

PSG Corporation Public Company Limited
and its subsidiary
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of PSG Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated statement of financial position of PSG Corporation Public Company Limited and its subsidiary (the Group) which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of income, 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 PSG Corporation 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 PSG Corporation Public Company Limited and its subsidiary and of PSG Corporation Public Company Limited as at 31 December 2022, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgement, was 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 construction contracts

The Group disclosed its policies on recognition of revenue from construction contracts and estimation of construction project costs in Note 4 and Note 5 to the financial statements.

I identified the recognition of revenue from construction contracts to be area of significant risk in audit. This is because the amount of revenue from construction contracts that the Group recognises in each period forms a significant portion of the Group's total revenue.

In addition, the process of measurement and the determination of appropriate timing of recognition are areas requiring management to exercise significant judgement to assess the percentage of completion of construction work. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction contracts.

I examined the recognition of revenue from construction contracts by made enquiry of responsible person and gained an understanding of the operational procedure for 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 construction projects. I also read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Group's 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 construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred.

Other matter

The financial statements of PSG Corporation Public Company Limited for the year ended 31 December 2021, presented herein as comparative information, were audited by another auditor who, under her report dated 23 February 2022, expressed an unmodified opinion with emphasis of matters on 3 litigations on those financial statements.

Other Information

Management is responsible for the other information. The other information comprise 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: 24 February 2023

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	<u>Note</u>	Consolidated		
		<u>financial statements</u>	<u>Separate financial statements</u>	
		<u>2022</u>	<u>2022</u>	<u>2021</u>
Assets				
Current assets				
Cash and cash equivalents	7	616,022,046	528,359,726	1,061,092,029
Trade and other receivables	6, 8	77,749,150	74,392,343	6,515,588
Contract assets	10	76,008,612	76,008,612	11,740,174
Current tax assets		43,967,467	43,967,467	496,680
Other current financial assets	11	802,727,760	802,727,760	-
Other current assets		4,136,678	4,118,671	1,085,299
Total current assets		1,620,611,713	1,529,574,579	1,080,929,770
Non-current assets				
Restricted bank deposits	9	15,501,500	15,501,500	18,191,500
Other non-current financial assets	11	23,211,477	23,211,477	32,810,530
Investments in subsidiary	12	-	45,000,000	-
Investment properties	13	66,876,000	66,876,000	66,876,000
Property, plant and equipment	14	26,904,044	25,139,569	20,208,789
Right-of-use assets	18	51,473,275	40,630,538	2,346,468
Retention receivables	10	46,312,991	46,312,991	13,836,437
Intangible assets		615,101	598,356	1,449,568
Deferred tax assets	26	93,689	50,310	-
Other non-current assets	15	96,283,588	96,283,588	54,898,276
Total non-current assets		327,271,665	359,604,329	210,617,568
Total assets		1,947,883,378	1,889,178,908	1,291,547,338

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

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	<u>Note</u>	Consolidated		
		<u>financial statements</u>	<u>Separate financial statements</u>	
		<u>2022</u>	<u>2022</u>	<u>2021</u>
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	6,16	95,802,596	66,374,512	26,269,561
Current portion of lease liabilities	18	13,231,740	10,574,661	733,311
Other short-term borrowing	17	12,235,690	12,235,690	12,235,690
Income tax payable		2,640,747	-	-
Retention payables		22,881,440	26,078,078	19,489,014
Provision for expected loss on construction contract		-	-	482,579
Provision for penalty arising from delay on construction contract		-	-	837,000
Other current provisions		800,334	800,334	772,020
Other current liabilities		11,899,447	11,899,447	10,595,635
Total current liabilities		<u>159,491,994</u>	<u>127,962,722</u>	<u>71,414,810</u>
Non-current liabilities				
Lease liabilities, net of current portion	18	31,925,809	27,487,592	1,675,977
Provision for decommissioning		4,671,967	4,671,967	-
Provision for long-term employee benefits	19	6,489,467	6,272,574	5,487,938
Deferred tax liabilities	26	-	-	5,023,935
Provisions for loss on litigations	30.3	7,139,661	7,139,661	7,603,230
Total non-current liabilities		<u>50,226,904</u>	<u>45,571,794</u>	<u>19,791,080</u>
Total liabilities		<u>209,718,898</u>	<u>173,534,516</u>	<u>91,205,890</u>

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

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

		Consolidated		
		<u>financial statements</u>	<u>Separate financial statements</u>	
		<u>2022</u>	<u>2022</u>	<u>2021</u>
Shareholders' equity				
Share capital				
Registered				
		<u>64,992,438,156</u>	<u>64,992,438,156</u>	<u>64,992,438,156</u>
Issued and fully paid				
		64,992,438,156	64,992,438,156	64,992,438,156
	21	64,992,438,156	64,992,438,156	64,992,438,156
		(62,272,362,796)	(62,272,362,796)	(62,272,362,796)
	23	(62,272,362,796)	(62,272,362,796)	(62,272,362,796)
		7,859,252	7,859,252	7,859,252
	24	7,859,252	7,859,252	7,859,252
Retained earnings (Deficit)				
		5,526,839	5,526,839	5,526,839
	22	5,526,839	5,526,839	5,526,839
		(1,006,614,297)	(1,023,999,256)	(1,546,748,469)
		<u>11,317,326</u>	<u>6,182,197</u>	<u>13,628,466</u>
		<u>1,738,164,480</u>	<u>1,715,644,392</u>	<u>1,200,341,448</u>
		<u>1,947,883,378</u>	<u>1,889,178,908</u>	<u>1,291,547,338</u>
		-	-	-

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

Directors

PSG Corporation Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2022	2022	2021
Profit or loss:				
Revenues				
Revenues from construction contracts	6	1,029,748,212	1,029,748,212	18,493,885
Other income		20,550,445	20,550,269	26,088,220
Total revenues		1,050,298,657	1,050,298,481	44,582,105
Expenses				
Cost of construction contracts	6	336,619,984	377,898,880	20,031,681
Administrative expenses		122,983,679	113,149,499	84,619,585
Exchange losses		27,741,302	16,850,435	-
Total expenses		487,344,965	507,898,814	104,651,266
Operating profit (loss)		562,953,692	542,399,667	(60,069,161)
Finance costs		(3,433,702)	(2,890,422)	(1,734,247)
Profit (loss) before income tax expenses		559,519,990	539,509,245	(61,803,408)
Income tax expenses	26	(19,063,516)	(16,437,730)	(1,325,600)
Profit (loss) for the year		540,456,474	523,071,515	(63,129,008)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements				
in foreign currency		5,135,129	-	-
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Gain (loss) on changes in value of equity instruments designated				
at fair value through other comprehensive income		(9,599,054)	(9,599,054)	19,297,090
Add: Income tax effect		2,152,785	2,152,785	-
Actuarial gain		121,645	121,645	961,695
Less: Income tax effect		(443,947)	(443,947)	-
Changes in revaluation of assets		-	-	(530,000)
Add: Income tax effect		-	-	106,000
Other comprehensive income for the year		(2,633,442)	(7,768,571)	19,834,785
Total comprehensive income for the year		537,823,032	515,302,944	(43,294,223)
Earnings (loss) per share				
Basic earnings (loss) per share/Diluted earnings (loss) per share	27	0.0083	0.0080	(0.0030)

