

TEAM Consulting Engineering and Management
Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2020

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 2020, 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 2020, 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.

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 to the matter are described below.

Recognition of revenue from service income

The Group disclosed its policies on recognition of revenue from service income and estimation of project costs in Note 5 and Note 6 to the financial statements. I identified the recognition of revenue from service income 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 are areas requiring management to exercise significant judgement to assess the percentage of completion of project. There are therefore risks with respect to the amount and timing of the recognition of revenue from service income.

I examined the recognition of revenue from service income 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.

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

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 25 February 2021

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	4, 8	491,857,374	350,878,453	319,617,202	176,371,580
Current investments	4	-	1,151,409	-	915,638
Trade and other receivables	4, 9	333,444,147	472,714,497	274,838,496	390,909,544
Unbilled receivables	4, 10	580,760,403	473,257,513	318,053,151	299,931,352
Short-term loan to related party	4, 7	-	-	64,500,000	34,700,000
Other current financial assets	4	1,342,591	-	1,106,082	-
Other current assets	11	64,309,477	48,786,213	49,710,504	26,257,605
Total current assets		1,471,713,992	1,346,788,085	1,027,825,435	929,085,719
Non-current assets					
Restricted bank deposits	4, 12	61,980,000	63,230,000	49,160,000	49,160,000
Long-term loan to related party	4, 7	-	-	1,670,000	2,070,000
Investments in subsidiaries	13	-	-	114,844,840	115,644,840
Investments in associated companies	14	10,960,574	4,134,835	7,000,000	-
Investment properties	15	1,240,609	1,258,637	9,195,392	9,766,353
Property, plant and equipment	16	147,017,081	182,554,979	128,598,038	154,422,417
Right-of-use assets	4, 21	48,710,417	-	38,067,434	-
Intangible assets - computer software	17	59,894,647	61,338,525	52,190,254	52,045,634
Deferred tax assets	27	62,003,681	60,192,057	44,418,790	43,949,779
Retention receivables	10	113,404,252	134,587,084	78,472,992	85,466,049
Other non-current assets		31,499,058	32,159,174	27,130,661	25,083,720
Total non-current assets		536,710,319	539,455,291	550,748,401	537,608,792
Total assets		2,008,424,311	1,886,243,376	1,578,573,836	1,466,694,511

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 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	18	31,666,005	6,744,939	-	-
Trade and other payables	19	185,458,844	212,363,200	135,952,324	187,064,197
Current portion of liabilities under hire purchase and finance lease agreements	4, 21	-	9,974,668	-	7,050,629
Current portion of lease liabilities	4, 21	18,887,239	-	14,437,527	-
Service income received in advance and advances received from customers	10	486,987,182	361,330,376	339,428,387	197,485,102
Income tax payable		3,666,693	4,411,676	-	-
Other current liabilities	20	43,729,292	68,342,452	29,522,616	46,301,231
Total current liabilities		770,395,255	663,167,311	519,340,854	437,901,159
Non-current liabilities					
Liabilities under hire purchase and finance lease agreements - net of current portion	4, 21	-	10,405,180	-	6,639,317
Lease liabilities, net of current portion	4, 21	27,522,807	-	22,383,502	-
Provision for long-term employee benefits	22	296,179,638	284,786,695	220,434,353	204,987,996
Total non-current liabilities		323,702,445	295,191,875	242,817,855	211,627,313
Total liabilities		1,094,097,700	958,359,186	762,158,709	649,528,472

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 2020

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Shareholders' equity					
Share capital					
Registered					
680,000,000 ordinary shares of Baht 0.5 each		<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		424,317,995	424,317,995	424,317,995	424,317,995
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	16,700,000	10,000,000	16,700,000	10,000,000
Unappropriated		172,989,254	192,914,350	35,397,132	42,848,044
Other components of shareholders' equity					
Exchange differences on translation of					
financial statements in foreign currencies		(95,200)	(46,244)	-	-
Equity attributable to owners of the Company		909,148,761	922,422,813	816,415,127	817,166,039
Non-controlling interests of the subsidiaries		5,177,850	5,461,377	-	-
Total shareholders' equity		<u>914,326,611</u>	<u>927,884,190</u>	<u>816,415,127</u>	<u>817,166,039</u>
Total liabilities and shareholders' equity		<u>2,008,424,311</u>	<u>1,886,243,376</u>	<u>1,578,573,836</u>	<u>1,466,694,511</u>

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

(Mr. Chawalit Chantararat)

Director

(Mr. Aphichat Sramoon)

Director

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Service income		1,704,950,190	1,836,016,570	1,037,712,720	1,183,613,446
Other income					
Dividend income	13	-	-	79,297,904	38,498,835
Others		7,971,845	7,100,440	70,623,220	54,306,572
Total revenues		1,712,922,035	1,843,117,010	1,187,633,844	1,276,418,853
Expenses					
Cost of service		1,249,760,318	1,291,804,548	785,933,805	862,533,406
Administrative expenses		320,538,335	408,849,453	265,300,567	325,519,427
Total expenses		1,570,298,653	1,700,654,001	1,051,234,372	1,188,052,833
Operating profit		142,623,382	142,463,009	136,399,472	88,366,020
Share of profit from investments in associated companies	14	174,675	140,953	-	-
Finance income	24	8,397,209	3,012,114	11,408,831	4,681,510
Finance cost	25	(2,878,074)	(1,956,464)	(1,657,338)	(1,003,387)
Profit before income tax expenses		148,317,192	143,659,612	146,150,965	92,044,143
Income tax expenses	27	(28,963,873)	(28,209,036)	(12,176,391)	(9,454,669)
Profit for the year		119,353,319	115,450,576	133,974,574	82,589,474
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies	14	(48,956)	(46,244)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax	22	(8,104,173)	(29,507,370)	(10,957,417)	(21,488,961)
Other comprehensive income for the year		(8,153,129)	(29,553,614)	(10,957,417)	(21,488,961)
Total comprehensive income for the year		111,200,190	85,896,962	123,017,157	61,100,513

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 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit attributable to:					
Equity holders of the Company		119,372,250	115,689,149	133,974,574	82,589,474
Non-controlling interests of the subsidiaries		(18,931)	(238,573)		
		119,353,319	115,450,576		
Total comprehensive income attributable to:					
Equity holders of the Company		111,219,121	86,135,535	123,017,157	61,100,513
Non-controlling interests of the subsidiaries		(18,931)	(238,573)		
		111,200,190	85,896,962		
Earnings per share					
	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.18	0.17	0.20	0.12
Weighted average number of ordinary shares (shares)		680,000,000	680,000,000	680,000,000	680,000,000

