

TEAM Consulting Engineering and Management Public
Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2019



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Independent Auditor's Report

To the Shareholders of TEAM Consulting Engineering and Management Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TEAM Consulting Engineering and Management Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries and of TEAM Consulting Engineering and Management Public Company Limited as at 31 December 2019, their 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 Group 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.



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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 matter and how audit procedures respond for the matter are described below.

Recognition of revenue from service income

The Group disclosed its policies on recognition of revenue from service income, estimation of project costs and provision for losses on projects in Note 4 and Note 5 to the financial statements.

I identified the recognition of revenue from service income and the estimates of possible losses from service contracts to be areas of significant risk in audit. This is because the amount of revenue from service income that the Group recognises in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimates of possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion of project, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and timing of the recognition of revenue from service income and the estimates of possible losses from service contracts.

I examined the recognition of revenue from service income and the provision for losses on projects by assessing and testing the effectiveness of the internal controls put in place by the Group over the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from projects 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 read the service contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Group process to assess the percentage of completion and cost estimates for projects, checked estimates of project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual projects costs incurred, performed analytical procedures on gross margins of projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual projects costs incurred. In addition, I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.



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Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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.

Chatchai Kasemsrithanawat

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 19 February 2020

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	350,878,453	246,026,076	176,371,580	109,991,073
Current investments		1,151,409	943,189	915,638	709,509
Trade and other receivables	8	472,714,497	473,203,307	390,909,544	361,823,412
Unbilled receivables	9	473,257,513	555,345,258	299,931,352	403,264,595
Short-term loans to related parties	6	-	-	34,700,000	47,900,000
Other current assets	10	48,786,213	53,252,667	26,257,605	28,060,926
Total current assets		1,346,788,085	1,328,770,497	929,085,719	951,749,515
Non-current assets					
Restricted bank deposits	11	63,230,000	60,230,000	49,160,000	46,160,000
Long-term loan to related party	6	-	-	2,070,000	-
Investments in subsidiaries	12	-	-	115,644,840	113,704,940
Investment in associated companies	13	4,134,835	3,276,006	-	-
Investment properties	14	1,258,637	1,260,023	9,766,353	5,672,081
Property, plant and equipment	15	182,554,979	195,078,818	154,422,417	170,760,420
Intangible assets - computer software	16	61,338,525	66,783,393	52,045,634	57,020,848
Deferred tax assets	25	60,192,057	40,126,884	43,949,779	28,069,436
Retention receivables	9	134,587,084	113,923,370	85,466,049	67,716,377
Other non-current assets		32,159,174	18,519,568	25,083,720	12,933,551
Total non-current assets		539,455,291	499,198,062	537,608,792	502,037,653
Total assets		1,886,243,376	1,827,968,559	1,466,694,511	1,453,787,168

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	17	6,744,939	4,623,582	-	-
Trade and other payables	18	212,363,200	212,803,296	187,064,197	164,502,711
Current portion of liabilities under hire purchase and finance lease agreements	20	9,974,668	14,755,403	7,050,629	11,564,887
Service income received in advance and advances received from customers	9	361,330,376	403,245,864	197,485,102	252,033,936
Income tax payable		4,411,676	6,382,572	-	-
Other current liabilities	19	68,342,452	51,174,815	46,301,231	31,766,632
Total current liabilities		663,167,311	692,985,532	437,901,159	459,868,166
Non-current liabilities					
Liabilities under hire purchase and finance lease agreements - net of current portion	20	10,405,180	19,958,495	6,639,317	13,769,234
Provision for long-term employee benefits	21	284,786,695	187,773,639	204,987,996	139,084,242
Total non-current liabilities		295,191,875	207,732,134	211,627,313	152,853,476
Total liabilities		958,359,186	900,717,666	649,528,472	612,721,642

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
Registered					
680,000,000 ordinary shares of Baht 0.5 each	22	<u>340,000,000</u>	<u>340,000,000</u>	<u>340,000,000</u>	<u>340,000,000</u>
Issued and fully paid					
680,000,000 ordinary shares of Baht 0.5 each		340,000,000	340,000,000	340,000,000	340,000,000
Share premium	22	424,317,995	424,317,995	424,317,995	424,317,995
Capital reserve for share-based payment transactions		-	14,927,869	-	5,067,714
Deficit from the change in the ownership interests in subsidiaries					
		(22,215,349)	(22,215,349)	-	-
Deficit from the reorganisation of business of group under common control					
		(22,547,939)	(22,547,939)	-	-
Retained earnings					
Appropriated - statutory reserve	23	10,000,000	5,800,000	10,000,000	5,800,000
Unappropriated		192,914,350	181,004,702	42,848,044	65,879,817
Other components of shareholders' equity					
Exchange differences on translation of financial statements in foreign currencies					
		<u>(46,244)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		<u>922,422,813</u>	<u>921,287,278</u>	<u>817,166,039</u>	<u>841,065,526</u>
Non-controlling interests of the subsidiaries		<u>5,461,377</u>	<u>5,963,615</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>927,884,190</u>	<u>927,250,893</u>	<u>817,166,039</u>	<u>841,065,526</u>
Total liabilities and shareholders' equity		<u>1,886,243,376</u>	<u>1,827,968,559</u>	<u>1,466,694,511</u>	<u>1,453,787,168</u>

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

(Mr. Chawalit Chantararat)

Director

(Mr. Prasert Patramai)

Director

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Service income		1,836,016,570	1,654,244,231	1,183,613,446	1,060,320,328
Other income					
Interest income		3,012,114	1,550,708	4,681,510	2,425,674
Dividend income	12	-	-	38,498,835	57,998,390
Others		7,100,440	10,716,818	54,306,572	44,356,502
Total revenues		1,846,129,124	1,666,511,757	1,281,100,363	1,165,100,894
Expenses					
Cost of service		1,291,804,548	1,107,114,802	862,533,406	717,408,837
Administrative expenses		408,849,453	418,032,849	325,519,427	343,759,928
Total expenses		1,700,654,001	1,525,147,651	1,188,052,833	1,061,168,765
Profit before share of profit from investment					
in associated companies, finance cost and income tax expenses		145,475,123	141,364,106	93,047,530	103,932,129
Share of profit from investment in associated companies	13	140,953	1,161,353	-	-
Profit before finance cost and income tax expenses		145,616,076	142,525,459	93,047,530	103,932,129
Finance cost		(1,956,464)	(4,409,361)	(1,003,387)	(4,434,515)
Profit before income tax expenses		143,659,612	138,116,098	92,044,143	99,497,614
Income tax expenses	25	(28,209,036)	(24,557,669)	(9,454,669)	(8,365,855)
Profit for the year		115,450,576	113,558,429	82,589,474	91,131,759
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currencies	13	(46,244)	-	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax		(29,507,370)	10,859,402	(21,488,961)	10,631,448
Other comprehensive income for the year		(29,553,614)	10,859,402	(21,488,961)	10,631,448
Total comprehensive income for the year		85,896,962	124,417,831	61,100,513	101,763,207

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit attributable to:					
Equity holders of the Company		115,689,149	113,533,831	<u>82,589,474</u>	<u>91,131,759</u>
Non-controlling interests of the subsidiaries		<u>(238,573)</u>	<u>24,598</u>		
		<u>115,450,576</u>	<u>113,558,429</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		86,135,535	124,393,233	<u>61,100,513</u>	<u>101,763,207</u>
Non-controlling interests of the subsidiaries		<u>(238,573)</u>	<u>24,598</u>		
		<u>85,896,962</u>	<u>124,417,831</u>		
Basic earnings per share					
26					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.17</u>	<u>0.19</u>	<u>0.12</u>	<u>0.16</u>
Weighted average number of ordinary shares (shares)					
		<u>680,000,000</u>	<u>586,794,521</u>	<u>680,000,000</u>	<u>586,794,521</u>

