

**BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED**

THAILAND

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

AND

INDEPENDENT AUDITOR'S REPORT

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EXPRESSED IN

THAI BAHT

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## A. M. T. & Associates

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

Accounting Management & Tax Services

491/27 Silom Plaza, Silom Road, Bangruk, Bangkok 10500, Thailand.

Tel: +66 (0) 2234-1676, 2234-1678, 2237-2132 • Fax: +66 (0) 2237-2133

### INDEPENDENT AUDITOR'S REPORT

#### **To The Shareholders and Board of Directors of BJC Heavy Industries Public Company Limited**

#### **Opinion**

I have audited the financial statements of BJC Heavy Industries Public Company Limited which comprise the statement of financial position as of December 31, 2021, the related statements of changes in equity, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and I have also audited the statement of comprehensive income in which the equity method is applied of BJC Heavy Industries Public Company Limited.

In my opinion, the accompanying financial statements present fairly, In all material respects, the financial position of BJC Heavy Industries Public Company Limited as of December 31, 2021, and 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 Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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 financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters included Audited Procedures are as follows:

#### **Recognition of contract revenues**

As described in note 2.1 to the financial statements, the Company recognized contract revenues by reference to the stage of completion. Because the amount of contract revenues in the statement of income are significant and the estimation of the stage of completion is requiring significant judgment of management, therefore, I have identified that the recognition of contract revenue is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I examined recognition of contract revenue by assessing and testing the appropriateness of the internal control related to the approach used by the management over the process of entering into contracts, estimation of project cost and revision, the reasonableness of the evaluation of percentage of completion, recognition of revenue. Including testing the effectiveness of internal controls related to procurement and recording of actual contract costs by inquiring with the management and related persons, understanding, reading the contracts, selecting sample to test, testing actual cost with supporting documents and performing an analytical review of the percentage of completion estimate by engineers and the percentage of completion determined through a comparison of contract costs incurred throughout the period to the total estimate contract costs, reading the contracts and performing an analytical review of gross profit margin to detect possible irregularities.

**Other matter**

The financial statements in which the equity method is applied and the separate financial statements of BJC Heavy Industries Public Company Limited as of December 31, 2020, presented herein as comparative information, were audited by another auditor in my office and expressed an unqualified opinion on those statements, under her report dated February 25, 2021.

**Other Information**

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

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

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



(DARANEE SOMKAMNERD)  
Certified Public Accountant  
Registration No. 5007

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 25, 2022

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021

	Note	B A H T		
		FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED		SEPARATE FINANCIAL STATEMENTS
		AS OF DECEMBER 31, 2020	AS OF DECEMBER 31, 2021                      2020	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	597,946,339.50	1,786,252,895.14	597,946,339.50
Trade receivables - net	4	683,832,492.87	103,075,509.88	683,832,492.87
Contract assets - net	5	394,911,945.64	224,131,458.06	394,911,945.64
Other current receivables - net	6	48,680,521.43	40,135,674.72	48,680,521.43
Inventories	7	691,048,708.40	364,655,779.92	691,048,708.40
Current tax assets		8,034,811.43	2,993,955.73	8,034,811.43
Other current financial assets - net	8	543,993.76	80,990,202.01	543,993.76
Other current assets				
- Retention	5	54,226,005.08	9,737,499.98	54,226,005.08
- Advance payment for materials and services		16,116,671.10	4,862,049.61	16,116,671.10
- Others		1,323,500.00	217,440.00	1,323,500.00
Total Current Assets		2,496,664,989.21	2,617,052,465.05	2,496,664,989.21
<b>NON - CURRENT ASSETS</b>				
Other non - current financial asset - bank deposit pledged as collateral		12,250,000.00	12,250,000.00	12,250,000.00
Investment in associate - net	9	-	-	-
Property, plant and equipment - net	10 and 13	1,175,930,428.50	1,098,529,666.01	1,175,930,428.50
Right-of-use assets - net	11 and 14	81,587,066.05	51,916,133.20	81,587,066.05
Intangible assets - net	12	12,259,250.69	8,518,296.13	12,259,250.69
Deferred tax assets	23	9,140,346.53	10,605,998.50	9,140,346.53
Other non - current assets				
- Retention	5	24,705,514.45	25,400,763.59	24,705,514.45
- Guarantee and deposits		4,333,544.40	3,881,139.80	4,333,544.40
- Advance payment for purchase fixed assets		883,185.01	396,331.10	883,185.01
- Prepaid expenses	6	408,916.27	525,943.79	408,916.27
Total Non - Current Assets		1,321,498,251.90	1,212,024,272.12	1,321,498,251.90
<b>TOTAL ASSETS</b>		<b>3,818,163,241.11</b>	<b>3,829,076,737.17</b>	<b>3,818,163,241.11</b>

The accompanying notes to financial statements  
are an integral part of these financial statements.



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.....DIRECTOR

(Mrs. Chanchira Smakthai)

*(Handwritten signature)*

.....DIRECTOR

(Mr. Seung Woo Lee)

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021

	Note	B A H T		
		FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED	SEPARATE FINANCIAL STATEMENTS	
		AS OF DECEMBER 31, 2020	AS OF DECEMBER 31, 2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade payables and accrued contract cost		290,124,031.07	100,485,304.43	290,124,031.07
Contract liabilities	5	136,420,635.53	256,139,268.08	136,420,635.53
Other payables				
- Rental income received in advance	30.2	6,289,220.04	6,289,220.04	6,289,220.04
- Accrued expenses		13,720,275.62	6,400,521.46	13,720,275.62
- Revenue Department Payable		2,388,042.85	1,719,493.92	2,388,042.85
- Others		7,008,480.72	22,231,906.45	7,008,480.72
Current portion of lease liabilities	14	2,948,503.67	2,861,223.45	2,948,503.67
Other current financial liabilities		-	177,975.67	-
Other current liabilities				
- Retention		42,602,613.37	15,612,247.26	42,602,613.37
- Others		6,054,476.78	1,772,283.58	6,054,476.78
Total Current Liabilities		507,556,279.65	413,689,444.34	507,556,279.65
<b>NON - CURRENT LIABILITIES</b>				
Rental income received in advance	30.2	20,964,066.61	14,674,846.57	20,964,066.61
Lease liabilities	14	2,432,970.44	1,460,330.97	2,432,970.44
Provisions for employee benefit	15	21,407,309.00	25,035,875.00	21,407,309.00
Other non - current liabilities		-	933,912.00	-
Total Non - Current Liabilities		44,804,346.05	42,104,964.54	44,804,346.05
Total Liabilities		552,360,625.70	455,794,408.88	552,360,625.70
<b>SHAREHOLDERS' EQUITY</b>				
<b>Share Capital</b>				
Authorized share capital				
1,599,690,001 ordinary shares of Baht 0.25 each		399,922,500.25	399,922,500.25	399,922,500.25
Issued and paid - up share capital				
1,599,690,000 ordinary shares of Baht 0.25 each		399,922,500.00	399,922,500.00	399,922,500.00
Premium on share capital		2,239,641,074.97	2,239,641,074.97	2,239,641,074.97
<u>Less</u> : Treasury shares	16	(7,664,580.00)	(7,664,580.00)	(7,664,580.00)
Retained earnings				
Appropriated				
- Legal reserve	18	40,000,000.00	40,000,000.00	40,000,000.00
- Treasury shares reserve	16	7,664,580.00	7,664,580.00	7,664,580.00
Unappropriated		588,899,704.22	693,718,753.32	586,239,040.44
Other components of equity		(2,660,663.78)	-	-
Total Shareholders' Equity		3,265,802,615.41	3,373,282,328.29	3,265,802,615.41
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,818,163,241.11</b>	<b>3,829,076,737.17</b>	<b>3,818,163,241.11</b>

The accompanying notes to financial statements are an integral part of these financial statements.



