

**CAZ (Thailand) Public Company Limited
and its Subsidiary**

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report



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Independent Auditor's Report

To the shareholders of CAZ (Thailand) Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of CAZ (Thailand) Public Company Limited and its subsidiary (the "Group") and of CAZ (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Recognition of revenue from construction contracts	
Refer to the notes 3(p), 6, 7 and 14 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group's major revenue is from various construction contracts such as EPC services, Structure Machanic and Piping (SMP) services and others, whereby the conditions of each contract are various and different. Revenue from construction contracts is recognised when the performance obligation is satisfied over time by reference the percentage of completion of each contract at the reporting date including consideration of provision for loss-making contracts.</p> <p>The recognition of revenue from construction contracts, provision for loss-making contracts, related receivables and contract assets is related to the following key factors:</p> <ul style="list-style-type: none"> • Costs incurred; • Surveys of performance completed to date; • Total cost estimation of the contract; and • Revision for certain events or conditions that occur or expect to occur to complete the contract resulted in contract modification and revision of total cost estimation of the contract. <p>I focused on this area as a key audit matter due to the recognition of revenue from construction contracts required judgement and estimates made by management.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Inquiring the management to understand and assess the process of preparation of total cost estimation of the contracts, calculation of percentage of completion, recognition of revenue from construction contracts including the evaluation of controls designed and implemented and the test of the operating effectiveness of relevant controls; • Testing total cost estimation of the contracts which was approved by the management including changes in total cost estimation during the year, actual costs incurred, revenue from construction contracts, possible for loss-making contracts, related receivables and contract assets with contracts and supporting documents; • Assessing the reasonableness of changes in total cost estimation during the year; • Testing the data used in calculation of percentage of completion with supporting documents; • Analysing the gross profit, work progress and inquire the rationale for differences from the management; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

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

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



In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 and the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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.

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2022

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2021	2020	2021	2020
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	262,451,221	142,417,902	261,627,747	141,346,823
Trade and other current receivables	6	324,144,931	204,873,818	371,204,365	267,704,356
Contract assets	7	617,006,692	512,281,001	617,006,692	512,281,001
Short-term loans to a related party	4	-	-	40,000,000	-
Inventories	8	40,840,407	34,541,672	40,694,924	34,470,873
Other current assets		10,803,260	7,260,808	8,822,548	5,676,245
Total current assets		1,255,246,511	901,375,201	1,339,356,276	961,479,298
Non-current assets					
Restricted deposit at financial institution	11	7,687,974	10,019,939	7,687,974	10,019,939
Investment in a subsidiary	9	-	-	7,390,200	7,390,200
Property, plant and equipment	10, 11	557,760,924	557,390,743	542,134,222	542,710,496
Intangible assets		12,376,040	13,216,880	11,893,329	12,674,352
Retention receivables	7	96,977,406	54,171,641	96,977,406	54,171,641
Withholding tax deducted at source		35,359,890	132,811,521	30,072,328	114,483,225
Deposits		4,409,770	3,407,309	1,600,239	1,465,369
Deferred tax assets	17	2,705,000	2,631,033	2,394,184	2,387,086
Total non-current assets		717,277,004	773,649,066	700,149,882	745,302,308
Total assets		1,972,523,515	1,675,024,267	2,039,506,158	1,706,781,606

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

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in Baht)</i>					
Current liabilities					
Bank overdrafts	5, 11	-	7,793	-	7,793
Short-term borrowings from financial institutions	11	373,502,000	509,103,580	373,502,000	509,103,580
Trade and other current payables		377,922,960	265,033,654	437,716,526	283,828,007
Contract liabilities	7	289,856,964	141,083,716	289,856,964	141,083,716
Short-term borrowings from other party	11	20,000,000	20,000,000	20,000,000	20,000,000
Current portion of long-term borrowings					
from financial institutions	11	38,640,000	38,640,000	38,640,000	38,640,000
Current portion of lease liabilities	11	30,988,061	20,394,055	27,478,378	17,986,195
Other current liabilities		44,396,546	25,803,055	41,418,691	22,407,553
Total current liabilities		1,175,306,531	1,020,065,853	1,228,612,559	1,033,056,844
Non-current liabilities					
Long-term borrowings from financial institutions	11	87,660,000	84,300,000	87,660,000	84,300,000
Lease liabilities	11	29,030,097	26,368,080	24,950,020	21,246,976
Retention payables		11,956,945	8,938,501	47,423,267	45,145,448
Non-current provisions for employee benefits		7,280,734	7,137,960	5,733,165	5,931,830
Total non-current liabilities		135,927,776	126,744,541	165,766,452	156,624,254
Total liabilities		1,311,234,307	1,146,810,394	1,394,379,011	1,189,681,098

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

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in Baht)</i>					
Equity					
Share capital:	12				
Authorised share capital		<u>147,000,000</u>	<u>140,000,000</u>	<u>147,000,000</u>	<u>140,000,000</u>
Issued and paid-up share capital		146,999,876	140,000,000	146,999,876	140,000,000
Share premium on ordinary shares	12	246,105,067	246,105,067	246,105,067	246,105,067
Retained earnings					
Appropriated					
Legal reserve	13	14,700,000	11,952,434	14,700,000	11,952,434
Unappropriated		237,815,712	116,027,794	230,952,204	112,673,007
Other components of equity		<u>8,452,827</u>	<u>8,452,827</u>	<u>6,370,000</u>	<u>6,370,000</u>
Equity attributable to owners of the parent		654,073,482	522,538,122	645,127,147	517,100,508
Non-controlling interests		<u>7,215,726</u>	<u>5,675,751</u>	-	-
Total equity		661,289,208	528,213,873	645,127,147	517,100,508
Total liabilities and equity		1,972,523,515	1,675,024,267	2,039,506,158	1,706,781,606

