

STONE ONE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION

Stone One Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in quarrying and selling of sand and aggregate products. Its registered address is located at 29 Bangkok Business Center Building, 14th floor, Sukhumvit 63 Road, Kwang Kongton Nua, Khet Wattana, Bangkok.

The Company’s shareholders as at December 31, 2021 and 2020 were as follows;

	The percentage of interest (%)	
	2021	2020
Shareholders		
Dragon One Company Limited	32.66	32.66
Mr. Ikuo Ano	32.57	32.57
Rabex Company Limited	10.00	10.00
Mr. Siam Watcharapreecha	4.96	4.96
Mr. Jjarat Pingclasai	0.0004	0.0004
Dragon Trade Company Limited	0.41	0.41
Others	19.40	19.40

Subsidiary

The Company has a subsidiary which is Rachaburi Enterprise Co., Ltd., a limited company incorporated and domiciled in Thailand. The subsidiary is principally engaged in quarrying. Its registered office is located at 29 Bangkok Business Center Building, 14th floor, Sukhumvit 63 Road, Kwang Kongton Nua, Khet Wattana, Bangkok with a branch office located at 91 Moo 10, Chom Bung, Chom Bung, Ratchaburi. As at December 31, 2021 and 2020, the Company holds 99.99% of shares in such subsidiary.

As at December 31, 2021 and 2020, the Group has operations related to mining concessions as follows:

Type of mining	Province	Concession No.	Start date	Period
Industrial quarry - Granite	Chonburi	21400/15786	26 November 2017	15 years
Industrial quarry - Granite	Chonburi	21375/15320	3 August 1998	25 years
Industrial quarry - Limestone and Dolomite	Ratchaburi	21128/16246	18 August 2017	25 years

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”).

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Changes in accounting estimates

During the year 2021, The Group has reviewed and changed the amortization method of the concession from the straight-line method over the useful life of concession age to be the ratio of units of production and the total estimated reserves assessed by an independent geologist. This change in accounting estimates results in amortization expenses for the year ended December 31, 2021, an increase of Baht 0.93 million.

Coronavirus Pandemic 2019 (COVID-19)

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

Basis of consolidation financial statements

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

Subsidiary

Subsidiary is entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. NEW FINANCIAL REPORTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE

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

During the year 2021, the Group has adopted the revised 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 Group’s financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022

The Federation of Accounting Professions issued certain revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The Group's management believes that the adoption of these financial reporting standards will not have any significant impact on the Group's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2020 except the followings:

The Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statement for the year ended December 31, 2020 on the followings:

- Not to consider forward-looking information to measure the expected credit losses of trade receivables when using simplified approach.

As the accounting guidance already expired on December 31, 2020, the Group has assessed the impact and there was no material impact to financial statements. Therefore, the Group did not adjust the value of trade receivables in 2021.

Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognized from initial recognition of the receivables.

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortized cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** A financial asset will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **FVOCI:** A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** A asset that does not meet the criteria for amortized cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognized through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Group applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Group applies the simplified approach to measure expected credit losses.

Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the moving weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Investments

Investment in subsidiary

Investment in subsidiary in the separate financial statements of the Company is accounted for using the cost method net of allowance for loss on diminution in value (if any).

Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

No depreciation is provided on freehold land.

Property, plant and equipment

Recognition and measurement

Owned asset

Property, plant and equipment are stated 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 the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to the carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and constructions	10 years
Leasehold improvements	5 and 10 years
Machinery and equipment	3 to 10 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depletion

Depletion of quarry land is charged to profit or loss based on the units of production and the total estimated reserve.

Other intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognized in profit or loss as incurred.

Amortization

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 and 5 years
Trademark	10 years

Concession is charged to profit or loss based on the units of production and the total estimated reserve. (2020: amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of concessions).

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Deferred excavation costs

Deferred excavation costs are amortized to cost of inventory production based on the units of production and the total estimated reserve.

