total | |
|  |  |  | |  | |  | |  | |  | |
| **Cost** |  |  | |  | |  | |  | |  | |
| **1 January 2020** | 1,654,902 | 5,164,686 | | 18,183,350 | | 1,121,222 | | 7,082,806 | | 33,206,966 | |
| Acquisitions / Transfer in | 672,954 | 864,726 | | 9,076,441 | | 10,031 | | 3,453,757 | | 14,077,909 | |
| Transfer from right-of-use assets | - | - | | 421,810 | | - | | - | | 421,810 | |
| Disposals / Transfer out | - | - | | (2,448,107) | | (140,683) | | (8,890,216) | | (11,479,006) | |
| Translation adjustment | - | (37) | | (73) | | (2) | | - | | (112) | |
|  |  |  | |  | |  | |  | |  | |
| **31 December 2020** | 2,327,856 | 6,029,375 | | 25,233,421 | | 990,568 | | 1,646,347 | | 36,227,567 | |
| Acquisitions / Transfer in | 50,856 | 371,890 | | 1,776,883 | | 3,850 | | 843,603 | | 3,047,082 | |
| Transfer from right-of-use assets | - | - | | 415,082 | | - | | - | | 415,082 | |
| Disposals / Transfer out | - | (1,040) | | (522,400) | | (6,450) | | (1,573,118) | | (2,103,008) | |
| Translation adjustment | - | 2,542 | | 168,746 | | 6 | | - | | 171,294 | |
| **31 December 2021** | 2,378,712 | 6,402,767 | | 27,071,732 | | 987,974 | | 916,833 | | 37,758,017 | |
|  |  |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |
| **Accumulated depreciation** |  |  | |  | |  | |  | |  | |
| **1 January 2020** | - | 4,011,698 | | 11,074,343 | | 948,258 | | - | | 16,034,299 | |
| Depreciation for the year | - | 226,457 | | 1,841,590 | | 77,342 | | - | | 2,145,389 | |
| Transfer from right-of-use assets | - | - | | 167,945 | | - | | - | | 167,945 | |
| Accumulated depreciation for disposals | - | - | | (1,900,659) | | (140,683) | | - | | (2,041,342) | |
| Translation adjustment | - | (218) | | (13,110) | | (2) | | - | | (13,330) | |
| **31 December 2020** | - | 4,237,937 | | 11,170,109 | | 884,915 | | - | | 16,292,961 | |
| Depreciation for the year | - | 291,646 | | 2,337,360 | | 30,202 | | - | | 2,659,208 | |
| Transfer from right-of-use assets | - | - | | 162,460 | | - | | - | | 162,460 | |
| Accumulated depreciation for disposals | - | (717) | | (470,442) | | (1,048) | | - | | (472,207) | |
| Translation adjustment | - | 1,058 | | 102,219 | | 6 | | - | | 103,283 | |
| **31 December 2021** | - | 4,529,924 | | 13,301,706 | | 914,075 | | - | | 18,745,705 | |
|  |  |  | |  | |  | |  | |  | |
| **Net book value** |  |  | |  | |  | |  | |  | |
| **31 December 2020** | 2,327,856 | 1,791,438 | | 14,063,312 | | 105,653 | | 1,646,347 | | 19,934,606 | |
| **31 December 2021** | 2,378,712 | 1,872,843 | | 13,770,026 | | 73,899 | | 916,832 | | 19,012,312 | |
|  | | |  | |  | |  | |  | |
| **Depreciation for the year 2020** | | |  | |  | |  | | 2,145,389 | |
| **Depreciation for the year 2021** | | |  | |  | |  | | 2,659,208 | |

As at 31 December 2021 and 2020, the Company has assets under construction for precast and limestone production to support the project under development of Baht 122.44 million. The Company’s management believes that these assets are not impaired.

As at 31 December 2021 and 2020, certain building, machinery and equipment items of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 15,408.57 million and Baht 14,360.61 million, respectively (Separate F/S : Baht 10,999.35 million and Baht 10,956.50 million, respectively).

As at 31 December 2021 and 2020, land and construction thereon, machinery and equipment of the subsidiaries company are under the guarantee as collaterals for loans from banks (Notes 28 and 31).

Changes in property, plant and equipment paid by cash during the year ended 31 December 2021 and 2020 are detailed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit: Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Purchases of assets | 2,704,630 | 6,672,187 | 1,473,965 | 5,187,692 |
| Changes in payables for purchases of assets | 839,239 | (3,809,919) | 542,651 | (3,252,974) |
| Changes in advance for purchase of machinery | 30,964 | (147,799) | (5,339) | (159,126) |
| Paid by cash | 3,574,833 | 2,714,469 | 2,011,277 | 1,775,592 |

1. **LEASE**

***Leases - where the Group is the lessee***

* 1. Right-of-use

|  | (Unit : Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | |
|  |  | Building | Machinery, |  |  |  |
|  |  | and factories | Office |  |  |  |
|  | Land | Building | equipment, | Vehicles | Other | Total |
|  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |
| **As at 1 January 2020** | 354,574 | 40,974 | 2,147,863 | 633,987 | 165,362 | 3,342,760 |
| Increase | 373,392 | 2,453 | 266,189 | 238,329 | 979 | 881,342 |
| Decrease / Disposal | (29,463) | - | (37,500) | (1,771) | - | (68,734) |
| Transfer to property, plant and equipment | - | - | (352,407) | (69,403) | - | (421,810) |
| Translation adjustment for foreign  currency financial statements | (1,280) | - | (5,341) | - | (5,055) | (11,676) |
| **As at 31 December 2020** | 697,223 | 43,427 | 2,018,804 | 801,142 | 161,286 | 3,721,882 |
| Increase | 103,104 | 1,462 | 162,151 | 108,156 | 5,924 | 380,797 |
| Decrease / Disposal | (1,097) | - | (311) | (7,599) | (6,888) | (15,895) |
| Decrease from lease modification | (45,950) | - | - | - | - | (45,950) |
| Transfer to property, plant and equipment | - | (2,425) | (259,737) | (152,920) | - | (415,082) |
| Translation adjustment for foreign  currency financial statements | 13,317 | - | 15,825 | - | 15,178 | 44,320 |
| **As at 31 December 2021** | 766,597 | 42,464 | 1,936,732 | 748,779 | 175,500 | 3,670,072 |
| **Accumulated depreciation** |  |  |  |  |  |  |
| **As at 1 January 2020** | 26,493 | 304 | 413,947 | 73,663 | 19,793 | 534,200 |
| Depreciation for the period | 121,728 | 8,457 | 266,284 | 85,556 | 25,510 | 507,535 |
| Decrease / Disposal | - | - | (18,115) | (194) | - | (18,309) |
| Transfer to property, plant and equipment | - | - | (147,528) | (20,417) | - | (167,945) |
| Translation adjustment for foreign  currency financial statements | 27,339 | - | (3,486) | - | (1,468) | 22,385 |
| **As at 31 December 2020** | 175,560 | 8,761 | 511,102 | 138,608 | 43,835 | 877,866 |
| Depreciation for the period | 135,101 | 7,890 | 242,563 | 93,169 | 27,648 | 506,371 |
| Decrease / Disposal | (1,097) | - | (3,285) | (3,786) | (5,000) | (13,168) |
| Transfer to property, plant and equipment | - | (485) | (115,647) | (46,328) | - | (162,460) |
| Decrease from lease modification | (18,380) | - | - | - | - | (18,380) |
| Translation adjustment for foreign  currency financial statements | 8,935 | - | 11,482 | - | 4,925 | 25,342 |
| **As at 31 December 2021** | 300,119 | 16,166 | 646,215 | 181,663 | 71,408 | 1,215,571 |
|  |  |  |  |  |  |  |
| **Net Book Value** |  |  |  |  |  |  |
| **As at 31 December 2020** | 521,663 | 34,666 | 1,507,702 | 662,534 | 117,451 | 2,844,016 |
| **As at 31 December 2021** | 466,478 | 26,298 | 1,290,518 | 567,115 | 104,092 | 2,454,501 |
|  |  |  |  |  |  |  |
| **Depreciation for the year 2020** | | |  |  |  | 507,535 |
| **Depreciation for the year 2021** | | |  |  |  | 506,371 |

|  | (Unit : Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | |
|  |  | Land | Building and factories Building | Machinery, Office equipment | Vehicles | Total |
|  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |
| **As at 1 January 2020** |  | 216,837 | 4,673 | 1,921,097 | 620,084 | 2,762,691 |
| Depreciation for the period |  | 47,280 | 2,453 | 236,193 | 237,377 | 523,303 |
| Decrease / Disposal |  | (29,463) | - | (37,500) | (1,771) | (68,734) |
| Transfer to property, plant and equipment |  | - | - | (352,407) | (69,403) | (421,810) |
| Translation adjustment for foreign  currency financial statements |  | (169) | - | - | - | (169) |
| **As at 31 December 2020** |  | 234,485 | 7,126 | 1,767,383 | 786,287 | 2,795,281 |
| Increase |  | 90,391 | 1,462 | 81,171 | 108,156 | 281,180 |
| Decrease / Disposal |  | - | - | (311) | (7,599) | (7,910) |
| Transfer to property, plant and equipment |  | - | (2,425) | (259,737) | (152,920) | (415,082) |
| Translation adjustment for foreign  currency financial statements |  | 8,968 | - | - | - | 8,968 |
| **As at 31 December 2021** |  | 333,844 | 6,163 | 1,588,506 | 733,924 | 2,662,437 |
|  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |
| **As at 1 January 2020** |  | - | 304 | 363,343 | 73,385 | 437,032 |
| Depreciation for the period |  | 82,469 | 2,797 | 193,620 | 81,133 | 360,019 |
| Decrease / Disposal |  | - | - | (18,115) | (194) | (18,309) |
| Transfer to property, plant and equipment |  | - | - | (147,528) | (20,417) | (167,945) |
| Translation adjustment for foreign  currency financial statements |  | (1,410) | - | - | - | (1,410) |
| **As at 31 December 2020** |  | 81,059 | 3,101 | 391,320 | 133,907 | 609,387 |
| Depreciation for the period |  | 99,367 | 2,275 | 171,632 | 89,785 | 363,059 |
| Decrease / Disposal |  | - | - | (3,285) | (3,786) | (7,071) |
|  |  |  |  |  |  |  |
| Transfer to property, plant and equipment |  | - | (485) | (115,647) | (46,328) | (162,460) |
| Translation adjustment for foreign  currency financial statements |  | 4,638 | - | - | - | 4,638 |
| As at 31 December 2021 |  | 185,064 | 4,891 | 444,020 | 173,578 | 807,553 |
|  |  |  |  |  |  |  |
| **Net Book Value** |  |  |  |  |  |  |
| **As at 31 December 2020** |  | 153,426 | 4,025 | 1,376,063 | 652,380 | 2,185,894 |
| **As at 31 December 2021** |  | 148,780 | 1,272 | 1,144,486 | 560,346 | 1,854,884 |
|  |  |  |  |  |  |  |
| **Depreciation for the year 2020** | | |  |  |  | 360,019 |
| **Depreciation for the year 2021** | | |  |  |  | 363,059 |