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2021	2020	2021	2020
	(in Baht)			
Revenue				
Revenues from construction contracts	2,194,697,104	2,233,064,685	2,194,697,104	2,233,064,685
Costs of construction contracts	(1,898,624,010)	(2,055,143,487)	(1,918,273,193)	(2,075,784,150)
Gross profit	296,073,094	177,921,198	276,423,911	157,280,535
Other income	4,534,737	3,374,154	7,758,624	6,323,483
Administrative expenses	(96,151,384)	(74,622,813)	(87,291,482)	(67,333,255)
Profit from operating activities	204,456,447	106,672,539	196,891,053	96,270,763
Finance costs	(30,167,658)	(27,155,439)	(29,587,598)	(26,489,814)
Profit before income tax expense	174,288,789	79,517,100	167,303,455	69,780,949
Income tax expense	17 (36,235,461)	(15,590,837)	(34,298,823)	(13,719,882)
Profit for the year	138,053,328	63,926,263	133,004,632	56,061,067
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Gain on remeasurements of defined benefit plans	1,750,408	-	1,750,408	-
Income tax relating to items that will not be reclassified	17 (350,082)	-	(350,082)	-
Total items that will not be reclassified to profit or loss	1,400,326	-	1,400,326	-
Other comprehensive income for the year, net of tax	1,400,326	-	1,400,326	-
Total comprehensive income for the year	139,453,654	63,926,263	134,404,958	56,061,067

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
<i>Note</i>	2021	2020	2021	2020
	<i>(in Baht)</i>			
Profit attributable to:				
Owners of the parent	136,513,353	61,505,450	133,004,632	56,061,067
Non-controlling interests	<u>1,539,975</u>	<u>2,420,813</u>	<u>-</u>	<u>-</u>
	<u>138,053,328</u>	<u>63,926,263</u>	<u>133,004,632</u>	<u>56,061,067</u>
Total comprehensive income attributable to:				
Owners of the parent	137,913,679	61,505,450	134,404,958	56,061,067
Non-controlling interests	<u>1,539,975</u>	<u>2,420,813</u>	<u>-</u>	<u>-</u>
	<u>139,453,654</u>	<u>63,926,263</u>	<u>134,404,958</u>	<u>56,061,067</u>
Basic earnings per share	<i>18</i> <u>0.46</u>	<u>0.21</u>	<u>0.45</u>	<u>0.19</u>

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity

Consolidated financial statements										
Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity			Equity attributable to owners of the parent	Non- controlling interests	Total equity
			Legal reserve	Unappropriated	Share-based payment	Changes in parent's ownership interest in subsidiary	Total other components of equity			
For the year ended 31 December 2020										
Balance at 1 January 2020	140,000,000	246,105,067	9,149,381	87,313,205	6,370,000	2,082,827	8,452,827	491,020,480	3,254,938	494,275,418
Transactions with owners, recorded directly in equity										
Distributions to owners of the parent										
Dividends to owners of the Company	19	-	-	(29,987,808)	-	-	-	(29,987,808)	-	(29,987,808)
Total distributions to owners of the parent		-	-	(29,987,808)	-	-	-	(29,987,808)	-	(29,987,808)
Comprehensive income for the year										
Profit for the year		-	-	61,505,450	-	-	-	61,505,450	2,420,813	63,926,263
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	61,505,450	-	-	-	61,505,450	2,420,813	63,926,263
Transfer to legal reserve	13	-	-	2,803,053	(2,803,053)	-	-	-	-	-
Balance at 31 December 2020		140,000,000	246,105,067	11,952,434	116,027,794	6,370,000	2,082,827	8,452,827	5,675,751	528,213,873

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity

		Consolidated financial statements									
				Retained earnings		Other components of equity					
		Issued and	Share				Changes in parent's	Total other	Equity	Non-	Total
		paid-up	premium on	Legal	Unappropriated	Share-based	ownership interest	components	attributable to	controlling	equity
Note		share capital	ordinary shares	reserve		payment	in subsidiary	of equity	owners of the parent	interests	
							(in Baht)				
For the year ended 31 December 2021											
		140,000,000	246,105,067	11,952,434	116,027,794	6,370,000	2,082,827	8,452,827	522,538,122	5,675,751	528,213,873
Balance at 1 January 2021											
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
	19	6,999,876	-	-	(6,999,876)	-	-	-	-	-	-
	19	-	-	-	(6,378,319)	-	-	-	(6,378,319)	-	(6,378,319)
		6,999,876	-	-	(13,378,195)	-	-	-	(6,378,319)	-	(6,378,319)
Total distributions to owners of the parent											
Comprehensive income for the year											
		-	-	-	136,513,353	-	-	-	136,513,353	1,539,975	138,053,328
		-	-	-	1,400,326	-	-	-	1,400,326	-	1,400,326
		-	-	-	137,913,679	-	-	-	137,913,679	1,539,975	139,453,654
Total comprehensive income for the year											
	13	-	-	2,747,566	(2,747,566)	-	-	-	-	-	-
		146,999,876	246,105,067	14,700,000	237,815,712	6,370,000	2,082,827	8,452,827	654,073,482	7,215,726	661,289,208
Balance at 31 December 2021											

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity

		Separate financial statements						
		Retained earnings				Other components of equity		
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Share-based payment	Total other components of equity	Total equity
Note								
For the year ended 31 December 2020								
	Balance at 1 January 2020	140,000,000	246,105,067	9,149,381	89,402,801	6,370,000	6,370,000	491,027,249
Transactions with owners, recorded directly in equity								
Distributions to owners of the parent								
	Dividends to owners of the Company	19	-	-	(29,987,808)	-	-	(29,987,808)
	Total distributions to owners of the parent		-	-	(29,987,808)	-	-	(29,987,808)
Comprehensive income for the year								
	Profit for the year		-	-	56,061,067	-	-	56,061,067
	Other comprehensive income		-	-	-	-	-	-
	Total comprehensive income for the year		-	-	56,061,067	-	-	56,061,067
	Transfer to legal reserve	13	-	-	2,803,053	(2,803,053)	-	-
	Balance at 31 December 2020		140,000,000	246,105,067	11,952,434	112,673,007	6,370,000	517,100,508