Impairment

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 assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset 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.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss. For financial assets carried at amortized cost, the reversal is recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Leases

Leases - where the Group is the lessee

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

The Group recognizes right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease substantially transfers 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.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

Non-current provisions for employee benefit

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

Measurements of the net defined benefit liability, actuarial gain or loss are recognized 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 recognized 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 recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Measurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expenses profit or loss.

Provisions

A provision is recognized 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. The unwinding of the discount is recognized as finance cost.

Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax of goods supplied after deducting returns, discounts and allowances to customers.

Service income is recognized as services are provided.

Interest income

Interest income is recognized in profit or loss as it accrues.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Income tax

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

Current tax is the expected tax payable or receivable on 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 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 not recognized for the following temporary differences: the initial recognition of goodwill; 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 and jointly-controlled entities 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.

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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- | | |
|---------|---|
| Level 1 | Use of quoted market prices in an observable active market for such assets or liabilities |
| Level 2 | Use of other observable inputs for such assets or liabilities, whether directly or indirectly |
| Level 3 | Use of unobservable inputs such as estimates of future cash flows |

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

Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times 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. Significant accounting judgments and estimates are as follows:

Allowance for diminution in value of inventory

Allowances for diminution in the value of inventory accounts are intended to adjust the value of inventory for probable credit losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, taking into account the current situation with respect to sales of inventory items, on a specific basis. However, the use of different estimates and assumptions could affect the amounts of allowance for diminution in value of inventory in the future.

Allowance for Investment properties, property plant and equipment, intangible assets and depreciation

In determining depreciation of plant and equipment and intangible assets, the management is required to make estimates of the useful lives and salvage values of the Company's building and equipment and intangible assets to review estimate useful lives and salvage values when there are any changes.

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

Deferred tax assets

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

Retirement employee benefits

The Group has commitments on retirement benefits to employees under the Thai Labour Law. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation and employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Group determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the current yields on long-term government bonds.

Provisions

In determining provision, the management needs to exercise judgement and make estimates based upon consideration of probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

5. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Rachaburi Enterprise Co., Ltd.	Thailand	Subsidiary
Mazda Chonburi Plc.	Thailand	Common major shareholder and some directors
Motor Plus Co., Ltd.	Thailand	Common major shareholder and some directors
A-Host Co., Ltd.	Thailand	Common major shareholder and some directors

The pricing policies for particular types of transactions are explained below:

Transactions	Pricing policies
Rendering of services	Market price / contract price
Management fee	Contract price
Rental income	Contract price
Sales of assets	Contract price
Interest income	2.05% per annum
Purchase of goods/receiving of services	Contract price
Purchase of fixed assets	Contract price
Rental expense	Contract price

Significant transactions for the years ended December 31, 2021 and 2020 with related parties and directors were as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Subsidiary				
Rendering of services	-	-	1,582,596.24	2,230,026.38
Management fee	-	-	39,261,097.51	45,735,613.44
Rental income	-	-	13,032,000.00	15,032,250.00
Sales of assets	-	-	-	1,762,534.27
Interest income	-	-	410,000.01	4,493.15
Purchase of goods	-	-	171,567,570.13	176,100,986.47
Related parties				
Receiving of services	1,243,149.82	1,168,800.00	1,243,149.82	1,168,800.00
Purchase of assets	-	593,480.00	-	593,480.00
Rental expense	44,716.00	53,500.00	44,716.00	53,500.00
Key management personnel				
Key management personnel compensation				
Short-term benefit	16,478,166.00	15,949,568.00	16,478,166.00	15,949,568.00
Post-employment benefits	1,060,493.00	999,785.00	1,060,493.00	999,785.00
Total key management personnel compensation	17,538,659.00	16,949,353.00	17,538,659.00	16,949,353.00