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements

	Equity attributable to owners of the Company									
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from the change in the ownership interests in subsidiaries	Deficit from the reorganisation of business of group under common control	Retained earnings - Appropriated - statutory reserve	Unappropriated earnings	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2018	250,000,000	94,735,200	14,927,869	(22,215,349)	(22,547,939)	1,200,000	149,711,469	465,811,250	6,203,127	472,014,377
Profit for the year	-	-	-	-	-	-	113,533,831	113,533,831	24,598	113,558,429
Other comprehensive income for the year	-	-	-	-	-	-	10,859,402	10,859,402	-	10,859,402
Total comprehensive income for the year	-	-	-	-	-	-	124,393,233	124,393,233	24,598	124,417,831
Increase in share capital	90,000,000	329,582,795	-	-	-	-	-	419,582,795	-	419,582,795
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	-	4,600,000	(4,600,000)	-	-	-
Dividend paid	-	-	-	-	-	-	(88,500,000)	(88,500,000)	-	(88,500,000)
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	(264,110)	(264,110)
Balance as at 31 December 2018	340,000,000	424,317,995	14,927,869	(22,215,349)	(22,547,939)	5,800,000	181,004,702	921,287,278	5,963,615	927,250,893

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements

	Equity attributable to owners of the Company										Total shareholders' equity
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from the change in the ownership interests in subsidiaries	Deficit from the reorganisation of business of group under common control	Retained earnings		Exchange differences on translation of financial statements in foreign currencies	Other components of equity		
						Appropriated - statutory reserve	Unappropriated		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
Balance as at 1 January 2019	340,000,000	424,317,995	14,927,869	(22,215,349)	(22,547,939)	5,800,000	181,004,702	-	921,287,278	5,963,615	927,250,893
Profit for the year	-	-	-	-	-	-	115,689,149	-	115,689,149	(238,573)	115,450,576
Other comprehensive income for the year	-	-	-	-	-	-	(29,507,370)	(46,244)	(29,553,614)	-	(29,553,614)
Total comprehensive income for the year	-	-	-	-	-	-	86,181,779	(46,244)	86,135,535	(238,573)	85,896,962
Transfer share premium from share-based payment to unappropriated retained earnings	-	-	(14,927,869)	-	-	-	14,927,869	-	-	-	-
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	-	4,200,000	(4,200,000)	-	-	-	-
Dividend paid	-	-	-	-	-	-	(85,000,000)	-	(85,000,000)	-	(85,000,000)
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	(263,665)	(263,665)
Balance as at 31 December 2019	340,000,000	424,317,995	-	(22,215,349)	(22,547,939)	10,000,000	192,914,350	(46,244)	922,422,813	5,461,377	927,884,190

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

		Separate financial statements					Total shareholders' equity
		Capital reserve for share-based payment			Retained earnings		
	Note	Issued and fully paid share capital	Share premium	Share-based payment transactions	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2018		250,000,000	94,735,200	5,067,714	1,200,000	57,216,610	408,219,524
Profit for the year		-	-	-	-	91,131,759	91,131,759
Other comprehensive income for the year		-	-	-	-	10,631,448	10,631,448
Total comprehensive income for the year		-	-	-	-	101,763,207	101,763,207
Increase in share capital	22	90,000,000	329,582,795	-	-	-	419,582,795
Transfer unappropriated retained earnings to statutory reserve	23	-	-	-	4,600,000	(4,600,000)	-
Dividend paid	29	-	-	-	-	(88,500,000)	(88,500,000)
Balance as at 31 December 2018		340,000,000	424,317,995	5,067,714	5,800,000	65,879,817	841,065,526
Balance as at 1 January 2019		340,000,000	424,317,995	5,067,714	5,800,000	65,879,817	841,065,526
Profit for the year		-	-	-	-	82,589,474	82,589,474
Other comprehensive income for the year		-	-	-	-	(21,488,961)	(21,488,961)
Total comprehensive income for the year		-	-	-	-	61,100,513	61,100,513
Share premium from share-based payment to unappropriated retained earnings		-	-	(5,067,714)	-	5,067,714	-
Transfer unappropriated retained earnings to statutory reserve	23	-	-	-	4,200,000	(4,200,000)	-
Dividend paid	29	-	-	-	-	(85,000,000)	(85,000,000)
Balance as at 31 December 2019		340,000,000	424,317,995	-	10,000,000	42,848,044	817,166,039

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax	143,659,612	138,116,098	92,044,143	99,497,614
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	38,438,461	39,640,726	30,951,145	31,948,331
Allowance for doubtful accounts (reversal)	(6,660,899)	2,842,774	(6,667,201)	4,145,051
Share of profit from investments in associated companies	(140,953)	(1,161,353)	-	-
Allowance for impairment of investment in subsidiary	-	-	3,060,100	-
Gain on sales of other long-term investments	-	(23,692)	-	(23,692)
(Gain) loss on disposal/written-off of equipment	478,790	(63,517)	135,553	(108,430)
Unrealised exchange (gains) losses	313,837	(120,416)	341,071	(249,066)
Allowance for project losses (reversal)	30,023	(183,088)	2,394,218	366,763
Provision for long-term employee benefits	93,055,231	30,865,053	68,033,434	22,054,291
Dividend income	-	-	(38,498,835)	(57,998,390)
Written-off withholding tax deducted at source	946,758	197,279	946,758	197,279
Interest income	(3,012,114)	(1,550,708)	(4,681,510)	(2,425,674)
Interest expenses	1,956,464	4,409,361	1,003,387	4,434,515
Profit from operating activities before changes in operating assets and liabilities	269,065,210	212,968,517	149,062,263	101,838,592
Operating assets (increase) decrease				
Trade and other receivables	6,309,824	(146,084,978)	(22,585,833)	(123,080,789)
Unbilled receivables	82,087,745	(209,628,893)	103,333,243	(163,447,505)
Other current assets	(1,309,067)	1,442,387	(4,312,886)	(1,076,150)
Retention receivables	(20,497,864)	(12,675,317)	(17,583,822)	(11,828,089)
Other non-current assets	(1,085,724)	(1,186,735)	(2,260,647)	(213,089)
Operating liabilities increase (decrease)				
Trade and other payables	6,545,583	(25,294,406)	25,910,406	(29,087,723)
Services income received in advance and advances received from customers	(41,434,304)	156,813,761	(54,548,834)	99,092,650
Other current liabilities	4,307,711	9,672,260	3,302,403	8,179,038
Cash paid for provision for long-term employee benefits	(19,824,804)	(9,316,120)	(17,887,137)	(7,872,420)
Cash flows from (used in) operating activities	284,164,310	(23,289,524)	162,429,156	(127,495,485)
Cash received from interest income	3,060,453	1,496,769	4,678,125	2,414,928
Cash paid for interest expenses	(1,956,464)	(4,409,361)	(1,003,387)	(4,434,515)
Cash received from income tax	2,518	-	-	-
Cash paid for income tax	(50,719,691)	(38,685,838)	(24,682,844)	(17,358,081)
Net cash flows from (used in) operating activities	234,551,126	(64,887,954)	141,421,050	(146,873,153)

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in current investments	(208,220)	(167,474)	(206,129)	(165,399)
Increase in restricted bank deposits	(3,000,000)	(6,792,454)	(3,000,000)	(4,500,000)
(Increase) decrease in short-term loans to related parties	-	-	13,200,000	(38,900,000)
Increase in long-term loan to related party	-	-	(2,070,000)	-
Cash paid for additional of investment in subsidiary	-	-	(5,000,000)	-
Dividend income from subsidiaries	-	-	38,498,835	57,998,390
Cash paid for additional of investment in associated company	(1,064,100)	-	-	-
Dividend received from investment in associated company	299,980	899,940	-	-
Cash received from sales of other long-term investments	-	142,152	-	142,152
Cash paid for acquisitions of building improvement and equipment	(20,489,645)	(11,779,648)	(14,206,640)	(8,517,923)
Cash paid for acquisitions of intangible assets - computer software	(7,400,720)	(5,178,808)	(5,683,607)	(1,822,260)
Cash received from disposal of equipment	523,941	749,199	153,919	689,399
Net cash flows from (used in) investing activities	(31,338,764)	(22,127,093)	21,686,378	4,924,359
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	2,121,357	(75,840,350)	-	(61,903,788)
Decrease in short-term loans from related parties	-	-	-	(25,000,000)
Cash paid under hire purchase and finance lease agreements	(14,953,146)	(17,846,229)	(11,644,175)	(13,472,910)
Dividend paid	(84,995,338)	(88,498,282)	(84,995,338)	(88,498,282)
Dividend paid to non-controlling interests of the subsidiaries	(509,984)	(1,609)	-	-
Cash paid for direct cost related to the share offering	-	(20,021,506)	-	(20,021,506)
Cash received from issuance ordinary shares	-	435,600,000	-	435,600,000
Net cash flows from (used in) financing activities	(98,337,111)	233,392,024	(96,639,513)	226,703,514
Effect of exchange rate on cash and cash equivalents	(22,874)	(7,199)	(87,408)	(11,086)
Net increase in cash and cash equivalents	104,852,377	146,369,778	66,380,507	84,743,634
Cash and cash equivalents at the beginning of year	246,026,076	99,656,298	109,991,073	25,247,439
Cash and cash equivalents at the end of year	350,878,453	246,026,076	176,371,580	109,991,073