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity

		Separate financial statements						
				Retained earnings		Other components of equity		
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Share-based payment	Total other components of equity	Total equity
For the year ended 31 December 2021								
Balance at 1 January 2021		140,000,000	246,105,067	11,952,434	112,673,007	6,370,000	6,370,000	517,100,508
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the parent</i>								
Stock dividends	19	6,999,876	-	-	(6,999,876)	-	-	-
Dividends to owners of the Company	19	-	-	-	(6,378,319)	-	-	(6,378,319)
Total distributions to owners of the parent		6,999,876	-	-	(13,378,195)	-	-	(6,378,319)
Comprehensive income for the year								
Profit for the year		-	-	-	133,004,632	-	-	133,004,632
Other comprehensive income		-	-	-	1,400,326	-	-	1,400,326
Total comprehensive income for the year		-	-	-	134,404,958	-	-	134,404,958
Transfer to legal reserve	13	-	-	2,747,566	(2,747,566)	-	-	-
Balance at 31 December 2021		146,999,876	246,105,067	14,700,000	230,952,204	6,370,000	6,370,000	645,127,147

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	138,053,328	63,926,263	133,004,632	56,061,067
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Finance costs	30,167,658	27,155,439	29,587,598	26,489,814
Depreciation and amortisation	71,328,347	61,591,708	64,702,085	55,458,453
Loss on written-off of withholding tax deducted at source	1,146,374	-	94,550	-
Non-current provisions for employee benefits	2,583,526	2,482,222	2,003,775	1,859,390
(Gain) loss on disposal of equipment	(394,723)	758,310	(394,723)	902,111
Interest income	(40,515)	(190,347)	(1,867,850)	(1,684,602)
Income tax expense	36,235,461	15,590,837	34,298,823	13,719,882
	279,079,456	171,314,432	261,428,890	152,806,115
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(119,271,113)	(18,795,434)	(102,559,078)	11,700,308
Contract assets	(104,725,691)	52,602,333	(104,725,691)	52,602,333
Inventories	(6,298,735)	(24,822,982)	(6,224,051)	(25,005,860)
Other current assets	(3,542,452)	5,895,287	(3,146,303)	6,378,207
Retention receivables	(42,805,765)	(43,605,013)	(42,805,765)	(43,605,013)
Deposits	(1,002,461)	(1,300,652)	(134,870)	333,138
Trade and other current payables	113,953,433	(57,615,653)	154,952,646	(149,846,508)
Contract liabilities	148,773,248	(76,164,226)	148,773,248	(76,164,226)
Other current liabilities	18,593,491	4,422,866	19,011,138	6,248,366
Retention payables	3,018,444	639,310	2,277,819	23,050,183
Employee benefits paid	(690,344)	(400,966)	(452,032)	(400,966)
Net cash generated from (used in) operating activities	285,081,511	12,169,302	326,395,951	(41,903,923)
Interest paid	(29,722,277)	(27,106,292)	(29,142,218)	(26,386,161)
Income tax received (paid) - net	59,645,747	(53,467,909)	49,660,344	(48,261,925)
Net cash from (used in) operating activities	315,004,981	(68,404,899)	346,914,077	(116,552,009)

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Decrease in restricted deposit at financial institution	2,331,965	22,928,020	2,331,965	22,928,020
Proceeds from short-term loans to a subsidiary	-	-	20,000,000	40,000,000
Short-term loans to a subsidiary	-	-	(60,000,000)	-
Acquisition of property, plant and equipment	(29,372,646)	(56,731,918)	(25,619,413)	(57,140,760)
Acquisition of intangible assets	(1,395,508)	(3,034,114)	(1,395,508)	(2,507,348)
Proceeds from disposal of equipment	2,021,667	1,071,028	2,311,236	370,093
Interest received	40,515	190,347	926,919	4,297,721
Net cash from (used in) investing activities	(26,374,007)	(35,576,637)	(61,444,801)	7,947,726
<i>Cash flows from financing activities</i>				
Proceeds from short-term borrowings from financial institutions	941,500,000	1,072,643,421	941,500,000	1,072,643,421
Repayment of short-term borrowings from financial institutions	(1,077,101,580)	(785,787,127)	(1,077,101,580)	(785,787,127)
Repayment of lease liabilities	(29,969,963)	(21,840,509)	(26,560,660)	(19,593,524)
Proceeds from long-term borrowings from financial institutions	42,000,000	-	42,000,000	-
Repayment of long-term borrowings from financial institutions	(38,640,000)	(20,760,000)	(38,640,000)	(20,760,000)
Proceeds from short-term borrowings from related parties	500,000,000	286,284,940	500,000,000	285,784,940
Repayment of short-term borrowings from related parties	(500,000,000)	(288,784,940)	(500,000,000)	(285,784,940)
Proceeds from short-term borrowings from other party	-	20,000,000	-	20,000,000
Dividends paid to owners of the Company	(6,378,319)	(29,987,808)	(6,378,319)	(29,987,808)
Net cash from (used in) financing activities	(168,589,862)	231,767,977	(165,180,559)	236,514,962
Net increase in cash and cash equivalents	120,041,112	127,786,441	120,288,717	127,910,679
Cash and cash equivalents at 1 January	142,410,109	14,623,668	141,339,030	13,428,351
Cash and cash equivalents at 31 December	262,451,221	142,410,109	261,627,747	141,339,030

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Cash and cash equivalents at 31 December				
Cash and cash equivalents	262,451,221	142,417,902	261,627,747	141,346,823
Bank overdrafts	-	(7,793)	-	(7,793)
	<u>262,451,221</u>	<u>142,410,109</u>	<u>261,627,747</u>	<u>141,339,030</u>
Supplement disclosures of cash flows information				
Non-cash transactions				
Acquisitions of property, plant and equipment for which payments have not yet made	1,043,571	-	1,043,571	-
Acquisitions of intangible assets for which payments have not yet made	-	428,000	-	428,000
Acquisitions of right-of-use assets under leases	43,225,987	39,570,198	39,755,887	39,570,198

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2022.

1 General information

CAZ (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 3 May 2018. The Company’s registered office at 239 Huaipong-Nongbon Road, Tambol Huaipong, Amphur Muang-rayong, Rayong.

The immediate and ultimate parent companies during the financial year were Takuni (Thailand) Company Limited and Takuni Group Public Company Limited. Both were incorporated in Thailand.