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 2020

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company

	Note	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		Unappropriated statutory reserve	Exchange differences on translation of financial statements in foreign currencies	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
							Appropriated -	Unappropriated					
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)	(46,244)	(29,553,614)	-	(29,553,614)
Total comprehensive income for the year		-	-	-	-	-	-	86,181,779	(46,244)	(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	23	-	-	-	-	-	4,200,000	(4,200,000)	-	-	-	-	-
Dividend paid	31	-	-	-	-	-	-	(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	192,514,350	(46,244)	(46,244)	922,422,813	5,481,377	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 2020

(Unit: Baht)

Consolidated financial statements									
	Equity attributable to owners of the Company								
							Other components of equity		
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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 2020

Separate financial statements							(Unit: Baht)
	Note	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated	
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	31	-	-	-	-	(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
Balance as at 1 January 2020		340,000,000	424,317,995	-	10,000,000	42,848,044	817,166,039
Cumulative effect of change in accounting policy for the adoption of new financial reporting standard	4	-	-	-	-	(8,168,069)	(8,168,069)
Balance as at 1 January 2020 - as restated		340,000,000	424,317,995	-	10,000,000	34,679,975	808,997,970
Profit for the year		-	-	-	-	133,974,574	133,974,574
Other comprehensive income for the year		-	-	-	-	(10,957,417)	(10,957,417)
Total comprehensive income for the year		-	-	-	-	123,017,157	123,017,157
Transfer unappropriated retained earnings to statutory reserve	23	-	-	-	6,700,000	(6,700,000)	-
Dividend paid	31	-	-	-	-	(115,600,000)	(115,600,000)
Balance as at 31 December 2020		340,000,000	424,317,995	-	16,700,000	35,397,132	816,415,127

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	148,317,192	143,659,612	146,150,965	92,044,143
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	46,566,110	38,438,461	36,487,264	30,951,145
Reversal of allowance for doubtful accounts	-	(6,660,899)	-	(6,667,201)
Impairment loss on financial assets	1,376,536	-	1,624,058	-
Share of profit from investments in associated companies	(174,675)	(140,953)	-	-
Allowance for impairment of investment in subsidiary	-	-	800,000	3,060,100
Loss on disposal/write-off of building improvements and equipment	1,413,452	478,790	1,141,311	135,553
Loss on write-off of improvements of land and building for rent	1,089	-	226,901	-
(Gain) loss on write-off of right-of-use assets	(5,766)	-	14	-
Unrealised exchange losses	739,712	313,837	536,440	341,071
Allowance for project losses (reversal)	44,411	30,023	(1,997,559)	2,394,218
Provision for long-term employee benefits	32,999,997	93,055,231	22,559,407	68,033,434
Written-off withholding tax deducted at source	665,016	946,758	665,016	946,758
Dividend income	-	-	(79,297,904)	(38,498,835)
Finance income	(8,397,209)	(3,012,114)	(11,408,831)	(4,681,510)
Finance cost	2,878,074	1,956,464	1,657,339	1,003,387
Profit from operating activities before changes in operating assets and liabilities	226,423,939	269,065,210	119,144,421	149,062,263
Operating assets (increase) decrease				
Trade and other receivables	134,936,867	6,309,824	112,455,063	(22,585,833)
Unbilled receivables	(108,819,528)	82,087,745	(18,529,309)	103,333,243
Other current assets	(5,994,839)	(1,309,067)	(11,541,209)	(4,312,886)
Retention receivables	21,182,832	(20,497,864)	6,993,057	(17,583,822)
Other non-current assets	1,410,340	(1,085,724)	(853,702)	(2,260,647)
Operating liabilities increase (decrease)				
Trade and other payables	(25,739,226)	6,545,583	(47,968,877)	25,910,406
Services income received in advance and advances received from customers	125,656,606	(41,434,304)	141,943,285	(54,548,834)
Other current liabilities	(24,898,062)	4,307,711	(16,932,267)	3,302,403
Cash paid for provision for long-term employee benefits	(31,737,271)	(19,824,804)	(20,809,821)	(17,887,137)
Cash flows from operating activities	312,421,858	284,164,310	263,900,641	162,429,156
Interest received	2,996,601	3,060,453	5,100,410	4,678,125
Interest paid	(2,878,074)	(1,956,464)	(1,657,339)	(1,003,387)
Corporate income tax received	3,574,323	2,518	-	-
Corporate income tax paid	(44,012,424)	(50,719,691)	(23,675,994)	(24,682,844)
Net cash flows from operating activities	272,102,284	234,551,126	243,667,718	141,421,050

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in current investments	-	(208,220)	-	(206,129)
Increase in other current financial assets	(191,182)	-	(190,444)	-
(Increase) decrease in restricted bank deposit	1,250,000	(3,000,000)	-	(3,000,000)
(Increase) decrease in short-term loan to related party	-	-	(29,800,000)	13,200,000
(Increase) decrease in long-term loan to related party	-	-	400,000	(2,070,000)
Cash paid for additional of investment in subsidiary	-	-	-	(5,000,000)
Dividend income from subsidiaries	-	-	79,297,904	38,498,835
Cash paid for additional of investment in associated company	(7,000,000)	(1,064,100)	(7,000,000)	-
Dividend received from investment in associated company	299,980	299,980	-	-
Cash paid for acquisitions of building improvements and equipment	(4,528,604)	(20,489,645)	(3,842,205)	(14,206,640)
Cash paid for acquisitions of intangible assets - computer software	(8,800,018)	(7,400,720)	(8,393,689)	(5,883,607)
Cash received from disposal of equipment	7,477	523,941	321,288	153,919
Net cash flows from (used in) investing activities	(18,962,347)	(31,338,764)	30,792,854	21,686,378
Cash flows from financing activities				
Increase in bank overdrafts and short-term loan from bank	24,921,068	2,121,357	-	-
Cash paid under hire-purchase and finance lease agreements	-	(14,953,146)	-	(11,644,175)
Payment of principal portion of lease liabilities	(21,519,227)	-	(15,767,561)	-
Dividend paid	(115,446,348)	(84,995,338)	(115,446,348)	(84,995,338)
Dividend paid to non-controlling interests of the subsidiaries	(133,346)	(509,984)	-	-
Net cash flows used in financing activities	(112,177,855)	(98,337,111)	(131,213,909)	(96,639,613)
Effect of exchange rate on cash and cash equivalents	16,839	(22,874)	(1,041)	(87,408)
Net increase in cash and cash equivalents	140,978,921	104,852,377	143,245,622	66,380,507
Cash and cash equivalents at the beginning of year	350,878,453	246,026,076	176,371,580	109,991,073
Cash and cash equivalents at the end of year	491,857,374	350,878,453	319,617,202	176,371,580