Supplemental cash flow information:

Non-cash transactions

Accounts payable from purchase of building improvements, equipment and intangible assets

2,476,790 9,823,658 2,084,950 8,262,031

Purchases of equipment under finance lease agreements

619,096 1,031,608 - -

Transfer of land and buildings to investment properties

14,906 - 4,290,352 -

Dividend payables

137,630 379,287 6,380 1,718

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

**TEAM Consulting Engineering and Management Public Company Limited
and its subsidiaries**

Notes to consolidated financial statements

For the year ended 31 December 2019

1. General information

TEAM Consulting Engineering and Management Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Five major shareholders are as follows: Dr. Prasert Patramai, Mr. Peerawat Premchun, Dr. Thanasarn Khuayjarernpanishk, Mr. Amnat Prommasutra and Mr. Chawalit Chantararat. The Company is principally engaged in the integrated engineering, environment and management consultancy services. The registered office of the Company is at No. 151, TEAM Building, Nuan Chan Road, Nuan Chan, Bueng Kum, Bangkok.

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 dated 11 October 2016, 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 Basis of consolidation

- a) The consolidated financial statements include the financial statements of TEAM Consulting Engineering and Management Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) as follows:

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u> Percent	<u>2018</u> Percent
ATT Consultants Company Limited	Consulting services in the fields of energy, power, oil, gas and petroleum as well as related industries including port and utilities	Thailand	100.00	100.00
Geotechnical & Foundation Engineering Company Limited	Consulting services in the fields of geotechnical, foundation, and underground structure engineering	Thailand	100.00	100.00
Management Solutions International Ltd.	Consulting services in the areas of strategic management, finance and investment, accounting, marketing, project management and project development	Thailand	100.00	100.00
TEAM SQ Company Limited (Formerly known as “SQ Architects and Planners Company Limited”)	Architectural planning and design, interior design, landscape architecture, and design for urban development	Thailand	100.00	100.00
TEAM Construction Management Company Limited	Consulting services in construction management and supervision for various types of buildings and infrastructure	Thailand	100.00	100.00
TEAM Consulting International Company Limited	Consulting services in various fields of engineering, environmental management, and related businesses internationally	Thailand	100.00	100.00
TLT Consultants Company Limited	Environmental management services including Environmental Impact Assessment (EIA)	Thailand	48.77	48.77
TEAM Quality Management Company Limited	Consulting services in energy engineering including energy conservation, energy management system, energy measurement, energy utilisation inspection and analysis	Thailand	83.75	83.75
TWI Consultants Company Limited	Consulting services in the areas of water resources and utility system	Thailand	93.73	93.73
LTEAM Sole CO., LTD.	Consulting services in the fields of engineering, environment, and related businesses in Lao PDR	The Lao People's Democratic Republic	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated as from being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The financial statements of TLT Consultants Company Limited is included in the consolidated financial statements even though the Company's shareholding is 48.77 percent. This is because the Company has voting rights that is more than half of shares and voting rights over of such company, and the Company has the ability to direct the significant activities, while other shareholders are only minor shareholders, therefore regarded as subsidiary.
 - f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - h) The difference between the net proceeds paid or received from the change in the percentage of shareholding in the Company's subsidiaries and the interest of the non-controlling interests of the subsidiaries in the net book value of the subsidiaries as of the date of such change it is included in the consolidated statement of changes in shareholders' equity under caption of "Deficit from the change in the ownership interests in subsidiaries".
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. This standard does not have any significant impact on the Group's financial statements, except for the disclosures of revenue from contracts with customers in notes to the financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 26 million (the Company only: approximately Baht 19 million) and the Group's liabilities by approximately Baht 26 million (the Company only: approximately Baht 19 million).

4. Significant accounting policies

4.1 Revenues and expenses recognition

Service income

The Group determines that its service contracts generally have one performance obligation. The Group recognises service revenue over time where the stage of completion is measured using an input method, which is based on comparison of actual service costs incurred up to the end of the period and total anticipated cost of service at completion.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Unbilled receivables / Retention receivables

An unbilled receivable is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provide for the estimated losses that may be incurred in customer collection. Unbilled receivables are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer).

Retention receivables are non-interest bearing, unsecured and relate to service contracts and classified as non-current asset based on the contractual terms of respective contract. Retention receivables were derived from the amount deducted at the agreed rate from the service fees paid to the Group by its customers for each payment. These retention receivables shall be returned when the Group meets obligations and conditions stipulated in service contracts.

4.5 Service income received in advance and advances received from customers

A service income received in advance is the excess of the billings to date over the cumulative revenue earned and the Group has the obligation to transfer goods or services to a customer. Service income received in advance is recognised as revenue when the Group fulfils its performance obligations under the contracts.

Advances received from customers are advance payment specified in the contracts. This advance will be gradually deducted with invoice billed in each installment at the agreed rate.

4.6 Investments

- a) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years and 40 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

4.8 Property, plant and equipment/Depreciation

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

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

Buildings	20 - 40	years
Buildings improvement	5 - 20	years
Furniture, fixtures and office equipment	5 - 10	years
Motor vehicles	5 - 10	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment 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 in profit or loss when the asset is derecognised.

4.9 Intangible assets

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

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets 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.

Intangible assets of the Group with finite useful lives are computer software, and have useful lives of 5 - 10 years.

4.10 Related party transactions

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

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Group.

4.11 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

The consolidated and separate 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.

4.13 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other 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.

An impairment loss is recognised in profit or loss.

4.14 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 Group and their employees have jointly established provident funds. The funds are monthly contributed by employees and by the Group. The fund's assets are held in separate trust funds and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labour law. The Group 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 post-employment benefits are recognised immediately in other comprehensive income.

4.15 Equity-settled share-based payment transactions

The Group recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity. The Group will transfer the capital reserve to retained earnings after the vesting period of the share options expires.

4.16 Provisions

Provisions are recognised when the Group 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.

Provision for losses on projects is made in the accounts in full when the possibility of loss is ascertained.

4.17 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 Group 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 Group 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 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 Group 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 Group measures fair value using valuation techniques 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 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 Group 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:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Service contracts

The Group recognises revenue from service contracts over time. To the satisfaction of the performance obligation, the management determines the stage of completion by using an input method based on comparison of actual service costs incurred up to the end of the period and total anticipated service costs at completion of the service. The significant judgements are required in determining the extent of the contract costs incurred for work performed to the end of period, the estimated total contract revenue and service cost, the recoverability of the contract costs to complete as well as assessing potential deduction to revenue due to delay in delivery or contractual penalties. In making these judgements, the Group evaluates based on past experience, historical information and information from the project engineers or relying on the work of specialists (if any).