Balances with related parties as at December 31, 2021 and 2020 with related parties were as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Other current receivables - related party				
Subsidiary				
Rachaburi Enterprise Co., Ltd.	-	-	15,226,649.17	16,894,964.46
Total	-	-	15,226,649.17	16,894,964.46
<u>Less allowance for credit loss</u>	-	-	-	-
Net	-	-	15,226,649.17	16,894,964.46
Current portion of loan to related party				
Subsidiary				
Rachaburi Enterprise Co., Ltd.	-	-	10,000,000.00	-
Total	-	-	10,000,000.00	-
Long-term loan to related party - net				
Subsidiary				
Rachaburi Enterprise Co., Ltd.	-	-	10,000,000.00	20,000,000.00
Total	-	-	10,000,000.00	20,000,000.00

Movements of loan to related party for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht	
	2021	2020
Balance as at January 1,	20,000,000.00	-
Increase	-	20,000,000.00
Balance as at December 31,	20,000,000.00	20,000,000.00
<u>Less current portion of loan to related party</u>	(10,000,000.00)	-
Net	10,000,000.00	20,000,000.00

The subsidiary issued a promissory note in amount of Baht 20 million, which is repayable at call and with an interest rate 2.05% per annum. Subsequently, in year 2021, the subsidiary had planned to pay within 18 monthly installments of which the 1st installment will be repaid in January 2022. Therefore, it is classified as long-term loan and current portion of long-term loan to related party.

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Other current assets				
Related party				
A-Host Co., Ltd.	55,953.18	-	55,953.18	-
Total	55,953.18	-	55,953.18	-
Right-of-use assets - net				
Related party				
Motor Plus Co., Ltd.	264,756.77	481,374.35	264,756.77	481,374.35
Total	264,756.77	481,374.35	264,756.77	481,374.35
Other non-current assets				
Related parties				
Motor Plus Co., Ltd.	85,600.00	85,600.00	85,600.00	85,600.00
A-Host Co., Ltd.	155,150.00	155,150.00	155,150.00	155,150.00
Total	240,750.00	240,750.00	240,750.00	240,750.00
Trade accounts payable - related party				
Subsidiary				
Rachaburi Enterprise Co., Ltd.	-	-	16,744,859.44	14,225,276.73
Total	-	-	16,744,859.44	14,225,276.73
Other current payables - related parties				
Related parties				
A-Host Co., Ltd.	213,572.00	101,650.00	213,572.00	101,650.00
Motor Plus Co., Ltd.	17,120.00	33,598.00	17,120.00	33,598.00
Total	230,692.00	135,248.00	230,692.00	135,248.00

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Lease liabilities - net				
Related party				
Motor Plus Co., Ltd.	279,375.26	494,480.76	279,375.26	494,480.76
Total	279,375.26	494,480.76	279,375.26	494,480.76

Significant agreements with related parties

As at December 31, 2021, the Company has significant agreements with related parties as follows;

Subsidiary

Management agreement

The Company had entered into a management agreement to provide management services to the subsidiary. The agreement is effective from January 1, 2021 (replace of the original, effective July 1, 2020) for period of 12 months and can be renewed every 1 year, unless either party agrees to terminate by giving at least 60 days written notice for termination to the other party before the termination of the agreement. The management fees receivable from the subsidiary is as stipulated in the agreement.

Rental agreements

The Company has a machine rental agreement with the subsidiary. The agreement is effective from January 1, 2021 (replace of the original, effective November 16, 2020) for a period 12 months and will be renewed for a period of 1 year each. The rental fees receivable from the subsidiary is as stipulated in the agreement.

Sale - purchase stone agreement

The Company had entered into the sale - purchase of stone agreement with the subsidiary which the purchase will occur when the product is sold to customers with purchase prices stipulated in the agreement. The agreement is effective from January 1, 2021 (replace of the original, effective August 1, 2020) until either party agrees to terminate by written notice.

On May 19, 2021, the Company had entered into amendment agreement no.1 with retrospective effective to January 1, 2021, onwards to revise the selling price of products. Subsequently, amendment agreement no.1 was amended by amendment agreement no.2 to revise the selling price of products, effective from June 1, 2021.

In the third quarter of year 2021, the Company had entered into amendment agreement no.3 by adding dolomite mineral products and agreed selling price, effective from July 1, 2021. Subsequently, the Company entered into amendment agreement no.4 to revise the selling price of dolomite mineral products, effective from August 1, 2021, onwards until either party agrees to terminate the agreement by written notice.