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.....DIRECTOR  
(Mrs. Chanchira Smakthai)

*(Handwritten signature)*

.....DIRECTOR  
(Mr. Seung Woo Lee)

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR END DECEMBER 31, 2021

B A H T

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED								
Note	Issued and paid - up share capital	Premium on share capital	Treasury shares	Retained earnings			Other components of equity	Total
				Appropriated			Other comprehensive income	
				Legal reserve	Treasury shares reserve	Unappropriated	Exchange differences on translating financial statement	
Beginning balance as of January 1, 2020	399,922,500.00	2,239,641,074.97	(7,664,580.00)	40,000,000.00	7,664,580.00	990,377,442.28	(2,660,663.78)	3,667,280,353.47
Change in shareholders' equity for the year								
Dividend payment	-	-	-	-	-	(207,555,426.00)	-	(207,555,426.00)
Total comprehensive income (loss)	-	-	-	-	-	(193,922,312.06)	-	(193,922,312.06)
Ending balance as of December 31, 2020	399,922,500.00	2,239,641,074.97	(7,664,580.00)	40,000,000.00	7,664,580.00	588,899,704.22	(2,660,663.78)	3,265,802,615.41

The accompanying notes to financial statements  
are an integral part of these financial statements.



(Mrs. Chanchira Smakthai)

.....DIRECTOR




(Mr. Seung Woo Lee)

.....DIRECTOR



BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR END DECEMBER 31, 2021

B A H T

SEPARATE FINANCIAL STATEMENTS

Note	Issued and paid - up share capital	Premium on share capital	Treasury shares	Retained earnings			Total
				Appropriated		Unappropriated	
				Legal reserve	Treasury shares reserve		
Beginning balance as of January 1, 2020	399,922,500.00	2,239,641,074.97	(7,664,580.00)	40,000,000.00	7,664,580.00	987,716,778.50	3,667,280,353.47
Change in shareholders' equity for the year							
Dividend payment	17	-	-	-	-	(207,555,426.00)	(207,555,426.00)
Total comprehensive income (loss)		-	-	-	-	(193,922,312.06)	(193,922,312.06)
Ending balance as of December 31, 2020	399,922,500.00	2,239,641,074.97	(7,664,580.00)	40,000,000.00	7,664,580.00	586,239,040.44	3,265,802,615.41
Change in shareholders' equity for the year							
Dividend payment	17	-	-	-	-	(47,897,406.00)	(47,897,406.00)
Total comprehensive income (loss)		-	-	-	-	155,377,118.88	155,377,118.88
Ending balance as of December 31, 2021	399,922,500.00	2,239,641,074.97	(7,664,580.00)	40,000,000.00	7,664,580.00	693,718,753.32	3,373,282,328.29

The accompanying notes to financial statements  
are an integral part of these financial statements.



.....DIRECTOR

(Mrs. Chanchira Smakthai)




.....DIRECTOR

(Mr. Seung Woo Lee)

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	B A H T			
		FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED		SEPARATE FINANCIAL STATEMENTS	
		FOR THE YEAR ENDED DECEMBER 31,		FOR THE YEAR ENDED DECEMBER 31,	
		2021	2020	2021	2020
<b>REVENUES</b>					
Contract revenues		1,340,178,926.91	1,965,304,664.53	1,340,178,926.91	1,965,304,664.53
Interest revenues		32,452,128.75	4,917,451.70	32,452,128.75	4,917,451.70
Other income		-	-	-	-
- Gain on exchange rate	21	150,167,591.18	23,439,159.21	150,167,591.18	23,439,159.21
- Others		21,983,652.56	41,171,559.28	21,983,652.56	41,171,559.28
Total Revenues		1,544,782,299.40	2,034,832,834.72	1,544,782,299.40	2,034,832,834.72
<b>EXPENSES</b>					
Contract cost					
- Production contracts cost		1,133,643,526.26	1,849,136,717.62	1,133,643,526.26	1,849,136,717.62
- Idle cost		62,725,376.29	73,711,089.14	62,725,376.29	73,711,089.14
Total cost of contract		1,196,368,902.55	1,922,847,806.76	1,196,368,902.55	1,922,847,806.76
Distribution costs		12,859,410.41	117,429,766.05	12,859,410.41	117,429,766.05
Administrative expenses		148,204,320.22	160,964,541.00	148,204,320.22	160,964,541.00
Other expenses					
- Severance pay		33,264,982.50	26,617,270.33	33,264,982.50	26,617,270.33
- Other		2,660,663.78	-	-	-
Total Expenses	22	1,393,358,279.46	2,227,859,384.14	1,390,697,615.68	2,227,859,384.14
PROFIT (LOSS) FROM OPERATING ACTIVITIES		151,424,019.94	(193,026,549.42)	154,084,683.72	(193,026,549.42)
FINANCIAL COSTS		173,216.81	677,809.69	173,216.81	677,809.69
SHARE OF PROFIT (LOSS) OF ASSOCIATE		-	-	-	-
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		151,250,803.13	(193,704,359.11)	153,911,466.91	(193,704,359.11)
TAX EXPENSES (INCOME)	23	(1,465,651.97)	217,952.95	(1,465,651.97)	217,952.95
PROFIT (LOSS) FOR THE YEAR		152,716,455.10	(193,922,312.06)	155,377,118.88	(193,922,312.06)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		152,716,455.10	(193,922,312.06)	155,377,118.88	(193,922,312.06)
BASIC EARNINGS (LOSS) PER SHARE		0.10	(0.12)	0.10	(0.12)
THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (SHARE)	24	1,596,580,200	1,596,580,200	1,596,580,200	1,596,580,200

The accompanying notes to financial statements  
are an integral part of these financial statements.



(Mrs. Chanchira Smakthai)

DIRECTOR




(Mr. Seung Woo Lee)

DIRECTOR

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	B A H T		
		FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED	SEPARATE FINANCIAL STATEMENTS	
		FOR THE YEAR ENDED DECEMBER 31,	FOR THE YEAR ENDED DECEMBER 31,	
		2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) of the year		(193,922,312.06)	155,377,118.88	(193,922,312.06)
Adjustments to reconcile net profit to net cash provided by (used in)				
from operating activities				
Depreciation and amortization		128,965,615.93	128,844,938.91	128,965,615.93
Employee benefit expenses		7,906,558.00	36,893,548.50	7,906,558.00
Interest expenses		677,809.69	173,216.80	677,809.69
Unrealized loss on derivative		-	177,975.67	-
Income tax expenses		217,952.95	(1,465,651.97)	217,952.95
Interest income		(4,917,451.70)	(32,452,128.75)	(4,917,451.70)
Expected credit loss		-	25,210,031.15	-
Unrealized loss (gain) from securities for trading		(2,851.19)	(702.46)	(2,851.19)
Loss (gain) on sale of property, plant and equipment		(819,258.89)	3,102,844.71	(819,258.89)
Loss (gain) on write off of property, plant and equipment		1,463,142.08	82,339.66	1,463,142.08
Unrealized loss (gain) on exchange rate	21	(3,027,711.03)	(144,926,396.80)	(3,027,711.03)
Profit (loss) from operating activities before changes in operating assets and liabilities		(63,458,506.22)	171,017,134.30	(63,458,506.22)
Decrease (increase) in operating assets				
Decrease (increase) in trade receivables		(556,712,923.32)	644,668,191.85	(556,712,923.32)
Decrease (increase) in contract asset		1,068,777,284.21	135,112,715.61	1,068,777,284.21
Decrease (increase) in other current receivables - Revenue Department payable		(10,435,541.75)	16,548,078.32	(10,435,541.75)
Decrease (increase) in other current receivables - others		17,640,337.49	556,579.82	17,640,337.49
Decrease (increase) in inventories		(28,626,565.33)	326,392,928.48	(28,626,565.33)
Decrease (increase) in other current assets - advance payment for materials and services		(1,959,539.48)	11,254,621.49	(1,959,539.48)
Decrease (increase) in other current assets - retention		(79,852,246.60)	49,189,822.20	(79,852,246.60)
Decrease (increase) in other current assets - others		(1,242,500.00)	1,106,060.00	(1,242,500.00)
Decrease (increase) in other non - current assets - others		1,977,836.09	335,377.08	1,977,836.09
Decrease (increase) in operating liabilities				
Increase (decrease) in trade payables and accrued contract cost		(211,812,025.26)	(196,459,210.40)	(211,812,025.26)
Increase (decrease) in contract liabilities		4,138,614.85	119,718,632.55	4,138,614.85
Increase (decrease) in other payables - income received in advance-rental		27,253,286.65	(6,289,220.04)	27,253,286.65
Increase (decrease) in other payables - income received in advance-others		376,242.84	-	376,242.84
Increase (decrease) in other payables - purchase asset		(16,650,034.71)	1,983,071.91	(16,650,034.71)
Increase (decrease) in other payables - accrued expenses		(1,290,045.76)	(7,319,754.16)	(1,290,045.76)
Increase (decrease) in other payables - Revenue Department payable		(383,213.39)	(668,548.93)	(383,213.39)
Increase (decrease) in other payables -others		(5,228,375.52)	13,240,353.82	(5,228,375.52)
Increase (decrease) in other current liabilities - retention		25,169,840.60	(27,071,604.31)	25,169,840.60
Increase (decrease) in other current liabilities - others		4,113,268.00	(4,280,703.00)	4,113,268.00
Increase (decrease) in other non-current liabilities		(1,440,000.00)	933,912.00	(1,440,000.00)
Cash received (paid) from operating activities		170,355,193.39	1,249,968,438.59	170,355,193.39
Net income tax Received (paid)		(4,033,116.23)	(2,993,955.73)	(4,033,116.23)
Employee benefit paid		(8,839,438.00)	(33,264,982.50)	(8,839,438.00)
Interest received		-	32,452,128.75	-
Interest Paid		-	(647.28)	-
Net cash inflow (outflow) from operating activities		157,482,639.16	1,246,160,981.83	157,482,639.16