The principal activities of the Group are as follow:

EPC service	Engineering, Procurement, Construction, Construction management including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business
Structure Mechanic and Piping (SMP) services	Structure Erection, Piping fabrication & Erection, Equipment Erection, Electric and Instrument work including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business
Civil & Building services	Civil and Building construction works including engineering work for Industrial, Energy Petrochemical/ Chemical Business, and Infrastructure Business
General Construction services	Comprehensive of civil engineering and structural services which are provide work of foundation, infrastructure, and building. Including, steel structure works, piping erection, mechanical and equipment installation for Industry, Energy and Petrochemical/Chemical Business.
Fabrication and other services	Mechanical Fabrication work (Structure, Vessel, Heat Exchanger, Tanks) including procurement of materials for Energy and Petrochemical/ Chemical Business

Details of the Company’s subsidiary as at 31 December 2021 and 2020 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies have been applied consistently to all periods presented in these financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2021

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group").

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Investments in subsidiary*

Investments in subsidiary in the separate financial statements is measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investment is recognised in profit or loss.

(c) *Foreign currencies*

Transactions in foreign currencies including balance of non-monetary assets and liabilities in foreign currencies at the end of reporting period are translated to the respective functional currency of each entity in the Group at the exchange rates at the dates of the transactions. Balance of monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

(d) Financial instruments

(d.1) Classification and measurement

Other financial assets and financial liabilities (except trade receivables (see note 3(f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade receivables, other receivables and contract assets

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost through profit or loss.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

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ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than due specified in the contract, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 90 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate for individual receivables with past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

CAZ (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2021

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first in first out principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Building and building improvements	20	years
Assets for construction project	Term of the contract period	
Machinery, tool and equipment	5	years
Furniture and fixtures	5	years
Office equipment	3, 5	years
Vehicles	5	years
Vehicles for construction projects	5	years

(i) Intangible assets

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Computer software	10	years
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CAZ (Thailand) Public Company Limited and its Subsidiary
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For the year ended 31 December 2021

(j) Leases

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

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the interest rate implicit in the lease to discount the lease payments to the present value.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(k) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts are estimated. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount, but does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(l) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident fund are expensed in profit or loss as the related service is provided.

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Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Warranties

A provision for warranties is recognised when the underlying services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(n) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

CAZ (Thailand) Public Company Limited and its Subsidiary

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For the year ended 31 December 2021

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(p) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue from construction contracts is satisfied over time by reference the percentage of completion. The percentage of completion is measured by reference to the surveys of performance completed to date or using cost incurred relative to total cost estimation of each contract by using the best method to account for the transfer of work to the customer and considered the nature of work provided and the term of contract. The related costs are recognised in profit or loss when they are incurred.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

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For the year ended 31 December 2021

(q) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(s) *Related parties*

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(t) *Segment reporting*

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

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4 Related parties

Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Takuni Group Public Company Limited	Thailand	The ultimate parent company
Takuni (Thailand) Co., Ltd.	Thailand	The parent company
Ratchaphruek Engineering Co., Ltd.	Thailand	Related party
G Gas Logistics Co., Ltd.	Thailand	Related party

Relationship with subsidiary is described in note 9.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenues from construction contracts	Contractual price
Rental income	Contractual price
Service income	Agreed prices
Dividend income	Declared dividend payment
Other income	Agreed price
Costs of construction contracts	Contractual price
Interest income and interest expense	Interest rates determined in intercompany loan agreements

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Ultimate parent				
Revenues from construction contracts	-	12,974	-	12,974
Costs of construction contracts	-	226	-	266
Parent				
Interest expense	6,068	5,658	6,068	5,658
Subsidiary				
Rental income	-	-	800	1,486
Service income	-	-	167	306
Interest income	-	-	1,827	1,494
Other income	-	-	-	54
Costs of construction contracts	-	-	311,214	363,288
Key management personnel				
Key management personnel compensation				
Short-term employee benefits <i>(including director remuneration)</i>	22,129	16,534	18,727	13,790
Post-employment benefits	566	605	566	605
Total key management personnel compensation	22,695	17,139	19,293	14,395
Other related parties				
Rental income	144	144	144	144
Service income	65	81	65	81
Costs of construction contracts	19,068	21,988	19,068	21,988
Interest expense	-	113	-	69

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
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Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	
	(in thousand Baht)				
Other current receivables					
Subsidiary	-	-	2,621	965	
Other related parties	36	43	36	43	
Total	36	43	2,657	1,008	
Advance payments to subcontractor (included in other current receivables)					
Subsidiary	-	-	47,378	62,088	
Trade payables					
Subsidiary	-	-	12,070	24,657	
Other related parties	6,994	15,229	6,994	15,229	
Total	6,994	15,229	19,064	39,886	
Accrued expenses (included in other current payables)					
Subsidiary	-	-	91,099	25,806	
Other related parties	5,952	7,847	5,952	7,847	
Total	5,952	7,847	97,051	33,653	
Retention payables					
Subsidiary	-	-	35,466	36,262	
Other related parties	-	2	-	2	
Total	-	2	35,466	36,264	
Loans to	Interest rate	Separate financial statements			
	At 31 December	1 January	Increase	Decrease	31 December
	(% per annum)		(in thousand Baht)		
2021					
Subsidiary	5.30	-	60,000	(20,000)	40,000
Loans from	Interest rate	Consolidated / Separate financial statements			
	At 31 December	1 January	Increase	Decrease	31 December
	(% per annum)		(in thousand Baht)		
2021					
Parent	5.00	-	500,000	(500,000)	-

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	540	540	160	235
Cash at banks - current accounts	261,776	141,670	261,336	140,907
Cash at banks - savings accounts	132	205	129	202
Highly liquid short-term investments	3	3	3	3
Cash and cash equivalents in the statement of financial position	262,451	142,418	261,628	141,347
Bank overdrafts used for cash management purposes	-	(8)	-	(8)
Cash and cash equivalents in the statement of cash flows	262,451	142,410	261,628	141,339

The effective interest rate on short-term bank deposits was 0.10% to 0.75% per annum (2020: 0.15% to 0.70% per annum).