Related parties

Service agreement

The Company entered into a service agreement with a related party to provide the information technology management and infrastructure development, contract date February 1, 2021 (replace of the original, effective January 1, 2018). The agreement is effective from January 1, 2021 to December 31, 2023. Thereafter, this agreement shall automatically renew for successive one year term unless either party agrees to terminate by giving at least 90 days written notice for termination to the other party before the termination of the agreement. The rental fees payable to the related party are as stipulated in the agreement.

Rental agreement

The Company entered into a car rental agreement with a related party. The agreement is effective from June 16, 2019 for a period of 4 years commencing from the date specified in the agreement and will expire in June, 2023 unless either party agrees to terminate by giving at least 30 days written notice for termination to the other party before the termination of the agreement. The rental fees payable to the related party are as stipulated in the agreement.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash on hand	303,243.00	286,475.73	280,243.00	273,040.58
Cash at banks - current accounts	3,512,539.98	2,835,458.38	3,496,672.54	2,811,686.28
Cash at banks - savings accounts	83,895,212.67	100,497,298.75	73,823,449.76	82,556,351.74
Highly liquid short-term investments	940,743.79	974,954.11	940,743.79	974,954.11
Total	88,651,739.44	104,594,186.97	78,541,109.09	86,616,032.71

7. SHORT-TERM INVESTMENTS

Short-term investments as at December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Fixed deposits maturity within				
12 months	95,482,936.00	55,481,670.95	95,000,000.00	55,000,000.00
Total	95,482,936.00	55,481,670.95	95,000,000.00	55,000,000.00

8. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at December 31, 2021 and 2020 consisted of:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts receivable				
Other parties	189,296,704.76	188,470,811.94	189,296,704.76	188,470,811.94
Total	189,296,704.76	188,470,811.94	189,296,704.76	188,470,811.94
<u>Less</u> allowance for credit loss	(157,787,181.37)	(159,117,287.07)	(157,787,181.37)	(159,117,287.07)
Trade accounts receivable - net	31,509,523.39	29,353,524.87	31,509,523.39	29,353,524.87
Other current receivables				
Other current receivables - related party	-	-	15,226,649.17	16,894,964.46
Prepaid expense	2,934,556.97	3,763,591.28	1,683,745.49	2,156,534.26
Other	974,255.26	1,304,643.10	723,655.26	333,914.13
Total other current receivables	3,908,812.23	5,068,234.38	17,634,049.92	19,385,412.85
Total trade and other current receivables - net	35,418,335.62	34,421,759.25	49,143,573.31	48,738,937.72

Movements of allowance for credit loss for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance as at January 1,	159,117,287.07	161,686,849.94	159,117,287.07	161,686,849.94
Decrease during the year	(1,330,105.70)	(2,569,562.87)	(1,330,105.70)	(2,569,562.87)
Balance as at December 31,	<u>157,787,181.37</u>	<u>159,117,287.07</u>	<u>157,787,181.37</u>	<u>159,117,287.07</u>

The balances of trade accounts receivable as at December 31, 2021 and 2020, aged on the basis of due dates, are summarized below:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Other parties				
Within credit terms	25,388,700.39	23,624,765.76	25,388,700.39	23,624,765.76
Overdue:				
Less than 3 months	6,120,823.00	5,728,759.11	6,120,823.00	5,728,759.11
Over 12 months	<u>157,787,181.37</u>	<u>159,117,287.07</u>	<u>157,787,181.37</u>	<u>159,117,287.07</u>
	189,296,704.76	188,470,811.94	189,296,704.76	188,470,811.94
<u>Less</u> allowance for credit loss	<u>(157,787,181.37)</u>	<u>(159,117,287.07)</u>	<u>(157,787,181.37)</u>	<u>(159,117,287.07)</u>
Net	<u>31,509,523.39</u>	<u>29,353,524.87</u>	<u>31,509,523.39</u>	<u>29,353,524.87</u>

Trade accounts receivable with aging more than 12 months comprise trade accounts receivable from concrete business which under collection protocol and legal process. The Company has provided full allowance in the financial statements for the respective trade accounts receivable.