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	B A H T		
		FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED	SEPARATE FINANCIAL STATEMENTS	
			FOR THE YEAR ENDED DECEMBER 31, 2020	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (increase) in other current financial assets - fixed deposit		311,099,366.78	-	311,099,366.78
Decrease (increase) in other current financial assets - held to maturity securities		-	(80,445,505.79)	-
Decrease (increase) in long - term investment - Bank deposit pledged as collateral		14,072,336.54	-	14,072,336.54
Decrease (increase) in long - term loan		142,252,993.96	-	142,252,993.96
Decrease (increase) in other non - current assets - advance payment for purchase of machinery		170,583.97	486,853.91	170,583.97
Interest received		9,584,363.15	-	9,584,363.15
Payment for purchase of property, plant and equipment		(102,746,148.40)	(24,261,617.70)	(102,746,148.40)
Payment for purchase of intangible assets		(5,456,720.98)	(866,490.91)	(5,456,720.98)
Decrease (increase) in right-of-use assets		(89,595,518.05)	1,483,300.82	(89,595,518.05)
Proceeds from sale of property, plant and equipment		1,728,441.68	2,427,334.41	1,728,441.68
Net cash inflow (outflow) from investing activities		281,109,698.65	(101,176,125.26)	281,109,698.65
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in contract liabilities		(2,778,144.27)	(1,232,489.21)	(2,778,144.27)
Dividend payment		(207,536,769.85)	(47,898,896.20)	(207,536,769.85)
Interest paid		(677,809.69)	-	(677,809.69)
Net cash inflow (outflow) from financing activities		(210,992,723.81)	(49,131,385.41)	(210,992,723.81)
<b>EFFECT FROM EXCHANGE RATE IN CASH AND CASH EQUIVALENTS</b>				
		(10,162,931.27)	92,453,084.48	(10,162,931.27)
<b>INCREASE IN CASH AND CASH EQUIVALENTS - NET</b>				
		217,436,682.73	1,188,306,555.64	217,436,682.73
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>				
		380,509,656.77	597,946,339.50	380,509,656.77
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>				
	3	597,946,339.50	1,786,252,895.14	597,946,339.50

The accompanying notes to financial statements are an integral part of these financial statements.



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.....DIRECTOR

(Mrs. Chanchira Smakthai)

*(Handwritten signature)*

.....DIRECTOR

(Mr. Seung Woo Lee)

BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED  
NOTES TO FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2021

1. GENERAL INFORMATION

1.1 General matter

The company was incorporated as a limited company under the Thai Civil and Commercial Code on April 19, 1994, and changed its status to a public limited company under the Public Limited Company Act on May 9, 2013 and the Company's shares had been approved to be listed in the Stock Exchange of Thailand on November 28, 2013. The address of its registered office is 594 Moo 4 Tumbol Makhamkoo, Amphur Nikompattana, Rayong. The company operates in Thailand, and its principal activities are the Manufactures fabricated steel and equipment and provides modularization.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company's management will continue to monitor the ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

And, in the 1st quarter of year 2021, the Company has decided to discontinue application of the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic for all temporary relief measures on accounting alternatives, which the Company had complied in year 2020, due to the expiration of the period of use of relief measures, which the cancellation of the said Accounting Guidance with no significant impact on the Company's financial statements.

1.3 Basis for preparation of the financial statements

The financial statements of the company have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting Professions.

The financial statements have been presented in Thai Baht, which is the functional currency of the company.

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.



.....  
(Mrs. Chanchira Smakthai)

DIRECTOR

.....  
(Mr. Seung Woo Lee)

DIRECTOR

#### 1.4 Related parties

Enterprises that directly, or indirectly through one or more intermediaries, control, or are under common control with, the Company by through shareholding and / or directors, are as follows :

<u>Name</u>	<u>Type of business</u>	<u>Relationship</u>	<u>Shareholding (%)</u>
<u>Associated company</u>			
Aus-Com Training Services Pty Ltd. (Australia)*	Training Service	Shareholding	30.10%

\*An Associate was registered to dissolve the Company on June 6,2021. Therefore the Company has reclassified exchange difference on translating financial statement that had been recognised in other comprehensive income to profit or loss

Related persons through shareholding and /or directors are as follows :

	<u>Relationship</u>
Mr. Kyu Young Lee	Shareholder and director
Mr. Young Jun Lee	Shareholder and director
Mr. Seung Woo Lee	Shareholder and director
Mr. Seong Jin Lee	Shareholder and director
Mrs. Chanchira Smakthai	Shareholder and director
Mr. Myungsup Song	Director
Mr. Boonchuay Korkitrojana	Director
Mr. Ekachidd Chungcharoen	Director
Mr. Noppadol Dheerabutrsvongkul	Director
Mr. Jumpot Kanjanapanyakom	Director



..... DIRECTOR  
(Mrs. Chanchira Smakthai)

..... DIRECTOR  
(Mr. Seung Woo Lee)

## 1.5 ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

### 1.5.1 Financial reporting standards which are effective for the current year

During the year, the Company has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

### 1.5.2 Financial Reporting Standards which are not effective for the current year

During the year, the Federation of Accounting professions has revised financial reporting standards, which are effective for financial statements year beginning on or after January 1, 2022, are as follows :

#### Financial reporting standards

TFRS 1 First-time Adoption of Financial Reporting Standards

TFRS 16 Lease

The management of the Company has assessed that TFRS 1 and TFRS 16 will not have impact on the financial statement when they are applied.



.....  
(Mrs. Chanchira Smakthai)

DIRECTOR

.....  
(Mr. Seung Woo Lee)

DIRECTOR

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Revenues recognition

Contract Revenues are recognized as revenue by reference to the stage of completion, calculated based on the proportion of contract costs incurred for work performed to date bear to the total estimate contract costs and results of assessment performed by engineers of the Company. When the outcome of a contract cannot be estimated reliably, the revenue shall be recognized only to the extent of costs incurred that it is probable will be recoverable and the costs shall be recognized as an expense in the period in which they are incurred. When it is probable that total costs will exceed total contract revenue, the expected loss shall be recognized immediately as an expense in the statement of income.

### 2.2 Cash and cash equivalents

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

### 2.3 Unbilled contract work

Unbilled contract work comprises the costs of materials and labor, subcontractor charges, services and overheads plus the attributable net gains or losses less the amounts already billed to customers.