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

PSG Corporation Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements											
					Other components of shareholders' equity						
					Other comprehensive income						
					Gain (loss) on						
					Exchange differences	Surplus on		Gain (loss) on	Total other	Total	
					on translation of	revaluation of		investment in equity	components	shareholders'	
					financial statements	assets		at fair value through other	of shareholders'	shareholders'	
					in foreign currency	comprehensive income		equity	equity	equity	
Issued and fully paid share capital		Share discount	Expired warrant surplus		Retained earnings (Deficit) Appropriated - statutory reserve		Unappropriated				
Balance as at 1 January 2022		64,992,438,156	(62,272,362,796)	7,859,252	5,526,839	(1,546,748,469)	-	14,793,339	(1,164,873)	13,628,466	1,200,341,448
Profit for the year		-	-	-	-	540,456,474	-	-	-	-	540,456,474
Other comprehensive income for the year		-	-	-	-	(322,302)	5,135,129	-	(7,446,269)	(2,311,140)	(2,633,442)
Total comprehensive income for the year		-	-	-	-	540,134,172	5,135,129	-	(7,446,269)	(2,311,140)	537,823,032
Balance as at 31 December 2022		<u>64,992,438,156</u>	<u>(62,272,362,796)</u>	<u>7,859,252</u>	<u>5,526,839</u>	<u>(1,006,614,297)</u>	<u>5,135,129</u>	<u>14,793,339</u>	<u>(8,611,142)</u>	<u>11,317,326</u>	<u>1,738,164,480</u>

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

PSG Corporation Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements								
	Issued and fully paid share capital	Share discount	Expired warrant surplus	Retained earnings (Deficit)		Surplus on revaluation of assets	Other components of shareholders' equity		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated		Other comprehensive income		
							Gain (loss) on investment in equity instruments designated at fair value through other comprehensive income	Total other components of shareholders' equity	
Balance as at 1 January 2021	10,948,438,156	(9,309,242,796)	7,859,252	5,526,839	(1,478,455,352)	15,217,339	(26,587,767)	(11,370,428)	162,755,671
Loss for the year	-	-	-	-	(63,129,008)	-	-	-	(63,129,008)
Increase share capital (Note 21)	54,044,000,000	(52,963,120,000)	-	-	-	-	-	-	1,080,880,000
Transfer loss on changes in fair value of equity instruments sold to retained earnings	-	-	-	-	(6,125,804)	-	6,125,804	6,125,804	-
Other comprehensive income for the year	-	-	-	-	961,695	(424,000)	19,297,090	18,873,090	19,834,785
Total comprehensive income for the year	54,044,000,000	(52,963,120,000)	-	-	(68,293,117)	(424,000)	25,422,894	24,998,894	1,037,585,777
Balance as at 31 December 2021	<u>64,992,438,156</u>	<u>(62,272,362,796)</u>	<u>7,859,252</u>	<u>5,526,839</u>	<u>(1,546,748,469)</u>	<u>14,793,339</u>	<u>(1,164,873)</u>	<u>13,628,466</u>	<u>1,200,341,448</u>
Balance as at 1 January 2022	64,992,438,156	(62,272,362,796)	7,859,252	5,526,839	(1,546,748,469)	14,793,339	(1,164,873)	13,628,466	1,200,341,448
Profit for the year	-	-	-	-	523,071,515	-	-	-	523,071,515
Other comprehensive income for the year	-	-	-	-	(322,302)	-	(7,446,269)	(7,446,269)	(7,768,571)
Total comprehensive income for the year	-	-	-	-	522,749,213	-	(7,446,269)	(7,446,269)	515,302,944
Balance as at 31 December 2022	<u>64,992,438,156</u>	<u>(62,272,362,796)</u>	<u>7,859,252</u>	<u>5,526,839</u>	<u>(1,023,999,256)</u>	<u>14,793,339</u>	<u>(8,611,142)</u>	<u>6,182,197</u>	<u>1,715,644,392</u>

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

PSG Corporation Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated		
	<u>financial statements</u>	<u>Separate financial statements</u>	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities			
Profit (loss) before income tax	559,519,990	539,509,245	(61,803,408)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	15,393,360	14,032,469	3,458,283
Allowance for impairment of loss on asset	108,000	108,000	-
Provision for long-term employee benefits	1,123,174	906,281	481,140
Reversal of trade and other payables	(119,171)	(119,171)	(4,705,618)
Other current provisions	82,573	82,573	10,341
Provision for expected loss on construction contract (reversal)	(482,579)	(482,579)	482,579
Provision for penalty arising from delay on construction contract (reversal)	(837,000)	(837,000)	837,000
Write-off of financial assets	-	-	61,433
Write-off of guarantees	-	-	205,188
Reversal of allowance for expected credit losses	-	-	(43,822)
Reversal of retention payables	(183,619)	(183,619)	(1,733,575)
Reversal of provisions for loss on litigations	(463,569)	(463,569)	(9,559)
Increase in fair value of investment properties	-	-	(6,628,000)
Loss (gain) on disposal of equipments	(6,198,422)	(6,198,422)	14,758
Unrealised loss on exchange	4,357,132	4,357,132	-
Gain on fair value adjustments of other current financial assets	(2,727,760)	(2,727,760)	-
Interest income	(436,190)	(436,190)	(268,039)
Bank fees	860,609	860,609	528,046
Interest expenses	2,573,093	2,029,813	1,206,201
Profit (loss) from operating activities before changes in operating assets and liabilities	572,569,621	550,437,812	(67,907,052)