6 Trade and other current receivables

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Trade receivables					
Other parties		297,797	190,951	297,797	190,951
Total		297,797	190,951	297,797	190,951
Less allowance for expected credit losses		-	-	-	-
Net		297,797	190,951	297,797	190,951
Other current receivables					
Subsidiary	4	-	-	2,621	965
Other related parties	4	36	43	36	43
Other parties		58	86	58	85
Prepaid expenses		13,504	11,241	11,783	11,168
Advance payments to subcontractor - related party	4	-	-	47,378	62,088
Advance payments to subcontractors		12,750	2,553	11,531	2,404
Total		26,348	13,923	73,407	76,753
Total trade and other current receivables		324,145	204,874	371,204	267,704

Information of credit risk is disclosed in note 20 (b.1).

As at 31 December 2021, the Company had no pledged of trade receivables as collateral for short-term borrowings from financial institution (2020: Baht 101.93 million).

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For the year ended 31 December 2021

7 Contract assets and contract liabilities

The Group has outstanding contract assets and contract liabilities with customers were as follow:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Contract assets				
Total project value	6,950,110	7,259,640	6,950,110	7,259,640
Accumulated amount recognised as revenue on percentage of completion basis	3,992,067	3,951,718	3,992,067	3,951,718
Less value of total billed	(3,375,060)	(3,439,437)	(3,375,060)	(3,439,437)
Total contract assets	617,007	512,281	617,007	512,281
Retention receivables	96,977	54,172	96,977	54,172
Contract liabilities				
Total project value	2,165,829	923,526	2,165,829	923,526
Value of total billed	1,277,698	446,629	1,277,698	446,629
Less Accumulated amount recognised as revenue on percentage of completion basis	(1,136,503)	(414,991)	(1,136,503)	(414,991)
	141,195	31,638	141,195	31,638
Advance received from construction contracts	148,662	109,446	148,662	109,446
Total contract liabilities	289,857	141,084	289,857	141,084

Revenue recognition from contract balance

During the year 2021, the Group and the Company recognised contract liabilities balance at the beginning of the year as revenue from construction contract of Baht 92.43 million (2020: Baht 130.73 million).

Revenue to be recognised for the future related to performance obligations that are unsatisfied

As at 31 December 2021, the Group has revenue to be recognised in the future related to performance obligations that are unsatisfied amounting to Baht 3,989 million (2020: Baht 3,816 million) which expected to be recognised in 2022-2023 (2020: 2021-2023).

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Raw materials	40,840	34,542	40,695	34,471

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9 Investment in a subsidiary

Subsidiary	Type of business	Separate financial statements										Dividend income for the year	
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net			
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)						(in thousand Baht)					
JKEC Co., Ltd.	Construction services	73.17	73.17	10,100	10,100	7,390	7,390	-	-	7,390	7,390	-	-
Total						7,390	7,390	-	-	7,390	7,390	-	-

The subsidiary was operated in Thailand and is not publicly listed. Consequently, there is no published price quotations.

CAZ (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

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10 Property, plant and equipment

	Consolidated financial statements									
	Land and right-of- use on land	Building and building improvements	Assets for construction project	Machinery, tools and equipment	Furniture and fixtures (in thousand Baht)	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
Cost										
At 1 January 2020	260,322	106,636	3,252	208,966	2,196	9,526	15,378	22,076	12,163	640,515
Additions	2,840	-	-	29,036	379	2,288	4,357	-	52,416	91,316
Transfers	-	30,245	-	21,908	406	8,477	-	-	(61,036)	-
Disposals	-	(609)	(3,252)	(897)	-	-	(713)	(1,100)	-	(6,571)
At 31 December 2020 and 1 January 2021	263,162	136,272	-	259,013	2,981	20,291	19,022	20,976	3,543	725,260
Additions	-	-	-	57,366	3,351	1,221	588	4,098	5,534	72,158
Transfers	-	3,815	-	5,227	-	15	-	-	(9,057)	-
Disposals	-	-	-	(15,129)	(47)	(625)	(237)	-	-	(16,038)
At 31 December 2021	263,162	140,087	-	306,477	6,285	20,902	19,373	25,074	20	781,380
Accumulated depreciation										
At 1 January 2020	-	13,212	2,699	77,995	1,222	4,788	7,933	4,699	-	112,548
Depreciation charge for the year	1,113	6,110	553	42,400	429	3,236	2,154	4,068	-	60,063
Disposals	-	(31)	(3,252)	(172)	-	-	(697)	(590)	-	(4,742)
At 31 December 2020 and 1 January 2021	1,113	19,291	-	120,223	1,651	8,024	9,390	8,177	-	167,869
Depreciation charge for the year	1,420	7,065	-	48,850	800	4,001	2,784	5,515	-	70,435
Disposals	-	(20)	-	(13,799)	(16)	(457)	(224)	(169)	-	(14,685)
At 31 December 2021	2,533	26,336	-	155,274	2,435	11,568	11,950	13,523	-	223,619

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Consolidated financial statements

	Land and right-of- use on land	Building and building improvements	Assets for construction project	Machinery, tools and equipment	Furniture and fixtures (in thousand Baht)	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
Net book value										
At 31 December 2020										
Owned assets	260,322	116,981	-	99,459	1,330	12,267	152	4,486	3,543	498,540
Right-of-use assets	1,727	-	-	39,331	-	-	9,480	8,313	-	58,851
	<u>262,049</u>	<u>116,981</u>	<u>-</u>	<u>138,790</u>	<u>1,330</u>	<u>12,267</u>	<u>9,632</u>	<u>12,799</u>	<u>3,543</u>	<u>557,391</u>
At 31 December 2021										
Owned assets	259,208	113,751	-	87,724	3,850	9,334	142	2,531	20	476,560
Right-of-use assets	1,421	-	-	63,479	-	-	7,281	9,020	-	81,201
	<u>260,629</u>	<u>113,751</u>	<u>-</u>	<u>151,203</u>	<u>3,850</u>	<u>9,334</u>	<u>7,423</u>	<u>11,551</u>	<u>20</u>	<u>557,761</u>

