

Advanced Information Technology Public Company Limited
Report and financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Advanced Information Technology Public Company Limited

Opinion

I have audited the accompanying financial statements in which equity method is applied of Advanced Information Technology Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Advanced Information Technology Public Company Limited for the same period.

In my opinion, the financial statements in which equity method is applied and the separate financial statements referred to above present fairly, in all material respects, the financial position of Advanced Information Technology Public Company Limited as at 31 December 2021, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

The Company has disclosed its policies on revenue recognition for sales and services provided under contracts, cost estimates for projects under contracts and provision for anticipated losses on projects in Note 4.1 a) and Note 4.1 c) to the financial statements. I identified revenue recognition and estimation of anticipated losses on projects to be areas of significant risk in the audit.

This is because the amount of revenue that the Company recognises from such contracts in each period forms a significant portion of the Company's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition, and the estimation of anticipated losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of anticipated loss. There are therefore risks with respect to amount and timing of the recognition of revenue and provisions for anticipated losses on projects.

I assessed and tested the internal controls put in place by the Company over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and anticipated losses under contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected major contracts and randomly selected additional samples and performed the following procedures:

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquired with the Company's engineers/the project managers about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of anticipated loss.
- Made enquiries of the Company's engineers/the project managers, gained an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the project management's competency in estimating project costs, checked actual costs to supporting documents and performed an analytical review to compare the percentage of completion estimated by the Company's engineers/the project managers to the percentage of completion derived from the actual costs incurred.
- Evaluated the anticipated losses on projects assessed by the management through a comparative analysis of the actual cost incurred to the cost estimates for projects.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.
- Reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of anticipated losses.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Manee Rattanabunnakit
Certified Public Accountant (Thailand) No. 5313

EY Office Limited
Bangkok: 21 February 2022

Advanced Information Technology Public Company Limited

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Financial statements				
	Note	in which equity	Consolidated	Separate financial statements	
		method is applied	financial statements	2021	2020
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	378,502,534	204,474,495	378,502,534	204,474,495
Other current financial assets	8	719,998,589	-	719,998,589	-
Trade and other receivables	9	2,070,826,046	2,633,925,272	2,070,826,046	2,633,925,272
Contract assets	10	913,455,018	1,303,894,241	913,455,018	1,303,894,241
Short-term loan to related party	6	-	3,000,000	-	3,000,000
Inventories	11	863,560,932	1,575,927,735	863,560,932	1,575,927,735
Other current assets		168,566,243	130,587,776	168,566,243	130,587,776
		5,114,909,362	5,851,809,519	5,114,909,362	5,851,809,519
Assets held for sale	12	37,848,061	-	82,999,900	-
Total current assets		5,152,757,423	5,851,809,519	5,197,909,262	5,851,809,519
Non-current assets					
Other non-current financial assets	13	82,248,985	139,584,500	82,248,985	139,584,500
Investment in subsidiary	14	-	-	-	-
Investments in joint ventures	16	-	30,707,663	75,999,800	169,999,700
Property, plant and equipment	17	94,269,034	93,036,395	94,269,034	93,036,395
Right-of-use assets		23,373,204	24,695,962	23,373,204	24,695,962
Equipment for lease	18	197,495,197	88,674,837	197,495,197	88,674,837
Intangible assets	19	34,121,897	34,934,200	34,121,897	34,934,200
Deferred tax assets	30	103,288,395	87,804,082	103,288,395	87,804,082
Other non-current assets		64,559,365	77,936,779	64,559,365	77,936,779
Total non-current assets		599,356,077	577,374,418	675,355,877	716,666,455
Total assets		5,752,113,500	6,429,183,937	5,873,265,139	6,568,475,974

The accompanying notes are an integral part of the financial statements.

Advanced Information Technology Public Company Limited

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Financial statements				
	Note	in which equity	Consolidated	Separate financial statements	
		method is applied	financial statements	2021	2020
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from finance institutions	20	-	250,000,000	-	250,000,000
Trade and other payables	21	790,767,172	1,341,005,805	790,767,172	1,341,005,805
Unbilled payables		896,106,828	830,353,270	896,106,828	830,353,270
Current portion of liabilities under financial arrangement agreements	22	96,176,604	143,218,049	96,176,604	143,218,049
Current portion of lease liabilities		11,312,428	10,531,887	11,312,428	10,531,887
Income tax payable		29,274,432	37,462,085	29,274,432	37,462,085
Contract liabilities	10	405,901,120	351,066,460	405,901,120	351,066,460
Provision for penalty on project delay	23	77,100,000	77,502,855	77,100,000	77,502,855
Other current financial liabilities		122,806	3,117,304	122,806	3,117,304
Other current liabilities	24	133,336,496	133,726,638	133,336,496	133,726,638
Total current liabilities		2,440,097,886	3,177,984,353	2,440,097,886	3,177,984,353
Non-current liabilities					
Liabilities under financial arrangement agreements					
- net of current portion	22	117,981,497	171,914,619	117,981,497	171,914,619
Lease liabilities - net of current portion		11,516,525	14,492,528	11,516,525	14,492,528
Provision for long-term employee benefits	25	121,278,849	139,570,547	121,278,849	139,570,547
Total non-current liabilities		250,776,871	325,977,694	250,776,871	325,977,694
Total liabilities		2,690,874,757	3,503,962,047	2,690,874,757	3,503,962,047

The accompanying notes are an integral part of the financial statements.

Advanced Information Technology Public Company Limited

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Financial statements				
	Note	in which equity	Consolidated	Separate financial statements	
		method is applied	financial statements	2021	2020
		2021	2020	2021	2020
Shareholders' equity					
Share capital	26				
Registered					
1,547,406,727 ordinary shares of Baht 1 each					
(2020: 206,320,897 ordinary shares of Baht 5 each)		<u>1,547,406,727</u>	<u>1,031,604,485</u>	<u>1,547,406,727</u>	<u>1,031,604,485</u>
Issued and fully paid-up					
1,031,604,485 ordinary shares of Baht 1 each					
(2020: 206,320,897 ordinary shares of Baht 5 each)		1,031,604,485	1,031,604,485	1,031,604,485	1,031,604,485
Share premium		303,437,091	303,437,091	303,437,091	303,437,091
Retained earnings					
Appropriated-statutory reserve	28	128,778,000	103,160,449	128,778,000	103,160,449
Unappropriated		1,594,853,520	1,484,454,218	1,718,570,806	1,626,311,902
Other components of shareholders' equity		<u>2,565,647</u>	<u>2,565,647</u>	-	-
Total shareholders' equity		<u>3,061,238,743</u>	<u>2,925,221,890</u>	<u>3,182,390,382</u>	<u>3,064,513,927</u>
Total liabilities and shareholders' equity		<u>5,752,113,500</u>	<u>6,429,183,937</u>	<u>5,873,265,139</u>	<u>6,568,475,974</u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