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

PSG Corporation Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Operating assets (increase) decrease			
Trade and other receivables	(72,063,547)	(68,706,740)	10,361,183
Contract assets	(64,268,438)	(64,268,438)	(8,711,234)
Other current financial assets	(800,000,000)	(800,000,000)	4,466,080
Other current assets	(3,051,379)	(3,033,372)	2,761,992
Retention receivables	(35,394,498)	(35,394,498)	23,083,073
Other non-current assets	(15,338,632)	(15,338,632)	(2,963,086)
Operating liabilities increase (decrease)			
Trade and other payables	70,164,587	40,271,412	(15,467,507)
Retention payables	4,430,547	7,627,185	(14,308,963)
Other current provisions	(54,259)	(54,259)	(1,752,466)
Other current liabilities	1,303,812	1,303,812	(420,759)
Cash paid for long-term employee benefits	-	-	(731,093)
Cash flows used in operating activities	(341,702,186)	(387,155,718)	(71,589,832)
Interest received	475,583	475,583	256,860
Bank fees paid	(861,034)	(861,034)	(527,622)
Cash received for refund of withholding tax	-	-	25,720,597
Cash paid for income tax	(65,361,717)	(65,361,717)	(496,680)
Net cash flows used in operating activities	(407,449,354)	(452,902,886)	(46,636,677)

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

PSG Corporation Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated		
	<u>financial statements</u>	<u>Separate financial statements</u>	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities			
Decrease (increase) in restricted bank deposits	2,690,000	2,690,000	(2,330,000)
Cash received from sales of other non-current financial assets	-	-	14,864,660
Cash paid for advances for future projects	(25,550,000)	(25,550,000)	-
Proceed from sales of equipments	10,169,873	10,169,873	-
Cash paid for acquisitions of building improvement and equipment	(14,894,880)	(12,987,214)	(3,363,350)
Cash paid for acquisitions of intangible assets	(18,835)	-	-
Cash paid for purchases of investment in subsidiary (Note 12)	-	(45,000,000)	-
Net cash flows from (used in) investing activities	<u>(27,603,842)</u>	<u>(70,677,341)</u>	<u>9,171,310</u>
Cash flows from financing activities			
Cash received from long-term borrowing from banks	-	-	30,000,000
Cash paid for long-term borrowing from banks	-	-	(30,000,000)
Cash paid under lease liabilities	(12,426,901)	(7,327,007)	(714,619)
Cash received from increase in share capital	-	-	1,080,880,000
Interest paid	(2,368,349)	(1,825,069)	(678,579)
Net cash flows from (used in) financing activities	<u>(14,795,250)</u>	<u>(9,152,076)</u>	<u>1,079,486,802</u>
Increase in translation adjustments	<u>4,778,463</u>		<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(445,069,983)</u>	<u>(532,732,303)</u>	<u>1,042,021,435</u>
Cash and cash equivalents at the beginning of the year	<u>1,061,092,029</u>	<u>1,061,092,029</u>	<u>19,070,594</u>
Cash and cash equivalents at the end of the year	<u><u>616,022,046</u></u>	<u><u>528,359,726</u></u>	<u><u>1,061,092,029</u></u>
	-	-	
Supplemental cash flow information:			
Non-cash transactions			
Acquisitions of equipment for which no cash has been paid	41,150	41,150	-
Increase in right-of-use assets from lease liabilities	55,288,992	42,979,972	-
Increase in right-of-use assets from provision for decommissioning	4,467,223	4,467,223	-

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

PSG Corporation Public Company Limited and its subsidiary
Notes to consolidated financial statements
For the year ended 31 December 2022

1. General information

1.1 Corporate information

PSG Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is engaged in turnkey Engineering Procurement Construction (“EPC”) and large-scale construction projects.

In April 2022, the Company changed office location and the registered office of the Company at 242 and 244, Krung Thonburi Road, Klong Ton Sai, Khlong San District, Bangkok to be located at 11/1 AIA Sathorn Tower Building, 21st Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok.

1.2 Going Concern

As at 31 December 2022, the Company had a deficit of Baht 1,024.4 million (2021: Baht 1,546.7 million), which decreased by Baht 522.3 million from the year ended of 2021. The Company’s management believed that the preparation of the financial statements on the going concern basis is still appropriate. Due to the following reasons:

The Company continues to engage in construction business and has a plan to expand its business submitting bids for construction projects in neighboring countries to seek for more business opportunities and generate higher profits since the competition in the construction industry in neighboring countries is not as stiff as that in the local industry. In addition, the Company has interest in submitting bids for large projects due to greater potential of having sufficient funding sources in addition to established business expertise.

Moreover, on 12 January 2022, the Company informed the Stock Exchange of Thailand for the construction bidding outcome, in which the Company was selected as a winning bidder for a construction project of USD 264 million or Baht 8,895 million. The construction project has a construction period of approximately 32 months. The Company entered into the construction contract on 1 April 2022. The Company is currently in the process of construction of this project, which has the progress according to the project schedule plans. As a result, the Company has a better operating performance and financial stability.

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 included the financial statements of PSG Corporation Public Company Limited (“the Company”) and its subsidiary (“the subsidiary”) (collectively as “the Group”). During the year, there was changes in the composition of the Group as follows:

- The establishment of a new subsidiary (PSGC (Laos) Sole Company Limited), as discussed in Note 12 to the financial statements.

b) The Company is deemed to have control over an investee or a subsidiary 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) The subsidiary is fully consolidated, 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 subsidiary is prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiary and associate under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. 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 believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenues from construction contracts

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

4.2 Cash and cash equivalents

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

4.3 Contract assets/Contract liabilities and Retention receivables

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

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

4.4 Investments in subsidiary

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

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

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 period when the asset is derecognised.

4.6 Property, plant and equipment and depreciation

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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

Buildings and building improvement	5 - 20 years
Machinery and equipment	3 - 20 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land.

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

4.7 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 the straight-line 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 is computer software, and have useful lives of 5 years.

4.8 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

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, 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, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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	4 years
Motor vehicles	3 - 4 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.

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

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investments in subsidiary, investment properties and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where land were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

4.12 Employee benefits

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund 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 labor 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 defined benefit plans are recognised immediately in other comprehensive income.

4.13 Provisions

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

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

4.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Financial instruments

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, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the 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.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

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

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

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

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 discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

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 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 and considers a financial asset as credit impaired or default when contractual payments are 120 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 contract assets, 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.

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

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

Offsetting of financial instruments

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

4.16 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 technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgments and estimates

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

Revenue from construction contracts

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

Estimated construction project costs

The Group estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, 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.