Estimated project costs

The Group estimates costs of service projects based on details of the service, taking into account the labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on projects

Management applied judgement in estimating the loss they expect to be realised on each project, based on estimates of anticipated costs, taking into account the progress of the project and actual costs incurred to date, together with fluctuations in cost of labour and the current situation.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Group had significant business transactions with 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)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	52.9	27.3	Contract price or cost plus margin
Dividend income	-	-	38.5	58.0	As declared
Management fee income	-	-	40.6	31.4	Contract price or cost plus margin
Building rental income	-	-	2.4	2.0	Contract price
Interest income	-	-	3.0	1.5	Interest rates of 4.56 to 6.65 per annum (2018: Interest rates of 6.65 to 6.67 per annum)
Other income	-	-	4.6	2.4	Cost plus margin or as agreed
Cost of service	-	-	84.4	58.7	Contract price or cost plus margin
Interest expense	-	-	-	1.3	Interest rates of 6.65 to 6.67 per annum
Other expenses	-	-	0.1	0.1	Cost plus margin or as agreed
<u>Transactions with associated companies</u>					
Service income	1.4	-	-	-	Contract price
Cost of service	5.3	6.5	0.1	1.1	Contract price
Dividend income	0.3	0.9	-	-	As declared
<u>Transactions with related parties</u>					
Service income	5.4	0.1	0.2	0.1	Contract price
Other income	0.1	0.1	0.1	0.1	Contract price or cost plus margin
Cost of service	5.8	5.7	5.3	5.6	Contract price
Other expenses	1.1	2.7	1.1	2.7	Contract price or market price

The balances of the accounts as at 31 December 2019 and 2018 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade and other receivables - related parties</u>				
<u>Service contract receivables (Note 8)</u>				
Subsidiaries	-	-	44,894	41,908
Related companies (common shareholders and director)	1,222	71	-	71
Total service contract receivables	<u>1,222</u>	<u>71</u>	<u>44,894</u>	<u>41,979</u>
<u>Other receivables (Note 8)</u>				
Subsidiaries	-	-	24,743	17,086
Related companies (common shareholders and directors)	33	8	33	8
Total other receivables	<u>33</u>	<u>8</u>	<u>24,776</u>	<u>17,094</u>
Total trade and other receivables - related parties	<u>1,255</u>	<u>79</u>	<u>69,670</u>	<u>59,073</u>
<u>Retention receivables</u>				
Subsidiaries	-	-	1,398	1,183
Total retention receivables - related parties	<u>-</u>	<u>-</u>	<u>1,398</u>	<u>1,183</u>

Short-term loans to related parties

As at 31 December 2019 and 2018, the balances of short-term loans to related parties between the Group and the movement of those loans to are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Short-term loan	Related by	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
ATT Consultants Company Limited	subsidiary	42,900	9,000	(17,200)	34,700
TEAM SQ Company Limited (Formerly known as "SQ Architects and Planners Company Limited")	subsidiary	5,000	-	(5,000)	-
Total		<u>47,900</u>	<u>9,000</u>	<u>(22,200)</u>	<u>34,700</u>

These short-term loans are repayable on demand and unsecured, and carry interest at the rate of 6.56 percent per annum (2018: 6.65 percent per annum).

Long-term loan to related party

As at 31 December 2019 and 2018, the balance of long-term loan to related party between the Group and the movement of that loan to is as follows:

(Unit: Thousand Baht)

Long-term loan	Related by	Separate financial statements			
		Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
ATT Consultants Company Limited	subsidiary	-	2,070	-	2,070

This loan contract grants a credit facility of Baht 2.3 million and as at 31 December 2019, the subsidiary had drawn down Baht 2.1 million. This long-term loan is repayable in monthly installments and is to be fully repaid within 15 years from the contract date. The loan carries interest at the rate announced by the Company minus 2 percent, with the rate referenced to MLR. The loan is unsecured.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade and other payables - related parties</u>				
<u>Trade payables - related parties (Note 18)</u>				
Subsidiaries	-	-	43,082	41,620
Associated company	-	1,889	-	221
Related companies (common shareholder and directors)	1,845	1,321	1,397	1,180
Total trade payables - related parties	1,845	3,210	44,479	43,021
<u>Other payables - related parties (Note 18)</u>				
Subsidiaries	-	-	88	43
Related companies (common shareholder and directors)	4	429	4	429
Total other payables - related parties	4	429	92	472
<u>Retention payable - related parties</u>				
Subsidiary	-	-	90	90
Related companies (common shareholder and directors)	329	163	329	163
Total retention payable - related parties	329	163	419	253

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Accrued expenses - related party</u>				
Related company (common shareholder and directors)	401	377	401	277
Total accrued expenses - related party	401	377	401	277
Total trade and other payables - related party	2,579	4,179	45,391	44,023
<u>Advances received from customer - related party</u>				
Subsidiary	-	-	3,340	3,340
Total Advances received from customer - related party	-	-	3,340	3,340

Directors and management's remuneration

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	71	60	39	37
Post-employment benefits	8	1	5	1
Total	79	61	44	38

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 30.4 to the financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	343	361	263	288
Bank deposits	350,535	245,665	176,109	109,703
Total	350,878	246,026	176,372	109,991

As at 31 December 2019, bank deposits in saving accounts and fixed accounts carried interests between 0.05 and 1.10 percent per annum (the Company only: between 0.05 and 1.00 percent per annum) (2018: between 0.05 and 1.10 percent per annum, the Company only: between 0.05 and 1.10 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,222	71	2,420	1,724
Past due				
Up to 3 months	-	-	5,848	18,892
3 - 6 months	-	-	16,707	1,253
6 - 12 months	-	-	9,866	57
Over 12 months	-	-	10,053	20,053
Total trade receivables - related parties	<u>1,222</u>	<u>71</u>	<u>44,894</u>	<u>41,979</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	172,288	251,137	112,727	166,488
Past due				
Up to 3 months	147,638	92,571	113,004	47,799
3 - 6 months	18,370	28,180	13,964	21,633
6 - 12 months	40,159	74,326	29,998	57,058
Over 12 months	100,816	48,030	58,216	27,362
Total	<u>479,271</u>	<u>494,244</u>	<u>327,909</u>	<u>320,340</u>
Less: Allowance for doubtful debts	<u>(10,602)</u>	<u>(22,717)</u>	<u>(8,749)</u>	<u>(18,875)</u>
Total trade receivables - unrelated parties, net	<u>468,669</u>	<u>471,527</u>	<u>319,160</u>	<u>301,465</u>
Total trade receivables - net	<u>469,891</u>	<u>471,598</u>	<u>364,054</u>	<u>343,444</u>
<u>Other receivables</u>				
Other receivables - related parties	33	8	24,776	17,094
Other receivables - unrelated parties	2,587	1,341	1,921	1,124
Accrued income - unrelated parties	-	4	-	4
Accrued interest income	203	252	159	157
Total other receivables	<u>2,823</u>	<u>1,605</u>	<u>26,856</u>	<u>18,379</u>
Total trade and other receivables - net	<u>472,714</u>	<u>473,203</u>	<u>390,910</u>	<u>361,823</u>

During the current year, the Group wrote off bad debt and reversed the related allowance for doubtful accounts amounting to Baht 6 million (the Company only: Baht 4 million).

9. Unbilled receivables / Retention receivables / Service income received in advance and advances received from customers

9.1 Contract balances

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Unbilled receivables	473,258	555,345	299,931	403,265
Retention receivables	134,587	114,089	85,466	67,882
Less: Allowance for doubtful debts	-	(166)	-	(166)
Total retention receivables - net	<u>134,587</u>	<u>113,923</u>	<u>85,466</u>	<u>67,716</u>
Service income received in advance and advances received from customers				
Service income received in advance	206,573	199,312	78,237	86,784
Advances received from customers	<u>154,757</u>	<u>203,934</u>	<u>119,248</u>	<u>165,250</u>
Total	<u>361,330</u>	<u>403,246</u>	<u>197,485</u>	<u>252,034</u>

9.2 Revenue recognised in relation to contract

Revenue recognised in relation to contract balances as at 31 December 2019 are as follows;

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Revenue recognised that was included in service income received in advance at the beginning of the year	176,788	81,318
Revenue recognised from changes in variable considerations of performance obligations satisfied in previous years	33,444	33,076

9.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2019, revenue aggregating to Baht 2,759 million (the Company only: Baht 1,643) is expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers. The Group expects to satisfy the performance obligations within 5 years (the Company only: 5 years).