Supplemental cash flow information:

Non-cash transactions

Decrease in accounts payable from purchase of				
building improvements, equipment and intangible assets	(1,185,072)	(6,806,362)	(1,141,048)	(5,636,574)
Purchases of equipment and vehicles under lease agreements	22,790,037	619,096	21,829,525	-
Transfer of land and buildings to investment properties	16	14,906	3,503	4,290,352

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 2020

1. General information

1.1 Corporate 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.

1.2 Coronavirus disease 2019 pandemic

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

2. Basis of preparation

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

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

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

2.2 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") (collectively as "the Group") as follows:

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u> Percent	<u>2019</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	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	Consulting services on 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, investments in subsidiaries and share capital of the subsidiaries 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 2019) and new 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. 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:

Financial reporting standards related to financial instruments

The 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
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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.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost and contract assets, and it is no longer necessary for a credit-impaired event to have occurred.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

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.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

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

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

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

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The effect of		
		Financial reporting		
		standards related		
	31 December	to financial		1 January
	2019	instruments	TFRS 16	2020
Statement of financial position				
Assets				
Current assets				
Current investments	1,151	(1,151)	-	-
Trade and other receivables	472,714	(6,135)	-	466,579
Unbilled receivables	473,258	(2,758)	-	470,500
Other current financial assets	-	1,151	-	1,151
Non-current assets				
Property, plant and equipment	182,555	-	(21,614)	160,941
Right-of-use assets	-	-	46,391	46,391
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under hire purchase and finance lease agreements	9,975	-	(9,975)	-
Current portion of lease liabilities	-	-	19,176	19,176
Non-current liabilities				
Liabilities under hire purchase and finance lease agreements, net of current portion	10,405	-	(10,405)	-
Lease liabilities, net of current portion	-	-	25,981	25,981
Shareholders' equity				
Retained earnings - unappropriated	192,914	(8,893)	-	184,021

(Unit: Thousand Baht)

	Separate financial statements			
	The effect of			
	Financial reporting standards related			
	31 December	to financial		1 January
	2019	instruments	TFRS 16	2020
Statement of financial position				
Assets				
Current assets				
Current investments	915	(915)	-	-
Trade and other receivables	390,910	(6,791)	-	384,119
Unbilled receivables	299,931	(1,377)	-	298,554
Other current financial assets	-	915	-	915
Non-current assets				
Property, plant and equipment	154,422	-	(14,257)	140,165
Right-of-use assets	-	-	31,326	31,326
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under hire purchase and finance lease agreements	7,051	-	(7,051)	-
Current portion of lease liabilities	-	-	13,541	13,541
Non-current liabilities				
Liabilities under hire purchase and finance lease agreements, net of current portion	6,639	-	(6,639)	-
Lease liabilities, net of current portion	-	-	17,218	17,218
Shareholders' equity				
Retained earnings - unappropriated	42,848	(8,168)	-	34,680

4.1 Financial instruments

- a) Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Recognition of an allowance for expected credit losses on financial assets at amortised cost and contract assets	8,893	8,168
Impacts of the adoption of financial reporting standards related to financial instruments	8,893	8,168

- b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Classification and measurement in accordance with TFRS 9		Classification and measurement in accordance with TFRS 9	
	The former carrying amount	Amortised cost	The former carrying amount	Amortised cost
Financial assets as at 1 January 2020				
Cash and cash equivalents	350,878	350,878	176,372	176,372
Trade and other receivables	472,714	472,714	390,910	390,910
Short-term loan to related party	-	-	34,700	34,700
Other current financial assets	1,151	1,151	915	915
Restricted bank deposits	63,230	63,230	49,160	49,160
Long-term loan to related party	-	-	2,070	2,070
Total financial assets	887,973	887,973	654,127	654,127

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	28,263	19,511
Less: Short-term leases and leases of low-value assets	(1,314)	(953)
Less: Deferred interest expenses	(2,172)	(1,489)
Increase in lease liabilities due to the adoption of TFRS 16	24,777	17,069
Liabilities under hire purchase and finance lease agreements as at 31 December 2019	20,380	13,690
Lease liabilities as at 1 January 2020	45,157	30,759
Weighted average incremental borrowing rate (percent per annum)	3.05 - 6.93	3.05 - 6.76
Comprise of:		
Current lease liabilities	19,176	13,541
Non-current lease liabilities	25,981	17,218
	45,157	30,759

5. Significant accounting policies

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

Finance cost

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

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.

5.2 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.

5.3 Unbilled receivables / Retention receivables

An unbilled receivable is the excess of cumulative revenue earned over the billings to date. 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.

5.4 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.

5.5 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

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.

5.6 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.

5.7 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 improvements	5 - 20	years
Solar cell equipment	10 - 25	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.

5.8 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.

5.9 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

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

Right-of-use assets

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

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

Buildings	1	years
Office equipment	1 - 5	years
Motor vehicles	1 - 5	years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Accounting policies adopted before 1 January 2020

Leases of property, plant or 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 and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in 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 or 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.

5.10 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.

5.11 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.

5.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investments in subsidiaries and associates 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.

5.13 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.

5.14 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.

5.15 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.

5.16 Financial instruments

Accounting policies adopted since 1 January 2020

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

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost. The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

For trade receivables and unbilled receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Accounting policies adopted before 1 January 2020

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.

5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The 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.

6. 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 expected credit losses of trade receivables and unbilled receivables

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

Revenue from 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.