* 1. Lease Liabilities

The outstanding of lease liabilities as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Lease Liabilities | 1,734,336 | 2,230,365 | 982,601 | 1,401,004 |
| Less : Current portion | (696,737) | (850,832) | (554,292) | (658,854) |
| Net | 1,037,599 | 1,379,533 | 428,309 | 742,150 |

Analysis of maturity of lease liabilities are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Not over one year | 726,600 | 891,118 | 573,011 | 691,978 |
| Over one year but not over five years | 1,049,903 | 1,160,733 | 432,949 | 757,210 |
| Over 5 years | 9,885 | 255,719 | 4,990 | 5,433 |
| Total | 1,786,388 | 2,307,570 | 1,010,950 | 1,454,621 |
| Less : Deferred interest | (52,052) | (77,205) | (28,349) | (53,617) |
| Net | 1,734,336 | 2,230,365 | 982,601 | 1,401,004 |

The Group and the Company recognized finance cost relate to lease contracts totalling Baht 99 million and Baht 51 million, respectively (2020 : Baht 129 million and Baht 59 million)

Rental payment not recognized as lease liabilities

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The expense related that contract not recognize for the year ended 31 December 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Short-term lease | 230,014 | 166,904 |
| Leases of low-value assets | 296,214 | 209,061 |
| Total | 526,228 | 375,965 |

* 1. Other financial liabilities

Other financial liabilities recognize contract from sale and leaseback transactions is satisfied of asset which is not a sale in accordance with TFRS15 “Revenue from Contracts with Customers”. The Company therefore continue recognizes such transfer assets as fixed assets in the financial statement and recognizes liabilities from sale and leaseback as other financial liabilities equal to the transfer proceeds of assets.

Present value of other financial liabilities as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Other financial liabilities | 1,805,316 | 1,466,870 | 1,562,226 | 1,340,306 |
| Less : Current portion | (569,810) | (367,327) | (519,201) | (346,188) |
| Net | 1,235,506 | 1,099,543 | 1,043,025 | 994,118 |

Analysis of maturity of other financial liabilities are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Not over one year | 620,087 | 411,609 | 562,035 | 385,608 |
| Over one year but not over five years | 1,282.099 | 1,157,191 | 1,078,733 | 1,039,515 |
| Total | 1,902,186 | 1,568,801 | 1,640,768 | 1,425,123 |
| Less : Deferred interest | (96,870) | (101,931) | (78,541) | (84,817) |
| Net | 1,805,316 | 1,466,870 | 1,562,226 | 1,340,306 |

The Group and the Company recognized finance cost relate to other financial liabilities totalling Baht 56 million and Baht 47 million, respectively. (2020: Baht 16 million and Baht 13 million, respectively)

***Leases - where the Group is the lessor***

* 1. Finance lease receivable – subsidiary

|  | (Unit : Thousand Baht) | |
| --- | --- | --- |
|  | Separate F/S | |
|  | 2021 | 2020 |
|  |  |  |
| Not over one year | 21,440 | 17,600 |
| Over one year but not over five years | 19,200 | 19,200 |
| Over 5 years | 16,320 | 20,160 |
| Total | 56,960 | 56,960 |
| Less : Unearned finance income | (10,399) | (12,287) |
| Total | 46,561 | 44,673 |
| Less : Loss on impairment | (13,440) | (9,600) |
| Total | 33,121 | 35,073 |
| Less : Current portion | (6,239) | (6,112) |
| Net | 26,882 | 28,961 |

The above finance leases payable are for machinery and equipment leases with scheduled repayment terms of 15 years.

1. **GOODWILL**

As at 31 December 2021 and 2020, the outstanding balance of goodwill are as follows :

|  |  |  |
| --- | --- | --- |
| (Unit : Thousand Baht) | | |
|  | Consolidated F/S | |
|  | 2021 | 2020 |
|  |  |  |
| Balance as at 1 January | 869,173 | 871,742 |
| Less : Translation adjustment for foreign currency financial statements | 7,667 | (2,569) |
| Balance as at 31 December | 876,840 | 869,173 |
| Less : Allowance for impairment | (16,673) | (16,673) |
| Net | 860,167 | 852,500 |

Key assumptions used in the recoverable amount assessment include:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Cement business | | Construction business  in India | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Growth rate (%) | 0 | 1 | 7 | 7 |
| Discount rate (%) | 6 | 7 | 18.76 | 19.57 |

The Group assesses recoverable value from Potash Mining Project by considering project feasibility and internal rate of return (IRR) with the discount rate of 8% which management considered appropriate. Based on this assessment, the recoverable value from the project is higher than the carrying amount of investment.

Growth rate

Weighted average growth rate is based on the industry growth. Weighted average growth rate is used to extrapolate cash flows after cash flow projection of 5 years.

Discount rate

Discount rate reflect the current market assessments of the time value of money and risks specific to assets.

The Company recognizes impairment losses on goodwill in the statement of profit or loss when the recoverable amounts of cash generate unit is lower than book value and cannot reverse in the future.

Based on impairment test for goodwill by increasing discount rate for 0.5%, the Company does not have to recognize an impairment of goodwill in the consolidated financial statements for the year end 31 December 2021.

1. **DEVELOPMENT COSTS FOR CONCESSION RIGHT – DAWEI PROJECT**

As at 31 December 2021 and 2020, the Group has costs for acquisition of the concession right and development costs for industrial estate and infrastructure in Dawei Special Economic Zone (“DSEZ”) as follows:

(Unit : Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Concession right | 168,371 | 151,328 | - | - |
| Costs of project under development | 7,675,974 | 7,674,015 | 5,205,964 | 5,205,964 |
| Total | 7,844,345 | 7,825,343 | 5,205,964 | 5,205,964 |

Movements in the development costs for concession right – Dawei project for the year ended 31 December 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Balance as at 1 January 2021 | 7,825,343 | 5,205,964 |
| Add : Adjustment from translation of  reporting currency | 19,002 | - |
| Balance as at 31 December 2021 | 7,844,345 | 5,205,964 |

As at 31 December 2021, the Company and its subsidiaries have project costs for developing the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone (“DSEZ”) for obtaining concession right of Baht 7,844.35 million and Baht 5,205.96 million, respectively. The Company has investment in subsidiary and granted long-term loan to the group of subsidiaries totaling of Baht 2,476.27 million and Baht 101.83 million, respectively, in the separate financial statement.

Italian-Thai Development Public Company Limited (the “Company”) has obtained the concession right to develop the project from the Republic of Union of Myanmar’s government entity (which is managed by Dawei Special Economic Zone Management Committee: “DSEZ MC”). Moreover, the Group has begun the development of the area since 2010. In 2013, the project has been supported by the governments of Thailand and the Republic of the Union of Myanmar which had established the Special Purpose Vehicle (Dawei SEZ Development Company Limited or calling the “SPV”) to mutually promote the project and determine the development policies of the project. The DSEZ MC and the SPV has determined the right for the Group to reimburse the previous investment for development under the Tripartite Memorandum. The Group will receive the reimbursement from the new investor of each concession project, moreover, the amount received will be accorded to the Due Diligence of the cost that has been invested by the Group, which is evaluated by the independent party, selected, and authorized by the SPV. The Company, the DSEZ MC and SPV has mutually agreed that the Due Diligence evaluated result will be directly send to the SPV to summarize the amount as per Term of Reference (TOR) relating to the investing auction for new investors of each project. The Group currently does not have right to access the details of the Due Diligence to claim the right from the other parties at present.

In 2015, the DSEZ MC has considered the development plan of DSEZ project demarcating it as the Dawei Special Economic Zone Initial Phase (“DSEZ Initial Phase”), in order to develop 27 square kilometers of industrial estate land and its related infrastructure and utilities, and the Dawei Special Economic Zone Full Phase (“DSEZ Full Phase”).

On 5 August 2015, the indirect subsidiaries in overseas and the investors (“the Concessionaires”) has signed 7 concession agreements for the rights to develop 8 concession projects of the Dawei Special Economic Zone Initial Phase (“DSEZ Initial Phase”) with the DSEZ MC. At same time, the DSEZ MC, the SPV and the Company are entered into the Supplemental Memorandum of Understanding to the Tripartite Memorandum to define the terms and conditions to the Company in order to obtain the Land Right Option for develop and operate the DSEZ Initial Phase and also to compensate the previous investment of the Group. However, the Company shall exercise the Land Right Option when the Concessionaires and the DSEZ MC has fulfilled the Conditions Precedent of the DSEZ Initial Phase.

The Concessionaires have fulfilled all conditions except the Land Lease Agreements signing and concession fees payment because these are not agreed between the Concessionaires and the DSEZ MC on the details of Land lease agreements. The Concessionaires has report to the DSEZ MC to pay the concession fees of each project along with interest to the DSEZ MC when the Land Lease Agreements of each project have been agreed.

The details of situation and progress of each phase are as follows:

1. **Dawei Special Economic Zone Initial Phase (DSEZ Initial Phase)**
   1. Land Lease Agreements from the Government of the Republic of Union of Myanmar and the annual concession fees

After obtained the concessions right, the Concessionaires have discussion with the DSEZ MC to all Land Lease Agreements which have mutually consensus contents prior to further project development. So far only the Land Lease Agreement for the Initial Industrial Estate and Two-lane Road Connects the Dawei Special Economy Zone and the Thai - Myanmar border (Initial Industrial Estate and Two-lane Road) were sent to the Concessionaire, while the remaining infrastructure and utilities land lease agreements still have yet to be sent by the DSEZ MC. However, the Concessionaires were invited in various meetings by both the Thai and Myanmar Governments in order to request the ways to support and drive the DSEZ Initial Phase successfully forward in a practical manner. But the conclusion not yet be matually agreed by both of the Concessionaires and the DSEZ MC.