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Prepaid expenses	18,677	14,293	16,516	11,583
Value added tax refundable	11,545	14,313	157	197
Purchase vat awaiting tax invoices	9,339	8,795	3,812	3,635
Withholding tax at deducted source	8,063	13,714	4,720	10,836
Others	1,162	2,138	1,053	1,810
Total other current assets	<u>48,786</u>	<u>53,253</u>	<u>26,258</u>	<u>28,061</u>

11. Restricted bank deposits

The outstanding balances represent bank deposit accounts which have been pledged with banks to secure the issuance of bank guarantees for electricity utilisation, other guarantee from banks and credit facilities of the Group.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investments		Carrying amount based on cost method - net		Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(Percent)		(Percent)									
ATT Consultants Company Limited	20	20	100.00	100.00	46	46	-	-	46	46	9	5
Geotechnical & Foundation Engineering Company Limited	10	10	100.00	100.00	12	12	-	-	12	12	12	32
Management Solutions International Ltd.	10	10	100.00	100.00	15	15	(5)	(5)	10	10	-	-
TEAM SQ Company Limited (Formerly known as "SQ Architects and Planners Company Limited")	10	5	100.00	100.00	12	7	-	-	12	7	6	9
TEAM Construction Management Company Limited	10	10	100.00	100.00	15	15	-	-	15	15	9	12
TEAM Consulting International Company Limited	10	10	100.00	100.00	10	10	(3)	(3)	7	7	-	-
TLT Consultants Company Limited	10.25	10.25	48.77	48.77	6	6	-	-	6	6	2	-
TEAM Quality Management Company Limited	10	10	83.75	83.75	6	6	(3)	(3)	3	3	-	-
TWI Consultants Company Limited	15	15	93.73	93.73	14	14	(14)	(11)	-	3	-	-
LTEAM Sole CO., LTD. (paid-in capital LAK 1,000 million)	5	5	100.00	100.00	5	5	-	-	5	5	-	-
Total investments in subsidiaries					141	136	(25)	(22)	116	114	38	58

Movements of the investment in subsidiary for the year ended 31 December 2019 were summarised below.

Investment in TEAM SQ Company Limited (Formerly known as "SQ Architects and Planners Company Limited")

On 25 March 2019, the Annual General Meeting of the shareholders of TEAM SQ Company Limited, a subsidiary, passed a resolution to approve an increase in its share capital from Baht 5 million to Baht 10 million by issuing 50,000 ordinary shares with a par value of Baht 100 each to the subsidiary's existing shareholders. The subsidiary received the share subscriptions in full and registered the increase in its share capital with the Ministry of Commerce on 22 April 2019.

On 20 September 2019, the Extraordinary General Meeting of the shareholders of the subsidiary passed a resolution to approve the change of its name from SQ Architects and Planners Company Limited to TEAM SQ Company Limited and registered with the Ministry of Commerce on 3 October 2019.

13. Investments in associated companies

13.1 Details of associates held through Geotechnical & Foundation Engineering Company Limited which is the Company's subsidiary.

(Unit: Thousand Baht)

		Consolidated financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019 (percent)	2018 (percent)	2019	2018	2019	2018
Krungthep Geotechnique Company Limited	Providing services in exploration and testing of geotechnical materials	Thailand	30	30	1,500	1,500	3,103	3,276
iGL Synergy Co., Ltd.	Providing services in engineering consultancy and project management	The Lao People's Democratic Republic	30	-	1,064	-	1,032	-
Total investments in associates					2,564	1,500	4,135	3,276

During the current year, Geotechnical & Foundation Engineering Company Limited invested in ordinary shares of a new associated company, iGL Synergy Co., Ltd., which has a registered share capital of LAK 1,000 million. The subsidiary acquired 30% of its share capital for a total investment of LAK 300 million and paid up the shares in full. The associated company registered its incorporation with the government agency of the Lao People's Democratic Republic on 31 May 2019.

13.2 Share of comprehensive income

During the years, the Group has recognised its share of comprehensive income from investments in associated companies in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of profit from		Share of other comprehensive income	
	investments in associated companies		from investments in associated	
	during the years		companies during the years	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Krungthep Geotechnique				
Company Limited	127	1,161	-	-
iGL Synergy Co., Ltd.	14	-	(46)	-
Total	141	1,161	(46)	-

13.3 Summarised financial information of associated companies

Summarised information about financial position

(Unit: Thousand Baht)

	Krungthep Geotechnique		iGL Synergy Co., Ltd.
	Company Limited		
	<u>2019</u>	<u>2018</u>	
Current assets	8,118	9,359	7,705
Non-current assets	3,118	3,166	-
Current liabilities	407	1,059	4,267
Non-current liabilities	483	545	-

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Krungthep Geotechnique		iGL Synergy Co., Ltd.	
	Company Limited			
	For the years ended 31 December			For the period as from
	<u>2019</u>	<u>2018</u>		<u>2019</u>
Revenue	15,957	21,256	6,825	
Profit	425	3,871	45	
Other comprehensive income	-	-	(154)	
Total comprehensive income	425	3,871	(109)	

14. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 is presented below.

	Consolidated financial statements		Separate financial statements			(Unit: Thousand Baht)
	Land and office buildings for rent	Others	Total	Land and office buildings for rent	Others	
As at 31 December 2019:						
Cost	169	3,880	4,049	35,513	3,880	39,393
<u>Less: Accumulated depreciation</u>	(129)	(2,661)	(2,790)	(26,966)	(2,661)	(29,627)
Net book value	40	1,219	1,259	8,547	1,219	9,766
As at 31 December 2018:						
Cost	133	3,880	4,013	22,737	3,880	26,617
<u>Less: Accumulated depreciation</u>	(107)	(2,646)	(2,753)	(18,299)	(2,646)	(20,945)
Net book value	26	1,234	1,260	4,438	1,234	5,672

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	1,260	1,276	5,672	5,843
Transfers from property, plant and equipment	15	-	4,290	-
Depreciation for the year	(16)	(16)	(196)	(171)
Net book value at end of year	<u>1,259</u>	<u>1,260</u>	<u>9,766</u>	<u>5,672</u>

The fair value of the investment properties as at 31 December 2019 and 2018 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land and office buildings for rent	119	119	25,285	20,226
Others	5,480	5,480	5,480	5,480

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land and others investment properties have been determined based on market prices, while that of land and the office buildings for rent has been determined using the replacement cost approach.

The Company has pledged investment properties amounting to approximately Baht 9 million (2018: Baht 4 million) as collateral against credit facilities received from financial institutions, as described in Note 17 to the financial statements.

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Buildings and building improvements	Solar cell equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation		
Cost								
As at 1 January 2018	73,626	193,538	-	108,572	76,797	961	453,494	
Additions	-	2,873	-	11,958	428	1,408	16,667	
Disposals/write off	-	(46)	-	(1,663)	(6,958)	-	(8,667)	
Transfer in (out)	-	526	-	799	-	(1,325)	-	
As at 31 December 2018	73,626	196,891	-	119,666	70,267	1,044	461,494	
Additions	-	317	281	11,790	827	4,200	17,415	
Disposals/write off	-	(57)	-	(3,277)	(24,968)	(232)	(28,534)	
Transfer to investment properties	-	(36)	-	-	-	-	(36)	
Transfer in (out)	-	1,214	2,178	1,620	-	(5,012)	-	
As at 31 December 2019	73,626	198,329	2,459	129,799	46,126	-	450,339	
Accumulated depreciation								
As at 1 January 2018	-	149,838	-	55,435	38,349	-	243,622	
Depreciation for the year	-	2,063	-	15,394	13,186	-	30,643	
Depreciation on disposals/write off	-	(10)	-	(1,312)	(6,528)	-	(7,850)	
As at 31 December 2018	-	151,891	-	69,517	45,007	-	266,415	
Depreciation for the year	-	2,292	91	16,442	9,864	-	28,689	
Depreciation on disposals/write off	-	(42)	-	(2,945)	(24,312)	-	(27,299)	
Transfer to investment properties	-	(21)	-	-	-	-	(21)	
As at 31 December 2019	-	154,120	91	83,014	30,559	-	267,784	
Net book value								
31 December 2018	73,626	45,000	-	50,149	25,260	1,044	195,079	
31 December 2019	73,626	44,209	2,368	46,785	15,567	-	182,555	
Depreciation for the year								
2018 (Baht 4 million included in cost of services and the balance in administrative expenses)							30,643	
2019 (Baht 4 million included in cost of services and the balance in administrative expenses)							28,689	

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost						
As at 1 January 2018	72,217	169,212	83,637	53,507	961	379,534
Additions	-	2,695	8,163	356	981	12,195
Disposals/write off	-	(46)	(994)	(1,153)	-	(2,193)
Transfer in (out)	-	526	799	-	(1,325)	-
As at 31 December 2018	72,217	172,387	91,605	52,710	617	389,536
Additions	-	240	8,532	627	2,022	11,421
Disposals/write off	-	(18)	(1,152)	(17,472)	(232)	(18,874)
Transfer to investment properties	(453)	(12,322)	-	-	-	(12,775)
Transfer in (out)	-	787	1,620	-	(2,407)	-
As at 31 December 2019	71,764	161,074	100,605	35,865	-	369,308
Accumulated depreciation						
As at 1 January 2018	-	129,726	40,711	25,330	-	195,767
Depreciation for the year	-	1,749	12,442	10,298	-	24,489
Depreciation on disposals/write off	-	(10)	(749)	(721)	-	(1,480)
As at 31 December 2018	-	131,465	52,404	34,907	-	218,776
Depreciation for the year	-	1,895	12,967	8,085	-	22,947
Depreciation on disposals/write off	-	(3)	(879)	(17,470)	-	(18,352)
Transfer to investment properties	-	(8,485)	-	-	-	(8,485)
As at 31 December 2019	-	124,872	64,492	25,522	-	214,886
Net book value						
31 December 2018	72,217	40,922	39,201	17,803	617	170,760
31 December 2019	71,764	36,202	36,113	10,343	-	154,422
Depreciation for the year						
2018 (Baht 3 million included in cost of services and the balance in administrative expenses)						24,489
2019 (Baht 3 million included in cost of services and the balance in administrative expenses)						22,947

As at 31 December 2019, the Group had vehicles under hire purchase and finance lease agreements with net book values amounting to Baht 14 million (the Company only: Baht 9 million) (2018: Baht 24 million, the Company only: Baht 17 million).