7. 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 Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	58.1	52.9	Contract price or cost plus margin
Dividend income	-	-	79.3	38.5	As declared
Management fee income	-	-	52.8	40.6	Contract price or cost plus margin
Building rental income	-	-	2.5	2.4	Contract price
Interest income	-	-	3.1	3.0	Interest rates of 3.89 to 6.53% per annum (2019: Interest rates of 4.56 to 6.65% per annum)
Other income	-	-	7.4	4.6	Cost plus margin or as agreed
Cost of service	-	-	66.2	84.4	Contract price or cost plus margin
Other expenses	-	-	0.6	0.1	Cost plus margin or as agreed
<u>Transactions with associated companies</u>					
Service income	1.4	1.4	-	-	Contract price
Cost of service	6.9	5.3	0.4	0.1	Contract price
Dividend income	0.3	0.3	-	-	As declared
<u>Transactions with related parties</u>					
Service income	0.5	5.4	0.5	0.2	Contract price
Other income	0.2	0.1	0.2	0.1	Contract price or cost plus margin
Cost of service	6.3	5.8	5.2	5.3	Contract price
Other expenses	0.9	1.1	0.9	1.1	Contract price or market price

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade and other receivables - related parties</u>				
<u>Service contract receivables - related parties</u>				
(Note 9)				
Subsidiaries	-	-	33,047	44,894
Associated company	-	794	-	-
Related company (common director)	428	428	-	-
Total	428	1,222	33,047	44,894
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(13)	-	(163)	-
Total service contract receivables - net	415	1,222	32,884	44,894
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	23,069	24,743
Related company (common shareholders and director)	9	33	9	33
Total	9	33	23,078	24,776
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	-	-	(267)	-
Total other receivables - net	9	33	22,811	24,776
Total trade and other receivables - related parties - net	424	1,255	55,695	69,670
<u>Retention receivables - related parties</u>				
Subsidiaries	-	-	2,596	1,398
Total retention receivables - related parties	-	-	2,596	1,398
<u>Advance payments for cost of service - related party</u>				
Related company (common shareholders and director)	93	342	93	342
Total advance payments for cost of service - related party	93	342	93	342

Short-term loan to related party

As at 31 December 2020 and 2019, the balance of short-term loan between the Company and its subsidiary and the movement in loan is as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Short-term loan	Related by				
ATT Consultants Company Limited	subsidiary	34,700	44,000	(14,200)	64,500

This short-term loan is repayable on demand and unsecured, and carries interest at the rate announced by the Company, with rate referenced to MLR.

Long-term loan to related party

As at 31 December 2020 and 2019, the balance of long-term loan between the Company and its subsidiary and the movement in loan is as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Long-term loan	Related by				
ATT Consultants Company Limited	subsidiary	2,070	-	(400)	1,670

This loan contract grants a credit facility of Baht 2.3 million and as at 31 December 2020, 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		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade and other payables - related parties</u>				
<u>Trade payables - related parties (Note 19)</u>				
Subsidiaries	-	-	12,145	43,082
Related companies (common shareholders and director)	446	1,845	246	1,397
Total trade payables - related parties	446	1,845	12,391	44,479
<u>Other payables - related parties (Note 19)</u>				
Subsidiaries	-	-	108	88
Related company (common shareholders and director)	4	4	4	4
Total other payables - related parties	4	4	112	92
<u>Retention payable - related parties</u>				
Subsidiaries	-	-	90	90
Related company (common shareholders and director)	436	329	436	329
Total retention payable - related parties	436	329	526	419
<u>Accrued expenses - related parties</u>				
Subsidiaries	-	-	1	-
Related company (common shareholders and director)	580	401	580	401
Total accrued expenses - related parties	580	401	581	401
Total trade and other payables - related parties	1,466	2,579	13,610	45,391
<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 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	50	71	28	39
Post-employment benefits	3	8	1	5
Total	53	79	29	44

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 32.3 to the financial statements.

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	439	343	359	263
Bank deposits	491,418	350,535	319,258	176,109
Total	491,857	350,878	319,617	176,372

As at 31 December 2020, 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 0.60 percent per annum) (2019: between 0.05 and 1.10 percent per annum, the Company only: between 0.05 and 1.00 percent per annum).

9. Trade and other receivables

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2020</u>	<u>2019</u>
		<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u>			
Aged on the basis of due dates			
Not yet due	-	1,222	8,016
Past due			
Up to 3 months	-	-	14,706
3 - 6 months	-	-	4,211
6 - 12 months	-	-	4,021
Over 12 months	428	-	2,093
Total	428	1,222	33,047
Less: Allowance for expected credit losses			
(2019: Allowance for doubtful accounts)	(13)	-	(163)
Total trade receivables - related parties, net	415	1,222	32,884
<u>Trade receivables - unrelated parties</u>			
Aged on the basis of due dates			
Not yet due	145,778	172,288	94,033
Past due			
Up to 3 months	100,716	147,638	65,634
3 - 6 months	2,826	18,370	1,803
6 - 12 months	10,615	40,159	8,789
Over 12 months	82,583	100,816	56,042
Total	342,518	479,271	226,301
Less: Allowance for expected credit losses			
(2019: Allowance for doubtful accounts)	(13,868)	(10,602)	(11,150)
Total trade receivables - unrelated parties, net	328,650	468,669	215,151
Total trade receivables - net	329,065	469,891	248,035
<u>Other receivables</u>			
Other receivables - related parties	9	33	23,078
Other receivables - unrelated parties	4,440	2,587	4,078
Accrued interest income	164	203	147
Total	4,613	2,823	27,303
Less: Allowance for expected credit losses			
(2019: Allowance for doubtful accounts)	(234)	-	(500)
Total other receivables - net	4,379	2,823	26,803
Total trade and other receivables - net	333,444	472,714	274,838

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	16,737	15,540
Provision for expected credit losses	964	2,013
Recognises interest income	(2,357)	(4,568)
Amount recovered	(1,204)	(1,155)
Effect from foreign exchange	(25)	(17)
As at 31 December 2020	14,115	11,813

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

10.1 Contract balances

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Unbilled receivables	582,077	473,258	318,461	299,931
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(1,317)	-	(408)	-
Total unbilled receivables - net	580,760	473,258	318,053	299,931
 Retention receivables	 113,404	 134,587	 78,473	 85,466
 Service income received in advance and advances received from customers				
Service income received in advance	309,180	206,573	190,113	78,237
Advances received from customers	177,807	154,757	149,315	119,248
Total	486,987	361,330	339,428	197,485

10.2 Revenue recognised in relation to contract

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue recognised that was included in service income received in advance at the beginning of the year	170,887	176,788	66,532	81,318
Revenue recognised from changes in variable considerations of performance obligations satisfied in previous years	4,945	33,444	9,534	33,076

10.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue aggregating to Baht 3,116 million (the Company only: Baht 1,955 million) (2019: Baht 2,759 million, the Company only: Baht 1,643 million) 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 8 years (the Company only: 8 years) (2019: 5 years, the Company only 5 years).