On 14 August 2019, the Company received the Notice of Modification from the DSEZ MC which define the amendment of the Initial Industrial Estate and Two-lane Road Concession Agreement (which are under the same concession agreement) along with the issuance of the draft Land Lease Agreement for the such-the Concession Agreement and draft of the waiving of our Reimbursement Rights under the Tripartite Memorandum. However, these conditions were made by the DSEZ MC

in order to addition and modify of the Concession Agreements and define the Concessionaires to enforce the Company to sign a document releasing all of the Company’s reimbursement rights under such Tripartite Memorandum. It also forces the Concessionaires to comply within the specific period. The Company and the Concessionaires have discussed and issued various letters on multiple occasions to the DSEZ MC in order to reconsider the conditions in order to agreeable both parties. However, as the Concession Agreement for the Initial Industrial Estate and Two-lane Road has a progress related to the Land Lease Agreements, the Concessionaire therefore accepts to pay the Concession Fee plus interests to the DSEZ MC. In addition, the Company also

requested repeatedly for the remaining draft Land Lease Agreements 6 concessions related to the infrastructure and utilities are critical components integral in supporting the overall development success for the DSEZ Initial Phase. And also, informed the DSEZ MC on various occasions that the payment will be made upon receiving and mutually agreeing on each of the respective land agreement for each concession and that the Concessionaire merely requested for the deferral of such payment and interests subject to the mutual finalization of each Land Lease Agreement. However, no further draft Land Lease Agreements for the remaining concessions were sent by the DSEZ MC.

On 27 November 2019, the Company received the Notice of Determination from the DSEZ MC related to amendment in the concession agreement Initial Industrial Estate and Two-lane Road. The Notice of Determination, which were once again unilaterally set forth by the DSEZ MC, imposed a certain time period for the Concessionaires to abide and fulfill the new conditions precedent including for the Concessionaires in order to enforce the Company to sign a document regarding the release of the Company’s reimbursement rights under the Tripartite Memorandum as previously mentioned. The Company along with its partners issued letters to the DSEZ MC opposing this unilateral amendment to the concession agreement and also elaborated this unfair practice by the DSEZ MC in the official meeting held between the governments of Thailand and the Republic of the Union of Myanmar. These newly imposed conditions are not agreed by the Company and its partners, moreover, the unilateral exercise the right to amend the Concession Agreement cannot be acceptable without agreeable by three parties.

On 30 December 2020, the Concessionaires received the Notice of Termination for all Concession Agreements of the DSEZ Initial Phase from the DSEZ MC claiming that the Concessionaires had breached the conditions of the concession agreement relevant to the payment of annual concession fee and the conditions of the concession agreement for the Initial Industrial Estate and Two-lane Road which additional determined by the DSEZ MC. This requires the Concessionaires to enforce Italian-Thai Development Public Company Limited to sign the document releasing the Group’s right to reimburse the previous investments under the Tripartite Memorandum which is a condition set by DSEZ MC unilaterally. However, the Company does not agree with the reason for termination of the Concession Agreements and in order to protect the right to reimburse investment costs mention in the aforementioned memorandum, the Concessionaires along with the consultation from its legal advisor, submitted the rebuttal of the Notice of Termination to elucidate to the DSEZ MC on 19 January 2021 and proposed a discussion on this matter. Thereafter on 4 April 2021, the Concessionaires reiterated and submitted once again the confirmation for the rebuttal of the Notice of Termination to the DSEZ MC.

As the DSEZ is a project of strategic importance to the region and fully supported by both the Thai and Myanmar Governments through the signed memorandums between the two governments as well as official meetings over the years to support and encourage its development along with the fact that Thai investors stay in overseas are protected from its foreign investment (Protection of Investment) under the bilateral and regional treaties. Given these factors, the Company also submitted an official letter to the Thai Government explaining the current situation.

Due to the current political situation in Myanmar and COVID-19 pandemic, this have caused the delay in the negotiation between the Group and the Myanmar Authority in order to find a common ground acceptable to all parties concerned. However, the Company has acknowledged that the Myanmar Authority officially formed new DSEZ MC, effective since 3 May 2021. Subsequently, DSEZ MC held an online meeting on 19 August 2021, in order to introduce its new DSEZ MC’s members and reassured the Concessionaire that further discussions will find an amicable solution to the outstanding issues of the concession agreement. Furthermore, there have been news reports both in Myanmar and Thailand that Myanmar’s Prime Minister Min Aung Hlaing wants the DSEZ Project to continue as it is of strategic importance to the country’s development.   
On 9 December 2021, the Company issued a letter to the Thai Government updating the current situation of the Project and asking for the government’s continued support to the Company’s future negotiation and strategy going forward with the Myanmar Government. In this regard, the Thai Government recognizes the importance of the DSEZ Project and will discuss with the related agencies accordingly. The Company is confident that the outcome of future negotiations with the Myanmar Government will be positive and find the solution for achieving a sustainable long-term development success.

* 1. Government Support for Construction of the Two-lane Road Connects the Special Economy Zone and the Thai - Myanmar border

In the meetings and ongoing cooperation between the Thai and Myanmar governments, it is publicly known that the Thai Government has the policy to offer the soft loan to the Myanmar Government for the construction of the Two-lane Road Connects the Special Economy Zone and the Thai - Myanmar border. Such detailed discussions are ongoing regarding to the terms and conditions.

1. **Dawei Special Economic Zone Full Phase**

Even the right for reimbursement of the Group’s previous investments for development of Industrial Estate and related infrastructure and utilities in the DSEZ is still accorded to the Tripartite Memorandum. However, the reimbursement amount relies on the Due Diligence report prepared by the independent advisor selected and authorized by the SPV which at the present, the Company does not have the right to access to such Due Diligence report. In addition, it depends on the progress of the development of the DSEZ Full Phase which was supported by the government of Thailand and Myanmar to promote the other concession projects in the future as well as the investment from new investors who are interested in each concession project. The Group’s management believe that the right to reimbursement under the Tripartite Memorandum and Supplemental Memorandum of Understanding to the Tripartite Memorandum which were jointly signed between the Company, DSEZ MC and SPV is and remains valid. Because of there are government agencies of Thailand and Myanmar which are included 1) Joint High-Level Committee, 2) Joint Cooperation Committee (JCC) and 3) Joint Task Force (JTF) still exist in order to push such projects in according to the government’s policy.

1. **POTASH MINING RIGHT AND DEFERRED EXPLORATION AND DEVELOPMENT COSTS**

The Company invested in potash mining project through the group of subsidiary companies. The Company holds 90% and the Ministry of Finance holds 10% of the registered share capital. The Company has costs of acquiring right to survey and development the potash mining totalling Baht 2,293.49 million.

The subsidiary company has the right to do potash exploration in Udon Thani Province in Northeast of Thailand and has successfully identified two large potash resources at South Udon and North Udon. Such subsidiary has incurred exploration and development costs as at 31 December 2021 and 2020 as follows:

|  | (Unit : Thousand Baht) | |
| --- | --- | --- |
|  | Consolidated F/S | |
|  | 2021 | 2020 |
| Exploration expense |  |  |
| Beginning balance | 566,570 | 566,570 |
| Expenditure during the year | 688 | - |
| Ending balance | 567,258 | 566,570 |
|  |  |  |
| Application for potash mining concessions expense |  |  |
| Beginning balance | 386,995 | 384,884 |
| Expenditure during the year | 1,429 | 2,111 |
| Ending balance | 388,424 | 386,995 |
|  |  |  |
| Total deferred exploration and development cost | 955,682 | 953,565 |

Such project is under process of application for potash mining concessions from the government. The subsidiary company has complied with the requirement as stipulated in the Mining Act. and has summitted the documents for the mining license application to the Department of Primary Industries and Mines (DPIM.).

In 2020, the DPIM’s Director-General obtained the approval of the prevailing conditions according to the Mineral Act. B.E. 2560 from the statutory stakeholder committee which is appointed by the Udon Thani Provincial Governor. The DPIM’s Director-General have negotiated with the subsidiary company regarding the term of payment of Special Remuneration Benefits, Royalty and Special Subsidy to government as announce by the Ministry of Industry.

On 23 February 2021, the subsidiary company went to clarify questions about the Potash Mining Project in Udon Thani Province in order to provide information and present the request for a license of the subsidiary company to the meeting of the Mineral Committee for further approval. The DPIM’s Director-General will sign the concession certificate which is expected to be completed by 2022. However, due to the current situation of COVID-19 pandemic the meeting of the mineral committee to consider approving the concession certificate application, has extended as previously expected by the management.

The Company’s management believes that this project will generate benefits both for neighboring area and for the country. The project is expected to be approved by the government and become operational as planned. The Company’s management believes that there will be no impairment in the value of such investment.

1. **DEFERRED CONCESSION COST AND COSTS OF PROJECT UNDER DEVELOPMENT**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | | |
|  | Consolidated F/S | | Separate F/S | | |
|  | 31 December 2021 | 31 December 2020 | | 31 December 2021 | 31 December 2020 | |
|  |  |  | |  |  | |
| Concession cost | 193,369 | 150,186 | | - | - | |
| Costs of project under development | 2,228,870 | 2,134,094 | | 2,074,899 | 1,993,231 | |
| Total | 2,422,239 | 2,284,280 | | 2,074,899 | 1,993,231 | |

As at 31 December 2021, the Company and its subsidiaries have deferred concession costs and costs of project under development in the Republic of Mozambique of Baht 2,422.24 million and Baht 2,074.90 million, respectively. The Company has investment in subsidiary and granted long-term loan to the group of subsidiaries totaling of Baht 58.16 million and Baht 413.79 million, respectively, in the separate financial statement.

In 2013, an overseas subsidiary signed two Concession agreements with the Ministry of Transportation and Communications, Government of the Republic of Mozambique for the construction and operation of a Heavy Haul Railway Line and associated Deep-Sea Port in Macuse for the export of coal and other goods. The project investment costs were estimated at USD 3,200 million (equivalents to Baht 96,000 million), allowing for the concession period of 30 years (including construction period). Project details as following :

1. Construction of a Heavy Haul Railway Lines from Moatize to Macuse Port, the approximate length of the standard gauge railways is about 613 kilometers.
2. Construction of a Deep-Sea Port at Macuse with the starting port capacity, for exporting coal, of 40 million tons annually to the maximum capacity of 100 million tons annually.
3. Operation of the Heavy Haul Railway Lines and Macuse Deep Sea Port on the Concession Agreement of 30 years (including the Construction period) and the concession period could be extended for another 10 years.

Due to challenges in the coal export business including the decline in the market price of coal along with economic slowdown caused by Corona virus 2019 pandemic, management of the subsidiary decided in 2020 to revise its business plan to develop the project in two phases. Phase 1 is the development of a multi-cargo port to the Macuse Port and Phase 2 includes the construction of the Railway from Moatize-Chitima railway to Macuse port. The advantages from starting the development of Phase 1 first include shorter construction period and lower investment costs. Management of subsidiary will start Phase 2 development when the economics of the project can be justified.