The excess of the value of a contract work over the amount billed to the customer is presented as "Contract assets" under current assets. The excess of the amount billed to a customer over the value of the contract work is presented as "Contract liabilities" under current liabilities.

### 2.4 Inventories

Raw material and supplies are stated at the lower of cost (first - in, first - out method) or net realizable value.

### 2.5 Other current financial assets

Investments in unit trusts, which the Company holds as investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the value of securities are included in statement of comprehensive income.

Held to maturity securities stated at cost net of amortization. Gains and losses are recognized in profit or loss when the asset is derecognized.

The weighted average method is used for computation of the cost of other current financial assets.

### 2.6 Investment in Associate

Investment in associate recorded by the equity method in the financial statements in which the equity method is applied and the cost method in separate financial statements.

Allowance for impairment of investment has been provided by considering the operating result and the future business plan of the Associate.



.....  
(Mrs. Chanchira Smakthai)

DIRECTOR

.....  
(Mr. Seung Woo Lee)

DIRECTOR



## 2.7 Property, Plant and Equipment

Property are stated at cost.

Plant and equipment are stated at cost net of accumulated depreciation.

Depreciation is calculated on the straight - line method based on the estimated useful lives of assets are as follows :

	<u>YEARS</u>
Building	2 - 30
Machinery and equipment	5 - 20
Furniture, fixture and office equipment	3 - 15
Vehicles	2 - 20

## 2.8 Intangible assets

Computer software and Certificate of Product Standard is stated at cost net of accumulated amortization.

Amortization is calculated on the straight - line method based on the estimated useful lives of assets are as follows :

	<u>YEARS</u>
Computer software	5 - 10
Certificate of product standard	3 - 5

## 2.9 Financial instruments

### Classification and measurement

Financial assets that are debt instruments are measured at amortised cost except investment units are measured at fair value through profit or loss.

Financial assets which are the equity in trading securities are measured at fair value through profit or loss. For equity instruments for other purposes are measured at fair value through profit or loss or through other comprehensive income. In the case, the equity securities are measured at fair value through other comprehensive income, the accumulated gain ( loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

### Impairment of financial assets

The Company assesses on a forward - looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Company applies general or simplified approach for credit - impaired consideration which depends on the significant of credit risk.



(Mrs. Chanchira Smakthai)

DIRECTOR

(Mr. Seung Woo Lee)

DIRECTOR

## 2.10 Foreign currency transactions

Transactions in foreign currencies are converted at the exchange rate of the transaction date. Assets and liabilities in foreign currencies at the end of year are converted at average bank buying and selling rate at that date respectively.

Gain or loss from translations are included in determining earnings.

## 2.11 Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing net profit (loss) by weighted average number of issued and fully paid up shares capital.

## 2.12 Accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant areas of estimation uncertainty and critical judgments related to allowance for expected credit loss, allowance for decline in value of inventories, allowance for impairment of investment, depreciation, amortization, allowance for impairment of assets, employee benefit obligation and recognition of revenue by reference to the stage of completion.

## 2.13 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

### Retirement benefit

Severance Payment as specified in Thai Law are recognized as expenses in the comprehensive income statement along the service period of employees. The Company's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method.

However, the actual benefit obligation may be different from the estimate.

The company recognized the actuarial gains of losses arising from defined benefit plan in the period incurred in comprehensive income.

The Company recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the statement of income when the Company plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.



.....  
(Mrs. Chanchira Smakthai)

DIRECTOR

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(Mr. Seung Woo Lee)

DIRECTOR

## 2.14 Income tax

Income tax for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of income except to the extent that they relate to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized 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 measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

## 2.15 Leases

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

### The Company as lessee

#### Right - of - use assets

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

The cost of right - of - use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right - of - use assets are depreciated on a straight - line basis from the commencement date of the lease to the earlier of the end of the useful life of the right - of - use asset or the end of the lease term.



  
.....  
(Mrs. Chanchira Smakthai)

DIRECTOR

  
.....  
(Mr. Seung Woo Lee)

DIRECTOR

### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Company recognises interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

### Short-term leases and Leases of low-value assets

Payments under leases that have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

### The Company as lessor

The Company classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, The Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.


### Sub lease

When the Company is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease clas


sification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short-term lease to which the Company apply the exemption described in "Short-term leases and leases of low-value asset, then it classifies the sub-lease as an operating lease.

The Company as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Company continues to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Company derecognise the right-of-use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

  
..... DIRECTOR  
(Mrs. Chanchira Smakthai)

  
..... DIRECTOR

  
..... DIRECTOR  
(Mr. Seung Woo Lee)

3. CASH AND CASH EQUIVALENTS

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Cash	113,348.07	7,472.87
Current and saving deposits at banks	1,786,139,547.07	597,938,866.63
Total cash and cash equivalents	1,786,252,895.14	597,946,339.50

4. TRADE RECEIVABLES - NET

As of December 31, 2021 and 2020, the trade receivables are classified by aging as follows :

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Current	28,993,775.92	58,268,226.51
Overdue		
Less than 3 months	64,147,164.90	3,039,121.00
Over 3 months to 6 months	9,870,749.99	621,071,944.03
Over 12 months	3,669,642.81	3,712,287.67
Total	106,681,333.62	686,091,579.21
<u>Less</u> Allowance for expected credit losses	(3,605,823.74)	(2,259,086.34)
Trade Receivables - Net	103,075,509.88	683,832,492.87

The change in the allowance for expected credit loss as of December 31, 2021 is as follow :

	B A H T
Balance as of December 31, 2020	2,259,086.34
Increasing during the period	1,493,798.20
Write off bad debt	(147,060.80)
Balance as of December 31, 2021	3,605,823.74



.....  
  
 DIRECTOR  
 (Mrs. Chanchira Smakthai)

.....  
  
 DIRECTOR  
 (Mr. Seung Woo Lee)

5. CONTRACT ASSETS / CONTRACT LIABILITIES

5.1 Contract balances

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
<b>Contract assets</b>		
Project value as per contracts	13,188,408,523.70	7,874,119,357.67
Accumulated amount recognized as revenue on percentage of completion basis	12,777,781,160.22	5,710,176,155.27
<u>Less</u> Value of total billed	(12,506,564,753.48)	(5,383,305,439.91)
<u>Add (Less)</u> Differences arising from currency translation	(22,696,654.93)	68,041,230.28
Unbilled contract work	248,519,751.81	394,911,945.64
<u>Less</u> Allowance for expected credit loss	(24,388,293.75)	-
Contract assets - Net	224,131,458.06	394,911,945.64
<b>Retention</b>		
- Current	9,737,499.98	54,226,005.08
- Non - Current	25,400,763.59	24,705,514.45
Total	35,138,263.57	78,931,519.53
<b>Contract liabilities</b>		
Project value as per contracts	1,013,402,149.18	407,646,411.55
Value of total billed	751,275,888.98	170,526,227.15
<u>Less</u> Accumulated amount recognized as revenue on percentage of completion basis	(514,627,828.43)	(27,489,670.51)
<u>Add (Less)</u> Differences arising from currency translation	19,491,207.53	(6,615,921.11)
Contract liabilities	256,139,268.08	136,420,635.53



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(Mrs. Chanchira Smakthai)

DIRECTOR

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(Mr. Seung Woo Lee)

DIRECTOR

The change in the allowance expected credit loss as of December 31, 2021 is as follow :

	B A H T
Balance as of December 31, 2020	-
Increasing during the period	24,388,293.75
Balance as of December 31, 2021	<u>24,388,293.75</u>

#### CONTRACTS IN PROGRESS

As of December 31, 2021 and 2020, the Company has the aggregate amount of costs incurred and recognized profit up to date approximately amounted to Baht 443.97 million and Baht 781.05 million respectively.

#### 5.2 Revenue recognized in relation to contract balances

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Revenue recognized that was included in contract liabilities at the beginning of the period	136,420,635.53	132,282,020.68

#### 5.3 Revenue to be recognized for the remaining performance obligations

As of December 31, 2021, revenue totaling Baht 909.40 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are uncompleted. The Company expects to satisfy these performance obligations within 3 years.