Advanced Information Technology Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Financial statements				
		in which equity	Consolidated		
	Note	method is applied	financial statements	Separate financial statements	
	2021	2020	2021	2020	
Revenues					
Sales and service income		6,765,973,539	6,529,652,751	6,765,973,539	6,529,652,751
Rental income from equipment for lease		179,383,171	131,232,762	179,383,171	131,232,762
Other income		89,389,577	70,082,803	89,389,577	70,082,803
Total revenues		<u>7,034,746,287</u>	<u>6,730,968,316</u>	<u>7,034,746,287</u>	<u>6,730,968,316</u>
Expenses					
Cost of sales and service		5,582,166,573	5,414,922,662	5,582,166,573	5,414,922,662
Cost of equipment for lease		95,320,094	90,198,230	95,320,094	90,198,230
Selling and distribution expenses		267,509,681	264,781,673	267,509,681	264,781,673
Administrative expenses		324,272,575	338,530,756	348,272,575	338,530,756
Impairment loss on financial assets		14,666,847	107,841,450	14,666,847	107,841,450
Fair value loss on FVTPL equity instrument		69,000,000	-	69,000,000	-
Total expenses		<u>6,352,935,770</u>	<u>6,216,274,771</u>	<u>6,376,935,770</u>	<u>6,216,274,771</u>
Operating profit		681,810,517	514,693,545	657,810,517	514,693,545
Share of loss from investments in joint ventures	16	(5,859,602)	(7,318,210)	-	-
Finance income		910,721	26,264,529	910,721	26,264,529
Finance cost		(11,546,129)	(21,122,543)	(11,546,129)	(21,122,543)
Profit before income tax expenses		665,315,507	512,517,321	647,175,109	519,835,531
Income tax expenses	30	(138,190,898)	(118,246,449)	(138,190,898)	(118,246,449)
Profit for the year		<u>527,124,609</u>	<u>394,270,872</u>	<u>508,984,211</u>	<u>401,589,082</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	25, 30	11,209,078	(14,497,114)	11,209,078	(14,497,114)
Other comprehensive income for the year		<u>11,209,078</u>	<u>(14,497,114)</u>	<u>11,209,078</u>	<u>(14,497,114)</u>
Total comprehensive income for the year		<u>538,333,687</u>	<u>379,773,758</u>	<u>520,193,289</u>	<u>387,091,968</u>
Basic earnings per share					
Profit attributable to equity holders of the Company	31	0.51	0.38	0.49	0.39

The accompanying notes are an integral part of the financial statements.

Advanced Information Technology Public Company Limited

Statements of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements							
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
				Appropriated	Unappropriated	Share of other comprehensive income from joint venture	
Balance as at 1 January 2020		1,031,604,485	303,437,091	103,160,449	1,445,109,775	2,565,647	2,885,877,447
Profit for the year		-	-	-	394,270,872	-	394,270,872
Other comprehensive income for the year		-	-	-	(14,497,114)	-	(14,497,114)
Total comprehensive income for the year		-	-	-	379,773,758	-	379,773,758
Dividend paid	34	-	-	-	(340,429,315)	-	(340,429,315)
Balance as at 31 December 2020		<u>1,031,604,485</u>	<u>303,437,091</u>	<u>103,160,449</u>	<u>1,484,454,218</u>	<u>2,565,647</u>	<u>2,925,221,890</u>

(Unit: Baht)

Financial statements in which equity method is applied							
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
				Appropriated	Unappropriated	Share of other comprehensive income from joint venture	
Balance as at 1 January 2021		1,031,604,485	303,437,091	103,160,449	1,484,454,218	2,565,647	2,925,221,890
Profit for the year		-	-	-	527,124,609	-	527,124,609
Other comprehensive income for the year		-	-	-	11,209,078	-	11,209,078
Total comprehensive income for the year		-	-	-	538,333,687	-	538,333,687
Dividend paid	34	-	-	-	(402,316,834)	-	(402,316,834)
Transfer to legal reserve	28	-	-	25,617,551	(25,617,551)	-	-
Balance as at 31 December 2021		<u>1,031,604,485</u>	<u>303,437,091</u>	<u>128,778,000</u>	<u>1,594,853,520</u>	<u>2,565,647</u>	<u>3,061,238,743</u>

The accompanying notes are an integral part of the financial statements.

Advanced Information Technology Public Company Limited
Statements of changes in shareholders' equity (continued)
For the year ended 31 December 2021

(Unit: Baht)

Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
Note	share capital	premium	Appropriated	Unappropriated	equity
Balance as at 1 January 2020	1,031,604,485	303,437,091	103,160,449	1,579,649,249	3,017,851,274
Profit for the year	-	-	-	401,589,082	401,589,082
Other comprehensive income for the year	-	-	-	(14,497,114)	(14,497,114)
Total comprehensive income for the year	-	-	-	387,091,968	387,091,968
Dividend paid	-	-	-	(340,429,315)	(340,429,315)
Balance as at 31 December 2020	<u>1,031,604,485</u>	<u>303,437,091</u>	<u>103,160,449</u>	<u>1,626,311,902</u>	<u>3,064,513,927</u>
					-
Balance as at 1 January 2021	1,031,604,485	303,437,091	103,160,449	1,626,311,902	3,064,513,927
Profit for the year	-	-	-	508,984,211	508,984,211
Other comprehensive income for the year	-	-	-	11,209,078	11,209,078
Total comprehensive income for the year	-	-	-	520,193,289	520,193,289
Dividend paid	-	-	-	(402,316,834)	(402,316,834)
Transfer to legal reserve	-	-	25,617,551	(25,617,551)	-
Balance as at 31 December 2021	<u>1,031,604,485</u>	<u>303,437,091</u>	<u>128,778,000</u>	<u>1,718,570,806</u>	<u>3,182,390,382</u>
					-

The accompanying notes are an integral part of the financial statements.