The progress of project development in Phase 1 are as follows:

***The development of general cargo seaport at Macuse***

During the year 2021, the subsidiary company obtained the Environmental and Social Impact Assessment license (ESIA License) for the construction of such seaport and launched a tender bidding process for the Engineering Procurement and Construction Contractor (EPC Contractor). In addition, the subsidiary’s management has signed the initial loan agreement of USD 25 million, funding for phase 1 development. The Company has used a deposit of USD 5 million. (equivalent to Baht 166.11 million) as collateral for the subsidiary company for issuing Standby Letter of Credit according to the conditions in the agreement. Currently, the subsidiary has started the resettlement activities in order to construct in the port area.

1. **BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

The outstanding balances of bank overdrafts and short-term loans from financial institutions as at 31 December 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Bank overdrafts | 747,636 | 1,031,879 | 25,403 | 286 |
| Short-term loans from financial institutions | 6,507,877 | 6,086,673 | 4,535,216 | 4,700,787 |
| Total | 7,255,513 | 7,118,552 | 4,560,619 | 4,701,073 |

These represent loans obtained from local and overseas financial institutions in the following currencies:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Million) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| THB | 4,531 | 4,894 | 3,831 | 4,452 |
| INR | 2,844 | 2,307 | - | - |
| BDT | 1,805 | 701 | 1,805 | 701 |

These loans are subject to interest at domestic market rates for Thai Baht currency loans and at the market rates of each Country.

As at 31 December 2021 and 2020, part of loans amounting to Baht 2,531.41 million and Baht 3,232.62 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company’s accounts with those banks.

As at 31 December 2021 and 2020, bank overdrafts and short – term credit facilities that have not been drawn down amounted to Baht 12,899.14 million and Baht 12,773.70 million, respectively.

1. **TRADE ACCOUNTS PAYABLE – RELATED PARTIES**

##### 

##### The outstanding balances as at 31 December 2021 and 2020 are as follows:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 682,720 | 672,300 |
| Associated companies and joint ventures | 128,303 | 128,104 | 102,278 | 109,997 |
| Related companies | 2,210,159 | 1,449,218 | 2,195,557 | 1,440,659 |
| Total trade accounts payable – related parties | 2,338,462 | 1,577,322 | 2,980,555 | 2,222,956 |

1. **SHORT-TERM LOANS AND ADVANCE FROM RELATED PARTIES**

The outstanding balances as at 31 December 2021 and 31 December 2020 are as follow:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 950,039 | 440,523 |
| Joint control company | 29,710 | 18,085 | - | - |
| Joint Ventures | 128 | 58,741 | - | 58,741 |
| Total | 29,838 | 76,826 | 950,039 | 499,264 |

Movements in short-term loans and advance from related parties

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Balance as at 1 January | 76,826 | - | 499,264 | - |
| Add : Additional borrowings | 39,442 | 76,826 | 841,274 | 605,045 |
| Less : Repayments | (88,229) | - | (434,353) | (105,781) |
| Add : Translation adjustment for foreign  currency financial statements | 1,799 | - | 43,854 | - |
| Balance as at 31 December | 29,838 | 76,826 | 950,039 | 499,264 |

1. **LONG-TERM LOANS**

As at 31 December 2021 and 2020, the outstanding balance of long-term loans are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Outstanding balances | 20,945,241 | 21,241,386 | 17,064,746 | 17,077,387 |
| Less : Current portion | (14,060,347) | (11,943,288) | (13,160,908) | (11,224,108) |
| Net | 6,884,894 | 9,298,098 | 3,903,838 | 5,853,279 |

Movements in the long-term loans for the years ended 31 December 2021 and 2020 are summarized as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Balance as at 1 January | 21,241,386 | 22,131,226 | 17,077,387 | 17,513,430 |
| Add : Additional borrowings | 5,613,982 | 7,083,769 | 5,063,915 | 6,369,712 |
| Less : Repayments | (5,988,236) | (7,972,292) | (5,076,556) | (6,805,755) |
| Add (less) : Translation adjustment for foreign currency financial statements | 78,109 | (1,317) | - | - |
| Balance as at 31 December | 20,945,241 | 21,241,386 | 17,064,746 | 17,077,387 |

The outstanding balance of long-term loans as at 31 December 2021 and 2020 are as follows:

|  |  |  | | |  | | |  | (Unit : Million Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | |  | | |  | Consolidated F/S | | Separate F/S | |
| Loan | Credit amount (Million Baht) | Interest rate (Percentage) | | | Repayment condition | | | Guarantee | 2021 | 2020 | 2021 | 2020 |
| **Parent Company** | |  | | |  | | |  |  |  |  |  |
|  | 18,808 | MLR – 1 per annum | | | Repayable within 2021 – 2023 or upon completion of the project, whichever is earlier | | | Assignment of collection from  construction contract | 17,065 | 17,077 | 17,065 | 17,077 |
|  |  | MLR – 1.25 per annum | | | Repayable within 2021 – 2023 or upon completion of the project, whichever is earlier | | | Assignment of collection from  construction contract and land |  |  |  |  |
|  |  | MLR – 1.50 per annum | | | Repayable within 2021 – 2025 or upon completion of the project, whichever is earlier | | | Assignment of collection from  construction contract |  |  |  |  |
|  |  | Market rate per annum | | | Repayable within 2021 upon completion of the project, whichever is earlier | | | Bank account opened for receive  revenue from construction |  |  |  |  |
|  |  | 2.75 per annum | | | Repayable within 2026 | | | - |  |  |  |  |
|  |  | MLR – 0.50 per annum | | | Repayable within 2022 | | | Assignment of collection from  construction contract |  |  |  |  |
|  |  | 4 per annum | | | Repayable per due date of the promissory note from the debtor (Note 9) | | | - |  |  |  |  |
|  |  | 5.25 per annum | | | Repayable within 2024 | | | Land |  |  |  |  |
|  |  | 4.75 per annum | | | Repayable within 2027 | | | - |  |  |  |  |
| **Subsidiaries** | |  |  |  | |  |
| 1 | 399 | MLR – 1 to MLR – 3.15 per annum | | | Repayable within 2022 – 2025 | | | Guaranteed by parent company,  machinery and equipment | 189 | 195 | - | - |
| 2 | 631 | MLR per annum | | | Repayable per contract | | | Guaranteed by parent company,  land and machinery | - | 92 | - | - |
| 3 | 5,745 | MLR – 1.50 per annum | | | Repayable within 2021 – 2026 | | | Guaranteed by parent company,  machinery and Assignment of collection from construction contract | 2,075 | 2,718 | - | - |
|  |  |  | | |  | | |  |  |  |  |  |
|  |  |  | | |  | | |  |  |  |  |  |
|  |  |  | | |  | | |  |  |  |  |  |
|  |  |  | | |  | | |  |  |  |  |  |
| 4  5 | 5,600 Million BDT  470 | Floating rate of Bank of Bangladesh plus 6% per annum  2.51% to 3.25% per annum | | | Repayable per contract  Repayable within 2021 – 2025 | | | Guaranteed by parent company  Guaranteed by shareholders | 856  400 | 707  370 | -  - | -  - |
| 6 | 833 Million Rupee | 9.55% per annum | | | Repayable within 2023 | | | Land | 360 | 82 | - | - |
|  |  |  | | |  | | | Total | 20,945 | 21,241 | 17,065 | 17,077 |
|  |  |  | | |  | | | Less : Current portion | (14,060) | (11,943) | (13,161) | (11,224) |
|  |  |  | | |  | | | Net | 6,885 | 9,298 | 3,904 | 5,853 |

1. **DEBENTURES**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Unit : Thousand Baht) | |
|  |  |  |  | Interest | Consolidated and Separate F/S | |
| Debenture | Duration | Date of issue | Maturity date | rate | 2021 | 2020 |
|  |  |  |  | (% p.a.) |  |  |
| 1 | 5 years | 8 June 2016 | 8 June 2021 | 4.40 | - | 3,499,318 |
| 2 | 5 years 3 days | 26 June 2017 | 29 June 2022 | 4.70 | 5,998,585 | 5,995,700 |
| 3 | 5 years | 15 February 2019 | 15 February 2024 | 5.25 | 1,996,817 | 1,995,318 |
| 4 | 1 years 3 months | 23 September 2020 | 23 December 2021 | 4.50 | - | 546,372 |
| 5 | 2 years 9 months | 23 September 2020 | 23 June 2023 | 5.50 | 2,454,164 | 2,446,691 |
| 6 | 2 years 3 days | 4 June 2021 | 7 June 2023 | 5.10 | 1,533,107 | - |
| 7 | 3 years 6 months | 4 June 2021 | 4 December 2024 | 5.80 | 2,432,866 | - |
| Total |  |  |  |  | 14,415,539 | 14,483,399 |
| Less: Current Portion | |  |  |  | (5,998,585) | (4,045,690) |
| Debentures – net | |  |  |  | 8,416,954 | 10,437,709 |

Movements of debentures for the years ended 31 December 2021 and 2020 are as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated and  Separate F/S | |
|  |
|  | 2021 | 2020 |
|  |  |  |
| Balance as at 1 January | 14,483,399 | 15,282,368 |
| Add : Newly issued debentures | 4,000,000 | 3,015,200 |
| Less : Redemption of former debentures | (4,050,000) | (3,800,000) |
| Less : Cost of issuing debentures | (43,194) | (25,201) |
| Add : Amortization of costs of issuing debentures | 25,334 | 11,032 |
| Balance as at 31 December | 14,415,539 | 14,483,399 |
| Less : Current portion | (5,998,585) | (4,045,690) |
| Net | 8,416,954 | 10,437,709 |

On 4 June 2021, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 1,545 million (face value of Baht 1,000 per unit) with 2 years 3 days tenure. These bear interest at the of 5.10% per annum which is payable quarterly. The debentures will be due for redemption on 7 June 2023. The Company used the proceeds from this issuance to repay its debts.

On 4 June 2021, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 2,455 million (face value of Baht 1,000 per unit) with 3 years 6 months tenure. These bear interest at the of 5.80% per annum which is payable quarterly. The debentures will be due for redemption on 4 December 2024. The Company used the proceeds from this issuance to repay its debts.

On 23 September 2020, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 550 million (face value of Baht 1,000) with 1 year 3 months tenure. These bear interest at the of 4.50 percent per annum which is payable quarterly. The debentures will be due for redemption on 23 December 2021. The Company used the proceeds from this issuance to repay its debts.