As at 31 December 2019, the Group had equipment under hire purchase and finance lease agreements with net book values amounting to Baht 7 million (the Company only: Baht 5 million) (2018: Baht 10 million, the Company only: Baht 8 million).

As at 31 December 2019, certain plant, equipment and vehicle items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 33 million (the Company only: Baht 25 million) (2018: Baht 40 million, the Company only: Baht 27 million).

The Company has pledged land together with buildings constructed thereon amounting to approximately Baht 108 million (2018: Baht 113 million) as collateral against credit facilities received from financial institutions, as described in Note 17 to the financial statements.

16. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost	116,965	112,676	90,527	87,694
Accumulated amortisation	(55,626)	(45,893)	(38,481)	(30,673)
Net book value	<u>61,339</u>	<u>66,783</u>	<u>52,046</u>	<u>57,021</u>
Amortisation expenses included in the profit or loss for the year	<u>9,733</u>	<u>8,982</u>	<u>7,808</u>	<u>7,288</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	66,783	66,128	57,021	58,387
Acquisitions of computer software	4,289	9,637	2,833	5,922
Amortisation	(9,733)	(8,982)	(7,808)	(7,288)
Net book value at end of year	<u>61,339</u>	<u>66,783</u>	<u>52,046</u>	<u>57,021</u>

17. Bank overdrafts

As at 31 December 2019, bank overdrafts of a subsidiary carries interest at the rate of fixed deposits 3 months plus 1%, rate of fixed deposits 12 months plus 1.5%, rate of fixed deposits 24 months plus 2%, and MOR - 1 (2018: the rate of saving deposits plus 1%, rate of fixed deposits 12 months plus 1.75%, rate of fixed deposits 24 months plus 2%, and MOR).

Credit facilities from financial institutions of the Group are secured by certain saving deposits and fixed deposits of the Group, certain mortgaged land with constructions thereon and investment properties of the Company, and include transfer of rights over receipt of payment under certain contracts of the Group.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties	1,845	3,210	44,479	43,021
Trade payables - unrelated parties	48,098	49,386	29,439	26,745
Other payables - related parties	4	429	92	472
Other payables - unrelated parties	16,870	30,721	14,362	24,646
Retention payables	13,711	17,589	12,222	15,212
Accrued expenses	131,835	111,468	86,470	54,407
Total trade and other payables	<u>212,363</u>	<u>212,803</u>	<u>187,064</u>	<u>164,503</u>

19. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred output tax	34,953	31,853	23,589	19,659
Withholding tax payable	7,092	8,356	4,270	5,612
Value added tax payable	10,660	7,060	5,923	3,959
Others	15,637	3,906	12,519	2,537
Total other current liabilities	<u>68,342</u>	<u>51,175</u>	<u>46,301</u>	<u>31,767</u>

20. Liabilities under hire purchase and finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Liabilities under hire purchase and finance lease agreements	21,847	37,598	14,453	27,100
Less: Deferred interest expenses	(1,467)	(2,884)	(763)	(1,766)
Total	20,380	34,714	13,690	25,334
Less: Portion due within one year	(9,975)	(14,755)	(7,051)	(11,565)
Liabilities under hire purchase and finance lease agreements - net of current portion	<u>10,405</u>	<u>19,959</u>	<u>6,639</u>	<u>13,769</u>

Liabilities under hire purchase agreements

Hire purchase payable consists of amounts payable under vehicles and office equipment agreements, with payments to be made in 24 - 60 monthly installments.

Liabilities under finance lease agreements

The Group has entered into various finance lease agreements with various leasing companies for rental of vehicles and office equipment for use in its operations. Installments are paid on a monthly basis over 24 - 60 periods and at the end of the agreements, the Group has the option to purchase the vehicles and equipment at prices specified in the agreements.

As at 31 December 2019 and 2018, future minimum lease payments required under the hire purchase and finance lease agreements of the Group were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	As at 31 December					
	Less than 1 year		1 - 5 years		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Future minimum lease payments	10,873	16,244	10,974	21,354	21,847	37,598
Deferred interest expenses	(898)	(1,489)	(569)	(1,395)	(1,467)	(2,884)
Present value of future minimum lease payments	<u>9,975</u>	<u>14,755</u>	<u>10,405</u>	<u>19,959</u>	<u>20,380</u>	<u>34,714</u>

(Unit: Thousand Baht)

	Separate financial statements					
	As at 31 December					
	Less than 1 year		1 - 5 years		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Future minimum lease payments	7,562	12,569	6,891	14,531	14,453	27,100
Deferred interest expenses	(511)	(1,004)	(252)	(762)	(763)	(1,766)
Present value of future minimum lease payments	<u>7,051</u>	<u>11,565</u>	<u>6,639</u>	<u>13,769</u>	<u>13,690</u>	<u>25,334</u>

21. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Defined benefit obligation at beginning of year	187,774	179,799	139,084	138,192
Included in profit or loss:				
Past service cost	48,277	-	34,410	-
Current service cost	33,364	25,978	23,984	18,908
Interest cost	5,677	3,826	4,169	2,851
Settlement loss	5,737	1,061	5,471	295
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	7,233	(9,330)	15,432	(5,514)
Financial assumptions changes	31,862	(7,938)	18,031	(5,355)
Experience adjustments	(2,211)	3,694	(6,602)	(2,421)
Benefits paid during the year	(19,825)	(9,316)	(17,887)	(7,872)
Transfer to current liabilities	(13,101)	-	(11,104)	-
Provisions for long-term employee benefits at end of year	<u>284,787</u>	<u>187,774</u>	<u>204,988</u>	<u>139,084</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 48 million (the Company only: Baht 34 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Group expects to pay Baht 52 million of long-term employee benefits during the next year (the Company only: Baht 44 million) (2018: Baht 21 million, the Company only: Baht 20 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefits is 14 - 17 years (the Company only: 15 years) (2018: 8 - 15 years, the Company only: 8 years).

Significant actuarial assumptions are summarised below.

	Consolidated		(Unit: % per annum)	
	financial statements		Separate	
	2019	2018	2019	2018
Discount rate	1.71 - 1.90	2.43 - 2.93	1.71	2.43
Salary increase rate	6.00	5.25	6.00	5.25

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(25)	30	(17)	20
Salary increase rate	28	(24)	19	(16)

	(Unit: Million Baht)			
	As at 31 December 2018			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(14)	16	(9)	10
Salary increase rate	15	(13)	10	(9)

22. Share capital and share premium

Movements of share capital and share premium for the year ended 31 December 2018 are summarised below.

On 12 March 2018, the Annual General Meeting of the shareholders of the Company passed the following resolutions:

- a) Approved the change of the par value of the Company's ordinary shares from Baht 100 per share to Baht 0.5 per share, the new ordinary shares will be increased from 2.5 million shares to 500 million shares after the change. The change in the par value was registered with the Ministry of Commerce on 20 March 2018.
- b) Approved an increase of the Company's registered share capital from the amount of Baht 250 million (500 million ordinary shares of Baht 0.5 each) after the change in the par value mentioned above to Baht 340 million (680 million ordinary shares of Baht 0.5 each) by issuing 180 million new ordinary shares with a par value of Baht 0.5 per share order to accommodate a public offering of the Company's share. The Company registered the increase in its registered share capital with the Ministry of Commerce on 20 March 2018.