Allowance for expected credit losses of trade receivables and contract assets

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

Investment properties

The Group presents investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment properties using the market approach for land. The valuation involves certain estimates.

Property plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Such amounts are determined by the independent appraiser using the market approach. The valuation involves certain estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

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.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated	Separate		Transfer pricing policy
	financial statements	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiary</u>				
(eliminated from the consolidated financial statements)				
Subcontractor cost	-	334	-	Contract price
<u>Transactions with related parties</u>				
Revenues from construction contracts	1,024	1,024	-	Contract price
Other expenses	1	1	-	Contract price or Agreed price

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated	Separate financial statements	
	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables - related party (Note 8)</u>			
Related party (the Company's related persons)	71,797	71,797	-
Total trade receivables - related party	71,797	71,797	-
<u>Trade and other payables - related party</u>			
<u>Trade payables - related party (Note 16)</u>			
Subsidiary	-	44,088	-
Total Trade payables - related party	-	44,088	-
<u>Other payables - related parties (Note 16)</u>			
Subsidiary	-	95	-
Related parties (the Company's related persons)	179	179	-
Total other payables - related parties	179	274	-
Total trade and other payables - related parties	179	44,362	-

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below:

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	21,253	18,533	11,698
Post-employment benefits	602	454	20
Directors remuneration	2,858	2,858	4,327
Total	<u>24,713</u>	<u>21,845</u>	<u>16,045</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Cash	271	185	15
Bank deposits	615,751	528,175	1,061,077
Total	<u>616,022</u>	<u>528,360</u>	<u>1,061,092</u>

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.15 to 0.53 percent per annum (2021: between 0.05 to 0.38 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables - related parties (Note 6)</u>			
Aged on the basis of due dates			
Not yet due	71,797	71,797	-
Total trade receivables - related parties	71,797	71,797	-
<u>Trade receivables - unrelated parties</u>			
Aged on the basis of due dates			
Not yet due	-	-	-
Past due			
Up to 3 months	-	-	-
3 - 6 months	-	-	-
6 - 12 months	-	-	-
Over 12 months	144,532	144,532	144,532
Total	144,532	144,532	144,532
Less: Allowance for expected credit losses	(144,532)	(144,532)	(144,532)
Total trade receivables - unrelated parties	-	-	-
Total trade receivables, net	71,797	71,797	-
<u>Other receivables</u>			
Other receivables	5,435	5,435	5,550
The Revenue Department receivable	5,716	2,371	2,985
Advance payments	-	-	178
Prepaid expenses	215	203	941
Advance payments for construction	-	-	2,276
Total other receivables	11,366	8,009	11,930
Less: Allowance for expected credit losses	(5,414)	(5,414)	(5,414)
Total other receivables, net	5,952	2,595	6,516
Total trade and other receivable, net	77,749	74,392	6,516

The normal credit term is 30 days.

9. Restricted bank deposits

The outstanding balances represent bank deposit accounts which have been pledged with banks to secure the issuance of bank guarantees for construction contracts and credit facilities of the Group.

10. Contract assets / Retention receivables

10.1 Contract balances

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Contract assets			
Unbilled receivables	114,327	114,327	50,058
Less: Allowance for expected credit losses	(38,318)	(38,318)	(38,318)
Contract assets, net	<u>76,009</u>	<u>76,009</u>	<u>11,740</u>
Retention receivables	94,349	94,349	61,872
Less: Allowance for expected credit losses	(48,036)	(48,036)	(48,036)
Retention receivables, net	<u>46,313</u>	<u>46,313</u>	<u>13,836</u>

As at 31 December 2022, the Company has the balances of unbilled receivables amounted to approximately Baht 76.0 million (2021: Baht 11.7 million) is expected to bill with customers within 1 year.

10.2 Revenue recognised in relation to contract balances

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Revenue recognised from changes in variable considerations of performance obligations satisfied in previous years	691	691	(94)

10.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue totaling USD 211.1 million or Baht 7,347.7 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied) (the Company only: USD 211.1 million or Baht 7,347.7 million (2021: Baht 4.9 million)). The Group expects to satisfy these performance obligations within 2 years (the Company only: 2 year (2021: 1 year)).

11. Other financial assets

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<u>Other current financial assets</u>			
Debt instruments at fair value through profit or loss			
Investment in fixed income open-ended funds	802,728	802,728	-
Total other current financial assets	<u>802,728</u>	<u>802,728</u>	<u>-</u>
<u>Other non-current financial assets</u>			
Equity instruments designated at fair value through other comprehensive income			
Equity instruments of listed companies	23,211	23,211	32,811
Total other non-current financial assets	<u>23,211</u>	<u>23,211</u>	<u>32,811</u>

In 2021, the Company sold some parts of its equity instruments of listed companies which have the fair value on the date of sales of Baht 14.9 million. The accumulated loss recognised in other comprehensive income of Baht 6.1 million, was transferred to the Company's retained earnings.

12. Investments in a subsidiary

Detail of investments in a subsidiary as presented in the separate financial statements is as follow:

Company's name	Paid-up capital		Shareholding percentage		(Unit: Thousand Baht) Cost	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(Percent)	(Percent)		
PSGC (Lao) Sole Company Limited	45,000	-	100	-	45,000	-
Total					45,000	-

On 23 February 2022, the Company's Board of Directors' Meeting No. 3/2022 passed a resolution approving the registration of PSGC (Lao) Sole Company Limited, which is engaged in a plant and building construction and other related services, as a juristic entity in the Lao People's Democratic Republic with a registered capital of LAK 16,000 million or Baht 45 million. The Company already paid for the shares on 11 May 2022.

13. Investment properties

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	66,876	66,876	66,876	60,248
Net gain from a fair value adjustment	-	-	-	6,628
Net book value at end of year*	66,876	66,876	66,876	66,876

* Fair values of investment properties as at 31 December 2022 and 2021 were not significantly different. The Group, therefore, considered not to recognise changes in such fair values.

The investment properties of the Group is land not being used in operations.

Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the market approach.