Separate financial statements

	Land and right-of-use on land	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment (in thousand Baht)	Vehicles	Vehicles for construction projects	Assets under construction	Total
Cost									
At 1 January 2020	260,322	106,886	203,478	2,196	8,578	13,740	1,937	12,691	609,828
Additions	2,840	-	28,238	378	1,767	4,357	-	54,144	91,724
Transfers	-	32,450	21,908	406	8,477	-	-	(63,241)	-
Disposals	-	(609)	(745)	-	-	(713)	-	-	(2,067)
At 31 December 2020 and 1 January 2021	<u>263,162</u>	<u>138,727</u>	<u>252,879</u>	<u>2,980</u>	<u>18,822</u>	<u>17,384</u>	<u>1,937</u>	<u>3,594</u>	<u>699,485</u>
Additions	-	-	54,498	3,352	910	-	-	5,535	64,295
Transfers	-	3,815	5,227	-	15	-	-	(9,057)	-
Disposals	-	-	(15,418)	(47)	(625)	(237)	-	-	(16,327)
At 31 December 2021	<u>263,162</u>	<u>142,542</u>	<u>297,186</u>	<u>6,285</u>	<u>19,122</u>	<u>17,147</u>	<u>1,937</u>	<u>72</u>	<u>747,453</u>

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	Separate financial statements								
	Land and right-of-use on land	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment (in thousand Baht)	Vehicles	Vehicles for construction projects	Assets under construction	Total
Accumulated depreciation									
At 1 January 2020	-	13,220	76,360	1,222	4,365	7,436	1,004	-	103,607
Depreciation charge for the year	1,113	6,124	41,185	429	2,899	1,826	387	-	53,963
Disposals	-	(30)	(67)	-	-	(698)	-	-	(795)
At 31 December 2020 and 1 January 2021	1,113	19,314	117,478	1,651	7,264	8,564	1,391	-	156,775
Depreciation charge for the year	1,420	7,065	47,333	800	3,646	2,389	301	-	62,954
Disposals	-	-	(13,713)	(16)	(457)	(224)	-	-	(14,410)
At 31 December 2021	2,533	26,379	151,098	2,435	10,453	10,729	1,692	-	205,319
Net book value									
At 31 December 2020									
Owned assets	260,322	119,413	96,070	1,329	11,558	152	546	3,594	492,984
Right-of-use assets	1,727	-	39,331	-	-	8,668	-	-	49,726
	262,049	119,413	135,401	1,329	11,558	8,820	546	3,594	542,710
At 31 December 2021									
Owned assets	259,208	116,163	82,609	3,850	8,669	141	245	72	470,957
Right-of-use assets	1,421	-	63,479	-	-	6,277	-	-	71,177
	260,629	116,163	146,088	3,850	8,669	6,418	245	72	542,134

The gross amount of the Group and the Company's fully depreciated of machinery, tools and equipment and office equipment that were still in use as at 31 December 2021 amounted to Baht 67.08 million and Baht 66.57 million, respectively (2020: Baht 34.09 million and Baht 33.90 million, respectively).

During the year 2021, the Group and the Company leased land, machinery, tools and equipment and vehicle for 3-4 years and made fixed payments during the lease term. The Group and the Company recognised right-of-use assets amounting to Baht 43.23 million and Baht 39.76 million, respectively (2020: Baht 39.57 million and Baht 39.57 million, respectively).

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<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land and right-of-use asset on land	1,420	1,113	1,420	1,113
- Machines, tools and equipment	11,336	6,045	11,336	6,045
- Vehicles	2,589	2,045	2,193	1,717
- Vehicles for construction projects	2,564	2,122	-	-
Interest on lease liabilities	2,428	2,114	1,848	1,491
Expenses relating to short-term leases	207,382	105,778	164,951	80,861
Expenses relating to leases of low-value assets	666	5,130	294	294

In 2021, total cash outflow for the leases of the Group and the Company were Baht 238 million and Baht 192 million, respectively (2020: Baht 132 million and Baht 101 million, respectively).

11 Interest-bearing liabilities

Consolidated financial statements							
	<i>Note</i>	<i>Secured</i>	2021	Total	<i>Secured</i>	2020	Total
			<i>Unsecured</i>			<i>Unsecured</i>	
				<i>(in thousand Baht)</i>			
Bank overdrafts	5	-	-	-	8	-	8
Short-term loans from financial institutions							
- Promissory notes		373,502	-	373,502	499,345	9,759	509,104
Short-term loans from other party		20,000	-	20,000	20,000	-	20,000
Long-term loans from financial institutions		126,300	-	126,300	122,940	-	122,940
Lease liabilities		60,018	-	60,018	45,319	1,443	46,762
Total interest-bearing liabilities		579,820	-	579,820	687,612	11,202	698,814

Separate financial statements							
	<i>Note</i>	<i>Secured</i>	2021	Total	<i>Secured</i>	2020	Total
			<i>Unsecured</i>			<i>Unsecured</i>	
				<i>(in thousand Baht)</i>			
Bank overdrafts	5	-	-	-	8	-	8
Short-term loans from financial institutions							
- Promissory notes		373,502	-	373,502	499,345	9,759	509,104
Short-term loans from other party		20,000	-	20,000	20,000	-	20,000
Long-term loans from financial institutions		126,300	-	126,300	122,940	-	122,940
Lease liabilities		52,428	-	52,428	37,790	1,443	39,233
Total interest-bearing liabilities		572,230	-	572,230	680,083	11,202	691,285

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<i>Assets pledged as security for liabilities as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Deposit at financial institution	7,688	7,650	7,688	7,650
Property, plant and equipment	456,078	307,570	446,053	298,450
Total	463,766	315,220	453,741	306,100

As at 31 December 2021, the Group and the Company had unutilised credit facilities totalling Baht 937 million (2020: Baht 645 million).

Borrowings from financial institutions

On 1 December 2021 and 28 December 2020, the Company received waiver letter from a financial institution to waive the term of maintaining the Debt Service Coverage ratio to be not less than 1.2:1 and Debt to Equity ratio to be not exceeding 2:1 of the financial statements for the year ended 31 December 2021 and 2020, respectively.