During 4 - 6 July 2018, the Company made Initial Public Offering of 180 million ordinary shares, with a par value of Baht 0.50 each, at a price of Baht 2.42 per share, or for Baht 436 million. The Company received payment of this share capital increment and registered the increase of its issued and paid-up share capital from Baht 250 million (500 million ordinary shares with a par value of Baht 0.50 per each) to Baht 340 million (680 million ordinary shares with a par value of Baht 0.50 per each) with the Ministry of Commerce on 9 July 2018. The Stock Exchange of Thailand approved the 680 million ordinary shares with a par value of Baht 0.50 each as listed securities to be traded, effective from 12 July 2018.

Direct costs attributable to the share offering net of income tax, amounting to Baht 16 million and the Company recorded this as a deduction from share premium.

23. 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 equal to at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend payment.

According to Section 1202 of the Thai Civil and Commercial Code, the subsidiaries (incorporated under Thai Laws) are required to set aside a statutory reserve equal to at least 5 percent of its net profit each time the company pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend payment.

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salaries and wages and other employee benefits	1,188,835	1,032,722	737,363	685,151
Survey expenses and subcontractors costs	158,962	128,792	187,494	123,813
Depreciation and amortisation	38,438	39,641	30,951	31,948

25. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Current income tax charge	40,897	27,751	19,963	7,271
Deferred tax relating to origination and reversal of temporary differences	(12,688)	(3,193)	(10,508)	1,095
Income tax expense reported in the statement of comprehensive income	<u>28,209</u>	<u>24,558</u>	<u>9,455</u>	<u>8,366</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain (loss)	(7,377)	2,715	(5,372)	2,658

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit before tax	143,660	138,116	92,044	99,498
Income tax at the Company's corporate income tax rate of 20%	28,732	27,623	18,409	19,900
Difference in tax rate in group companies	(140)	(32)	-	-
Effects of:				
Non-deductible expenses	1,634	1,723	1,267	1,289
Exemption of income	(1,677)	-	(9,359)	(11,600)
Additional expense deductions allowed	(998)	(4,467)	(862)	(1,223)
Unused tax loss in the current year	705	5	-	-
Utilisation of previously unrecognised tax losses	(19)	(332)	-	-
Share of profit from investment in associated company	(28)	(232)	-	-
Other	-	270	-	-
Total	(383)	(3,033)	(8,954)	(11,534)
Income tax expenses reported in the statement of comprehensive income	28,209	24,558	9,455	8,366

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets (liabilities)				
Provision for long-term employee benefits	56,958	37,555	40,998	27,817
Short-term provision	2,620	-	2,221	-
Unused tax losses	451	1,512	-	-
Effect on elimination of intercompany transactions	(573)	807	-	-
Others	736	253	731	252
Total	60,192	40,127	43,950	28,069

As at 31 December 2019, the subsidiaries have unused tax losses totaling Baht 19 million (2018: Baht 15 million), on which deferred tax assets have not been recognised as the subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
31 December 2020	12,399	12,495
31 December 2021	2,229	2,229
31 December 2022	40	40
31 December 2023	29	29
31 December 2024	3,898	-
	<u>18,595</u>	<u>14,793</u>

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit attributable to equity holders of the Company (Thousand Baht)	115,689	113,534	82,589	91,132
Weighted average number of ordinary shares (Thousand shares)	680,000	586,795	680,000	586,795
Earnings per share (Baht per share)	0.17	0.19	0.12	0.16

27. Operating segment information

Operating segment information is reported in a manner consistent with the internal reports 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 Executive Committee.

During the current year, the Board of Directors of the Group passed a resolution to approve an organisational restructuring from structuring business units based on type of customer and geography to structuring them based on type of service and specialisation for management purposes. The Group has changed the reported operating segment information in a manner consistent with the internal reports under this organisational structure.

The Group has eight reportable segments as follows:

- (1) Transportation and logistics project segment
- (2) Water resources project segment
- (3) Urban, building and infrastructure project segment
- (4) Project management and construction supervision segment
- (5) Construction management and supervision for various types of buildings and infrastructure segment
- (6) Energy, power, oil and gas, petrochemical and related industry, including port and infrastructure project segment
- (7) Geotechnical engineering and underground structure project segment
- (8) Other segment, which consists of environment science project work, international business project work, related business project work and architectural planning and design, interior design, landscape architecture and design work for urban development project

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The basis of pricing policies for the inter-segment transfer are at the prices as described in Note 6 to the financial statements.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

For the year ended 31 December 2019

	Transportation and logistics project segment	Water resources project segment	Urban, building and infrastructure project segment	Project management and construction supervision segment	Construction management and supervision for various types of buildings and infrastructure segment	Energy, power, oil and gas, petrochemical and related industry, including port and infrastructure project segment	Geotechnical engineering and underground structure project segment	Other segment	Total	Elimination	Consolidated financial statement
Revenues from external customers	416	154	275	270	212	162	182	165	1,836	-	1,836
Segment profit	135	30	84	86	57	57	41	54	544	-	544
Other income											10
Administrative expenses											(409)
Finance cost											(2)
Profit before income tax expenses											143
Income tax expenses											(28)
Profit for the year											115

For the year ended 31 December 2018

	Transportation and logistics project segment	Water resources project segment	Urban, building and infrastructure project segment	Project management and construction supervision segment	Construction management and supervision for various types of buildings and infrastructure segment	Energy, power, oil and gas, petrochemical and related industry, including port and infrastructure project segment	Geotechnical engineering and underground structure project segment	Other segment	Total	Elimination	Consolidated financial statement
Revenues from external customers	287	196	192	305	164	178	223	109	1,654	-	1,654
Segment profit	96	69	64	108	44	82	49	35	547	-	547
Other income											12
Share of profit from investment in associated company											1
Administrative expenses											(418)
Finance cost											(4)
Profit before income tax expenses											138
Income tax expenses											(24)
Profit for the year											114

Geographic information

Revenues from external customers set up by customer location.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
Revenues from external customers		
Project domestic segment	1,589	1,423
Project international segment	247	231
Total	<u>1,836</u>	<u>1,654</u>

Major customers

In 2019, the Group had service revenues from major customers, which consisted of a group of government and state enterprise, amounting to Baht 1,014 million (For the year 2018, the Group had service revenues from customers services included a group of government and state enterprise and a private customer, amounting to Baht 875 million and Baht 178 million, respectively).

28. Provident funds

The Company and some subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contribute to the funds monthly at the rate of 3 to 5 percent of basic salary. The funds, which are managed by Krungsri Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. The contribution for the years 2019 were recognised as expenses amounting to Baht 26 million (the Company only: Baht 18 million) (2018: Baht 24 million, the Company only: Baht 17 million).

29. Dividends

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividend</u>	<u>Number of</u>	<u>Dividend</u>
		(Million Baht)	<u>ordinary shares</u>	<u>per share</u>
			(Million shares)	(Baht per share)
Dividend for year 2017	Annual General Meeting of the			
	shareholders on 12 March 2018	37.5	2.5	15.000
Interim dividend	Board of Directors Meeting of the			
for year 2018	Company on 9 August 2018	<u>51.0</u>	680	0.075
Total dividend for year 2018		<u>88.5</u>		

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividend</u> (Million Baht)	<u>Number of</u> <u>ordinary shares</u> (Million shares)	<u>Dividend</u> <u>per share</u> (Baht per share)
Dividend for year 2018	Annual General Meeting of the shareholders on 3 April 2019	51.0	680	0.075
Interim dividend for year 2019	Board of Directors Meeting of the Company on 7 August 2019	<u>34.0</u>	680	0.050
Total dividend for year 2019		<u>85.0</u>		

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2019, the Group had capital commitment of approximately Baht 1 million (the Company only: Baht 1 million) (2018: Baht 2 million, the Company only: Baht 1 million) relating to the acquisition of equipment and computer software.

30.2 Operating lease commitments

The Group has entered into several lease agreements in respect of the lease of land, office building spaces, equipment and motor vehicles. The terms of the agreements are generally between one to five years.