11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Prepaid expenses	11,456	15,375	8,690	13,221
Advance payments for cost of service	22,091	3,302	22,041	3,295
Value added tax refundable	2,588	11,545	-	157
Purchase vat awaiting tax invoices	5,723	9,339	1,599	3,812
Current tax assets	14,064	8,063	13,105	4,720
Others	8,388	1,162	4,276	1,053
Total other current assets	<u>64,310</u>	<u>48,786</u>	<u>49,711</u>	<u>26,258</u>

12. 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.

13. 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Unit: Million Baht)												
ATT Consultants Company Limited	20	20	100.00	100.00	46.4	46.4	-	-	46.4	46.4	44.0	9.0
Geotechnical & Foundation Engineering Company Limited	10	10	100.00	100.00	12.3	12.3	-	-	12.3	12.3	15.0	12.5
Management Solutions International Ltd.	10	10	100.00	100.00	14.9	14.9	(5.5)	(5.5)	9.4	9.4	-	-
TEAM SQ Company Limited	10	10	100.00	100.00	11.8	11.8	-	-	11.8	11.8	3.5	5.5
TEAM Construction Management Company Limited	10	10	100.00	100.00	15.2	15.2	-	-	15.2	15.2	8.8	9.0
TEAM Consulting International Company Limited	10	10	100.00	100.00	10.0	10.0	(3.4)	(3.0)	6.6	7.0	-	-
TLT Consultants Company Limited	10.25	10.25	48.77	48.77	5.5	5.5	-	-	5.5	5.5	8.0	2.5
TEAM Quality Management Company Limited	10	10	83.75	83.75	6.5	6.5	(3.0)	(3.0)	3.5	3.5	-	-
TWI Consultants Company Limited	15	15	93.73	93.73	14.1	14.1	(14.1)	(14.1)	-	-	-	-
LTEAM Sole Co., Ltd. (paid-in capital LAK 1,000 million)	5	5	100.00	100.00	4.5	4.5	(0.4)	-	4.1	4.5	-	-
Total investments in subsidiaries					141.2	141.2	(26.4)	(25.6)	114.8	115.6	79.3	38.5

14. Investments in associated companies

14.1 Details of associates held through the Group.

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020 (percent)	2019 (percent)	2020	2019	2020	2019
Krungthep Geotechnique Company Limited	Providing services in exploration and testing of geotechnical materials	Thailand	30	30	1,500	1,500	3,168	3,103
iGL Synergy Co., Ltd.	Providing services in engineering consultancy and project management	The Lao People's Democratic Republic	30	30	1,064	1,064	986	1,032
Prathumwan Smart District Cooling Company Limited (Formerly known as "Chula District Cooling Company Limited")	Providing services in installing and managing the District Cooling system for the distribution of chilled water	Thailand	14	-	7,000	-	6,807	-
Total investments in associates					<u>9,564</u>	<u>2,564</u>	<u>10,961</u>	<u>4,135</u>

(Unit: Thousand Baht)

Separate financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost	
			2020 (percent)	2019 (percent)	2020	2019
Prathumwan Smart District Cooling Company Limited (Formerly known as "Chula District Cooling Company Limited")	Providing services in installing and managing the District Cooling system for the distribution of chilled water	Thailand	14	-	7,000	-
Total investments in associate					<u>7,000</u>	<u>-</u>

During the current year, the Company invested in ordinary shares of Prathumwan Smart District Cooling Company Limited (Formerly known as “Chula District Cooling Company Limited”), which registered its incorporation with the Ministry of Commerce on 1 October 2020. Its registered share capital is Baht 50 million (500,000 ordinary shares with a par value of Baht 100 each). The Company acquired 14% of its share capital for a total investment of Baht 7 million. Since the Company has the significant influence over such company, therefore regarded as associated company.

On 27 January 2021, the Extraordinary General Meeting of the shareholders of the such associated company passed a resolution to approve the change of its name from Chula District Cooling Company Limited to Prathumwan Smart District Cooling Company Limited and registered with the Ministry of Commerce on 27 January 2021.

14.2 Share of comprehensive income

During the years, the Group 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Krungthep Geotechnique				
Company Limited	365	127	-	-
iGL Synergy Co., Ltd.	3	14	(49)	(46)
Prathumwan Smart District				
Cooling Company Limited	(193)	-	-	-
Total	<u>175</u>	<u>141</u>	<u>(49)</u>	<u>(46)</u>

14.3 Financial information about material associates

Summarised information about financial position

(Unit: Thousand Baht)

	Krungthep Geotechnique		Prathumwan Smart District
	Company Limited		Cooling Company Limited
	<u>2020</u>	<u>2019</u>	<u>2020</u>
Current assets	7,768	8,118	50,002
Non-current assets	4,552	3,118	12
Current liabilities	1,299	407	1,379
Non-current liabilities	460	483	-

Summarised information about comprehensive income

	(Unit: Thousand Baht)		
	Krungthep Geotechnique Company Limited		Prathumwan Smart District Cooling Company Limited
	For the years ended 31 December		For the period as from 1 October to 31 December
	<u>2020</u>	<u>2019</u>	<u>2020</u>
Revenue	16,892	15,957	2
Profit (loss)	1,216	425	(1,377)
Total comprehensive income	1,216	425	(1,377)

15. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

	Consolidated financial statements			Separate financial statements		
	Land and office buildings for rent	Others	Total	Land and office buildings for rent	Others	Total
As at 31 December 2020:						
Cost	168	3,880	4,048	35,180	3,880	39,060
<u>Less: Accumulated depreciation</u>	(130)	(2,677)	(2,807)	(27,188)	(2,677)	(29,865)
Net book value	38	1,203	1,241	7,992	1,203	9,195
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

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	1,259	1,260	9,766	5,672
Transfers from property, plant and equipment	-	15	4	4,290
Write-off during the year - net book value				
as at write-off date	(1)	-	(227)	-
Depreciation for the year	(17)	(16)	(348)	(196)
Net book value at end of year	<u>1,241</u>	<u>1,259</u>	<u>9,195</u>	<u>9,766</u>