9. INVENTORIES - NET

Inventories as at December 31, 2021 and 2020 consisted of:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Finished goods	33,701,122.56	38,318,239.08	5,503,053.64	6,972,183.53
Semi-finished goods	16,974,247.19	21,741,688.01	8,014,063.93	13,268,005.17
Raw materials	7,820,151.20	6,632,824.19	6,824,486.24	5,462,905.54
Supplies and spare parts	14,543,145.39	17,728,399.43	9,108,442.67	11,884,671.09
Total	73,038,666.34	84,421,150.71	29,450,046.48	37,587,765.33
<u>Less</u> allowance for decline in value/ obsolescence	(12,778,471.42)	(20,367,598.88)	(3,579,727.82)	(1,157,571.55)
Net	60,260,194.92	64,053,551.83	25,870,318.66	36,430,193.78

Change in the allowance for decline in value/obsolescence inventories for the year ended December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Beginning balance of the year	20,367,598.88	4,912,963.51	1,157,571.55	1,102,959.79
Addition during the year	2,422,156.27	17,601,358.15	2,422,156.27	54,611.76
Decrease during the year	(10,011,283.73)	(2,146,722.78)	-	-
Ending balance at end of the year	12,778,471.42	20,367,598.88	3,579,727.82	1,157,571.55

10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTION

As December 31, 2021 and 2020, the Group has restricted deposits at financial institution totaling Baht 2.94 million for various funds to comply with the notification of the Department of Primary Industries and Mines on Guidelines of Fund Management B.E. 2559 (see Note 33).

11. DEPOSITS AT FINANCIAL INSTITUTIONS USED AS COLLATERAL

As at December 31, 2021 and 2020, fixed deposits at financial institutions of the Group in the amount of Baht 4.01 million and Baht 4.00 million, respectively, were used as collateral for fleet cards and for letter of guarantee for legal compliance for mining operation (see Note 33).

12. INVESTMENT IN SUBSIDIARY

Details of investments in subsidiary as at December 31, 2021 and 2020 are as follows:

Subsidiary's name	Type of business	Separate financial statements					
		Unit: Thousand Baht					
		Ownership interest (%)		Paid-up capital		Cost	
2021	2020	2021	2020	2021	2020		
Rachaburi Enterprise Co., Ltd.	Quarrying	99.99	99.99	174,000.00	174,000.00	181,924.74	181,924.74

The subsidiary operates a quarrying under the license and sells the limestone product to the Company under the purchase agreement.

During the years ended December 31, 2021 and 2020, the subsidiary has no dividend payment.

13. INVESTMENT PROPERTIES - NET

As at December 31, 2021 and 2020, investment properties in the amount of Baht 20.68 million for both years were revalued by an independent professional appraiser whose report dated January 13, 2021, on market value basis. The appraised value was Baht 40.95 million. The valuation model considers the market comparison approach.

As at December 31, 2021 and 2020, the Company has mortgaged land, with a net book value of Baht 20.68 million for both years to a financial institution for collateral of credit facilities (see Note 20).