14. Property, plant and equipment

Movements of the property, plant and equipment account during the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Revaluation	Cost basis				
	basis					
	Land	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
Cost/ Revalued amount:						
1 January 2022	12,190	4,734	32,893	13,505	13,593	76,915
Additions	-	2,909	8,064	3,963	-	14,936
Disposals/write-off	-	-	(31,364)	(2,982)	(10,305)	(44,651)
Translation adjustment	-	-	-	(58)	-	(58)
31 December 2022	12,190	7,643	9,593	14,428	3,288	47,142
Accumulated depreciation:						
1 January 2022	-	2,953	29,147	11,783	12,823	56,706
Depreciation for the year	-	871	2,340	893	2	4,106
Depreciation on disposals/write-off	-	-	(27,710)	(2,929)	(10,041)	(40,680)
Translation adjustment	-	-	-	(2)	-	(2)
31 December 2022	-	3,824	3,777	9,745	2,784	20,130
Allowance for impairment loss:						
1 January 2022	-	-	-	-	-	-
Increase during the year	-	-	-	-	108	108
31 December 2022	-	-	-	-	108	108
Net book value:						
31 December 2022	12,190	3,819	5,816	4,683	396	26,904
Depreciation for the year						
2022 (Baht 2.5 million included in cost of construction contracts, and the balance in administrative expenses)						4,106

(Unit: Thousand Baht)

	Separate financial statements					
	Revaluation	Cost basis				
	basis	Buildings	Machinery and	Furniture and	Motor vehicles	Total
	Land	and building improvement	equipment	office equipment		
Cost/ Revalued amount:						
1 January 2021	12,720	4,287	32,842	12,100	13,593	75,542
Additions	-	1,652	52	1,660	-	3,364
Disposals/write-off	-	(1,205)	(1)	(255)	-	(1,461)
Revaluations	(530)	-	-	-	-	(530)
31 December 2021	12,190	4,734	32,893	13,505	13,593	76,915
Additions	-	2,257	8,063	2,708	-	13,028
Disposals/write-off	-	-	(31,364)	(2,982)	(10,305)	(44,651)
31 December 2022	12,190	6,991	9,592	13,231	3,288	45,292
Accumulated depreciation:						
1 January 2021	-	3,640	28,394	11,499	12,816	56,349
Depreciation for the year	-	518	754	525	7	1,804
Depreciation on						
disposals/write-off	-	(1,205)	(1)	(241)	-	(1,447)
31 December 2021	-	2,953	29,147	11,783	12,823	56,706
Depreciation for the year	-	870	2,340	806	2	4,018
Depreciation on						
disposals/write-off	-	-	(27,710)	(2,929)	(10,041)	(40,680)
31 December 2022	-	3,823	3,777	9,660	2,784	20,044
Allowance for impairment loss:						
31 December 2021	-	-	-	-	-	-
Increase during the year	-	-	-	-	108	108
31 December 2022	-	-	-	-	108	108
Net book value:						
31 December 2021	12,190	1,781	3,746	1,722	770	20,209
31 December 2022	12,190	3,168	5,815	3,571	396	25,140
Depreciation for the year						
2021 (Baht 0.6 million included in cost of construction contracts, and the balance in administrative expenses)						1,804
2022 (Baht 2.5 million included in cost of construction contracts, and the balance in administrative expenses)						4,018

The Group arranged for an independent professional valuer to appraise the value of land in 2021. The revaluation was based on market approach.

Had the land been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2022 and 2021 would have been as follows.

(Unit: Thousand Baht)

	Consolidated			
	financial statements	Separate financial statements		
	<u>2022</u>	<u>2022</u>		<u>2021</u>
Land	3,984	3,984	3,984	

As at 31 December 2022, 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 13.8 million (the Company only: Baht 13.8 million (2021: Baht 49.4 million)).

The Company has pledged land and buildings in net book value as at 31 December 2022 approximately Baht 13.5 million (2021: Baht 14.0 million), as collateral for the bail contract to suspend the execution under the judgment of the Appeal Court as described in Note 30.3 to the financial statements.

15. Other non-current assets

(Unit: Thousand Baht)

	Consolidated			
	financial statements	Separate financial statements		
	<u>2022</u>	<u>2022</u>		<u>2021</u>
Advances for future projects	25,550	25,550	-	
Guarantees and deposits	18,376	18,376	3,037	
Withholding tax	52,358	52,358	51,861	
Total	96,284	96,284	54,898	

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated			
	financial statements	Separate financial statements		
	<u>2022</u>	<u>2022</u>		<u>2021</u>
Trade payables - related parties (Note 6)	-	44,088	-	
Trade payables - unrelated parties	82,430	9,330	16,202	
Other payables - related parties (Note 6)	179	274	-	
Other payables - unrelated parties	8,113	7,640	6,116	
Accrued expenses	5,081	5,043	3,952	
Total	95,803	66,375	26,270	

17. Other short-term borrowing

Other short-term borrowing is a borrowing from the Company's former director without a written agreement and no collateral, and is repayable at call with the interest rate of minimum loan rate (MLR).

18. Leases

The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 3 - 4 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Building and improvement	Motor vehicles	Total
As at 1 January 2022	-	2,346	2,346
Additions	47,447	12,309	59,756
Depreciation for the year	(8,402)	(2,032)	(10,434)
Translation adjustment	-	(195)	(195)
As at 31 December 2022	39,045	12,428	51,473

(Unit: Thousand Baht)

	Separate financial statements		
	Building and improvement	Motor vehicles	Total
As at 1 January 2021	-	78	78
Additions	-	3,044	3,044
Depreciation for the year	-	(776)	(776)
As at 1 January 2022	-	2,346	2,346
Additions	47,447	-	47,447
Depreciation for the year	(8,402)	(761)	(9,163)
As at 31 December 2022	39,045	1,585	40,630

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate financial statements
	financial statements		
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Lease payments	50,293	42,088	2,644
Less: Deferred interest expenses	(5,135)	(4,026)	(235)
Total	45,158	38,062	2,409
Less: Portion due within one year	(13,232)	(10,575)	(733)
Lease liabilities - net of current portion	<u>31,926</u>	<u>27,487</u>	<u>1,676</u>

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>	
Balance at beginning of year	2,409	2,409	80	
Additions	55,289	42,980	3,044	
Accretion of interest	2,368	1,825	151	
Repayments	(14,795)	(9,152)	(866)	
Translation adjustment	(113)	-	-	
Balance at end of year	<u>45,158</u>	<u>38,062</u>	<u>2,409</u>	

A maturity analysis of lease payments is disclosed in Note 32.1 to the consolidated financial statements under the liquidity risk.

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>	
Depreciation expense of right-of-use assets	10,434	9,163	698	
Interest expense on lease liabilities	2,368	1,825	151	
Expense relating to short-term leases	356	956	549	
Expense relating to leases of low-value assets	165	165	180	

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 12.0 million (the Company only: Baht 10.2 million (2021: Baht 0.7 million)) including the cash outflow related to short-term lease, leases of low-value assets.