On 23 September 2020, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 2,465.20 million (face value of Baht 1,000) with 2 years 9 months tenure. These bear interest at the of 5.50 percent per annum which is payable quarterly. The debentures will be due for redemption on 23 June 2023. The Company used the proceeds from this issuance to repay its debts.

The debentures were issued with covenants relating to various matters such as the maintain financial ratio, restriction of the decrease in share capital, merger, the payment of dividend and limitations on the execution of new loan obligation.

1. **EMPLOYEE BENEFITS OBLIGATION**

|  | (Unit : Thousand Baht) | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Present value of employee benefits obligation as at 31 December | 1,858,561 | 1,944,518 | 1,332,072 | 1,422,732 |
| Fair value of plan assets as at 31 December | (141,781) | (118,488) | - | - |
| Obligation – net | 1,716,780 | 1,826,030 | 1,332,072 | 1,422,732 |
| Less : Current portion of liabilities under   employee benefits obligation | (708,422) | (709,897) | (601,593) | (617,120) |
| Net | 1,008,358 | 1,116,133 | 730,479 | 805,612 |
|  |  |  |  |  |
| Employee benefits obligation |  |  |  |  |
| Balance as at 1 January | 1,944,518 | 1,870,676 | 1,422,732 | 1,390,917 |
| Current service costs | 124,078 | 121,250 | 84,339 | 82,481 |
| Interest on obligation | 35,539 | 40,948 | 14,271 | 20,019 |
| Actuarial (gain) loss | (110,107) | 98,858 | (70,052) | 82,628 |
| Benefit paid | (159,072) | (179,225) | (119,218) | (153,313) |
| Translation adjustments for foreign currency financial statements | 23,605 | (7,989) | - | - |
| Balance as at 31 December | 1,858,561 | 1,944,518 | 1,332,072 | 1,422,732 |
| Less : Current Portion | (708,422) | (709,897) | (601,593) | (617,120) |
| Net | 1,150,139 | 1,234,621 | 730,479 | 805,612 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Plan assets |  |  |  |  |
| Balance as at 1 January | 118,488 | 103,455 | - | - |
| Expected returns on plan assets | 8,463 | 17,332 | - | - |
| Contribution | 29,183 | 55,000 | - | - |
| Benefit paid | (25,116) | (17,898) | - | - |
| Actuarial gain (loss) | (730) | 14,416 | - | - |
| Translation adjustments for foreign currency financial statements | 11,493 | (53,817) | - | - |
| Balance as at 31 December | 141,781 | 118,488 | - | - |

Plan assets invested with two insurance companies as at 31 December 2021 and 2020 are Baht 141.78 million and Baht 118.49 million, respectively. The management believes that the assets in these portfolios are well diversified risk and, as such, the long-term return thereon is expected to be higher than the rate of return on Government Bonds.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The amount of employee benefits obligation, plan assets, the deficit thereof and the experiences of adjustments on plan assets and plan liabilities of overseas entities for the current and previous 3 years are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | 2021 | 2020 | 2019 | 2018 |
|  |  |  |  |  |
| Employee benefits obligation | 267,677 | 244,136 | 225,866 | 225,309 |
| Plan assets | 141,781 | 118,488 | 103,455 | 99,088 |
| Deficit | (125,896) | (125,648) | (122,411) | (126,221) |
| Experience adjustments on plan assets | 730 | (14,416) | (3,661) | 17,347 |
| Experience adjustment on plan liabilities | 11,102 | (9,897) | (11,993) | (12,254) |

The employee benefit obligations of the Group are measured using actuarial techniques. The estimated amount is computed by the discounted cash flows for amounts to be paid in the future based on the government bond interest rate with a term of maturity that approximates the term of the related obligation. The estimated future cash outflows are based on employee wages, turnover rate, retirement ages, mortality, length of service and others. The employee benefits expenses are recognized in the statement of profit or loss to allocate the expenses through the hiring period. Principal actuarial assumptions are as follows:

|  | Consolidated F/S | | Separate F/S | |
| --- | --- | --- | --- | --- |
|  | 2021 | 2020 | 2021 | 2020 |
| Financial assumptions |  |  |  |  |
| Discount rates | 0.62 – 8.20% per annum | 0.62 – 8.20% per annum | 1.31 – 1.67% per annum | 0.92 – 1.09% per annum |
| Future average salary increment rates | 0.00 – 8.00% per annum | 0.00 – 8.00% per annum | 1.06 – 3.58% per annum | 1.95 – 5.36% per annum |
|  |  |  |  |  |
| Demographic assumptions |  |  |  |  |
| Mortality rate | Mortality Table 2017 | Mortality Table 2017 | Mortality Table 2017 | Mortality Table 2017 |
| Normal retirement ages | 50 - 60 years | 50 - 60 years | 60 years | 60 years |
| Weighted average duration of the defined benefit obligation (years) | 5 - 28 years | 5 - 28 years | 5 - 7 years | 7 - 8 years |

* Defined benefit plan expenses

Amounts recognized in profit or loss related to employee benefits obligation are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | |
|  | Consolidated F/S | | |  | Separate F/S | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  |  |  |  |  |  |  |
| Current service cost | 94,895 |  | 66,250 |  | 84,339 |  | 82,481 |
| Net interest expense | 27,076 |  | 23,616 |  | 14,271 |  | 20,019 |
| Total expenses recognized in profit or loss | 121,971 |  | 89,866 |  | 98,610 |  | 102,500 |

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

* Amounts recognized in other comprehensive income related to the employee benefits obligation plans are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | |
|  | Consolidated F/S | | |  | Separate F/S | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  |  |  |  |  |  |  |
| Actuarial gain (loss) from changes in experience assumptions | 29,388 |  | (38,694) |  | 11,586 |  | (51,431) |
| Actuarial gain (loss) from changes in demographic assumptions | 3,156 |  | (10,809) |  | 3,855 |  | (796) |
| Actuarial gain (loss) from changes in financial assumptions | 65,923 |  | (43,252) |  | 54,611 |  | (30,401) |
| Translation adjustments for foreign currency financial statement | (10,910) |  | 8,313 |  | - |  | - |
| Total income (loss) recognized in other comprehensive income | 109,377 |  | (84,442) |  | 70,052 |  | (82,628) |

All expenses summarised above were included in item that will not be reclassified subsequently to profit or loss.

* 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 :

|  | (Unit : Thousand Baht) | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | |  | Separate F/S | | | | | |
|  | 2021 | |  | 2020 | |  | 2021 | |  | 2020 | | |
|  | Increase 0.5% | Decrease 0.5% |  | Increase 0.5% | Decrease 0.5% |  | Increase 0.5% | Decrease 0.5% |  | Increase 0.5% | Decrease 0.5% | |
| **Discount rate** |  |  |  |  | |  |  | |  |  | | |
| Increment (decrement) of  employee benefit obligation | (61,144) | 190,161 |  | (65,564) | 197,620 |  | (32,191) | 33,971 |  | (34,382) | | 36,283 |
| **Future salary growth** |  | |  |  | |  |  | |  |  | | |
| Increment (decrement) of  employee benefit obligation | 190,487 | (66,734) |  | 196,875 | (66,072) |  | 33,000 | (31,612) |  | 35,246 | | (33,764) |

* As at 31 December 2021 and 2020, expected maturity of employee benefits obligation before discount are as follow:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | |
|  | Consolidated F/S | | |  | Separate F/S | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  |  |  |  |  |  |  |
| Within 1 year | 672,137 |  | 708,144 |  | 601,593 |  | 617,120 |
| Between 2 – 5 years | 514,579 |  | 541,036 |  | 408,104 |  | 424,419 |
| Between 6 – 10 years | 597,510 |  | 664,210 |  | 439,411 |  | 491,837 |
| Between 11 – 15 years | 343,325 |  | 470,446 |  | 243,608 |  | 314,725 |

1. **RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The changes in the Group’s liabilities arising from financing activities can be classified as follows;

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short - term loans |  | Long - term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2021 | 2,230,365 |  | 1,466,870 |  | 6,086,673 |  | 21,241,386 |  | 14,483,399 |  | 45,508,693 |
| Cash-flows: |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (971,395) |  | (514,805) |  | (18,291,271) |  | (5,988,236) |  | (4,050,000) |  | (29,815,707) |
| - Proceeds | - |  | - |  | 18,687,715 |  | 5,613,982 |  | 3,956,806 |  | 28,283,263 |
| Non-cash: |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 456,033 |  | 853,251 |  | - |  | - |  | - |  | 1,309,284 |
| - Amortization cost of issuing debentures | - |  | - |  | - |  | - |  | 25,334 |  | 25,334 |
| - Translation adjustments for foreign currency financial statement | 19,333 |  | - |  | 24,760 |  | 78,109 |  | - |  | 97,442 |
| 31 December 2021 | 1,734,336 |  | 1,805,316 |  | 6,507,877 |  | 20,945,241 |  | 14,415,539 |  | 45,408,309 |

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short - term loans |  | Long - term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2020 | 1,569,958 |  | - |  | 6,197,073 |  | 22,131,226 |  | 15,282,368 |  | 45,180,625 |
| Cash-flows: |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (960,425) |  | (123,320) |  | (19,354,132) |  | (7,972,292) |  | (3,800,000) |  | (32,210,169) |
| - Proceeds | - |  | - |  | 19,243,732 |  | 7,083,769 |  | 2,989,999 |  | 29,317,500 |
| Non-cash: |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 1,630,455 |  | 1,590,190 |  | - |  | - |  | - |  | 3,220,645 |
| - Amortization cost of issuing debentures | - |  | - |  | - |  | - |  | 11,032 |  | 11,032 |
| - Translation adjustments for foreign currency financial statement | (9,623) |  | - |  | - |  | (1,317) |  | - |  | (10,940) |
| 31 December 2020 | 2,230,365 |  | 1,466,870 |  | 6,086,673 |  | 21,241,386 |  | 14,483,399 |  | 45,508,693 |

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short - term loans |  | Long - term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2021 | 1,401,004 |  | 1,340,306 |  | 4,700,787 |  | 17,077,387 |  | 14,483,399 |  | 39,002,883 |
| Cash-flows: |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (744,993) |  | (467,098) |  | (17,273,124) |  | (5,076,556) |  | (4,050,000) |  | (27,611,771) |
| - Proceeds | - |  | - |  | 17,082,793 |  | 5,063,915 |  | 3,956,806 |  | 26,128,274 |
| Non-cash: |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 326,590 |  | 689,018 |  | - |  | - |  | - |  | 1,015,608 |
| - Amortization cost of issuing debentures | - |  | - |  | 24,760 |  | - |  | 25,334 |  | 25,334 |
| 31 December 2021 | 982,601 |  | 1,562,226 |  | 4,535,216 |  | 17,064,746 |  | 14,415,539 |  | 38,560,328 |