14. PROPERTY, PLANT AND EQUIPMENT - NET

Movement of property, plant and equipment for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht							Total
	Consolidated financial statements							
	Land and land improvement	Quarry land	Building and leasehold improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Cost								
As at January 1, 2020	99,937,669.65	179,653,114.31	25,760,887.98	329,253,772.62	14,383,432.60	39,742,160.71	14,164,207.48	702,895,245.35
Additions	-	-	47,000.00	3,312,306.93	1,599,025.75	2,433,911.06	-	7,392,243.74
Transfer in/(transfer out)	-	-	-	-	20,000.00	-	(20,000.00)	-
Transfer from right-of-use assets	-	-	-	82,154,607.97	-	3,644,859.81	-	85,799,467.78
Disposals	-	-	-	(5,800.00)	(143,649.58)	-	-	(149,449.58)
As at December 31, 2020	99,937,669.65	179,653,114.31	25,807,887.98	414,714,887.52	15,858,808.77	45,820,931.58	14,144,207.48	795,937,507.29
Additions	-	-	10,029,225.99	12,590,478.84	741,503.75	908,169.02	-	24,269,377.60
Transfer in/(transfer out)	-	-	-	-	115,599.99	-	(115,599.99)	-
Transfer from right-of-use assets	-	-	-	5,575,073.64	-	3,700,000.00	-	9,275,073.64
Disposals	-	-	-	(2,507,101.16)	(15,700.00)	(326,510.15)	(2,438,774.81)	(5,288,086.12)
As at December 31, 2021	99,937,669.65	179,653,114.31	35,837,113.97	430,373,338.84	16,700,212.51	50,102,590.45	11,589,832.68	824,193,872.41

Unit: Baht

	Consolidated financial statements							Total
	Land and land improvement	Quarry land	Building and leasehold improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Accumulated depreciation								
As at January 1, 2020	-	130,222,213.10	15,845,753.21	179,430,933.75	11,508,242.08	27,528,896.30	-	364,536,038.44
Depreciation for the year	-	8,025,380.04	1,252,790.99	37,668,278.96	1,620,940.71	4,653,024.23	-	53,220,414.93
Transfer from right-of-use assets	-	-	-	46,721,301.69	-	1,727,563.68	-	48,448,865.37
Disposals	-	-	-	(2,319.98)	(103,086.55)	-	-	(105,406.53)
As at December 31, 2020	-	138,247,593.14	17,098,544.20	263,818,194.42	13,026,096.24	33,909,484.21	-	466,099,912.21
Depreciation for the year	-	4,352,804.31	1,906,274.55	36,695,630.54	1,534,620.65	5,317,978.88	-	49,807,308.93
Transfer from right-of-use assets	-	-	-	1,964,258.77	-	1,491,150.71	-	3,455,409.48
Disposals	-	-	-	(2,206,519.20)	(15,699.00)	(260,075.16)	-	(2,482,293.36)
As at December 31, 2021	-	142,600,397.45	19,004,818.75	300,271,564.53	14,545,017.89	40,458,538.64	-	516,880,337.26
Impairment loss								
As at December 31, 2020	-	-	-	238,148.81	-	-	13,901,707.51	14,139,856.32
Increase	-	-	-	-	325,529.83	236,575.20	-	562,105.03
Disposals	-	-	-	-	-	-	(2,311,874.83)	(2,311,874.83)
As at December 31, 2021	-	-	-	238,148.81	325,529.83	236,575.20	11,589,832.68	12,390,086.52

Unit: Baht

		Consolidated financial statements						
		Building and	Machinery	Furniture,		Construction		
Land and land	Quarry land	leasehold	and	fixtures and	Vehicles	in progress	Total	
improvement		improvement	equipment	office equipment				
Net book value								
As at December 31, 2020	99,937,669.65	41,405,521.17	8,709,343.78	150,658,544.29	2,832,712.53	11,911,447.37	242,499.97	315,697,738.76
As at December 31, 2021	99,937,669.65	37,052,716.86	16,832,295.22	129,863,625.50	1,829,664.79	9,407,476.61	-	294,923,448.63

The cost of the Group's fully depreciation plant and equipment that was still in use as at December 31, 2021 amounted to Baht 154.66 million (2020: Baht 103.67 million).

As at December 31, 2021 and 2020, the Group has mortgaged land, with a net book value of Baht 17.78 million to a financial institution for collateral of credit facilities (see Note 20).