Advanced Information Technology Public Company Limited

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Financial statements			
	in which equity	Consolidated	Separate financial statements	
	method is applied	financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	665,315,507	512,517,321	647,175,109	519,835,531
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	107,180,152	99,018,221	107,180,152	99,018,221
Impairment loss on financial assets	14,666,847	107,841,450	14,666,847	107,841,450
Impairment loss on investment in joint venture	-	-	24,000,000	-
Share of loss from investments in joint ventures	5,859,602	7,318,210	-	-
Provision for penalty on project delay	-	1,433,321	-	1,433,321
Loss on write-off withholding tax deducted at source	-	2,041,991	-	2,041,991
Gain on sales of building improvement and equipment	(11,346)	(135,136)	(11,346)	(135,136)
Loss on write-off of equipment for lease	-	(173,285)	-	(173,285)
Provision for long-term employee benefits	13,353,694	26,665,324	13,353,694	26,665,324
Unrealised gain on exchange	(173,571)	(12,859,679)	(173,571)	(12,859,679)
Loss on fair value adjustments of financial instruments	66,006,913	2,444,036	66,006,913	2,444,036
Finance cost	11,546,129	21,122,543	11,546,129	21,122,543
Profit from operating activities before changes in operating assets and liabilities	883,743,927	767,234,317	883,743,927	767,234,317
Operating assets (increase) decrease				
Trade and other receivables	559,114,580	(411,225,069)	559,114,580	(411,225,069)
Contract assets	382,994,839	352,467,773	382,994,839	352,467,773
Inventories	712,366,803	(829,996,696)	712,366,803	(829,996,696)
Advances for goods and services	-	156,366,249	-	156,366,249
Other current assets	(37,978,467)	20,281,321	(37,978,467)	20,281,321
Other non-current assets	13,377,414	(28,620,608)	13,377,414	(28,620,608)
Operating liabilities increase (decrease)				
Trade and other payables	(556,778,632)	599,580,949	(556,778,632)	599,580,972
Unbilled payables	65,753,558	116,810,908	65,753,558	116,810,908
Contract liabilities	54,834,660	(193,417,199)	54,834,660	(193,417,199)
Cash paid for penalty on project delay	(402,855)	(39,479,279)	(402,855)	(39,479,279)
Other current liabilities	(390,209)	39,327,933	(390,209)	39,327,933
Cash paid for long-term employee benefits	(17,634,044)	(2,984,766)	(17,634,044)	(2,984,766)
Cash from operating activities	2,059,001,574	546,345,833	2,059,001,574	546,345,856
Interest paid	(11,664,210)	(21,448,023)	(11,664,210)	(21,448,023)
Refundable withholding tax deducted at sources	-	10,724,908	-	10,724,908
Income tax paid	(164,665,134)	(129,505,645)	(164,665,134)	(129,505,645)
Net cash from operating activities	1,882,672,230	406,117,073	1,882,672,230	406,117,096

The accompanying notes are an integral part of the financial statements.

Advanced Information Technology Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Financial statements			
	in which equity	Consolidated	Separate financial statements	
	method is applied	financial statements	2021	2020
	2021	2020	2021	2020
Cash flows from investing activities				
Purchase of unit trust in open-end mutual funds - debt instruments	(720,000,000)	-	(720,000,000)	-
Purchase of financial instruments	(11,664,485)	(54,594,000)	(11,664,485)	(54,594,000)
Increase in short-term loan to related party	(10,000,000)	(3,000,000)	(10,000,000)	(3,000,000)
Proceeds from sales of equipment	30,294	144,436	30,294	144,436
Proceeds from sales of equipment for lease	-	173,500	-	173,500
Cash payment for purchase of building improvement and equipment	(26,181,446)	(16,352,220)	(26,181,446)	(16,352,220)
Cash payment for purchase of equipment for lease	(169,138,438)	(23,017,776)	(169,138,438)	(23,017,776)
Cash payment for purchase of computer software	(4,921,380)	(4,642,699)	(4,921,380)	(4,642,699)
Net cash used in investing activities	(941,875,455)	(101,288,759)	(941,875,455)	(101,288,759)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(250,000,000)	(150,000,000)	(250,000,000)	(150,000,000)
Increase (decrease) in liabilities under financial arrangement agreements	(100,974,567)	209,627,817	(100,974,567)	209,627,817
Cash payment for lease liabilities	(13,477,402)	(9,823,428)	(13,477,402)	(9,823,428)
Dividend paid	(402,316,767)	(340,340,625)	(402,316,767)	(340,340,625)
Net cash used in financing activities	(766,768,736)	(290,536,236)	(766,768,736)	(290,536,236)
Net increase in cash and cash equivalents	174,028,039	14,292,078	174,028,039	14,292,101
Cash and cash equivalents at beginning of year	204,474,495	190,182,417	204,474,495	190,182,394
Cash and cash equivalents at end of year	378,502,534	204,474,495	378,502,534	204,474,495
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Purchase of building improvement and equipment for which no cash has been paid	2,331,134	2,855,630	2,331,134	2,855,630
Purchase of equipment for lease for which no cash has been paid	62,700	-	62,700	-
Purchase of computer software for which no cash has been paid	1,200,000	-	1,200,000	-
Additions to right-of-use assets and lease liabilities	11,281,940	9,244,035	11,281,940	9,244,035

The accompanying notes are an integral part of the financial statements.

Advanced Information Technology Public Company Limited

Notes to financial statements

For the year ended 31 December 2021

1. General information

1.1 General information of the Company

Advanced Information Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sale, design, installation, service, ongoing repair and maintenance, training and lump sum turnkey for information and communication technology network systems and the renting of computers and electronic equipment. The registered office of the Company is at 37/2 Suthisarnvinijchai Road, Samsaennok, Huaykwang, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 The separate financial statements present investments in joint ventures under the cost method.

- 2.3 The Company has interests in joint operations which are joint arrangements whereby the Company has rights to assets and obligations relating to the joint arrangements. The Company recognises assets, liabilities, revenues and expenses in relation to its interest in the following joint operations in financial statements in which equity method is applied and separate financial statements from the date that joint control commences until the date that joint control ceases.