#### 5.4 Suspension Project

In year 2020, the Company received the notice from a client to suspend the project. Such circumstance caused the incurred cost which has not been charged from the client. Such cost was fully recorded as the construction cost year 2020. As a result of that, the Company is negotiating with the client to request the compensation due the suspended project and part of finished work where is currently on the negotiation table.

Then, in year 2021, the Company has done addition work as agreed with the client and has already delivered some parts to client also services. and in December 2021, the Company and a client agreed to restart the project in year 2022.



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(Mrs. Chanchira Smakthai)

DIRECTOR

*(Handwritten signature)*

(Mr. Seung Woo Lee)

DIRECTOR

6. OTHER CURRENT RECEIVABLES - NET

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Prepaid expenses	5,725,730.86	5,835,060.75
<u>Less</u> Non - current	(231,082.70)	(408,916.27)
Balance	5,494,648.16	5,426,144.48
Other receivables	2,937,587.14	1,678,245.50
<u>Less</u> Allowance for expected credit loss	-	(525,000.00)
Net	2,937,587.14	1,153,245.50
Other receivables - others	1,220,861.10	330,870.06
<u>Less</u> Non - current other receivables - others	(294,861.09)	-
Balance	926,000.01	330,870.06
Advance	1,146,098.28	3,625,653.37
Revenue Department Receivable	29,631,341.13	38,144,608.02
Total	40,135,674.72	48,680,521.43

The change in the allowance for expected credit loss as of December 31, 2021 is as follow :

	B A H T
Balance as of December 31, 2020	525,000.00
Write off bad debt	(525,000.00)
Balance as of December 31, 2021	-



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..... DIRECTOR  
(Mrs. Chanchira Smakthai)

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..... DIRECTOR  
(Mr. Seung Woo Lee)



7. INVENTORIES

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Raw material and supplies	363,353,701.77	642,138,010.03
Goods in transit	1,302,078.15	48,910,698.37
Total	364,655,779.92	691,048,708.40


8. OTHER CURRENT FINANCIAL ASSETS - NET

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Held to maturity securities	80,526,556.86	-
<u>Less</u> Deferred interest	(81,051.07)	-
Total held to maturity securities	80,445,505.79	-
Trading security - unit trust	505,899.44	505,899.44
<u>Add</u> Unrealized gain on change in value of security	38,796.78	38,094.32
Total Trading security	544,696.22	543,993.76
Total Other current financial assets	80,990,202.01	543,993.76



  
.....  
(Mrs. Chanchira Smakthai)

DIRECTOR

  
.....  
(Mr. Seung Woo Lee)

DIRECTOR

9. INVESTMENT IN ASSOCIATE - NET

Name	Type of Business	Relationship	Authorized share capital (Million AUD)	Share holding (%)	B A H T		
					As of December 31, 2021		
					Cost Method	Equity Method	Dividend
Aus-Com Training Service Pty Ltd.	Training Services	Holding	2.24	30.10%	-	-	-
<u>Less</u> Allowance for impairment					-	-	
Investment in associate - net					<u>-</u>	<u>-</u>	

Name	Type of Business	Relationship	Authorized share capital (Million AUD)	Share holding (%)	B A H T		
					As of December 31, 2020		
					Cost Method	Equity method	Dividend
Aus-Com Training Service Pty Ltd.	Training Services	Holding	2.24	30.10%	21,510,337.30	8,032,504.49	-
<u>Less</u> Allowance for impairment					<u>(21,510,337.30)</u>	<u>(8,032,504.49)</u>	
Investment in associate - net					<u>-</u>	<u>-</u>	

On August 25, 2014, the Company has paid for investment in Aus-Com Training Services Pty Ltd., a company incorporated in Australia. The investment was approved by the Board of Directors Meeting on August 11, 2014.

Since mid year 2016, the Associate has temporary ceased its operating for consideration an appropriate approach to run business.

In year 2017, shareholders have a mutual negotiation and have a resolution to dissolve the company. Therefore the management had considered to set-up fully allowance for impairment of that investment.

Later On June 6, 2021 , An Associate was registered to dissolve the Company.



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..... DIRECTOR  
(Mrs. Chanchira Smakthai)

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..... DIRECTOR  
(Mr. Seung Woo Lee)

10. PROPERTY, PLANT AND EQUIPMENT - NET

	B A H T						TOTAL
	Land	Building	Machinery and equipment	Fixture, furniture and office equipment	Vehicles	Work in progress	
<u>Cost</u>							
As of 31 December, 2020	113,794,021.88	573,831,918.06	992,794,482.19	94,018,905.83	138,030,716.50	141,285,646.45	2,053,755,690.91
Additions	-	-	3,169,447.93	744,906.04	2,362,338.31	18,059,411.72	24,336,104.00
Disposals	-	(74,486.30)	(745,000.00)	(475,027.27)	(13,841,505.46)	-	(15,136,019.03)
Transfer	-	60,492,065.46	1,567,674.00	-	-	(62,059,739.46)	-
As of 31 December, 2021	<u>113,794,021.88</u>	<u>634,249,497.22</u>	<u>996,786,604.12</u>	<u>94,288,784.60</u>	<u>126,551,549.35</u>	<u>97,285,318.71</u>	<u>2,062,955,775.88</u>
<u>Accumulated depreciation</u>							
As of 31 December, 2020	-	(178,067,129.35)	(555,130,129.70)	(70,192,928.21)	(74,435,075.15)	-	(877,825,262.41)
Depreciation for the year	-	(31,101,896.91)	(49,604,720.35)	(5,568,052.87)	(9,775,191.28)	-	(96,049,861.41)
Disposals	-	-	744,999.00	387,926.61	8,316,088.34	-	9,449,013.95
As of 31 December, 2021	<u>-</u>	<u>(209,169,026.26)</u>	<u>(603,989,851.05)</u>	<u>(75,373,054.47)</u>	<u>(75,894,178.09)</u>	<u>-</u>	<u>(964,426,109.87)</u>
<u>Net book value</u>							
As of 31 December, 2020	<u>113,794,021.88</u>	<u>395,764,788.71</u>	<u>437,664,352.49</u>	<u>23,825,977.62</u>	<u>63,595,641.35</u>	<u>141,285,646.45</u>	<u>1,175,930,428.50</u>
As of 31 December, 2021	<u>113,794,021.88</u>	<u>425,080,470.96</u>	<u>392,796,753.07</u>	<u>18,915,730.13</u>	<u>50,657,371.26</u>	<u>97,285,318.71</u>	<u>1,098,529,666.01</u>

Depreciation charges for Year amounted to Baht 96,049,861.41 and Baht 97,161,116.61 in year 2020 are included in determining earnings.

As of December 31, 2021 and 2020, the Company has fully depreciates fixed assets but are still in use in the original cost of Baht 132.41 million and Baht 119.69 million respectively.

As of December 31, 2021 and 2020, a part of land are mortgaged to a local bank as collateral for credit line of bank overdraft and letter of guarantee amount of Baht 174.60 million.



(Mrs. Chanchira Smakthai)

DIRECTOR

(Mr. Seung Woo Lee)

DIRECTOR

11. RIGHT-OF-USE ASSETS - NET

	B A H T
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS
<u>COST</u> :	
As of December 31, 2020	111,349,228.33
Additional	2,592,925.23
As of December 31, 2021	113,942,153.56
<u>ACCUMULATED AMORTIZATION</u> :	
As of December 31, 2020	(29,762,162.28)
Amortization for the year	(32,263,858.08)
As of December 31, 2021	(62,026,020.36)
<u>NET BOOK VALUE</u> :	
As of December 31, 2020	81,587,066.05
As of December 31, 2021	51,916,133.20

The following are the amounts recognised in profit or loss for the years ended December 31, 2021

	B A H T
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS
Amortization of right-of-use assets	32,263,858.08
Interest expense on lease liabilities	172,569.52
Expense relating to short-term lease	7,637,599.20
Total	40,074,026.80



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(Mrs. Chanchira Smakthai)

DIRECTOR

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(Mr. Seung Woo Lee)

DIRECTOR

12. INTANGIBLE ASSETS - NET

B A H T			
FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS			
	Computer software	Certificate of Product standard	Total
<u>COST :</u>			
As of December 31, 2020	15,243,446.25	17,424,063.98	32,667,510.23
Additional	-	866,490.91	866,490.91
As of December 31, 2021	15,243,446.25	18,290,554.89	33,534,001.14
<u>ACCUMULATED AMORTIZATION :</u>			
As of December 31, 2020	(10,295,862.25)	(10,112,397.29)	(20,408,259.54)
Amortization for the year	(1,311,342.15)	(3,296,103.32)	(4,607,445.47)
As of December 31, 2021	(11,607,204.40)	(13,408,500.61)	(25,015,705.01)
<u>NET BOOK VALUE :</u>			
As of December 31, 2020	4,947,584.00	7,311,666.69	12,259,250.69
As of December 31, 2021	3,636,241.85	4,882,054.28	8,518,296.13

Amortization expenses for the years amounted to Baht 4,607,445.47 in year 2021 and Baht 4,557,002.87 in year 2020 are included in statement of comprehensive income.