In April 2020, the Company amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020. The final repayment date of long-term borrowings from financial institution will be due within February 2024 which is replaced the formal one in September 2023.

12 Share capital

	Par value per share (in Baht)	2021		2020	
		Number	Amount	Number	Amount
		<i>(thousand shares / in thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	0.5	280,000	140,000	280,000	140,000
Issue of new shares	0.5	14,000	7,000	-	-
At 31 December 2021 and 31 December 2020					
- ordinary shares	0.5	294,000	147,000	280,000	140,000
Issued and paid-up					
At 1 January					
- ordinary shares	0.5	280,000	140,000	280,000	140,000
Issue of new shares	0.5	14,000	7,000	-	-
At 31 December 2021 and 31 December 2020					
- ordinary shares	0.5	294,000	147,000	280,000	140,000

At the Annual General Meeting of the shareholders of the Company held on 23 April 2021, the shareholders approved to increase in registered capital of the Company to accommodate the stock dividend payment in the amount of Baht 7 million from existing share capital totaling of Baht 140 million to the registered capital of Baht 147 million by issuing 14 million newly ordinary shares with a par value of Baht 0.50 per share. The Company registered the increase in the authorised share capital with the Ministry of Commerce on 11 May 2021.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

13 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

14 Segment information and disaggregation of revenue

Geographical segments

The Group is operated principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Business segments

Management considers that the Group operates in a single line of business, namely construction business, therefore, only one reportable segment.

Timing of revenue recognition

Total revenues of the Group has timing of revenue recognition by over time.

Major customers

Revenues from three customers of the Group's segment represents approximately Baht 2,147.98 million in 2021 (2020: Baht 1,739.92 million) of the Group's total revenues.

15 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Salary, bonus and wages	692,752	1,024,716	528,436	804,757
Defined benefit plan	2,584	2,482	2,004	1,859
Defined contribution plan	1,481	1,221	1,182	1,046
Termination benefits	17,496	38,136	17,201	38,099
Total	714,313	1,066,555	548,823	845,761

Defined contribution plan

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 3% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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16 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Raw material used		529,812	465,774	509,018	434,064
Subcontractor costs		319,559	234,186	608,743	575,046
Depreciation and amortisation		71,328	61,592	64,702	55,458
Employee benefit expenses	15	714,313	1,066,555	548,823	845,761
Lease-related expenses		208,048	110,908	165,245	81,155

17 Income tax expense

	Consolidated		Separate	
<i>Income tax recognised in profit or loss</i>	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Current tax expense				
Current year	36,660	17,137	34,656	15,142
Deferred tax expense				
Movements in temporary differences	(424)	(1,546)	(357)	(1,422)
Income tax expense	36,236	15,591	34,299	13,720

	Consolidated / Separate financial statements					
	2021			2020		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
<i>Income tax</i>			(in thousand Baht)			
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial gains	1,750	(350)	1,400	-	-	-
Total	1,750	(350)	1,400	-	-	-

	Consolidated financial statements				Separate financial statements			
	2021		2020		2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Reconciliation of effective tax rate								
Profit before income tax expense		174,289		79,517		167,303		69,781
Income tax using the Thai corporation tax rate	20.00	34,858	20.00	15,903	20.00	33,461	20.00	13,956
Expenses not deductible for tax purposes		672		1,958		316		1,889
Additional deductible expenses		(188)		-		(170)		-
Recognition of previously unrecognised tax losses		-		(377)		-		-
Unrealised gains from intercompany transactions		207		232		-		-
Others		687		(2,125)		692		(2,125)
Total	20.79	36,236	19.61	15,591	20.50	34,299	19.66	13,720

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<i>Deferred tax</i>	At 1 January	Consolidated financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2021				
<i>Deferred tax assets</i>				
Right-of-use assets	33	2	-	35
Provision for warranties of construction work	436	387	-	823
Provision for litigation	735	6	-	741
Non-current provisions for employee benefits	1,427	29	(350)	1,106
Total	2,631	424	(350)	2,705

2020				
<i>Deferred tax assets</i>				
Right-of-use assets	73	(40)	-	33
Provision for warranties of construction work	-	436	-	436
Provision for litigation	-	735	-	735
Non-current provisions for employee benefits	1,012	415	-	1,427
Total	1,085	1,546	-	2,631

<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2021				
<i>Deferred tax assets</i>				
Right-of-use assets	30	4	-	34
Provision for warranties of construction work	436	387	-	823
Provision for litigation	735	6	-	741
Non-current provisions for employee benefits	1,186	(40)	(350)	796
Total	2,387	357	(350)	2,394

2020				
<i>Deferred tax assets</i>				
Right-of-use assets	70	(40)	-	30
Provision for warranties of construction work	-	436	-	436
Provision for litigation	-	735	-	735
Non-current provisions for employee benefits	895	291	-	1,186
Total	965	1,422	-	2,387

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18 Basic earnings per share

The calculations of basic earnings per share were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year after adjusting the change in the number of ordinary shares as a result of the distribution of stock dividends to the shareholders (see notes 12, 19) as if such change had occurred at the beginning of the earliest reporting period as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	136,513	61,505	133,005	56,061
Number of ordinary shares outstanding (basic)	294,000	294,000	294,000	294,000
Earnings per share (basic) (in Baht)	0.46	0.21	0.45	0.19

19 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
<i>2021</i>				
2020 Annual dividend				
- Stock dividends	23 April 2021	21 May 2021	0.03	7.00
- Cash dividends	23 April 2021	21 May 2021	0.02	6.38
<i>2020</i>				
Interim dividend paid from the profit of 2019	6 April 2020	5 May 2020	0.11	30

20 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated / Separate financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
<i>At 31 December 2021</i>					
Long-term borrowings from financial institutions	126,300	-	-	125,846	125,846
<i>At 31 December 2020</i>					
Long-term borrowings from financial institutions	122,940	-	-	123,635	123,635

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Valuation technique of financial instruments measured at fair value

Type	Valuation technique
Long-term borrowings from financial institutions	<i>Discounted cash flows:</i> The fair value is estimated considering a net present value of future cash flows calculated using discount rates at the market rate of loans.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group's, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 14.