Name of entity	Nature of Business	Country of incorporation	Interest in joint operations	
			2021 Percent	2020 Percent
AWD Joint Venture	Construction	Thailand	50	50
SA Joint Venture	Construction	Thailand	45	-

In September 2021, SA Joint Venture entered into an agreement on a construction project of land information center building with Department of Lands. SA Joint Venture is a joint arrangement which is treated as a joint operation among the Company and another company, with the Company having an interest of 45% under the joint venture agreement.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Revenues from contract with customer

The Company considers that the contracts with customers are obtained when the Company is committed by the contracts with customers to transfer to the rights and obligations. The Company identifies the performance obligations in the contracts and allocates the transaction price to the performance obligations in the contracts.

Revenue arising from contracts with customers are recognised when control of goods or service have passed to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding value added tax.

The Company transfers the control either over time or at a point in time depending upon conditions of contracts and laws applied to such contracts. The Company transfers control of assets over time if one of the following criteria is met:

- the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Sales and service income

Revenues from the sale, design, installation, service, ongoing repair and maintenance, training and lump sum turnkey for information and communication technology network systems and long-term are recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Company's engineers/the project managers.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position.

The service-type warranties provided customers with a service in addition to the assurance with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Using the practical expedient, the Company elects not to adjust the promised amount of consideration for the effects of a significant financing component because they expect, at contract inception, that the period between the transfer of the promised good or service to customer and when the customer pays for that good or service is one year or less.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, and allowances to customers.

Service revenues are recognised when the services have been rendered taking into account the stage of completion.

Maintenance income is recognised over the period of maintenance.

Rental income

Rental income is recognised over the period of rental.

b) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

c) Cost of sales and service

Costs of sales, design, installation, service, ongoing repair and maintenance, training, contract lump sum turnkey for information and communication technology network systems and long-term construction are recognised in accordance with the percentage of work completed for which revenue has already been recognised, based on total estimated costs. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as “work in progress” under inventories or “unbilled payables” under current liabilities in the statement of financial position.

d) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Inventories

Equipment, work in progress and goods in transit are valued at the lower of cost and net realisable value. Cost consists of the cost of equipment, labour, subcontract works and other relevant expenses.

4.4 Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

4.5 Investments in joint ventures

Investments in joint ventures are accounted for in the financial statements in which equity method is applied using the equity method.

Investments in joint ventures are accounted for in the separate financial statements using the cost method.

4.6 Property, plant, equipment and equipment for lease/Depreciation

Land is stated at cost. Building, equipment and equipment for lease are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant, equipment and equipment for lease is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	20 years
Building improvement	5 years
Furniture, fixtures and office equipment	5, 10 years
Computers	3, 5 years
Equipment used in projects	3, 5 years
Equipment for lease	Lease period 2 - 4 years

Depreciation is included in determining income.

No depreciation is provided for land and asset under installation.

An item of property, plant, equipment and equipment for lease is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included as profit or loss when the asset is derecognised.

4.7 Intangible assets

The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The estimated useful lives of computer software are 10 years.

4.8 Leases

At inception of contract, the Company assesses whether a 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 Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	2 - 4 years
Machinery and equipment	2 - 5 years
Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Company as a lessor

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 recognised 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 recognised as an expense over the lease term on the same basis as the lease income.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprise 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 direction of the Company's operations.

4.10 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward, to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets, to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity, if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives and equity investments which the Company has not irrevocably elected to classify at FVOCI.

Dividends on equity investments are recognised as other income in profit or loss.

The Company may elect to measure financial assets at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (Accounting mismatch).

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Derivatives

The Company uses derivatives (forward currency contracts) to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the Company's engineers or project managers. The management has exercised judgement based on their best knowledge of the current events and arrangements and their experience of the business in order to estimate the percentage of completion according to output method to reflect the Company's performance obligation to complete.

Provision for loss/penalty on project delay

The management apply their judgements in estimating the loss/penalty on project delay they expect to be realised on each project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in cost of equipment, labour, other relevant expenses and the current situation.

Allowance for expected credit losses of trade receivables and contract assets

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are relevant to investments in joint ventures recognised by the Company.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and recorded the provisions as described in Note 35.5 to the financial statements.

6. Related party transactions

During the years, the Company had significant business transactions with the related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2021	2020	Transfer pricing policy
<u>Transactions with the related parties</u>			
Sales of goods and services	1	7	Market price
Finance income	-	26	Agree-upon rate

Short-term loans to related party

As at 31 December 2021 and 2020, the balances of loans between the Company and the related company and the movement in loans are as follows:

(Unit: Thousand Baht)

Loans to Genesis Data Center Co., Ltd. (Joint venture)

Beginning balance	3,000
Increase during the year	10,000
Reclassify to assets held for sale (Note 12)	(13,000)
Ending balance	-

As at 31 December 2021, the Company has short-term loans to joint venture amounted to Baht 13 million (2020: Baht 3 million), which is due at call. The interest rate is 4.55% per annum.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	2021	2020
Short-term employee benefits	74	74
Post-employment benefits	7	7
Total	81	81

Guarantee obligations with related party

The Company and other companies have provided a written undertaking to a bank to guarantee a long-term loan of Genesis Data Center Co., Ltd., which is a joint venture of the Company. The Company's guarantee is limited to Baht 87 million.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2021	2020
Cash	398	513
Bank deposits	378,105	203,961
Total	378,503	204,474

As at 31 December 2021, bank deposits in savings accounts carried interests between 0.05% - 0.13% per annum (2020: 0.05% - 0.13% per annum).

8. Other current financial assets

As at 31 December 2021 and 2020, details of other current financial assets are as below.

	(Unit: Thousand Baht)	
	2021	2020
Financial assets at FVTPL		
Unit trust in open-end mutual funds - debt instruments	719,999	-

9. Trade and other receivables

	(Unit: Thousand Baht)	
	2021	2020
<u>Trade receivables</u>		
Aged on the basis of due dates		
Not yet due	838,472	754,518
Past due		
Up to 3 months	642,077	1,141,303
3 - 6 months	200,728	359,618
Over 6 - 12 months	370,915	383,831
Over 12 months	113,453	91,385
Total	2,165,645	2,730,655
Less: Allowance for expected credit losses	(99,626)	(96,730)
Total trade receivables - net	2,066,019	2,633,925
<u>Other receivables</u>		
Other receivables	47,849	38,715
Less: Allowance for expected credit losses	(43,042)	(38,715)
Total other receivables - net	4,807	-
Total trade and other receivables - net	2,070,826	2,633,925

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)
Beginning balance	135,445
Provision for expected credit losses	2,146
Amount recovered	(2,555)
Effect from foreign exchange	7,632
Ending balance	142,668

10. Contract assets / Contract liabilities

	(Unit: Thousand Baht)	
	2021	2020
Contract assets		
Unbilled receivables	972,012	1,361,850
Retention receivables	16,721	9,878
Total	988,733	1,371,728
Less: Allowance for expected credit losses	(75,278)	(67,834)
Total contract assets - net	913,455	1,303,894
Contract liabilities		
Advances received from hirers	114,102	191,043
Construction revenue received in advance	291,799	160,023
Total contract liabilities	405,901	351,066

As at 31 December 2021, the balance of unbilled receivables of Baht 649 million (2020: Baht 1,012 million) is expected to be billed within one year and Baht 323 million (2020: Baht 350 million) is expected to be billed after one year.