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(Mrs. Chanchira Smakthai)

DIRECTOR

*(Handwritten signature of Mr. Seung Woo Lee)*

(Mr. Seung Woo Lee)

DIRECTOR

13. CREDIT FACILITIES

As of December 31, 2021 and 2020, the Company has credit facilities with two banks respectively for overdraft and loan facilities which are guarantee by bank deposit, mortgaged part of land and building and a director of the Company as follows :

	MILLION BAHT	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Overdraft and loan facilities	30.00	30.00
Letter of Guarantee - Existing facilities	380.00	380.00
Letter of Guarantee, Letter of credits and trust receipts - New facilities	5,528.17	5,502.90


14. LEASE LIABILITIES

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Lease liabilities as of beginning of the year	5,381,474.11	8,159,618.38
Increase (Decrease) during the year :		
<u>Add</u> Lease payments at the commencement date	2,147,520.00	30,000,000.00
<u>Less</u> Deferred interest expenses	(232,111.59)	(888,581.57)
<u>Add</u> Amortization of deferred interest expenses	172,569.52	677,809.69
<u>Less</u> Paid in year	(3,147,897.62)	(32,567,372.39)
Lease liabilities as of end of the year	4,321,554.42	5,381,474.11
<u>Less</u> Current portion	(2,861,223.45)	(2,948,503.67)
Lease liabilities - net of current portion	1,460,330.97	2,432,970.44



  
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(Mrs. Chanchira Smakthai)

DIRECTOR

  
.....  
(Mr. Seung Woo Lee)

DIRECTOR

As of December 31, 2021 and 2020, the Company has lease obligations with the period of payment as follows :

B A H T			
As of December 31, 2021			
	Principal	Deferred interest	Total
Payment due within 1 year	2,861,223.45	126,542.49	2,987,765.94
Payment due over 1 year to 5 years	1,460,330.97	105,569.10	1,565,900.07
Total	<u>4,321,554.42</u>	<u>232,111.59</u>	<u>4,553,666.01</u>

B A H T			
As of December 31, 2020			
	Principal	Deferred interest	Total
Payment due within 1 year	2,948,503.67	163,994.32	3,112,497.99
Payment due over 1 year to 5 years	2,432,970.44	46,777.56	2,479,748.00
Total	<u>5,381,474.11</u>	<u>210,771.88</u>	<u>5,592,245.99</u>

Under the term of lease contracts referred to above, the Company have the right to purchase the assets at the quoted price at the expiry date of the leases contracts and the Company have to comply with certain conditions and restriction as specified in the lease contracts.

15. PROVISIONS FOR EMPLOYEE BENEFIT

- Movement in the present value of the provisions for employee benefit.

B A H T		
FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS		
	2021	2020
Provisions for employee benefit as of 1 January	21,407,309.00	22,340,189.00
Benefit paid	(2,442,490.00)	(8,839,438.00)
Current service cost and interest	6,071,056.00	7,906,558.00
Provisions for employee benefit as of 31 December	<u>25,035,875.00</u>	<u>21,407,309.00</u>



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(Mrs. Chanchira Smakthai)

DIRECTOR

*(Handwritten signature of Mr. Seung Woo Lee)*

(Mr. Seung Woo Lee)

DIRECTOR

- Expenses recognized in profit or loss as of December 31, 2021 and 2020 are as follow :

	BAHT	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Current service costs	5,595,100.00	7,567,018.00
Interest cost	475,956.00	339,540.00
Total	6,071,056.00	7,906,558.00

- Principal actuarial assumptions as of December 31, 2021 and December 31, 2020.

	PERCENT	
	As of December 31, 2021	As of December 31, 2020
Discount rate	1.52	1.52
Salary increase rate	5	5
Employee turnover rate	0-18*	0-18*
Mortality rate	TMO2017**	TMO2017**

\* Based on the weighted average by age group of employees

\*\* Reference from TMO2017 : Thai Mortality Ordinary Table 2017

- Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of December 31, 2021 as follows:

- If the discount rate increases (decreases) by 1%, the employee benefit obligation would decrease Baht 2.96 million (increase Baht 3.38 million).
- If the salary increase rate increases (decreases) by 1%, the employee benefit obligation would increase Baht 3.93 million (decrease Baht 3.48 million).
- If the turnover rate increases (decreases) by 1%, the employee benefit obligation would decrease Baht 3.21 million (increase Baht 2.13 million).
- If the life expectancy increases (decreases) by one year for all employees, the employee benefit obligation would increase (decrease) Baht 0.22 million.

In presenting the above sensitivity analysis, the present value of the employee benefit obligations has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.



(Mrs. Chanchira Smakthai)

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(Mr. Seung Woo Lee)

DIRECTOR



16. SHARE CAPITAL, TREASURY SHARES AND APPROPRIATED RETAINED EARNINGS FOR TREASURY SHARES

On February 25, 2019, the Board of Directors of the Company has approved to undertake a treasury stock program for financial management purposes for the repurchase of not exceeding 16,000,000 shares at the par value of Baht 0.25 per share or equivalent to not exceeding 1% of the total of paid - up shares and not exceeding amounted to Baht 40 million. The procedure used for the repurchasing of shares is on the Stock Exchange of Thailand, starting from March 13, 2019 to September 12, 2019.

On June 17-21, 2019, the Company had purchased back 2,109,800 ordinary shares (par value of Baht 0.25 each), or 0.13% of the total number of issued and fully paid up shares, for a total of Baht 5.09 million.

And on August 19, 2019, the Company had purchased back 1,000,000 ordinary shares (par value of Baht 0.25 each), or 0.06% of the total number of issued and fully paid up shares, for a total of Baht 2.57 million.

The repurchasing of shares on the Stock Exchange of Thailand is starting from June 17, 2019 to August 19, 2019 and September 30, 2019 is the end of the share repurchase program. The period of the resale of share is 6 months after the completion date of share repurchase and not later than 3 years from this time which the Board of Directors will consider fixing the schedule of the share resale later on.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduced its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. The Company appropriated the full required amount of retained earnings to a reserve for the treasury shares amounted to Baht 7.66 million.

17. DIVIDENDPAYMENT

At the Annual General Meeting of the Shareholders on April 23, 2021, the Shareholders has approved to pay dividend from the retained earnings on profit from non - BOI business at the rate of Baht 0.03 per share total amount of Baht 47.90 million which is paid on May 12, 2021

At the Annual General Meeting of the Shareholders on April 24, 2020, the Shareholders has approved to pay dividend from the retained earnings on profit from BOI business at the rate of Baht 0.0595 per share and from the retained earning on profit from non - BOI business at the rate of Baht 0.0705 per share totaling at the rate of Baht 0.13 per share, with the total amount of Baht 207.56 million which is paid on May 12, 2020

18. LEGAL RESERVE

Under the Public Limited Companies Act., the Company is required to set aside as legal reserve of at least 5% of its net profit of each year after deduction of deficit (if any) until the reserve reaches 10% of authorized share capital. This reserve is not available for dividend distribution.