The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days or 45 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables and contract assets are disclosed in notes 6 and 7.

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The following table presents the exposure to credit risk and expected credit loss for trade receivables and contract assets.

<i>At 31 December</i>	Consolidated / Separate financial statements							
	Trade receivables	Contract assets	Total carrying amounts	Allowance for expected credit loss	Trade receivables	Contract assets	Total carrying amounts	Allowance for expected credit loss
		2021				2020		
				(in thousand Baht)				
Within credit terms	284,690	617,007	901,697	-	174,467	512,281	686,748	-
Overdue:								
Less than 3 months	13,107	-	13,107	-	13,744	-	13,744	-
3 - 6 months	-	-	-	-	2,740	-	2,740	-
Total	297,797	617,007	914,804	-	190,951	512,281	703,232	-
<i>Less allowance for expected credit loss</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net	297,797	617,007	914,804	-	190,951	512,281	703,232	-

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(b.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows through an adequate amount of committed credit facilities.

The following table is the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross are included contractual interest payments which are undiscounted and exclude the impact of netting agreements.

At 31 December	Consolidated financial statements					
	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	More than 5 years	
2021						
Non-derivative financial liabilities						
Trade and other current payables	377,923	377,923	-	-	-	377,923
Short-term loans from other party	20,000	20,234	-	-	-	20,234
Loans from financial institutions	499,802	417,813	89,320	-	-	507,133
Lease liabilities	60,018	32,717	20,581	9,138	-	62,436
Total	957,743	848,687	109,901	9,138	-	967,726
2020						
Non-derivative financial liabilities						
Bank overdrafts	8	8	-	-	-	8
Trade and other current payables	265,034	265,034	-	-	-	265,034
Short-term loans from other party	20,000	20,284	-	-	-	20,284
Loans from financial institutions	632,044	555,577	41,752	47,081	-	644,410
Lease liabilities	46,762	21,958	20,490	7,817	-	50,265
Total	963,848	862,861	62,242	54,898	-	980,001

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		Separate financial statements				
		Contractual cash flows				
		More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years		More than 5 years	Total
<i>At 31 December</i>	Carrying amount	1 year or less				
2021						
Non-derivative financial liabilities						
Trade and other current payables	437,717	437,717	-	-	-	437,717
Short-term loans from other party	20,000	20,234	-	-	-	20,234
Loans from financial institutions	499,802	417,813	89,320	-	-	507,133
Lease liabilities	52,428	29,046	17,023	8,718	-	54,787
Total	1,009,947	904,810	106,343	8,718	-	1,019,871
2020						
Non-derivative financial liabilities						
Bank overdrafts	8	8	-	-	-	8
Trade and other current payables	283,828	283,828	-	-	-	283,828
Short-term loans from other party	20,000	20,284	-	-	-	20,284
Loans from financial institutions	632,044	555,577	41,752	47,081	-	644,410
Lease liabilities	39,233	18,815	17,385	5,016	-	41,216
Total	975,113	878,512	59,137	52,097	-	989,746

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates, currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. However, the purchases is not material during the year so the Group did not utilise forward exchange contracts to hedge such financial liabilities denominated in foreign currencies.

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Because loan interest rates are mainly fixed, so the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

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For the year ended 31 December 2021

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Financial instruments with fixed interest rates</i>				
Financial assets	-	-	40,000	-
Financial liabilities	497,600	579,394	490,010	571,865
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	82,220	119,420	82,220	119,420

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Impact to profit or loss</i>	Consolidated / Separate financial statements			
	2021		2020	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>			
Financial instruments with variable interest rate	(939)	939	(1,035)	1,035

21 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

22 Commitments with non-related parties

	Consolidated / Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Other commitments</i>		
Purchase orders for construction materials	1,362	9,556
Bank guarantees	1,153,056	1,175,918
Total	1,154,418	1,185,474

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23 Contingent liabilities

The Company has been sued for a damage case by a company (“plaintiff”) for breach of service contract in amount of Baht 18.31 million. The Company received a subpoena from the Civil Court on 30 November 2019. In this regard, the Company submitted a petition requesting and counterclaims on 27 January 2020. The Company sued to plaintiff seeking compensation of Baht 17.1 million for losses resulting from breach of service contract. The Court of the First Instance’s judgement dated on 23 December 2020 considered that the termination from both parties have voluntarily terminated the contract since 27 September 2019. The Company has liable for payment of service contract to the plaintiff plus interest rate at 7.5% per annum starting from 3 November 2019 and the plaintiff has to return advance payment to the Company. The remaining liability that the Company has to paid to plaintiff amounting to Baht 3.12 million. As a result, the Company has recorded the provision followed by the Court of the First Instance’s judgement.

Subsequently, the Appeal Court announced the judgement dated on 30 November 2021 agreed with the Court of the First Instance and considered the plaintiff and the Company have the voluntarily terminated the contract which either parties cannot claim damages from each other. Resulting to, the plaintiff has to return an advance payment after off-setting the contract value which the Company has to pay to the plaintiff amounting to Baht 2.57 million including, interest at the rate of 7.5% per annum from 24 January 2020 to 10 April 2021 and at the rate of 5% per annum from 11 April 2021 until the payment is complete to the Company. However, the interest rate may be adjusted, decreased or increased in accordance with the Royal Decree enacted under the revised Civil and Commercial Code, Section 7, plus a rate of 2% per annum but must not exceed the rate of 7.5% per annum.

Currently, the Company is in the process of the execution the judgement to against the plaintiff to comply with the Appeal Court’s judgement. Meanwhile, the plaintiff applied for extend the period of petition and the Supreme Court has permitted the extension period for filling a petition until 28 February 2022. Therefore, the Company remained the provision followed by the Court of the First Instance’s judgement.

24 Event after the reporting period

The Board of Director’s meeting held on 25 February 2022, the Board approved the dividend payment from the operating results for the year ended 31 December 2021 at the rate of Baht 0.16 per share, amounting to Baht 47.04 million. The dividend will be presented to the annual general meeting of the shareholders of the Company held in April 2022.