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short - term loans |  | Long - term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2020 | 1,428,282 |  | - |  | 4,125,046 |  | 17,513,430 |  | 15,282,368 |  | 38,349,126 |
| Cash-flows: |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (767,794) |  | (100,400) |  | (18,004,743) |  | (6,805,755) |  | (3,800,000) |  | (29,478,692) |
| - Proceeds | - |  | - |  | 18,580,484 |  | 6,369,712 |  | 2,989,999 |  | 27,940,195 |
| Non-cash: |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 740,516 |  | 1,440,706 |  | - |  | - |  | - |  | 2,181,222 |
| - Amortization cost of issuing debentures | - |  | - |  | - |  | - |  | 11,032 |  | 11,032 |
| 31 December 2020 | 1,401,004 |  | 1,340,306 |  | 4,700,787 |  | 17,077,387 |  | 14,483,399 |  | 39,002,883 |

1. **INCOME TAX**

Applicable tax rates for the Group are as follows:

|  |  |  |
| --- | --- | --- |
|  |  | |
|  | Tax rate (%) | |
|  | 2021 | 2020 |
|  |  |  |
| Income tax under the Revenue Code of the Company and subsidiary in Thailand | 20 | 20 |
| Corporate income tax in foreign countries | 20 - 30 | 20 - 30 |

However, the income tax of an overseas entity which is calculated based on local tax regulation that calculate from the cash collection, the revenues or the net profit based on tax rate, whichever is higher.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Deferred tax assets | 323,043 | 363,935 | - | - |
| Deferred tax liabilities | (1,015,713) | (945,365) | (184,215) | (156,193) |
| Deferred tax – net | (692,670) | (581,430) | (184,215) | (156,193) |

The movements in deferred tax assets and liabilities are as follows:

|  |  |  | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | |
|  |  | Recognized as income (expense) | |  |
|  | 1 January 2021 | Statement of profit and loss | Shareholders’ Equity | 31 December 2021 |
| **Deferred tax assets** |  |  |  |  |
| From allowance for impairment loss | 49,517 | 18,479 | 5,195 | 73,191 |
| From allowance for obsolete inventories | 663 | 88 | - | 751 |
| From depreciation of assets | 130,271 | (67,149) | 10,315 | 73,437 |
| Carrying Deficit | 14,755 | (15,689) | 934 | - |
| From employee benefits obligations | 106,661 | 9,167 | (4,193) | 111,635 |
| From finance lease payables | 56,720 | 3,860 | - | 60,580 |
| From other timing differences | 5,348 | (2,334) | 435 | 3,449 |
| Total | 363,935 | (53,578) | 12,686 | 323,043 |
|  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| From unrealized gain on changes  in the value of investments though OCI | 8,325 | - | 19,600 | 27,925 |
| From unrealized gain on changes  in the value of investments though PL | - | 14,909 | - | 14,909 |
| From finance lease payables | 114,968 | 4,350 | - | 119,318 |
| From depreciation of machinery | 142,277 | 738 | 10,456 | 153,471 |
| From debentures | 6,360 | 3,572 | - | 9,932 |
| From potash mining right | 458,699 | - | - | 458,699 |
| From investment properties | 202,433 | 15,565 | - | 217,998 |
| From other timing differences | 12,303 | - | 1,158 | 13,461 |
| Total | 945,365 | 39,134 | 31,214 | 1,015,713 |

|  |  |  | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | |
|  |  | Recognized as income (expense) | |  |
|  | 1 January 2020 | Statement of profit and loss | Shareholders’ Equity | 31 December 2020 |
| **Deferred tax assets** |  |  |  |  |
| From allowance for impairment loss | 38,090 | 13,033 | (1,606) | 49,517 |
| From allowance for obsolete inventories | 360 | 303 | - | 663 |
| From depreciation of assets | 155,429 | (21,103) | (4,055) | 130,271 |
| Carrying Deficit | - | 15,270 | (515) | 14,755 |
| From employee benefits obligations | 94,036 | 16,335 | (3,710) | 106,661 |
| From finance lease payables | 5,711 | 51,009 | - | 56,720 |
| From other timing differences | 4,675 | 1,237 | (564) | 5,348 |
| Total | 298,301 | 76,084 | (10,450) | 363,935 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| From unrealized gain on changes  in the value of investments though OCI | - | - | 8,325 | 8,325 |
| From finance lease payables | 85,533 | 29,435 | - | 114,968 |
| From depreciation of machinery | 158,400 | (12,669) | (3,454) | 142,277 |
| From debentures | 3,526 | 2,834 | - | 6,360 |
| From potash mining right | 458,699 | - | - | 458,699 |
| From investment properties | 105,232 | 97,201 | - | 202,433 |
| From other timing differences | 12,691 | - | (388) | 12,303 |
| Total | 824,081 | 116,801 | 4,483 | 945,365 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | Separate F/S | | | |
|  |  | Recognized as income (expense) | |  |
|  | 1 January  2021 | Statement of profit or loss | Shareholders’ Equity | 31 December 2021 |
| **Deferred tax liabilities** |  |  |  |  |
| From unrealized gain on changes  in the value of investments though OCI | 7,856 | - | 18,452 | 26,308 |
| From unrealized gain on changes  in the value of investments though PL | - | 14,909 | - | 14,909 |
| From finance lease payables | 61,842 | (8,017) | - | 53,825 |
| From depreciation of machinery | 23,195 | (2,724) | - | 20,471 |
| From debentures | 6,360 | 3,572 | - | 9,932 |
| From Investment properties | 56,940 | 1,830 | - | 58,770 |
| Total | 156,193 | 9,570 | 18,452 | 184,215 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | Separate F/S | | | |
|  |  | Recognized as income (expense) | |  |
|  | 1 January  2020 | Statement of profit or loss | Shareholders’ Equity | 31 December 2020 |
| **Deferred tax liabilities** |  |  |  |  |
| From unrealized gain on changes  in the value of investments though OCI | - | - | 7,856 | 7,856 |
| From finance lease payables | 71,544 | (9,702) | - | 61,842 |
| From depreciation of machinery | 26,119 | (2,924) | - | 23,195 |
| From debentures | 3,526 | 2,834 | - | 6,360 |
| From Investment properties | 31,218 | 25,722 | - | 56,940 |
| Total | 132,407 | 15,930 | 7,856 | 156,193 |

Income tax consist of

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
| **Income tax from local entities** |  |  |  |  |
| Current income tax | 50,011 | 82,039 | 26,925 | 17,103 |
| **Income tax from overseas entities\*** |  |  |  |  |
| Current income tax | 469,173 | 269,228 | 309,880 | 163,004 |
|  | 519,184 | 351,267 | 336,805 | 180,107 |
|  |  |  |  |  |
| **Deferred tax** |  |  |  |  |
| Change in temporary differences | 92,712 | 40,717 | 9,570 | 15,930 |
|  |  |  |  |  |
| **Total** | 611,896 | 391,984 | 346,375 | 196,037 |
|  |  |  |  |  |
| **Income tax recognized in other comprehensive income** | | |  |  |
| Unrealized gain (loss) on changes in value of investments | (19,600) | (8,325) | (18,452) | (7,856) |
| Actuarial loss | (4,193) | (3,710) | - | - |
| Others | 5,265 | (2,898) | - | - |
| **Total** | (18,528) | (14,933) | (18,452) | (7,856) |

Reconciliation of effective tax rate

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Accounting profit (loss) before income tax | 705,992 | (735,302) | (235,242) | (755,543) |
| Tax rate for parent company (%) | 20 | 20 | 20 | 20 |
| Tax expense | 141,198 | (147,060) | (47,048) | (151,109) |
| Tax on adjustment for tax – rate difference in  foreign jurisdictions | 363,099 | 274,818 | 266,599 | 148,803 |
| Tax on adjustment for eliminate transaction | (8,045) | (98,150) | 56 | (25,428) |
| Tax on exempted for revenue and additional  deductible expense under revenue code | (165,420) | (462,524) | (74,600) | (200,215) |
| Tax on expenses not subject to tax and  taxable income for revenue code | 122,236 | 265,748 | 95,575 | 48,216 |
| Tax on utilized loss carry forward of previously  which deferred tax assets unrecognized  loss carry forward | (97,284) | (97,406) | (75,379) | (92,879) |
| Tax on current year losses for which no deferred tax asset was recognized | 256,112 | 656,558 | 181,172 | 468,649 |
| Tax expense | 611,896 | 391,984 | 346,375 | 196,037 |
|  |  |  |  |  |

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statement are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Temporary differences | 727,551 | 775,415 | 692,988 | 742,051 |
| Unused loss taxable carried forward | 184,596 | 188,819 | 93,613 | 92,879 |
| **Total** | 912,147 | 964,234 | 786,601 | 834,930 |

The tax losses will expire in 2021 to 2025. The deductible temporary differences do not expire under current tax legislation. The Group has not recognized deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits.

1. **RELATED PARTY TRANSACTIONS**

During the year, the Group has significant business transactions with related parties, which have been conducted on commercial terms and based on agreed upon in the ordinary course of businesses between the Company and those related parties, as follows:

|  |  |
| --- | --- |
| Transaction | Pricing policy |
|  |  |
| Turn - key construction service income | Cost plus margin |
| Construction service income, exclusive the procurements of materials | Cost or cost-plus margin |
| Land rental income | Mutually agreed rate |
| Sales of equipment | Cost or mutually agreed price |
| Sales of investment | Market price |
| Purchases of construction materials | Approximate market price |
| Turn - key construction expenses | Cost plus margin |
| Hire of construction services, exclusive procurements of materials | Cost |
| Purchases of investments | Approximate net book value |
| Purchases of assets | Mutually agreed prices |
| Interest on loans with related parties | Mutually agreed rate |
| Rental expenses | Mutually agreed rate |

Below are summaries of significant related party transactions during the year :

|  |  | | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | For the years ended 31 December | | | |
|  | 2021 | 2020 | 2021 | 2020 |
| Transactions with subsidiaries |  |  |  |  |
| Construction services, sales and other income | - | - | 916 | 2,153 |
| Purchases of construction materials and services | - | - | 1,185 | - |
| Purchases of equipment | - | - | 17 | 1,277 |
|  |  |  |  |  |
| Transactions with associated and joint control   companies and joint ventures | | | | |
| Construction services, sales and other income | 802 | 921 | 54 | 36 |
| Purchases of construction materials and services | 484 | 157 | 59 | 142 |
| Purchases of equipment | 50 | 14 | - | - |
|  |  |  |  |  |
| Transactions with related parties |  |  |  |  |
| Construction services, sales and other income | 216 | 464 | 183 | 424 |
| Purchases of construction materials and services | 3,148 | 2,433 | 3,016 | 2,384 |
| Purchases of equipment | 24 | 105 | 22 | 76 |
| Revenue from debt forgiveness | 119 | - | - | - |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |
| Short - term employee benefits | 181 | 179 | 135 | 137 |
| Post - employment benefits | 20 | 19 | 3 | 3 |

Furthermore, the Company also has significant transactions with its related parties in respect of accounts receivable, loans, advances and accounts payable. The outstanding balances of such transactions are presented as separate items in the statement of financial position.