Set out below is the movement in the allowance for expected credit losses of contract assets.

	(Unit: Thousand Baht)
Beginning balance	67,834
Provision for expected credit losses	13,640
Amount recovered	(6,196)
Ending balance	75,278

11. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Equipment and work in process	856,223	1,556,224	(1,442)	(1,442)	854,781	1,575,928
Goods in transit	8,780	21,146	-	-	8,780	21,146
Total	865,003	1,577,370	(1,442)	(1,442)	863,561	1,575,928

12. Assets held for sale

On 7 December 2021, the Company entered into a share purchase agreement to divest of all its investments in Genesis Data Center Co., Ltd., (joint venture) to an unrelated company incorporated in France at a price of Baht 137 million and completed such divestment in January 2022. As at 31 December 2021, the Company therefore classified the investment in joint venture and loan to this company as assets held for sale.

As at 31 December 2021, assets held for sale were as follow:

(Unit: Thousand Baht)

	Financial statements in which equity method is applied	Separate financial statements
Carring amounts of investments	24,848	70,000
Short-term loans to related party (Note 3)	13,000	13,000
Total	<u>37,848</u>	<u>83,000</u>

13. Other non-current financial assets

(Unit: Thousand Baht)

	2021	2020
<u>Debt instrument at amortised cost</u>		
Convertible loan	10	-
<u>Financial assets at FVTPL</u>		
Non-listed equity instruments		
Campana Group Pte. Ltd.	140	140
Fair value adjustments financial assets	(69)	-
	71	-
Blue Green Solution Co., Ltd.	1	-
Total financial assets at FVTPL	<u>72</u>	<u>140</u>
Total other non-current financial assets - net	<u>82</u>	<u>140</u>

Convertible loan is loan to Campana Group Pte. Ltd. which is a related party (related by common director) and designated at amortised cost. It represents a US dollar loan of USD 318,058. The loan is unsecured and carries interest at the rate of 9.125 percent per annum. It is repayable in September 2025 or convertible into share capital of such company at a price of USD 50 per share.

14. Investment in subsidiary

In March 2020, S P Resources and Commercials Pte. Ltd, a subsidiary, completed the process of closing its business.

15. Joint arrangements - joint operations

Financial information of the Company and the joint arrangements which is the joint operations as described in Note 2.3 to the financial statements are presented including in the separate financial statements as below.

(Unit: Million Baht)

	As at 31 December 2021			
	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information about financial position:				
Current assets	5,204	109	(115)	5,198
Non-current assets	675	-	-	675
Current liabilities	2,429	127	(115)	2,441
Non-current liabilities	251	-	-	251
Shareholders' equity	3,199	(18)	-	3,181

(Unit: Million Baht)

	As at 31 December 2020			
	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information about financial position:				
Current assets	5,855	138	(141)	5,852
Non-current assets	717	-	-	717
Current liabilities	3,166	153	(141)	3,178
Non-current liabilities	326	-	-	326
Shareholders' equity	3,079	(14)	-	3,065

(Unit: Million Baht)

For the year ended 31 December 2021

	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information				
about profit or loss:				
Total revenues	7,038	(29)	26	7,035
Total expenses	(6,377)	26	(26)	(6,377)
Operating profit (loss)	661	(3)	-	658
Finance income	1	-	-	1
Finance cost	(12)	-	-	(12)
Profit (loss) before income tax expenses	650	(3)	-	647
Income tax expenses	(139)	-	-	(139)
Profit (loss) for the year	511	(3)	-	508

(Unit: Million Baht)

For the year ended 31 December 2020

	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information about				
profit or loss:				
Total revenues	6,733	15	(17)	6,731
Total expenses	(6,204)	(29)	17	(6,216)
Operating profit (loss)	529	(14)	-	515
Finance income	26	-	-	26
Finance cost	(21)	-	-	(21)
Profit (loss) before income tax expenses	534	(14)	-	520
Income tax expenses	(118)	-	-	(118)
Profit (loss) for the year	416	(14)	-	402

16. Investments in joint ventures

16.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Million Baht)

Joint ventures	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Investments under cost method		Investments under equity method	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)								
Loxley & AIT Holding Co., Ltd.	Invest in the business of lump sum turnkey contracting for the installation of communication tools, electricity plants and sales of related equipment	Thailand	50.00	50.00	100	100	(24)	-	76	100	-	-
Genesis Data Center Co., Ltd.	Data center service	Thailand	33.33	33.33	*	70	*	-	*	70	*	31
Total					100	170	(24)	-	76	170	-	31

* As described in Note 12 to the financial statements, the Company classified investment in Genesis Data Center Co., Ltd. to assets held for sale.

16.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in the joint ventures in the financial statements as follows:

(Unit: Million Baht)

Joint ventures	Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements	
	Share of loss from investments in joint ventures during the year		Dividend received during the year	
	2021	2020	2021	2020
Loxley & AIT Holding Co., Ltd.	-	-	-	-
Genesis Data Center Co., Ltd.	(5.9)	(7.3)	-	-
Total	(5.9)	(7.3)	-	-

16.3 Summarised financial information about material joint ventures

Summarised information about financial position.

	(Unit: Million Baht)		
	Loxley & AIT Holding Co., Ltd.		Genesis Data Center Co., Ltd.*
	2021	2020	2020
Cash and cash equivalents	9.5	9.5	-
Other current assets	-	-	34.0
Building and equipment	-	-	394.5
Non-current assets	-	-	0.4
Short-term loans from related parties	-	-	(9.0)
Current portion of long-term loans	-	-	(30.9)
Current portion of lease liabilities	-	-	(2.9)
Other current liabilities	(0.2)	(0.2)	(6.9)
Long-term loans	-	-	(90.7)
Lease liabilities	-	-	(196.4)
Net assets	9.3	9.3	92.1
Shareholding percentage (%)	50.00	50.00	33.33
Carrying amounts of joint ventures based on equity method	-	-	30.7

Summarised information about comprehensive income.