19. 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>2022</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee			
benefits at beginning of year	5,488	5,488	6,700
Included in profit or loss:			
Current service cost	1,018	801	405
Interest cost	105	105	76
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Financial assumptions changes	(206)	(206)	(257)
Experience adjustments	85	85	(705)
Benefits paid during the year	-	-	(731)
Provisions for long-term employee			
benefits at end of year	<u>6,490</u>	<u>6,273</u>	<u>5,488</u>

The Group expects to pay Baht 1.7 million of long-term employee benefits during the next year (the Company only: Baht 1.7 million (2021: Nil)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits is 9 - 16 years (the Company only: 9 years (2021: 9 years)).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Discount rate	2.5 - 3.5	2.5	1.9
Salary increase rate	3.0	3.0	3.0
Turnover rate	2.9 - 34.4	10.2 - 34.4	10.0 - 34.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(0.35)	0.39	(0.32)	0.35
Salary increase rate	0.38	(0.35)	0.35	(0.32)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(0.77)	0.97	(0.75)	0.94

(Unit: Million Baht)

	As at 31 December 2021	
	Separate financial statements	
	Increase 1%	Decrease 1%
	Discount rate	(0.33)
Salary increase rate	0.35	(0.33)
	Increase 20%	Decrease 20%
Turnover rate	(0.75)	0.94

20. Provident funds

The Group 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 10 percent of basic salary and 3 to 15 percent of basic salary, respectively. The funds, which are managed by two asset management companies will be paid to employees upon termination in accordance with the fund rules. The contribution for the years 2022 were recognised as expenses amounting to Baht 2.3 million (the Company only: Baht 2.3 million (2021: Baht 1.3 million)).

21. Share Capital

21.1 On 28 April 2021, the Annual General Meeting of Shareholders passed a resolution to approve the decrease of the registered share capital from the amount of Baht 12,826,431,971 to Baht 10,948,438,156 by decreasing the unissued registered shares capital of 1,877,993,815 shares at the par value of Baht 1 each which were the result of the remaining from cancelling the subscription and payment for the subscription of increased ordinary shares that offering to the existing shareholders in accordance with their shareholding ratio (Rights Offering) of 1,011,493,815 shares and offering to Private Placement of 866,500,000 shares. The Company registered the decrease in registered share capital with the Ministry of Commerce on 19 May 2021.

21.2 On 12 October 2021, the Extraordinary General Meeting of Shareholders passed a resolution to increase of the registered share capital from the amount of Baht 10,948,438,156 to Baht 64,992,438,156 by issuing new ordinary shares of 54,044,000,000 shares at the par value of Baht 1 each for offering to Private Placement in the price of Baht 0.02 each totaling Baht 1,080.88 million. The Company received the payment of such increased ordinary shares in whole amount on 26 October 2021 and then registered the increase in paid-up share capital with the Department of Business Development on 27 October 2021.

22. 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.

23. Share discount

Section 52 of the Public Limited Company Act B.E. 2535, requires if the Company which has been in operation for not less than one year suffers a loss, it may offer its shares for sale at a price lower than the registered par value, provided; approval is granted at the meeting of shareholders, the fixed discount rate shall be definitely determined and specified in the prospectus.

24. Warrants

The Annual General Meeting of Shareholders held on 25 April 2013, had the resolution to approve the issuance of Warrants No. 1 (TIES-WA) in the number of 22,000,000 units to the management and employees and the Extraordinary General Meeting of Shareholders held on 17 November 2014 has a resolution to approve the allotment and offering of newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) and adjustment of right which specified that the Company is obliged to adjust the exercise price and exercise ratio.

Holders of warrants are able to exercise the warrants to ordinary shares on the last business day of March, June, September and December throughout the term of the warrants. The unexercised warrants as at 14 May 2018 which was the last exercised date were 8,140,000 units and the Company transferred expired share capital from share-based payment of Baht 7.86 million to be a separate item under retained earnings (deficit) in the statement of financial position.

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Subcontractor cost	320,261	360,979	9,593
Salaries and wages and other employee benefits	85,104	78,669	54,907
Depreciation and amortisation expenses	15,393	14,032	3,458
Professional fee and consultant expenses	11,709	11,709	14,963
Loss on litigations	7,370	7,370	-

26. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Current income tax:			
Current income tax charge	22,472	19,803	-
Deferred tax:			
Deferred tax relating to origination and reversal of temporary differences	(3,408)	(3,365)	1,326
Income tax expense reported in profit or loss	<u>19,064</u>	<u>16,438</u>	<u>1,326</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to			
Loss on changes in value of equity investments designated at fair value through other comprehensive income	(2,153)	(2,153)	-
Loss on revaluation of assets	-	-	(106)
Actuarial gain	444	444	-
	<u>(1,709)</u>	<u>(1,709)</u>	<u>(106)</u>

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

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Accounting profit (loss) before tax	559,520	539,509	(61,803)
Applicable tax rate	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	111,904	107,902	(12,361)
Unrecognised deferred tax assets on unused tax losses	-	-	15,426
Previously unrecognised tax losses that is used to reduce current tax expense	(88,105)	(88,105)	-
Recognised deferred tax assets of previous year	(2,661)	(2,661)	-
Effects of:			
Non-deductible expenses	322	322	-
Exemption of income	(1,376)	-	(1,739)
Additional expense deductions allowed	(568)	(568)	-
Other	(452)	(452)	-
Total	(2,074)	(698)	(1,739)
Income tax expenses reported in profit or loss	19,064	16,438	1,326

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements		
	<u>2022</u>	<u>2022</u>	<u>2021</u>	
Deferred tax assets				
Allowance for asset impairment	22	22	-	
Provision for long-term employee benefits	1,298	1,254	-	
Unrealised fair value loss on investments	1,607	1,607	-	
Other current provisions	160	160	-	
Provision for decommissioning	1,135	1,135	-	
Provisions for loss on litigations	1,428	1,428	-	
Total	5,650	5,606	-	

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Deferred tax liabilities			
Revaluation surplus of assets	(5,024)	(5,024)	(5,024)
Lease liabilities	(532)	(532)	-
Total	(5,556)	(5,556)	(5,024)
Deferred tax assets (liabilities) - net	<u>94</u>	<u>50</u>	<u>(5,024)</u>

As at 31 December 2021, the Company has unused tax losses totaling Baht 88.0 million, on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

As at 31 December 2022, the Group have no unused tax losses (the Company only: Nil (2021: Baht 440.1 million)).

27. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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	2022	2021
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the year (Thousand Baht)	540,456	523,072	(63,129)
Weighted average number of ordinary shares (Thousand shares)	64,992,438	64,992,438	20,868,844
Basic earnings (loss) per share (Baht per share)	0.0083	0.0080	(0.0030)

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. However, for the years ended 31 December 2022 and 2021, there is no warrant which are able to exercise to ordinary shares. Therefore, diluted earnings (loss) per share is equivalent to basic earnings (loss) per share.

28. 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 Chief Executive Officer.

The Group is principally engaged in construction, and the two geographic areas in which these activities are carried on are Thailand and the Lao People's Democratic Republic.

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profit or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Geographic information

	(Unit: Million Baht) Consolidated financial statements
	<u>2022</u>
Revenue from external customers	
Thailand	6
Lao People's Democratic Republic	1,024
Total	<u>1,030</u>

	(Unit: Million Baht) Consolidated financial statements
	<u>2022</u>
Non-current assets*	
Thailand	230
Lao People's Democratic Republic	12
Total	<u>242</u>

*Other than financial instruments and deferred tax assets.

Major customers

For the year 2022, the Group has revenue from one major customers in amount of Baht 1,024.4 million, arising from construction contracts (2021: Baht 18.5 million derived from one major customer, arising from construction contracts).

29. Commitments and contingent liabilities

29.1 Lease commitments

As at 31 December 2022, future minimum lease payments of the Group required under short-term leases and leases of low-value assets contracts are totaling Baht 0.3 million (the Company only: Baht 0.7 million) (2564: Baht 0.7 million)).

As at 31 December 2021, the Company's future payments for lease and service agreements with the landlord for the period of three years from 16 April 2022 to 15 April 2025 totaled Baht 35 million.

29.2 Service commitments

As at 31 December 2022, the Group has the following service commitments:

- 1) The Group has commitments totaling USD 12.8 million or Baht 447 million (the Company only: USD 17.3 million or Baht 602 million) in respect of cost of construction contracts, for which the Group had already entered into agreements.
- 2) The Company has commitments totaling USD 0.5 million or Baht 17.4 million, in respect of consulting fees for a feasibility study on project development, which the Company had already entered into agreements.

29.3 Guarantees and others

- 1) As at 31 December 2022, the Company had outstanding bank guarantees of approximately Baht 13.5 million issued by banks as required in the normal course of business.
- 2) During the year 2021, the Company entered into a borrowing agreement with a financial institution to increase liquidity. The Company pledged its land as collateral and repaid such borrowing in full amount in December 2021. Later, on 25 February 2022, the Company already redeemed the collateral.
- 3) During the year 2018, the Company submitted a bid for construction with a local company and was selected as a winning bidder. However, the Company was unable to enter into a construction contract with the local company within a specified date. Subsequently, such local company announced changes to a list of winning bidders, and the construction was already completed in May 2020. Subsequently, the Company received a letter from the Comptroller General's Department, the Ministry of Finance, informing that the Company was on a list of contractors abandoning work. The Company submitted an appeal against the decision on 25 February 2022. The Comptroller General's Department, the Ministry of Finance, provided a written letter dismissing the Company's appeal on 17 May 2022. However, the Company's management believed that there is no material impact to the financial statements.

30. Litigation

30.1 On 24 July 2012, the Company sued a company (the “Contractor”) for breach of the construction contract with computable monetary value claims of Baht 100.2 million and such company sued a counterclaim against the Company in the same lawsuit with computable monetary value claims of Baht 281.0 million. However, as the Company has disclosed information to the Electronic Listed Companies Information Disclosure (ELCID), the Supreme Court made the final judgment. The Contractor had to pay a net compensation of Baht 65.0 million to the Company plus interest 7.5 percent per annum from the date of prosecution until complete payment, and the Contractor had to return a total of 4 copies of letters of guarantee (contract collateral) and letters for advance guarantee to the Company. Currently, the case is in the process of execution by enforcement officers.

30.2 On 27 July 2017, the Company was sued by 2 sub-contractors for breach of construction agreements and guarantee agreements due to termination made by the Company on 13 July 2017 with computable monetary value claims of Baht 14.1 million. Later, on 11 October 2017, the Company submitted a testimony and filed a counterclaim against the 2 sub-contractors with the claims of Baht 11.4 million. On 27 November 2018, the Civil Court rendered its judgment ordering the Company to make payments to the sub-contractors and return a letter of guarantee.

Subsequently, in May 2019, the Company received a notice of claim from the Legal Execution Department to sequester Baht 1.0 million from the Company’s bank account, and the bank already submitted such cash to the Legal Execution Department. Subsequently, on 26 May 2020, the Appeal Court rendered its judgement to reverse the Civil Court’s judgment ordering the sub-contractors to pay the Company Baht 11.4 million plus interest 7.5 percent per annum from the date of prosecution until complete payment.

On 25 June 2020, the Company submitted a petition to withdraw the execution warrant under the Civil Court judgment, whereby the court ordered the withdrawal of the execution warrant on 1 July 2020. On 21 July 2020, the Company already received sequestered money from the Legal Execution Department.

Later, on 8 November 2022, the Bangkok South Civil Court pronounced the Supreme Court’s judgment ordering the Company to make repayments of Baht 5.9 million to the sub-contractors at interest rates as stipulated by the Civil and Commercial Code from the following date the lawsuit was filed until full repayments were made, totaling Baht 7.9 million, and to return a letter of guarantee. Since the Company had previously recorded the provisions for loss on litigations of Baht 2.3 million and liabilities in the related accounts of Baht 2.4 million, the Company set aside additional provision of Baht 3.2 million in the profit or loss in the current year. Since the Company has already paid the sub-contractors for the lawsuit damages on 11 November 2022.

30.3 The Company was sued over a breach of contract relating to borrowings with claims of Baht 17.6 million. The case is currently under consideration of the Supreme Court. Meanwhile, the Company pledged land and buildings of the Company (Note 14) and cash of Baht 15.3 million as collateral to suspend the execution under the Appeal Court's judgment.

As at 31 December 2022, the Company recorded as provisions for losses on litigations amounting to Baht 7.1 million and liabilities in the related accounts of Baht 12.2 million. The Company has fully recorded the provision for such liabilities.

31. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated / Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Investment in fixed income				
open-end funds	-	802,728	-	802,728
Financial assets measured at FVOCI				
Equity instruments of listed				
companies	23,211	-	-	23,211
Property plant and equipment	-	12,190	-	12,190
Investment property	-	66,876	-	66,876

	(Unit: Thousand Baht)			
	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity instruments of listed				
companies	32,811	-	-	32,811
Property plant and equipment	-	12,190	-	12,190
Investment property	-	66,876	-	66,876

32. Financial instruments

32.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, other non-current financial assets, trade and other payables, other short-term borrowing 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 trade and other receivables, contract assets and cash and cash equivalents. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Group manages the credit risk relates to trade receivables and contract assets by most of the Group's construction contracts are with large private companies that are creditworthy and have low credit risk. The Group considers other receivables to be transactions with companies that have low credit risk and the ability to service debt. In addition, the Group regularly monitors their debt service capability; therefore, the Group does not expect to incur any significant losses in respect of these allowance for expected credit losses.

Bank deposits and investments in fixed income open-ended fund

The Group manages the credit risk of bank deposits and investments in fixed income open-ended fund by entering into agreements with counterparties that are banks and financial institutions with high credit ratings assigned by international credit-rating agencies.

Market risk

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

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from construction contracts and sub-contractor cost that are denominated in foreign currencies.

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

Foreign currency	Consolidated financial statements		
	Financial assets	Financial liabilities	Average exchange rate
	as at 31 December	as at 31 December	as at 31 December
	<u>2022</u>	<u>2022</u>	<u>2022</u>
	(Million)	(Million)	(Baht per 1 foreign currency unit)
USD	19.8	2.7	34.5624

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	as at 31 December	as at 31 December	as at 31 December	as at 31 December		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	18.3	-	1.7	-	34.5624	33.4199

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2022 and 2021.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>

(Unit: Thousand Baht)

Impact to profit before tax

THB against USD

- Increase 5 %	29,414	28,547	-
- Decrease 5 %	(29,414)	(28,547)	-

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, other financial assets, restricted bank deposits, other short-term borrowing 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 2022 and 2021, 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: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	527	89	616	0.15 - 0.53
Trade and other receivables	-	-	-	-	74	74	-
Restricted bank deposits	16	-	-	-	-	16	0.35 - 0.53
Other financial assets	-	-	-	-	826	826	-
Retention receivables	-	-	-	-	46	46	-
	<u>16</u>	<u>-</u>	<u>-</u>	<u>527</u>	<u>1,035</u>	<u>1,578</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	96	96	-
Other short-term borrowing	-	-	-	12	-	12	MLR
Lease liabilities	13	32	-	-	-	45	5.99 - 12.00
Retention payables	-	-	-	-	23	23	-
	<u>13</u>	<u>32</u>	<u>-</u>	<u>12</u>	<u>119</u>	<u>176</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2022							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	527	1	528	0.15 - 0.53
Trade and other receivables	-	-	-	-	74	74	-
Restricted bank deposits	16	-	-	-	-	16	0.35 - 0.53
Other financial assets	-	-	-	-	826	826	-
Retention receivables	-	-	-	-	46	46	-
	<u>16</u>	<u>-</u>	<u>-</u>	<u>527</u>	<u>947</u>	<u>1,490</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	66	66	-
Other short-term borrowing	-	-	-	12	-	12	MLR
Lease liabilities	11	27	-	-	-	38	5.99
Retention payables	-	-	-	-	26	26	-
	<u>11</u>	<u>27</u>	<u>-</u>	<u>12</u>	<u>92</u>	<u>142</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2021							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	1,061	-	1,061	0.05 - 0.38
Trade and other receivables	-	-	-	-	7	7	-
Restricted bank deposits	18	-	-	-	-	18	0.05 - 0.38
Other financial assets	-	-	-	-	33	33	-
Retention receivables	-	-	-	-	14	14	-
	<u>18</u>	<u>-</u>	<u>-</u>	<u>1,061</u>	<u>54</u>	<u>1,133</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	26	26	-
Other short-term borrowing	-	-	-	12	-	12	MLR
Lease liabilities	1	1	-	-	-	2	5.99
Retention payables	-	-	-	-	19	19	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>12</u>	<u>45</u>	<u>59</u>	

Analysis of interest rate sensitivity

The Group considers that the sensitivity of the Group's profit (loss) before tax to a reasonably possible change in interest rates on that portion of floating rate loans from affected as at 31 December 2022 and 2021 is not material.

Liquidity risk

The Group gives high priority to liquidity management by holding appropriate levels of cash and cash equivalents along with other liquid assets and arranging sufficient credit facilities with financial institutions. In addition, the Group has access to a wide range of funding sources. The Group regularly monitors the adequacy of liquidity and adjusts its liquidity management strategy on a timely basis.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	95,803	-	-	95,803
Other short-term borrowing	19,375	-	-	-	19,375
Lease liabilities	-	15,923	34,370	-	50,293
Retention payables	12,110	-	10,771	-	22,881
Total non-derivatives	31,485	111,726	45,141	-	188,352

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	66,375	-	-	66,375
Other short-term borrowing	19,375	-	-	-	19,375
Lease liabilities	-	12,568	29,520	-	42,088
Retention payables	12,110	-	13,968	-	26,078
Total non-derivatives	31,485	78,943	43,488	-	153,916

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	26,270	-	-	26,270
Other short-term borrowing	17,581	-	-	-	17,581
Lease liabilities	-	858	1,787	-	2,645
Retention payables	11,606	7,883	-	-	19,489
Total non-derivatives	29,187	35,011	1,787	-	65,985

32.2 Fair values of financial instruments

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

33. Capital management

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

As at 31 December 2022, the Group's debt-to-equity ratio was 0.14:1 and the Company's was 0.12:1 (2021: 0.08:1).

34. Reclassification

The Company has reclassified line items in the statements of financial position as at 31 December 2021 and 1 January 2021 to conform with the current year's classification. The reclassifications had no effect to previously reported net loss or shareholders' equity, details are as follows:

(Unit: Thousand Baht)

	As at 31 December 2021		As at 1 January 2021	
	As reclassified	As previously	As reclassified	As previously
		reported		reported
Trade and other receivables	6,516	-	16,883	-
Trade and other current receivables	-	4,164	-	14,585
Trade and other non-current receivables	-	2,352	-	2,298
Contract assets	11,740	-	3,029	-
Current contract assets	-	11,740	-	3,029
Non-current contract assets	-	-	-	-
Retention payables	19,489	-	35,531	-
Current retention payables	-	11,576	-	22,340
Non-current retention payables	-	7,913	-	13,191

35. Approval of interim financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2023.