Accrued rental expenses

A subsidiary company rent various land with related parties. However, as at 31 December 2021 such related parties has terminated agreement and forgiveness of all accrued rental which were recognized till 31 December 2021 totalling Baht 119.37 million for subsidiary. Therefore, the subsidiary recognize the income from forgiveness in the statement of profit or loss for the year ended 31 December 2021.

1. **RESERVED FOR PROJECTS EXPENSE - NET**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Reserved for projects expense | 51,260 | 45,012 | 50,770 | 40,095 |
| Less : Classified to current liability | (51,260) | (45,012) | (50,770) | (40,095) |
| Net | - | - | - | - |

Movements of reserved for projects expense for the years ended 31 December 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Balance as at 1 January | 45,012 | 17,600 | 40,095 | 17,600 |
| Less : Actual expenses during the year | (4,427) | (17,600) | - | (17,600) |
| Add : Provision for expenses | 6,684 | 45,012 | 6,684 | 40,095 |
| Add : Translation adjustment for foreign  currency financial statement | 3,991 | - | 3,991 | - |
| Balance as at 31 December | 51,260 | 45,012 | 50,770 | 40,095 |

During the year 2020, the oversea branch and one overseas subsidiaries record the reserved for projects expense increase totalling Baht 45.01 million.

1. **PROVIDENT FUND**

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company, and subsidiaries, contributed to the fund monthly at the rate of 2.00 – 15.00 percent of basic salary. The fund, which is managed by CIMB - Principal Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2021 and 2020, the Company and its subsidiaries contributed Baht 127.44 million and Baht 173.93 million, respectively (Separate F/S : Baht 29.20 million and Baht 57.18 million, respectively).

1. **LEGAL RESERVE**

Pursuant to Section 116 of the Public Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

1. **OTHER INCOME**

Significant other income for the years ended 31 December 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit: Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Royalty income | 62,982 | 36,997 | 62,982 | 36,997 |
| Rental income | 47,213 | 54,581 | 43,072 | 50,531 |
| Insurance claim | 48,528 | 5,487 | 13,449 | 88 |
| Gain on disposal of assets | 70,700 | 32,546 | 39,912 | 4,872 |
| Service income | 58,835 | 203,674 | - | 35,660 |
| Consulting income | 42,161 | 18,749 | 42,161 | 18,162 |
| Bad debt return | 39,960 | 43,996 | - | 235 |
| Income from sale scrap | 154,646 | 144,642 | 150,508 | 139,227 |
| Reversal provision project expense | - | 30,109 | - | 30,109 |
| Revenue from lease modification | 20,234 | - | - | - |
| Revenue from debt forgiveness | 98,864 | - | - | - |
| Others | 163,418 | 170,177 | 74,707 | 144,827 |
| Total | 807,541 | 740,958 | 426,791 | 460,708 |

1. **EXPENSES BY NATURE**

Significant expenses by nature for the years ended 31 December 2021 and 2020 are as follows:

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Salaries, wages and other employee benefits | 10,572,741 | 11,585,685 | 7,824,892 | 8,863,918 |
| Materials and supplies used | 16,015,001 | 16,214,828 | 9,454,962 | 11,695,663 |
| Subcontract costs | 15,902,018 | 14,245,731 | 10,047,337 | 8,673,785 |
| Depreciation | 4,655,970 | 4,095,209 | 3,138,127 | 2,615,634 |
| Rental expenses | 1,572,514 | 1,901,359 | 1,215,515 | 1,504,957 |
| Fuel expenses | 1,161,487 | 1,324,752 | 740,967 | 873,837 |
| Utilities expenses | 1,032,001 | 768,023 | 369,379 | 414,094 |
| Transportation expenses | 573,098 | 674,603 | 257,679 | 393,056 |
| Professional fee | 626,024 | 577,176 | 89,952 | 142,464 |
| Repair and maintenance expenses | 591,736 | 544,052 | 185,030 | 183,347 |
| Prebid expenses | 38,024 | 20,892 | 37,118 | 19,608 |
| Amortisation | 8,335 | 10,802 | 9,816 | 10,112 |

1. **FINANCE COST**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Loans from bank | 1,459,910 | 1,180,154 | 838,451 | 856,084 |
| Debentures | 766,587 | 727,705 | 766,587 | 727,705 |
| Finance liabilities | 145,121 | 129,483 | 99,015 | 72,359 |
| Other | 190,423 | 495,193 | 177,620 | 128,925 |
| Total | 2,562,041 | 2,532,535 | 1,881,673 | 1,785,073 |

1. **GUARANTEES**

As at 31 December 2021, the Group has letter of guarantees totalling approximately Baht 85,976.11 million issued by financial institutions on behalf of the Company and subsidiaries in respect of certain performance bonds required in the normal course of business. The Company and subsidiaries do not expect to incur losses from these guarantees.

As at 31 December 2021, the Company has outstanding guarantees approximately Baht 5,474.88 million issued to financial institutions to bank overdraft, loan, letter of guarantee, letter of credit, trust receipt and promissory note by those financial institutions to the subsidiaries and joint venture. The Company issued guarantees in proportion to its shareholding (except for Italthai Trevi Co. Ltd., Italthai Marine Co., Ltd.,   
ITD-ITD Cem Joint venture, ITD-Cemindia Joint venture for which the Company issued full guarantees for the credit facilities).

1. **COMMITMENTS**
   1. As at 31 December 2021, the Company, subsidiaries and joint venture have outstanding commitments with major subcontractors, classified by currencies as follows:

(Unit : Million Baht)

|  |  |  |
| --- | --- | --- |
|  | Baht Equivalent | |
|  | Consolidated F/S | Separate F/S |
| Currency |  |  |
| THB | 8,000.74 | 7,499.56 |
| INR | 4,244.89 | - |
| BDT | 3,718.49 | 3,718.49 |
| USD | 485.79 | 485.79 |

As at 31 December 2021, the Group have the following outstanding commitments, proportionately, for purchases of materials, machinery, related services, low value leasing, short-term leasing and service contracts with significant amount accorded to business proportion presented by the foreign currency as below;

(Unit : Million Baht)

|  |  |  |
| --- | --- | --- |
|  | Baht Equivalent | |
|  | Consolidated F/S | Separate F/S |
| Currency |  |  |
| THB | 681.97 | 603.16 |
| USD | 999.66 | 542.83 |
| INR | 161.84 | - |
| BDT | 184.21 | 184.21 |
| EUR | 15.20 | 11.14 |
| VND | 3.34 | 3.34 |
| SGD | 0.18 | - |

* 1. As at 31 December 2021, the Company has outstanding commitments in respect of the un-call portion of investments in 6 subsidiary companies of Baht 2.25 million, USD 0.31 million, MMK 344.17 million and investment in a joint control company as shareholder agreement of BDT 9,369.65 million.
  2. As at 31 December 2021, the Company has outstanding commitments of USD 8.35 million for share purchase agreement with a joint shareholder of an associated company.
  3. A subsidiary company has a commitment to apply for and to obtain a mining concession from the Government of Thailand as follows:
     1. A subsidiary company has to pay bonus to the Ministry of Industry upon receipt of the mining concession of USD 5 million and an annual fee subsidizing the Education Fund to the Department of Primary Industries and Mines of USD 0.20 million in accordance with an agreement between the Ministry of Industry and the Department of Primary Industries and Mines and the subsidiary company.
     2. A subsidiary company agreed to pay the compensation to beneficiaries in the concession areas of the mine in according with the Mineral Act. B.E. 2560. The compensation amount as stipulated in the Environment Impact Assessment report (EIA) in according with the Enhancement and Conservation of National Environmental Quality Act. B.E. 2535 is for a maximum amount of Baht 1,200 million throughout the period of concession of 25 years.
  4. Several indirect subsidiary companies entered into service agreements for project consultant with commitment to pay fee at the rate as specified in agreements.
  5. An overseas subsidiary has a commitment to pay fees for the Environmental and Social Impact Assessment license (ESIA License) for the construction of Deep-Sea Port and Heavy Haul Railway at USD 0.81 million and USD 3.90 million, respectively.
  6. Indirect overseas subsidiaries have a commitment to pay Concession Fee for all concession project of the Dawei Special Economic Zone Initial Phase to Dawei SEZ Management Committee totalling USD 12.96 million and shall pay a recurring annual concession fee as stipulated in Concession Agreements.

1. **CONTINGENT LIABILITIES**
   1. The Group has received notices from various customers claiming for compensation for breaches of contracts totalling Baht 2,851.01 million (the Company of Baht 1,949.34 million). Currently, these claims are under consideration of Civil Court of Baht 2,623.27 million and Arbitration Tribunal of Baht 227.74 million. The Group is unable to estimate the timings of cash outflows (if any) in respect of such claims since the results of the claims are depending on the decisions of the Court and Arbitration Tribunal which outcome cannot presently be concluded. However, the Group’s management believes that such claims will not cause significant damages to the Group because some cases are brought without proper justifiable grounds. Therefore, the Group does not make any provision for liabilities in the accounts.
   2. During the year 2021, an overseas subsidiary received a notice from the employer claiming for penalty charges from the production shortfalls which does not meet criteria according to the services agreement by claiming to the subsidiary totalling of USD 7.57 million (equivalent to Baht 243.11 million). The employer deducted and held the payment of the work done which billed by the subsidiary totalling USD 1.97 million (equivalent to Baht 63.27 million). However, the subsidiary opposed to the claims and submitting the notice to the employer by declaration the caused that the subsidiary can not deliver the production in according to the service agreement which caused by the employer cannot handover some area according to the timeline and plan as agreed. The subsidiary also clamming to the employer totalling of USD 6.76 million and IDR 2,115 million (equivalent to Baht 221.86 million) for the damage costs which caused from the unable to access project area to complete the work in according to the condition and timeline. Currently, such a matter is in the process of being taken to mediation between the subsidiary and the employer for dispute settlement claims which cannot presently conclude. The subsidiary does not set up provision for liabilities in the financial statement for the current period since the management consider that the possible obligation, timing and payment amount depending on the result from the negotiation.
2. **SEGMENT REPORTING**

Consolidated financial statements as at 31 December 2021 and 2020 and for the years ended 31 December 2021 and 2020 combined geographic segment reporting as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | |
|  | Consolidated F/S | | | |
|  | Revenues from construction work | | Non - current assets\* | | |
|  | 2021 | 2020 | 2021 | 2020 | |
| Geographic information |  |  |  |  | |
| Thailand | 24,890 | 31,746 | 56,522 | 55,741 | |
| India | 16,187 | 10,909 | 3,619 | 2,965 | |
| Bangladesh | 4,123 | 2,647 | 1,910 | 1,920 | |
| Others | 5,386 | 887 | 7,579 | 7,437 | |
| Total | 50,586 | 46,189 | 69,630 | 68,063 | |

*\* Exclude deferred tax asset and goodwill*

External customers of the Group are in Thailand and India which is major markets, revenue have been identified on the basis of the customer’s geographical location. Non - current assets are allocated based on their physical location.