	(Unit: Million Baht)		
	For the years ended 31 December		
	Loxley & AIT Holding Co., Ltd.		Genesis Data Center Co., Ltd.*
	2021	2020	2020
Revenue	-	-	47.8
Depreciation expense	-	-	(26.7)
Selling and administrative expense	(0.2)	(0.2)	(28.1)
Interest expense	-	-	(15.0)
Loss	(0.2)	(0.2)	(22.0)
Other comprehensive income	-	-	-
Total comprehensive income	(0.2)	(0.2)	(22.0)

* As at 31 December 2021, investment in Genesis Data Center Co., Ltd. was classified as assets held for sale.

16.4 Investment in joint venture with capital deficit

The Company recognised share of losses from investment in Loxley & AIT Holding Co., Ltd., until the value of the investments approached zero. Subsequent losses incurred by this joint venture have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this joint venture.

17. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Total
Cost						
As at 1 January 2020	35,718	69,757	21,255	57,286	187,236	371,252
Additions	-	858	818	7,390	10,142	19,208
Disposals	-	(68)	(106)	(969)	(905)	(2,048)
As at 31 December 2020	35,718	70,547	21,967	63,707	196,473	388,412
Additions	-	503	3,674	9,158	15,178	28,513
Disposals	-	-	(267)	(1,783)	(1,802)	(3,852)
As at 31 December 2021	35,718	71,050	25,374	71,082	209,849	413,073
Accumulated depreciation						
As at 1 January 2020	-	38,776	15,906	49,131	165,541	269,354
Depreciation for the year	-	6,289	1,911	5,809	14,051	28,060
Depreciation on disposals	-	(68)	(99)	(966)	(905)	(2,038)
As at 31 December 2020	-	44,997	17,718	53,974	178,687	295,376
Depreciation for the year	-	6,278	2,180	6,863	11,940	27,261
Depreciation on disposals	-	-	(266)	(1,783)	(1,784)	(3,833)
As at 31 December 2021	-	51,275	19,632	59,054	188,843	318,804
Net book value						
As at 31 December 2020	35,718	25,550	4,249	9,733	17,786	93,036
As at 31 December 2021	35,718	19,775	5,742	12,028	21,006	94,269
Depreciation for the year						
2020 (Baht 14.0 million included in cost of sales and service, and the balance in administrative expenses)						28,060
2021 (Baht 11.9 million included in cost of sales and service, and the balance in administrative expenses)						27,261

As at 31 December 2021, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting the accumulated depreciation of those assets amounted to approximately Baht 255 million (2020: Baht 241 million).

18. Equipment for lease

(Unit: Thousand Baht)

	Equipment for lease	Equipment for lease under installation	Total
Cost			
As at 1 January 2020	277,510	9,845	287,355
Additions	6,099	16,919	23,018
Disposals	(5,805)	-	(5,805)
Transfer in (out)	26,764	(26,764)	-
As at 31 December 2020	304,568	-	304,568
Additions	169,201	-	169,201
As at 31 December 2021	473,769	-	473,769
Accumulated depreciation			
As at 1 January 2020	166,790	-	166,790
Depreciation for the year	54,907	-	54,907
Depreciation on disposals	(5,804)	-	(5,804)
As at 31 December 2020	215,893	-	215,893
Depreciation for the year	60,381	-	60,381
As at 31 December 2021	276,274	-	276,274
Net book value			
As at 31 December 2020	88,675	-	88,675
As at 31 December 2021	197,495	-	197,495
Depreciation for the year			
2020 (all included in cost of equipment for lease)			54,907
2021 (all included in cost of equipment for lease)			60,381

As at 31 December 2021, certain items of equipment for lease were fully depreciated but are still in use. The gross carrying amount before deducting the accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 72 million (2020: Baht 72 million).

19. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	2021	2020
Cost	72,935	66,814
<u>Less</u> Accumulated amortisation	<u>(38,813)</u>	<u>(31,880)</u>
Net book value	<u>34,122</u>	<u>34,934</u>

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	2021	2020
Net book value at beginning of year	34,934	36,190
Acquisition	6,121	4,643
Amortisation	<u>(6,933)</u>	<u>(5,899)</u>
Net book value at end of year	<u>34,122</u>	<u>34,934</u>

20. Short-term loans from financial institutions

As at 31 December 2020, short-term loans from financial institutions carry interest at rates of 1.25% - 1.35% per annum.

21. Trade and other payables

	(Unit: Thousand Baht)	
	2021	2020
Trade accounts payable	644,400	1,209,324
Other payables	14,207	12,494
Accrued expenses	<u>132,160</u>	<u>119,188</u>
Total trade and other payables	<u>790,767</u>	<u>1,341,006</u>

22. Liabilities under financial arrangement agreements

	(Unit: Million Baht)	
	2021	2020
Liabilities under financial arrangement agreements	217.8	319.4
Less: Deferred interest	<u>(3.6)</u>	<u>(4.3)</u>
Total	214.2	315.1
Less: Portion due within one year	<u>(96.2)</u>	<u>(143.2)</u>
Portion due more than one year	<u>118.0</u>	<u>171.9</u>

The Company entered into financial arrangement agreements to purchase computer equipment and services for project works. The liabilities under the agreements are payable on monthly, quarterly and yearly bases and the terms of agreements are generally 3 - 5 years.

The Company has future minimum payments required under the financial arrangement agreements as follows:

	(Unit: Million Baht)		
	As at 31 December 2021		
	Less than 1 year	1 - 5 years	Total
Future minimum payments	98.2	119.6	217.8
Deferred interest expenses	(2.0)	(1.6)	(3.6)
Present value of future minimum payments	<u>96.2</u>	<u>118.0</u>	<u>214.2</u>

	(Unit: Million Baht)		
	As at 31 December 2020		
	Less than 1 year	1 - 5 years	Total
Future minimum payments	145.6	173.8	319.4
Deferred interest expenses	(2.4)	(1.9)	(4.3)
Present value of future minimum payments	<u>143.2</u>	<u>171.9</u>	<u>315.1</u>

23. Provision for penalty on project delay

	(Unit: Thousand Baht)	
	2021	2020
As at 1 January	77,503	115,549
Increase during the year	-	1,433
Utilised	(403)	(39,479)
As at 31 December	<u>77,100</u>	<u>77,503</u>

The Company recognised a provision for penalty on project delay that was calculated based on the number of delay days and penalty rate specified in the contract. The Company estimates the number of delay days and the expected complete work date to hand over the work to the customer which based on past experience of the engineer/project manager and historical actual information of the projects.