As at 31 December 2019 and 2018, future minimum lease payments required under these operating lease contracts were as follows:

	(Unit: Million Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable within:				
In up to 1 year	11	9	8	7
In over 1 and up to 5 years	17	13	11	10

30.3 Service commitments

As at 31 December 2019, the Group has the following service commitments:

- a) The Group has commitments totaling Baht 48 million (the Company only: Baht 32 million) (2018: Baht 51 million, the Company only: Baht 27 million) in respect of cost of service, for which the Group had already entered into agreements.
- b) The Group has commitments totaling Baht 3 million (the Company only: Baht 3 million) (2018: Baht 8 million, the Company only: Baht 8 million) in respect of other service commitments, for which the Group had already entered into agreements.

30.4 Related party guarantees

As at 31 December 2019, the Company had provided guarantees totaling Baht 698 million (2018: Baht 648 million) for bank credit facilities on behalf of its subsidiaries.

30.5 Bank guarantees

As at 31 December 2019 and 2018, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Guarantee of service contracts, advance payment and bidding	637	644	461	479
Guarantee of retention	41	42	27	24
Other guarantees	2	2	2	2
	<u>680</u>	<u>688</u>	<u>490</u>	<u>505</u>

30.6 Litigation

The Company

In 2013, an employer was filed a lawsuit against the Company with the Central Administrative Court for its breach of a hire of work contract, seeking damages totaling approximately Baht 8 million. On 21 August 2017, the Central Administrative Court ordered the Company to pay damages, together with interest in total amount of approximately Baht 0.7 million. The Company recorded the whole amount as an expense in the statement of comprehensive income for the year 2017.

Subsequently, on 19 September 2017, the plaintiff and the Company appealed to the Supreme Administrative Court, and the Company requested an amendment to its appeal on 8 December 2017. Currently, the Company is awaiting a judgment from the Supreme Administrative Court. However, the management of the Company expects no material losses to be incurred as a result of the case.

Subsidiaries

On 23 February 2016, a lawsuit was filed against TEAM Construction Management Company Limited, a subsidiary, with the Civil Court on the grounds related to breach of a hire of work contract with the plaintiff, who sought damages of Baht 31 million from the subsidiary. The contract value was Baht 0.9 million, with a maximum fine of 10 percent of the contract value specified in the contract. On 17 April 2019, the Civil Court ordered the subsidiary to pay damages, together with interest and other fees in total amount of approximately Baht 1.2 million. The subsidiary recorded the whole amount as an expense in the statement of comprehensive income for the first quarter of 2019. Subsequently, on 6 September 2019 and 8 October 2019, the subsidiary and the plaintiff, respectively, lodged appeals with the Appeal Court. Currently, the subsidiary is awaiting a judgment from the Appeal Court. However, the management of the Group expects no additional material losses to be incurred as a result of the case.

On 18 March 2017, ATT Consultants Company Limited, a subsidiary, was sued as a defendant. The petitioner filed the complaint with the Civil Court against three defendants, namely the contractor group (Defendant 1 and 2) and the employer (Defendant 3), demanding the three defendants jointly pay, or pay on behalf of each other, damages arising from the performance of work amounting to approximately Baht 1.6 million. Defendant 3 filed a petition with the Court to include the subsidiary as a co-defendant in this case because the subsidiary was in charge of work performance on behalf of the employer. Subsequently, on 31 January 2018, the Civil Court dismissed the case on the grounds that the defendants did not commit a violation. On 20 September 2018, the plaintiff filed an appeal with the Appeal Court. On 25 July 2019, the Court of Appeal affirmed the judgement of the Civil Court and the plaintiff did not file an appeal with the Supreme Court within the deadline. As a result, the case was final.

31. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets that were disclosed the fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December							
Level 1		Level 2		Level 3		Total	
2019	2018	2019	2018	2019	2018	2019	2018
Assets for which fair value are disclosed							
Investment properties							
-	-	-	-	6	6	6	6

	Separate financial statements							
	As at 31 December							
	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets for which fair value are disclosed								
Investment properties	-	-	-	-	31	26	31	26

32. Financial instruments

32.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise the following:

<u>Financial assets</u>	<u>Financial liabilities</u>
- Cash and cash equivalents	- Bank overdrafts
- Current investments	- Trade and other payables
- Trade and other receivables	- Liabilities under hire purchase and
- Loans to related parties	finance lease agreements
- Restricted bank deposits	
- Retention receivables	

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loans to related parties and retention receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, loans to related parties and retention receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, current investments, loans to related parties, restricted bank deposits, bank overdrafts and liabilities under hire purchase and finance lease agreements. Most of these financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rates 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: Thousand Baht)

		Consolidated financial statements															
		As at 31 December															
		Fixed interest rates					Non-interest bearing					Total		Effective interest rate			
		Within 1 year		1 - 5 years			Floating interest rate		Non-interest bearing			Total		Effective interest rate			
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	(% p.a.)	(% p.a.)
Financial assets																	
Cash and cash equivalents		375	363	-	-	283,097	204,312	67,406	41,351	350,878	246,026	0.05 - 1.10	0.05 - 1.10				
Current investments		1,151	943	-	-	-	-	-	-	1,151	943	0.55 - 1.30	0.55 - 1.30				
Trade and other receivables		-	-	-	-	-	-	472,714	473,203	472,714	473,203	-	-				
Restricted bank deposits		63,230	55,230	-	5,000	-	-	-	-	63,230	60,230	0.25 - 1.30	0.25 - 1.30				
Retention receivables		-	-	-	-	-	-	134,587	113,923	134,587	113,923	-	-				
		64,756	56,536	-	5,000	283,097	204,312	674,707	628,477	1,022,560	894,325						
Financial liabilities																	
Bank overdrafts		-	-	-	-	6,745	4,624	-	-	6,745	4,624	Note 17	Note 17				
Trade and other payables		-	-	-	-	-	-	212,363	212,803	212,363	212,803	-	-				
Liabilities under hire purchase and finance lease agreements		9,975	14,755	10,405	19,959	-	-	-	-	20,380	34,714	0 - 24.39	0 - 24.39				
		9,975	14,755	10,405	19,959	6,745	4,624	212,363	212,803	239,488	252,141						

(Unit: Thousand Baht)

Separate financial statements

As at 31 December

	Fixed interest rates						Total	Effective interest rate			
	Within 1 year		1 - 5 years		Floating interest rate			Non-interest bearing			
	2019	2018	2019	2018	2019	2018		2019	2018		
Financial assets											
Cash and cash equivalents	-	-	-	-	123,275	79,491	53,097	30,500	109,991	0.05 - 1.00	0.05 - 1.10
Current investments	916	710	-	-	-	-	-	-	710	0.55 - 1.30	0.55 - 1.30
Trade and other receivables	-	-	-	-	-	-	390,910	361,823	361,823	-	-
Short-term loans to related parties	34,700	47,900	-	-	-	-	-	-	47,900	6.56	6.65
Long-term loan to related party	-	-	2,070	-	-	-	-	-	2,070	4.56	-
Restricted bank deposits	49,160	46,160	-	-	-	-	-	-	46,160	0.38 - 1.30	0.38 - 1.30
Retention receivables	-	-	-	-	-	-	85,466	67,716	67,716	-	-
	84,776	94,770	2,070	-	123,275	79,491	529,473	460,039	634,300		
Financial liabilities											
Trade and other payables	-	-	-	-	-	-	187,064	164,503	164,503	-	-
Liabilities under hire purchase and finance lease agreements	7,051	11,565	6,639	13,769	-	-	-	-	25,334	0 - 24.39	0 - 24.39
	7,051	11,565	6,639	13,769	-	-	187,064	164,503	189,837		

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from consulting contracts and advances received from employers that are denominated in foreign currencies.

The balances of financial assets and liabilities of the Group denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.9	0.9	0.1	0.2	30.1540	32.4498
LAK	21.2	107.2	-	-	0.0034	0.0038
MMK	-	-	4.0	4.0	0.0203	0.0209

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.5	0.3	0.1	0.1	30.1540	32.4498

32.2 Fair values of financial instruments

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

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2019 and 2018, the Group's debt-to-equity ratio is summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Debt-to-equity ratio	1.03	0.97	0.79	0.73

34. Event after the reporting period

On 19 February 2020, the meeting of the Company's Board of Directors No. 1/2020 passed a resolution to propose to the 2020 Annual General Meeting of the Company's shareholders a dividend of Baht 0.06 in respect of the Company's net profit in addition to the interim dividend to be paid to the Company's shareholders who hold 680 million shares, or a total of Baht 40.8 million, for approval.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2020.