Revenues

The Group has core revenues from construction service contracts and other service contracts including, manufacturing and selling of construction materials and products and assesses the performance obligation as a single performance obligation, and therefore recognizes revenues according to their natures as follows:

|  |  |
| --- | --- |
| Revenue from contracts | Revenue recognition |
|  |  |
| Construction services | Over time |
| Soil and coal extraction and removal services | Over time |
| Manufacturing and sale of construction materials and products | At a point in time |
| Real estate development | At a point in time |

The Group recognizes revenues from sales and services when satisfies a performance obligation and the customer obtains control of the goods or services at an amount that reflects the consideration to which the Group expect to be entitled to received. The Group will not recognize revenue if the Group are still involved with the goods or if there are significant uncertainties regarding recovery of the consideration due.

The Group operations are mainly engaged in a construction services and are conducted geographical segments for the years ended 31 December 2021 and 2020 as follows:

|  |  |  | (Unit : Million Baht) | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | | | | | | | | | |
|  | For the years ended 31 December | | | | | | | | | | | | | |
|  | Thailand | | India | | Bangladesh | | Other countries | | Total | | Eliminate | | Grand Total | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenue from construction work |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from third parties | 24,890 | 31,746 | 16,187 | 10,909 | 4,123 | 2,647 | 5,386 | 887 | 50,586 | 46,189 | - | - | 50,586 | 46,189 |
| Inter - segment revenues | 1,011 | 2,060 | 45 | 109 | 578 | 850 | - | - | 1,634 | 3,019 | (1,634) | (3,019) | - | - |
| Total gross segment revenues | 25,901 | 33,806 | 16,232 | 11,018 | 4,701 | 3,497 | 5,386 | 887 | 52,220 | 49,208 | (1,634) | (3,019) | 50,586 | 46,189 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue from sale and service |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from third parties | 5,951 | 5,893 | - | - | - | - | 2,206 | 1,886 | 8,157 | 7,779 | - | - | 8,157 | 7,779 |
| Inter - segment revenues | 1,130 | 1,384 | - | - | - | - | - | - | 1,130 | 1,384 | (1,130) | (1,384) | - | - |
| Total gross segment revenues | 7,081 | 7,277 | - | - | - | - | 2,206 | 1,886 | 9,287 | 9,163 | (1,130) | (1,384) | 8,157 | 7,779 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross profit (loss) | 886 | 4,093 | 1,742 | 1,176 | (536) | (644) | 3,366 | 653 | 5,458 | 5,278 | (443) | (1,134) | 5,015 | 4,144 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue disaggregated by pattern of revenue recognition |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At point in time | 25,901 | 33,806 | 16,232 | 11,018 | 4,701 | 3,497 | 5,386 | 887 | 52,220 | 49,208 | (1,634) | (3,019) | 50,586 | 46,189 |
| Over time | 7,081 | 7,277 | - | - | - | - | 2,206 | 1,886 | 9,287 | 9,163 | (1,130) | (1,384) | 8,157 | 7,779 |
| Total | 32,982 | 41,083 | 16,232 | 11,018 | 4,701 | 3,497 | 7,592 | 2,773 | 61,507 | 58,371 | (2,764) | (4,403) | 58,743 | 53,968 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest income | 56 | 92 | 93 | 89 | - | - | 6 | 2 | 155 | 183 | (33) | (45) | 122 | 138 |
| Gain on revaluation of investment  properties | - | 475 | - | - | - | - | - | - | - | 475 | - | - | - | 475 |
| Gain on fair value measurement of  investments | 143 | - | - | - | - | - | - | - | 143 | - | - | - | 143 | - |
| Gain on hedging instruments | 74 | 57 | - | - | - | - | - | - | 74 | 57 | - | - | 74 | 57 |
| Depreciation and amortization | (3,624) | (3,374) | (385) | (284) | (237) | (60) | (425) | (390) | (4,671) | (4,108) | - | 2 | (4,671) | (4,106) |
| Allowance for impairment loss | 88 | (541) | (71) | (237) | - | - | (269) | (253) | (252) | (1,031) | 23 | 619 | (229) | (412) |
| Impairment loss on assets | - | - | - | - | - | - | (36) | - | (36) | - | - | - | (36) | - |
| Allowance for impairment of investment | (227) | (199) | - | - | - | - | - | - | (227) | (199) | 227 | 199 | - | - |
| Loss from disposal of investment | (2) | - | - | - | - | - | - | - | (2) | - | - | - | (2) | - |
| Financial costs | (1,925) | (1,907) | (426) | (408) | (135) | (102) | (183) | (196) | (2,669) | (2,613) | 107 | 80 | (2,562) | (2,533) |
| Share of profit from investment in  associated and joint control companies   and joint ventures |  |  |  |  |  |  |  |  |  |  |  |  | 75 | 18 |
| Income tax expense |  |  |  |  |  |  |  |  |  |  |  |  | (612) | (392) |
| Profit (loss) for the year |  |  |  |  |  |  |  |  |  |  |  |  | 94 | (1,127) |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | | | | | | | | | | | |
|  | Consolidate F/S | | | | | | | | | | | | | |
|  | For the years ended 31 December | | | | | | | | | | | | | |
|  | Thailand | | India | | Bangladesh | | Other countries | | Total | | Elimination | | Grand total | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Property, plant and equipment - net | 20,455 | 22,238 | 2,659 | 2,190 | 722 | 805 | 4,577 | 4,386 | 28,413 | 29,619 | (5) | (5) | 28,408 | 29,614 |
| Other assets | 70,277 | 66,778 | 17,679 | 14,873 | 10,222 | 9,266 | 6,130 | 6,286 | 104,308 | 97,203 | (19,478) | (18,944) | 84,830 | 78,259 |
| Total assets | 90,732 | 89,016 | 20,338 | 17,063 | 10,944 | 10,071 | 10,707 | 10,672 | 132,721 | 126,822 | (19,483) | (18,949) | 113,238 | 107,873 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total liabilities | 80,468 | 60,838 | 13,691 | 16,455 | 2,718 | 11,200 | 7,516 | 10,655 | 104,393 | 99,148 | (7,378) | (6,719) | 97,015 | 92,429 |

Major Customer

For the year ended 31 December 2021, the Group revenues derived from Government agencies amounting of Baht 41,035.19 million (2020 : Baht 35,404.58 million).

1. **FAIR VALUE MEASUREMENT**

The following table present financial and liabilities assets that are measured at fair value as at 31 December 2021:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht)  Consolidated F/S | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |
| Temporary investments | - |  | 47 |  | - |  | 47 |
| Other long – term investments | 467,918 |  | - |  | 789,647 |  | 1,257,565 |
| Derivatives assets | - |  | 76,880 |  | - |  | 76,880 |
|  |  |  |  |  |  |  |  |
| Non-financial assets |  |  |  |  |  |  |  |
| Investment properties | - |  | 2,612,532 |  | - |  | 2,612,532 |
| Total | 467,918 |  | 2,689,459 |  | 789,647 |  | 3,947,024 |
|  |  |  |  |  |  |  |  |
| **Liability** |  |  |  |  |  |  |  |
| Financial liability |  |  |  |  |  |  |  |
| Derivatives liability | - |  | 79,235 |  | - |  | 79,235 |
| Total | - |  | 79,235 |  | - |  | 79,235 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Unit : Thousand Baht) | | |
|  | Separate F/S | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |
| Other long – term investments | 440,655 |  | - |  | 585,744 |  | 1,026,399 |
| Derivatives assets | - |  | 76,880 |  | - |  | 76,880 |
|  |  |  |  |  |  |  |  |
| Non-financial assets |  |  |  |  |  |  |  |
| Investment properties | - |  | 1,284,359 |  | - |  | 1,284,359 |
| Total | 440,655 |  | 1,361,239 |  | 585,744 |  | 2,387,638 |

The following table present financial and liabilities assets that are measured at fair value as at 31 December 2020:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht)  Consolidated F/S | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |
| Temporary investments | - |  | 47 |  | - |  | 47 |
| Other long – term investments | 369,918 |  | - |  | - |  | 369,918 |
| Derivatives assets | - |  | 34,362 |  | - |  | 34,362 |
|  |  |  |  |  |  |  |  |
| Non-financial assets |  |  |  |  |  |  |  |
| Investment properties | - |  | 2,510,466 |  | - |  | 2,510,466 |
| Total | 369,918 |  | 2,544,875 |  | - |  | 2,914,793 |
|  |  |  |  |  |  |  |  |
| **Liability** |  |  |  |  |  |  |  |
| Financial liability |  |  |  |  |  |  |  |
| Derivatives liability | - |  | 167,703 |  | - |  | 167,703 |
| Total | - |  | 167,703 |  | - |  | 167,703 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Unit : Thousand Baht) | | |
|  | Separate F/S | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |
| Other long – term investments | 279,306 |  | - |  | - |  | 279,306 |
| Derivatives assets | - |  | 34,362 |  | - |  | 34,362 |
|  |  |  |  |  |  |  |  |
| Non-financial assets |  |  |  |  |  |  |  |
| Investment properties | - |  | 1,182,293 |  | - |  | 1,182,293 |
| Total | 279,306 |  | 1,216,655 |  | - |  | 1,495,961 |

During the year 2021 and 2020, there were no transfers within the fair value hierarchy and there were no changes in valuation techniques during the year.

Investment properties are carried out using a market approach comparable with market price of the same assets reflects were observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the investment properties in question, including plot size, location, encumbrances and current use.

1. **AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company’s Board of Directors on 28 February 2022.