24. Other current liabilities

	(Unit: Thousand Baht)	
	2021	2020
Value added tax payable	42,285	14,309
Undue output tax	41,646	75,691
Withholding tax payable	39,271	40,346
Others	10,134	3,381
Total other current liabilities	<u>133,336</u>	<u>133,727</u>

25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, was as follows:

	(Unit: Thousand Baht)	
	2021	2020
Provision for long-term employee benefits at beginning of year	139,571	97,769
Included in profit or loss:		
Current service cost	11,261	24,699
Interest cost	2,092	1,966
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	(8,729)
Financial assumptions changes	(6,045)	3,441
Experience adjustments	(7,966)	23,410
Benefits paid during the year	<u>(17,634)</u>	<u>(2,985)</u>
Provision for long-term employee benefits at end of year	<u>121,279</u>	<u>139,571</u>

The Company expects to pay Baht 11 million of long-term employee benefits during the next year (2020: Baht 8 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 16 years (2020: 17 years).

Significant actuarial assumptions used for the valuation are summarised below.

	2021	2020
	(% per annum)	(% per annum)
Discount rate	2.28	1.71
Salary increase rate	6	0 - 6
Staff turnover rate	1 - 17	2 - 17

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

	(Unit: Million Baht)			
	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(10)	11	(11)	13
Salary increase rate	12	(11)	13	(12)
Staff turnover rate	(7)	7	(8)	8

26. Share capital

On 21 December 2021, the extraordinary meeting of the Company No. 1/2021 approved the following resolutions:

- a) Approved to the change in the par value from Baht 5 per share to Baht 1 per share, resulting in an increase in the number of ordinary shares from 206,320,897 shares to 1,031,604,485 shares. The Company registered the change in the par value of the Company's ordinary shares with the Ministry of Commerce on 23 December 2021.
- b) Approved the increase in the Company's registered share capital from Baht 1,032 million (1,031,604,485 shares at a par value of Baht 1 each) to Baht 1,547 million (1,547,406,727 shares at a par value of Baht 1 each), through the issue of 515,802,242 new ordinary shares of Baht 1 each to reserve for the issuance of warrants to purchase the Company's ordinary shares No.2 (AIT-W2) as described in Note 27 to the financial statements. The Company registered the capital increase with the Ministry of Commerce on 24 December 2021.

27. Warrants

On 21 December 2021, the extraordinary meeting of the Company No. 1/2021 approved the issuance of warrants to purchase the Company's ordinary shares No.2 (AIT-W2) allocated to the existing shareholders in proportion to their shareholdings without charge. The Company determined the shareholders who had the rights to receive the warrants on 10 January 2022, at the ratio of 2 existing shares to 1 warrant (any fraction shall be discarded). The term of warrants is not over 2 years from the date of issuance (13 January 2022). The exercise ratio is 1 warrant per 1 ordinary share at an exercise price of Baht 2. Such warrants can be exercised from 30 September 2022 to 12 January 2024.

28. Statutory reserve

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

29. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Salaries, bonus, commission and other employee benefits	765,082	711,842
Installation and services expenses	706,109	738,919
Repair and maintenance expenses	612,543	572,096
Depreciation and amortisation	107,180	99,018
Entertainment expenses	36,749	48,203
Purchase inventories	3,104,145	4,116,328
Changes in inventories	574,431	(557,559)

30. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	2021	2020
Current income tax:		
Current income tax charge	156,478	132,217
Adjustment in respect of income tax of previous year	-	2,345
Deferred tax:		
Relating to origination and reversal of temporary differences	(18,287)	(16,316)
Income tax expense reported in profit or loss	138,191	118,246

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Deferred tax on actuarial gain (loss)	2,803	(3,625)

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Financial statements in which equity method is applied		Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020	2021	2020
	Accounting profit before income tax expenses	665,316	512,517	647,175	519,836	
Applicable tax rate	20%	20%	20%	20%		
Accounting profit before income expense tax multiplied by applicable tax rate	133,063	102,503	129,435	103,967		
Adjustment in respect of income tax of previous year	-	2,345	-	2,345		
Effects of:						
Non-deductible expenses	8,461	11,049	8,461	11,049		
Additional expense deductions allowed	(2,054)	(3,157)	(2,054)	(3,157)		
Share loss from investments in joint ventures	1,172	1,464	-	-		
Others	(2,451)	4,042	2,349	4,042		
Total	5,128	13,398	8,756	11,934		
Income tax expenses reported in profit or loss	138,191	118,246	138,191	118,246		

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Statements	
	of financial position	
	2021	2020
Deferred tax assets		
Allowance for expected credit losses	43,589	40,656
Allowance for impairment of investment in joint venture	4,800	-
Fair value adjustments financial assets	13,800	-
Payables under forward contracts	24	623
Provision for penalty on project delay	15,420	15,789
Provision for long-term employee benefits	24,256	27,914
Revenue from contracts with customers	1,399	2,822
Total	<u>103,288</u>	<u>87,804</u>

31. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares held by outside shareholders in proportion to the change in the number of shares as a result of the change in the par value from Baht 5 each to Baht 1 each as described in Note 26 to the financial statements. The number of ordinary shares is adjusted as if the share split had occurred at the beginning of the earliest period reported.

32. Segment information

Operating segment information is reported in a manner consistent with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Company's business operations involve 2 principal segments: (1) sales and service and revenue from construction contracts (2) rental of equipment. The Company measured segment performance based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. During the years ended 31 December 2021 and 2020, there were no material activities pertaining to the rental segment. For this reason, no related financial information has been presented by either industry segment or geographical area.

Geographic information

The Company is mainly operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

In year 2021, the Company has revenue from 2 major customers in the amount of Baht 1,077 million and Baht 801 million, respectively which derived from sales and service income (2020: revenue from a major customer in the amount of Baht 1,271 million).

33. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530, contributed to the fund monthly at rates of 5 - 15% of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021, amounting to Baht 32 million (2020: Baht 30 million) were recognised as expenses.

34. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends of 2019	Board of Directors' meeting of the Company held on 27 March 2020	288.8	1.40
Interim dividends of 2020	Board of Directors' meeting of the Company held on 10 August 2020	51.6	0.20
Total for 2020		340.4	1.60
Final dividends of 2020	Annual General Meeting of the Company's shareholders held on 8 April 2021	257.9	1.25
Interim dividends of 2021	Board of Directors' meeting of the Company held on 10 August 2021	144.4	0.70
Total for 2021		402.3	1.95

35. Commitments and contingent liabilities

35.3 Obligations relating to undelivered and unrendered contracts

1. The Company has contracts related to selling goods and rendering services that are undelivered and unrendered to its customers of approximately Baht 5,138 million (2020: Baht 7,121 million). The Company expects to satisfy the performance obligations within 4 years (2020: 5 years).
2. The Company has engaged in various rental contracts with companies of which the government is a major shareholder, government agencies and private companies, with a total contract value for future services rendering as follows:

	(Unit: Million Baht)	
	2021	2020
In up to 1 year	158	74
In over 1 year and up to 5 years	233	43

The Company has obliged to complete the equipment installation and render maintenance services of these equipment in accordance with conditions stipulated in the contracts.

35.4 Guarantees

As at 31 December 2021, there were outstanding bank guarantees of Baht 2,007 million (2020: Baht 2,307 million) which have been issued by banks on behalf of the Company and consortium, in respect of certain performance bonds as required in the ordinary course of its business. These included letters of guarantee amounting to Baht 2,005 million (2020: Baht 2,305 million) to guarantee contractual performance and Baht 2 million (2020: Baht 2 million) to guarantee payments due to creditors.

35.5 Litigation

The Company was sued for fines in a lawsuit case brought by the government claiming damages for a breach of contract because the Company failed to complete work. At present, the case is being considered by the supreme Court. However, the Company has recorded provision for the contingent liabilities amount of Baht 77 million which the management believes that it is sufficient in the current situation.

36. Fair value hierarchy

As at 31 December 2021 and 2020, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Unit trust in open-end mutual funds -				
debt instruments	-	720	-	720
Equity investments	-	-	72	72
				(Unit: Million Baht)
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	-	-	140	140
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	3	-	3

37. Financial instruments

37.1 Derivatives not designated as hedging instruments

	(Unit: Million Baht)	
	2021	2020
Derivative liabilities not designated as hedging instruments		
Foreign exchange forward contracts	-	3

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 6 months.

37.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, short-term loans, trade accounts payable and liabilities under financial arrangement agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, contract assets, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and contract assets

The Company manages the risk by adopting appropriate credit control policies and procedures and most customers are government agencies, companies in which the government is a major shareholder. Therefore, the Company does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for each customer. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's chief financial officer on an annual basis, and may be updated throughout the year. The limits are set to mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Company enters into foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods to manage its risk exposure.

Foreign currency risk

The Company exposures to foreign currency risk related primarily to its trading transactions and loans that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers it appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of forward exchange contracts are summarised below.

Foreign currency	2021			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	1.1	-	33.21-33.82	-

Foreign currency	2020			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	4.6	-	30.15 - 31.29	-

As at 31 December 2021, the Company has outstanding balance of trade receivables and trade payables denominated in foreign currency of USD 1.0 million and USD 1.5 million, respectively (2020: USD 1.0 million and USD 3.7 million, respectively).

Foreign currency sensitivity

The impact on the Company's profit before tax from the changes in the fair value of monetary assets and liabilities including foreign currency derivatives is not material since the management of the Company entered into derivatives with the similar amount of monetary liabilities.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term loans and liabilities under financial arrangement agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Fixed interest rates				Floating		Non-interest		Total		Effective	
	Within 1 year		1 - 5 years		Interest rate		bearing				interest rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
												(% per annum)
Financial assets												
Cash and cash equivalents	337	164	-	-	-	-	42	40	379	204	0.1	0.1
Other current financial assets	-	-	-	-	720	-	-	-	720	-	0.3	-
Trade and other receivables	-	-	-	-	-	-	2,071	2,634	2,071	2,634	-	-
Contract assets	-	-	-	-	-	-	913	1,304	913	1,304	-	-
Loan to related party	13	3	-	-	-	-	-	-	13	3	4.6	4.6
Convertible loans	-	-	10	-	-	-	-	-	10	-	9.1	-
	<u>350</u>	<u>167</u>	<u>10</u>	<u>-</u>	<u>720</u>	<u>-</u>	<u>3,026</u>	<u>3,978</u>	<u>4,106</u>	<u>4,145</u>		
Financial liabilities												
Short-term loans	-	250	-	-	-	-	-	-	-	250	-	1.2 - 1.3
Trade and other payables	-	-	-	-	-	-	791	1,341	791	1,341	-	-
Liabilities under financial arrangement agreements	96	143	118	172	-	-	-	-	214	315	1.0-8.6	1.0 - 3.2
Lease liabilities	11	11	12	14	-	-	-	-	23	25	3.8	3.8
	<u>107</u>	<u>404</u>	<u>130</u>	<u>186</u>	<u>-</u>	<u>-</u>	<u>791</u>	<u>1,341</u>	<u>1,028</u>	<u>1,931</u>		

Interest rate sensitivity

The impact on the Company's profit before tax from the changes in interest rate since most of the Company's financial assets and liabilities are fixed interest and non-interest bearing. Thus, the interest rate risk is expected to be minimal.

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	As at 31 December 2021		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	791	-	791
Liabilities under financial arrangement agreements	96	118	214
Lease liabilities	11	12	23
Total non-derivatives	898	130	1,028

(Unit: Million Baht)

	As at 31 December 2020		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	250	-	250
Trade and other payables	1,341	-	1,341
Liabilities under financial arrangement agreements	143	172	315
Lease liabilities	11	14	25
Total non-derivatives	1,745	186	1,931
Derivatives			
Derivative liabilities	3	-	3
Total derivatives	3	-	3

37.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

38. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Company's debt-to-equity ratio was 0.8:1 (2020: 1.1:1).

39. Event after the reporting period

On 21 February 2022, the Board of Directors' meeting of the Company passed a resolution to propose the payment of a dividend in respect of the operating results of 2021 of Baht 0.30 per share, which is an addition of an interim dividend payment of Baht 0.70 per share. The Company will propose to the Annual General Meeting of the Company's shareholders that such dividend be paid.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2022.