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(Mrs. Chanchira Smakthai)

DIRECTOR

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(Mr. Seung Woo Lee)

DIRECTOR

19. PROVIDENT FUNDS

The Company has established the provident fund for its employee in year 2013. Each employee to contribute 5% of the gross salary and the Company contributes the same amount. The fund is managed by a local finance institution under Provident Fund Act. (B.E.2530) and Provident Fund Act. (No.2 B.E.2542).

The Company has contributed to the fund for the year ended December 31, 2021 and 2020 amounted to Baht 3.34 million and Baht 3.93 million respectively.

20. REVENUES

Revenues from the BOI - promoted and non - promoted industries for the years ended December 31, 2021 and 2020 are as follows:

	2021 (BAHT)		
	SEPARATE FINANCIAL STATEMENTS		
	BOI - Promoted Industries	Non - Promoted Industries	Total Revenues
Contract revenues - Export	1,260,499,554.93	-	1,260,499,554.93
Contract revenues - Local	-	79,679,371.98	79,679,371.98
Other income	35,278,169.03	19,157,612.28	54,435,781.31
Total	<u>1,295,777,723.96</u>	<u>98,836,984.26</u>	<u>1,394,614,708.22</u>

	2020 (BAHT)		
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS		
	BOI - Promoted Industries	Non - Promoted Industries	Total Revenues
Contract revenues - Export	1,783,802,659.21	-	1,783,802,659.21
Contract revenues - Local	-	181,502,005.32	181,502,005.32
Other income	14,286,184.90	31,802,826.08	46,089,010.98
Total	<u>1,798,088,844.11</u>	<u>213,304,831.40</u>	<u>2,011,393,675.51</u>



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(Mrs. Chanchira Smakthai)

DIRECTOR

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(Mr. Seung Woo Lee)

DIRECTOR

21. GAIN ON EXCHANGE RATE

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Realized gain (loss)	5,241,194.38	20,411,448.18
Unrealized gain (loss)	144,926,396.80	3,027,711.03
Total	150,167,591.18	23,439,159.21

22. EXPENSES BY NATURE

The expenditure items of expenses classified by nature for the year ended December 31, 2021 and 2020 are as follows :

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Raw material and supplies use	614,054,421.47	891,511,009.39
Employee expenses	264,523,155.33	437,854,902.66
Services cost	253,152,538.85	503,209,202.91
Labor cost	20,122,530.57	16,165,903.25
Depreciation and amortization	128,844,938.91	128,965,615.93



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(Mrs. Chanchira Smakthai)

DIRECTOR

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(Mr. Seung Woo Lee)

DIRECTOR

23. TAX EXPENSES (INCOME)

The Company received promotional privileges from the Board of Investment including exemption from corporate income tax in BOI - promoted industries (as stated in the note to financial statement 27).

The income tax rate being used is 20%.

- Tax expenses for the year ended December 31, 2021 and 2020 consisted of

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Current tax expense	-	-
Deferred tax expense (income) of Temporary difference	(1,465,651.97)	217,952.95
Tax expense (income) reported in statement of comprehensive income	<u>(1,465,651.97)</u>	<u>217,952.95</u>

- Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2021 and 2020 as follow:

	B A H T	
	For the year ended 2021	December 31, 2020
Accounting profit before tax	<u>153,911,466.91</u>	<u>(193,704,359.11)</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	30,782,293.38	-
Effect of :		
- Revenues granted income tax exemption	(48,646,911.07)	-
- Non - deductible expenses	6,633,320.13	-
- Loss for the period	11,231,297.56	-
- The amount of deferred tax expense relating to the origination	(1,465,651.97)	217,952.95
Tax expense reported in statements of income	<u>(1,465,651.97)</u>	<u>217,952.95</u>



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(Mrs. Chanchira Smakthai)

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(Mr. Seung Woo Lee)

DIRECTOR

- The components of deferred tax asset is as follows:

	B A H T	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
<b>Deferred tax assets</b>		
Employee benefit obligations	5,007,175.00	4,281,461.80
Allowance for expected credit losses	5,598,823.50	556,817.27
Allowance for impairment of Investment in associate	-	4,302,067.46
Total	<u>10,605,998.50</u>	<u>9,140,346.53</u>

The tax losses carry forward amount 943.78 million Baht in year 2021 and 887.62 million Baht in year 2020 expire in year 2022 to year 2025. Deferred tax assets have not been recognised in the financial statements of the Company in respect of this items because it is not certain that future taxable profit will be generated against which the Company can utilise the benefits there from.

#### 24. WEIGHTED AVERAGE OF ORDINARY SHARES

According to the treasury shares as described in notes 16 to the financial statement, the Company has adjusted the weighted average number of ordinary shares used in recalculation of the earnings per share as of December 31, 2021 and 2020 to reflect the effect of the change of number of share to earnings per share as follows:

	Shares	
	SEPARATE FINANCIAL STATEMENTS As of December 31,2021	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020
Issued and paid - up of ordinary shares	1,599,690,000	1,599,999,999
<u>Less</u> Treasury shares on June 17 - 21 19, 2019 (2,109,800 Shares)	(2,109,800)	(2,109,800)
Treasury shares on August 19, 2019 (1,000,000 Shares)	(1,000,000)	(1,000,000)
Weighted average number of ordinary shares	<u>1,596,580,200</u>	<u>1,596,580,200</u>



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(Mrs. Chanchira Smakthai)

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*(Handwritten signature of Mr. Seung Woo Lee)*

(Mr. Seung Woo Lee)

DIRECTOR

25. TRANSACTIONS WITH RELATED PARTIES

25.1 The outstanding balance of significant business transactions with related person as of December 31, 2021 and 2020 are as follows :

	MILLION BAHT	
	2021	2020
<u>The outstanding balances</u>		
Other payables - other	0.13	1.04

The transactions with related person as of December 31, 2021 and December 31, 2020 are as follows :

	MILLION BAHT		
	For the year ended December 31,		
	2021	2020	
<u>The transactions during the year</u>			<u>Transfer pricing policy</u>
- Purchase vehicle	1.05	-	At the price agreed up based on market price
- Purchase vehicle	-	1.00	At the price agreed up
- Sales vehicle	(0.35)	-	At the price agreed up based on market price
	<u>0.70</u>	<u>1.00</u>	

25.2 MANAGEMENT BENEFIT EXPENSES

Management benefit expenses consist of salary, bonus and other benefits of directors and management of the Company.

Management benefit expenses for the year ended December 31, 2021 and 2020 as follows :

	MILLION BAHT	
	2021	2020
Short-term employee benefits	19.90	19.55
Post employee benefits	1.68	1.36
Total	<u>21.58</u>	<u>20.91</u>



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(Mrs. Chanchira Smakthai)

DIRECTOR

*(Handwritten signature of Mr. Seung Woo Lee)*

(Mr. Seung Woo Lee)

DIRECTOR

26. THE FINANCIAL INFORMATION BY SEGMENT

The Company proposed financial statements that classified by business segment and geography segment as Follows :

1. Business Segment
  - 1.1 Contract revenues
  - 1.2 Service Income
2. Geography Segment
  - 2.1 Local
  - 2.2 Oversea

MILLION BAHT

	SEPARATE FINANCIAL STATEMENTS As of December 31,2021			FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As of December 31,2020		
	Oversea	Local	Total	Oversea	Local	Total
Contract revenues	1,260.50	-	1,260.50	1,783.79	72.05	1,855.84
Service revenues	-	79.68	79.68	-	109.46	109.46
Total Revenues	<u>1,260.50</u>	<u>79.68</u>	<u>1,340.18</u>	<u>1,783.79</u>	<u>181.51</u>	<u>1,965.30</u>
Gross profit (loss)	151.09	(7.29)	143.80	60.49	(18.03)	42.46
Other income and expenses						
Other income			54.43			46.09
Distribution costs			(12.86)			(117.43)
Administrative expenses			(148.20)			(160.96)
Gain on exchange rate			150.17			23.44
Severance pay			(33.26)			(26.62)
Finance costs			(0.17)			(0.68)
Tax income (expenses)			1.47			(0.22)
Net profit (loss)			<u>155.38</u>			<u>(193.92)</u>



(Mrs. Chanchira Smakthai)

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DIRECTOR

## MILLION BAHT

	As of December 31, 2021			As of December 31, 2020		
	Oversea	Local	Total	Oversea	Local	Total
Assets operations						
Trade receivables	88.05	15.03	103.08	675.04	8.79	683.83
Unbilled contract work	224.13	-	224.13	385.68	9.23	394.91
Inventories	316.94	47.72	364.66	640.99	50.06	691.05
General assets			<u>3,137.21</u>			<u>2,048.37</u>
Total assets			<u>3,829.08</u>			<u>3,818.16</u>

Major customer information

In year 2021 and 2020 the Company has earned from 3 and 5 major customers from Overseas operating amounted to Baht 1,144.22 million and Baht 1,738.63 million respectively

27. INDUSTRIAL PROMOTIONAL PRIVILEGES

The Company received promotional privileges from the Board of Investment and existing as of December 31, 2021 is two Promotional certificate.