The fair value of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land and office buildings for rent	113	119	23,993	25,285
Others	4,750	5,480	4,750	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 has 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 8 million (2019: Baht 9 million) as collateral against credit facilities received from financial institutions, as described in Note 18 to the financial statements.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Buildings and building improvements	Solar cell equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation
Cost						Total
As at 1 January 2019	73,626	196,891	-	119,666	70,267	461,494
Additions	-	317	281	11,790	827	17,415
Disposals/write off	-	(57)	-	(3,277)	(24,968)	(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
Additions	-	58	-	3,277	254	3,829
Disposals/write off	-	(1,827)	-	(1,264)	(23)	(3,114)
Transfer to right of use asset (Note 4)	-	-	-	(17,080)	(44,189)	(61,269)
As at 31 December 2020	73,626	196,560	2,459	114,732	2,168	389,785
Accumulated depreciation						
As at 1 January 2019	-	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
Depreciation for the year	-	2,300	159	13,544	329	16,332
Depreciation on disposals/write off	-	(596)	-	(1,087)	(10)	(1,693)
Transfer to right of use asset (Note 4)	-	-	-	(9,562)	(30,093)	(39,655)
As at 31 December 2020	-	155,824	250	85,909	785	242,768
Net book value						
31 December 2019	73,626	44,209	2,368	46,785	15,567	182,555
31 December 2020	73,626	40,736	2,209	28,823	1,383	147,017
Depreciation for the year						
2019 (Baht 4 million included in cost of services and the balance in administrative expenses)						28,689
2020 (Baht 2 million included in cost of services and the balance in administrative expenses)						16,332
						36

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	
Cost						
As at 1 January 2019	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
Additions	-	27	2,581	254	240	3,102
Disposals/write off	-	(1,492)	(2,200)	-	-	(3,692)
Transfer to investment properties	-	(4)	-	-	-	(4)
Transfer to right of use asset (Note 4)	-	-	(11,995)	(34,199)	-	(46,194)
As at 31 December 2020	71,764	159,605	88,991	1,920	240	322,520
Accumulated depreciation						
As at 1 January 2019	-	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
Depreciation for the year	-	1,751	11,166	286	-	13,203
Depreciation on disposals/write off	-	(487)	(1,743)	-	-	(2,230)
Transfer to right of use assets (Note 4)	-	-	(6,857)	(25,080)	-	(31,937)
As at 31 December 2020	-	126,136	67,058	728	-	193,922
Net book value						
31 December 2019	71,764	36,202	36,113	10,343	-	154,422
31 December 2020	71,764	33,469	21,933	1,192	240	128,598
Depreciation for the year						
2019 (Baht 3 million included in cost of services and the balance in administrative expenses)						22,947
2020 (Baht 2 million included in cost of services and the balance in administrative expenses)						13,203

As at 31 December 2020, certain plant, equipment and vehicle items of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 43 million (the Company only: Baht 31 million) (2019: Baht 33 million, the Company only: Baht 25 million).

The Company has pledged land together with buildings constructed thereon amounting to approximately Baht 105 million (2019: Baht 108 million) as collateral against credit facilities received from financial institutions, as described in Note 18 to the financial statements.

17. Intangible assets

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost	125,279	116,965	98,520	90,527
Accumulated amortisation	(65,384)	(55,626)	(46,330)	(38,481)
Net book value	<u>59,895</u>	<u>61,339</u>	<u>52,190</u>	<u>52,046</u>
Amortisation expenses included in the profit or loss for the year	<u>9,759</u>	<u>9,733</u>	<u>7,849</u>	<u>7,808</u>

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	61,339	66,783	52,046	57,021
Acquisitions of computer software	8,315	4,289	7,993	2,833
Amortisation	(9,759)	(9,733)	(7,849)	(7,808)
Net book value at end of year	<u>59,895</u>	<u>61,339</u>	<u>52,190</u>	<u>52,046</u>

18. Bank overdrafts and short-term loans from banks

		(Unit: Thousand Baht)	
		Consolidated financial statements	
	Interest rate (% p.a.)	2020	2019
Bank overdrafts	Rate of saving deposits plus the specific rate, rate of fixed deposit 12 and 24 months plus the specific rates, MOR - 1 and MOR	1,666	6,745
Promissory notes	Rate of 3.6%, MLR - 1.5 and MMR	30,000	-
Total		31,666	6,745

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.

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties	446	1,845	12,391	44,479
Trade payables - unrelated parties	21,828	48,098	14,131	29,439
Other payables - related parties	4	4	112	92
Other payables - unrelated parties	17,886	16,870	12,077	14,362
Retention payables	14,050	13,711	12,329	12,222
Accrued expenses	131,245	131,835	84,912	86,470
Total trade and other payables	185,459	212,363	135,952	187,064

20. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred output tax	23,676	34,953	16,455	23,589
Withholding tax payable	7,567	7,092	4,493	4,270
Value added tax payable	9,140	10,660	6,341	5,923
Others	3,346	15,637	2,234	12,519
Total other current liabilities	43,729	68,342	29,523	46,301

21. Leases

The Group as a lessee

The Group has lease contracts for various assets used in its operations. Leases generally have lease terms between 2 months - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Office			
	Buildings	equipment	Motor vehicles	Total
1 January 2020	163	12,609	33,619	46,391
Additions	-	-	22,796	22,796
Write-off during the year -				
net book value as at write-off date	-	(18)	-	(18)
Depreciation for the year	(123)	(6,204)	(14,132)	(20,459)
31 December 2020	40	6,387	42,283	48,710

	(Unit: Thousand Baht)		
	Separate financial statements		
	Office equipment	Motor vehicles	Total
1 January 2020	9,663	21,663	31,326
Additions	-	21,830	21,830
Depreciation for the year	(4,711)	(10,378)	(15,089)
31 December 2020	4,952	33,115	38,067

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lease payments (2019: Liabilities under hire purchase and finance lease agreements)	50,254	21,847	39,900	14,453
Less: Deferred interest expenses	(3,844)	(1,467)	(3,079)	(763)
Total	46,410	20,380	36,821	13,690
Less: Portion due within one year	(18,887)	(9,975)	(14,438)	(7,051)
Lease liabilities (2019: Liabilities under hire purchase and finance lease agreements) - net of current portion	<u>27,523</u>	<u>10,405</u>	<u>22,383</u>	<u>6,639</u>

A maturity analysis of lease payments is disclosed in Note 34.1 to the financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	20,459	15,089
Interest expense on lease liabilities	2,402	1,657
Expense relating to short-term leases	5,015	3,421
Expense relating to leases of low-value assets	70	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 29 million (the Company only: Baht 19 million), including the cash outflow related to short-term lease, leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 23 million (the Company only: Baht 22 million).

22. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Defined benefit obligation at beginning of year	284,787	187,774	204,988	139,084
Included in profit or loss:				
Past service cost	-	48,277	-	34,410
Current service cost	28,922	33,364	19,771	23,984
Interest cost	4,078	5,677	2,788	4,169
Losses on settlement	-	5,737	-	5,471
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(1)	7,233	-	15,432
Financial assumptions changes	5,452	31,862	4,288	18,031
Experience adjustments	4,679	(2,211)	9,409	(6,602)
Benefits paid during the year	(31,737)	(19,825)	(20,810)	(17,887)
Transfer to current liabilities	-	(13,101)	-	(11,104)
Provisions for long-term employee				
benefits at end of year	<u>296,180</u>	<u>284,787</u>	<u>220,434</u>	<u>204,988</u>

The Group expects to pay Baht 42 million of long-term employee benefits during the next year (the Company only: Baht 42 million) (2019: Baht 52 million, the Company only: Baht 44 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits is 14 - 18 years (the Company only: 14 years) (2019: 14 - 17 years, the Company only: 15 years).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	1.49 - 1.90	1.71 - 1.90	1.49	1.71
Salary increase rate	6.00	6.00	6.00	6.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(28)	33	(19)	23
Salary increase rate	31	(27)	21	(18)

(Unit: Million Baht)

	As at 31 December 2019			
	Consolidated		Separate	
	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)

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. Finance income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest received from bank deposits	2,957	3,012	1,991	1,702
Interest received from loans	-	-	3,097	2,980
Interest income from reversing allowance for expected credit losses	5,440	-	6,321	-
Total	8,397	3,012	11,409	4,682

25. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	476	431	-	-
Interest expenses on lease liabilities	2,402	1,525	1,657	1,003
Total	<u>2,878</u>	<u>1,956</u>	<u>1,657</u>	<u>1,003</u>

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	1,034,606	1,188,835	639,321	737,363
Survey expenses and subcontractors costs	156,145	158,962	165,028	187,494
Depreciation and amortisation	46,566	38,438	36,487	30,951

27. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	28,750	40,897	9,906	19,963
Deferred tax relating to origination and reversal of temporary differences	214	(12,688)	2,270	(10,508)
Income tax expense reported in profit or loss	<u>28,964</u>	<u>28,209</u>	<u>12,176</u>	<u>9,455</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial loss	(2,026)	(7,377)	(2,739)	(5,372)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	148,317	143,660	146,151	92,044
Income tax at the Company in Thailand's corporate income tax rate of 20%	29,664	28,732	29,230	18,409
Difference in tax rate in group companies	(20)	(140)	-	-
Effects of:				
Promotional privileges	(12)	-	-	-
Non-deductible expenses	988	1,634	802	1,267
Exemption of income	(1,088)	(1,677)	(17,124)	(9,359)
Additional expense deductions allowed	(892)	(998)	(739)	(862)
Unused tax loss in the current year	352	705	-	-
Utilisation of previously unrecognised tax losses	-	(19)	-	-
Share of profit from investment in associated companies	(35)	(28)	-	-
Other	7	-	7	-
Total	(680)	(383)	(17,054)	(8,954)
Income tax expenses reported in profit or loss	28,964	28,209	12,176	9,455

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets (liabilities)				
Provision for long-term employee benefits	59,236	56,958	44,087	40,998
Short-term provision	-	2,620	-	2,221
Unused tax losses	-	451	-	-
Effect on elimination of intercompany transactions	2,431	(573)	-	-
Others	337	736	332	731
Total	62,004	60,192	44,419	43,950

As at 31 December 2020, the subsidiaries have unused tax losses totaling Baht 6.5 million (2019: Baht 19 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>2020</u>	<u>2019</u>
31 December 2020	-	12,399
31 December 2021	2,229	2,229
31 December 2022	40	40
31 December 2023	29	29
31 December 2024	3,898	3,898
31 December 2025	343	-
	<u>6,539</u>	<u>18,595</u>

28. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit attributable to equity holders of the Company (Thousand Baht)	119,372	115,689	133,975	82,589
Weighted average number of ordinary shares (Thousand shares)	680,000	680,000	680,000	680,000
Earnings per share (Baht per share)	0.18	0.17	0.20	0.12

29. 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.

For management purposes, the Group is organised into business units based on its type of service and specialisation and 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 7 to the financial statements.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2020								Consolidated financial statement
	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	
Revenues from external customers	427	121	212	303	200	131	167	144	1,705
Segment profit	116	32	40	108	48	33	35	43	455
Other income									17
Share of profit from investments in associated companies									-
Administrative expenses									(321)
Finance cost									(3)
Profit before income tax expenses									148
Income tax expenses									(29)
Profit for the year									119

(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	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

Geographic information

Revenues from external customers set up by customer location.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Revenues from external customers		
Project domestic segment	1,535	1,589
Project international segment	170	247
Total	<u>1,705</u>	<u>1,836</u>

Major customers

In 2020, the Group had service revenues from major customers, which consisted of a group of government and state enterprise, amounting to Baht 1,074 million (2019: Baht 1,014 million).

30. 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 2020 were recognised as expenses amounting to Baht 25 million (the Company only: Baht 17 million) (2019: Baht 26 million, the Company only: Baht 18 million).

31. Dividends

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividend</u>	<u>Number of</u>	<u>Dividend</u>
		(Million Baht)	ordinary shares	per share
			(Million shares)	(Baht per share)
Dividend for year 2018	Annual General Meeting of the			
	shareholders on 3 April 2019	51.0	680	0.075
Interim dividend	Board of Directors Meeting of the			
for year 2019	Company on 7 August 2019	34.0	680	0.050
Total dividend for year 2019		<u>85.0</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)
Interim dividend for the period as from 1 July 2019 to 31 December 2019	Board of Directors Meeting of the Company on 7 April 2020	40.8	680	0.060
Interim dividend for year 2020	Board of Directors Meeting of the Company on 11 August 2020	<u>74.8</u>	680	0.110
Total dividend for year 2020		<u>115.6</u>		

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2020, the Group had capital commitment of approximately Baht 2 million (the Company only: Baht 2 million) (2019: Baht 1 million, the Company only: Baht 1 million) relating to the acquisition of equipment and computer software.