No. 1 Promotional certificate dated February 3, 2014 is for steel structure. The main privileges include exemption from corporate income tax for the promoted activities for a period of 5 years from the date revenue is first derived. (September 30, 2018).

No. 2 Promotional certificate dated February 3, 2014 is for steel structure. The main privileges include exemption from corporate income tax for the promoted activities for a period of 5 years from the date revenue is first derived. (April 30, 2021).

To be entitled to the privileges, the Company must comply with the terms and conditions as specified in the promotional certificates.



(Mrs. Chanchira Smakthai)

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(Mr. Seung Woo Lee)

DIRECTOR



## 28. COMMITMENT AND CONTINGENT LIABILITIES

As of December 31, 2021 and 2020, the Company has commitment and contingent liabilities as follows :

28.1 Contingent liabilities to banks for letters of guarantee as follows :

	MILLION	
	2021	2020
BAHT	102.15	106.71
US DOLLAR	35.80	48.12
AUSTRALIA DOLLAR	6.10	6.10
EURO	0.02	0.02

28.2 Commitment to purchase of fixed assets as of December 31, 2021 and 2020 amounted to approximately Baht 0.35 million and Baht 0.18 million respectively.

28.3 Commitment to purchase of materials and services as of December 31, 2021 and 2020 amounted to approximately Baht 18.86 million and Baht 242.53 million respectively.

28.4 Commitment under short - term lease and lease of low - value assets which have a payment due within 1 year as of December 31, 2021 amounted to Baht 2.63 Million.

## 29. FINANCIAL INSTRUMENTS

### 29.1 Financial risk management policy

The Company's financial instruments, principally comprise deposits with financial institutions, trade receivables and payables, receivable and payable - principals. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

##### (A) Trade receivables

The Company is exposed to credit risk primarily with respect to trade. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and receivable - principals as stated in the statements of financial position.

##### (B) Deposits with financial institutions

The Company is exposed to risk arising from deposit with financial institutions. However, the counterparties are banks with a good credit rating, for which the Company considers to have low credit risk.

(Mrs. Chanchira Smakthai)



DIRECTOR

(Mr. Seung Woo Lee)

DIRECTOR

## Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows.

The remaining contractual maturities of financial liabilities at the reporting date are as follows:

	MILLION BATH				
	CONTRACTUAL CASH FLOWS (FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS)				
	Carrying amount	1 year or less	More than 1 year but Less than 5 years	More than 5 years	Total
As of December 31, 2021					
Non - derivative financial liabilities					
- Trade payables and accrued contract cost	100.49	100.49	-	-	100.49
- Contract liabilities	256.14	256.14	-	-	256.14
- Other payables	51.32	36.64	14.68	-	51.32
- Lease liabilities	4.32	2.86	1.46	-	4.32
- Other liabilities	18.49	17.56	0.93	-	18.49
	430.76	413.69	17.07	-	430.76
Derivative financial liabilities	-	-	-	-	-



(Mrs. Chanchira Smakthai)

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## Market risk

### (A) Risk from foreign exchange rate

The Company encounters risk in foreign exchange rate because company has foreign receivables and payables. The Company uses derivative instruments to manage such risks. The Company does not use foreign currency forward contracts for trading purposes.

As of December 31, 2021 and 2020, the Company has assets and liabilities in foreign currencies as follows:

	MILLION	
	December 31, 2021	December 31, 2020
<u>Foreign currency denominated assets</u>		
Bank deposits		
- US DOLLAR	43.65	19.68
Trade receivables		
- US DOLLAR	2.69	22.60
Other receivables		
- US DOLLAR	-	0.09
Long - term loan		
- US DOLLAR	-	-
Retention		
- US DOLLAR	0.76	2.32
Advance payment for purchase of material		
- US DOLLAR	0.14	0.51
Advance payment for purchase of fix assets		
- US DOLLAR	0.01	0.03
<u>Foreign currency denominated liabilities</u>		
Trade payables		
- US DOLLAR	0.42	2.31
- SINGAPORE DOLLAR	-	0.15
Other payables		
- US DOLLAR	0.40	-
Retention		
- US DOLLAR	-	0.05

As of December 31, 2021, the Company has derivative for risk management instrument as follows.

	MILLION		
Foreign currency	Selling Contracts	Contractual exchange rate	Contractual maturity date
US DOLLAR	9.00	33.00 - 33.86	7 February 2022 - 24 June 2022



(Mrs. Chanchira Smakthai)

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(Mr. Seung Woo Lee)

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(B) Risk from interest rate

The Company's exposure to interest rate risk relates primarily to its cash at financial institutions. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

29.2 Fair value

The Company's financial assets and financial liabilities measured at amortised cost (except investment units at fair value) and the majority of the Company's financial instruments are short - term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

30. AGREEMENT

30.1 On March 1, 2020, the Company entered into a service agreement with a local company as a land lessor. Such area is located in the navy port which can create benefits for existing and potential projects. The assigned area is 25 Rais where can be extended another 10 Rais without any additional cost in land lease. The leasing term will be 3 years, starting from March 1, 2020 - February 28, 2023 with the total rental amounted to Baht 90 million which the Company has recorded as Right - of - use assets as described in note 11 to the financial statement.

In addition to the matter of land lease, the Company and the land lessor also aims to be the long-term business partnership by exchanging resources, knowledge between the parties to achieve business plans and create the long-term sustainable growth in steel fabrication business.

30.2 On May 1, 2020, the Company entered into a land lease agreement with a local company. The leasing term will be 3 years with the total rental and advance received as of contract date amounted to Baht 31.45 million.





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(Mrs. Chanchira Smakthai)

DIRECTOR



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(Mr. Seung Woo Lee)

DIRECTOR

31. LITIGATION

On October 12, 2018, a creditor has filed a complaint to the Rayong Provincial Court requests the Company to pay the additional work totaling Baht 30.68 Million. The Principle amount of Baht 26.74 million plus interest at the rate of 7.5% per annum of principle until the date of filing in the amount of Baht 3.94 Million.

On June 18 2019, the Court has a judgment that the Company has to pay debt to the creditor amounted to Baht 9.77 Million and interest at the rate of 7.5% per annum of principal from March 30, 2018 to payment is completed. Which the Company had already recorded this liabilities in account of trade payable amounted to Baht 9.77 million and accrued interest amounted to Baht 0.92 million.

On September 16, 2019, the Company appealed against the verdict of the trial court.

On March 30, 2020, the Appeal Court ruled to dismiss the order of the trial court. The Company does not have to pay debts to creditors amounting to Baht 9.77 million, including interest and fees in the Court of the trial and the Appeal.

Then, the creditor has submitted a petition against the verdict of the Appeal Court, And on July 8, 2021, the Supreme Court took the creditor's petition into consideration. Subsequently, on August 4, 2021, the Company submitted a petition for the Supreme Court to consider. Presently, the case is under consideration of the Supreme Court.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Board of directors of the Company on February 25, 2022.



  
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(Mrs. Chanchira Smakthai)

DIRECTOR

  
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(Mr. Seung Woo Lee)

DIRECTOR