32.2 Service commitments

As at 31 December 2020, the Group has the following service commitments:

- a) The Group has commitments totaling Baht 194 million (the Company only: Baht 178 million) (2019: Baht 48 million, the Company only: Baht 32 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) (2019: Baht 3 million, the Company only: Baht 3 million) in respect of other service commitments, for which the Group had already entered into agreements.

32.3 Related party guarantees

As at 31 December 2020, the Company had provided guarantees totaling Baht 720 million (2019: Baht 698 million) for bank credit facilities on behalf of its subsidiaries.

32.4 Bank guarantees

As at 31 December 2020 and 2019, 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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Guarantee of service contracts, advance payment and bidding	730	637	565	461
Guarantee of retention	67	41	46	27
Other guarantees	2	2	2	2
	<u>799</u>	<u>680</u>	<u>613</u>	<u>490</u>

32.5 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 additional material losses to be incurred as a result of the case.

Subsidiary

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 year 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.

33. Fair value hierarchy

As at 31 December 2020 and 2019, 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		
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
Assets for which fair value are disclosed								
Investment properties	-	-	-	-	5	6	5	6

(Unit: Million Baht)

Separate financial statements								
As at 31 December								
Level 1		Level 2		Level 3		Total		
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
Assets for which fair value are disclosed								
Investment properties	-	-	-	-	29	31	29	31

34. Financial instruments

34.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to related parties, other current financial assets, restricted bank deposits, bank overdrafts and short-term loans from banks, trade and other payables and lease liabilities. 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 cash and cash equivalents, trade and other receivables, loans to related parties, other current financial assets and restricted bank deposits. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and unbilled receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and unbilled receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a various and large customer base.

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

Market risk

There are two types of market risk comprising currency risk and interest rate risk as follows.

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.

As at 31 December 2020 and 2019, 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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.9	0.9	0.1	0.1	30.0371	30.1540
LAK	163.2	21.2	-	-	0.0032	0.0034
MMK	-	-	-	4.0	0.0226	0.0203

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.5	0.5	0.1	0.1	30.0371	30.1540

The Group considers that the sensitivity of the Group's profit before tax to a reasonably possible change in above foreign currencies exchange rates affected as at 31 December 2020 is not material.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to related parties, other current financial assets, restricted bank deposits, bank overdrafts and short-term loans from banks and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, 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		2020		2019		2020		2019	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	(% p.a.)	(% p.a.)
Financial assets														
Cash and cash equivalents	390	375	-	-	353,723	283,097	137,744	67,406			491,857	350,878	0.05 - 0.60	0.05 - 1.10
Current investments	-	1,151	-	-	-	-	-	-	-	-	-	1,151	-	0.55 - 1.30
Trade and other receivables	-	-	-	-	-	-	333,444	472,714			333,444	472,714	-	-
Other current financial assets	1,343	-	-	-	-	-	-	-	-	-	1,343	-	0.20 - 0.35	-
Restricted bank deposits	61,980	63,230	-	-	-	-	-	-	-	-	61,980	63,230	0.10 - 1.10	0.25 - 1.30
	63,713	64,756	-	-	353,723	283,097	471,188	540,120			888,624	887,973		
Financial liabilities														
Bank overdrafts and short-term loans														
from banks	-	-	-	-	31,666	6,745	-	-	-	-	31,666	6,745	Note 18	Note 18
Trade and other payables	-	-	-	-	-	-	185,459	212,363			185,459	212,363	-	-
Liabilities under hire purchase and														
finance lease agreements	-	9,975	-	10,405	-	-	-	-	-	-	-	20,380	-	3.05 - 6.93
Lease liabilities	18,887	-	27,523	-	-	-	-	-	-	-	46,410	-	4.39 - 6.93	-
	18,887	9,975	27,523	10,405	31,666	6,745	185,459	212,363			263,535	239,488		

(Unit: Thousand Baht)

Separate financial statements

As at 31 December

	Fixed interest rates			Floating interest rate			Non-interest bearing		Total		Effective interest rate	
	Within 1 year		1 - 5 years		Within 1 year		1 - 5 years					
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Financial assets												
Cash and cash equivalents	-	-	-	-	194,201	123,275	-	-	125,416	53,097	319,617	176,372
Current investments	-	916	-	-	-	-	-	-	-	-	-	916
Trade and other receivables	-	-	-	-	-	-	-	-	274,838	390,910	274,838	390,910
Short-term loan to related party	-	-	-	-	64,500	34,700	-	-	-	-	64,500	34,700
Other current financial assets	1,106	-	-	-	-	-	-	-	-	-	1,106	-
Long-term loan to related party	-	-	-	-	-	-	1,670	2,070	-	-	1,670	2,070
Restricted bank deposits	49,160	49,160	-	-	-	-	-	-	-	-	49,160	49,160
	50,266	50,076	-	-	258,701	157,975	1,670	2,070	400,254	444,007	710,891	654,128
Financial liabilities												
Trade and other payables	-	-	-	-	-	-	-	-	135,952	187,064	135,952	187,064
Liabilities under hire purchase and finance lease agreements	-	7,051	-	6,639	-	-	-	-	-	-	-	13,690
Lease liabilities	14,438	-	22,383	-	-	-	-	-	-	-	36,821	-
	14,438	7,051	22,383	6,639	-	-	-	-	135,952	187,064	172,773	200,754

The Group considers that the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans from affected as at 31 December 2020 is not material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts and short-term loans from banks and lease contracts. Approximately 70% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 69%) (the Company only: 68%, 2019: 67%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans					
from banks	-	31,666	-	-	31,666
Trade and other payables	-	185,459	-	-	185,459
Lease liabilities	-	20,842	29,412	-	50,254
Total	-	237,967	29,412	-	267,379

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payables	-	135,952	-	-	135,952
Lease liabilities	-	15,880	24,020	-	39,900
Total	-	151,832	24,020	-	175,852

34.2 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.

35. 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 2020 and 2019, the Group's debt-to-equity ratio is summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Debt-to-equity ratio	1.20	1.03	0.93	0.79

36. Event after the reporting period

On 25 February 2021, the meeting of the Company's Board of Directors No. 1/2021 passed a resolution to propose to the 2021 Annual General Meeting of the Company's shareholders a dividend of Baht 0.05 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 34 million, for approval.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.