Unit: Baht

	Separate financial statements							Total
	Land	Quarry land	Building and leasehold improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Cost								
As at January 1, 2020	58,718,877.19	157,806,119.31	6,033,043.39	246,840,412.57	11,231,233.11	36,327,208.37	2,530,914.81	519,487,808.75
Additions	-	-	-	795,248.84	1,074,591.63	2,433,911.06	-	4,303,751.53
Transfer in/(transfer out)	-	-	-	-	20,000.00	-	(20,000.00)	-
Transfer from right-of-use assets	-	-	-	43,027,231.02	-	3,644,859.81	-	46,672,090.83
Disposals	-	-	-	(11,348,228.62)	(368,649.58)	(304,345.79)	-	(12,021,223.99)
As at December 31, 2020	58,718,877.19	157,806,119.31	6,033,043.39	279,314,663.81	11,957,175.16	42,101,633.45	2,510,914.81	558,442,427.12
Additions	-	-	-	4,155,001.16	516,799.72	306,299.87	-	4,978,100.75
Transfer in/(transfer out)	-	-	-	-	72,140.00	-	(72,140.00)	-
Transfer from right-of-use assets	-	-	-	5,575,073.64	-	3,700,000.00	-	9,275,073.64
Disposals	-	-	-	(2,507,101.16)	(15,700.00)	(326,510.15)	(2,438,774.81)	(5,288,086.12)
As at December 31, 2021	58,718,877.19	157,806,119.31	6,033,043.39	286,537,637.45	12,530,414.88	45,781,423.17	-	567,407,515.39

Unit: Baht

	Separate financial statements							Total
	Land	Quarry land	Building and leasehold improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Accumulated depreciation								
As at January 1, 2020	-	130,222,213.10	1,573,906.36	153,679,077.66	8,993,838.51	26,142,816.21	-	320,611,851.84
Depreciation for the year	-	8,025,380.04	603,304.32	25,021,769.80	1,077,910.86	4,099,024.18	-	38,827,389.20
Transfer from right-of-use assets	-	-	-	18,777,008.28	-	1,727,563.68	-	20,504,571.96
Disposals	-	-	-	(11,199,637.92)	(328,085.55)	(304,343.79)	-	(11,832,067.26)
As at December 31, 2020	-	138,247,593.14	2,177,210.68	186,278,217.82	9,743,663.82	31,665,060.28	-	368,111,745.74
Depreciation for the year	-	4,352,804.31	764,042.61	25,004,543.58	1,030,794.53	4,683,839.54	-	35,836,024.57
Transfer from right-of-use assets	-	-	-	1,964,258.77	-	1,491,150.71	-	3,455,409.48
Disposals	-	-	-	(2,206,519.20)	(15,699.00)	(260,075.16)	-	(2,482,293.36)
As at December 31, 2021	-	142,600,397.45	2,941,253.29	211,040,500.97	10,758,759.35	37,579,975.37	-	404,920,886.43
Impairment loss								
As at December 31, 2020	-	-	-	-	-	-	2,311,874.83	2,311,874.83
Increase	-	-	-	-	325,529.83	236,575.20	-	562,105.03
Disposals	-	-	-	-	-	-	(2,311,874.83)	(2,311,874.83)
As at December 31, 2021	-	-	-	-	325,529.83	236,575.20	-	562,105.03

Unit: Baht

	Separate financial statements							Total
	Land	Quarry land	Building and leasehold improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Net book value								
As at December 31, 2020	58,718,877.19	19,558,526.17	3,855,832.71	93,036,445.99	2,213,511.34	10,436,573.17	199,039.98	188,018,806.55
As at December 31, 2021	58,718,877.19	15,205,721.86	3,091,790.10	75,497,136.48	1,446,125.70	7,964,872.60	-	161,924,523.93

The cost of the Company's fully depreciated plant and equipment that was still in use as at December 31, 2021 amounted to Baht 108.59 million (2020: Baht 68.15 million).

As at December 31, 2021 and 2020, the Company has mortgaged land, with a net book value of Baht 17.78 million to a financial institution for collateral of credit facilities (see Note 20).

15. RIGHT-OF-USE ASSETS - NET

Movement of right-of-use assets for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated financial statements			
	Office building	Machinery and equipment	Vehicles	Total
Cost				
As at January 1, 2020	24,663,425.71	124,854,681.61	17,398,243.36	166,916,350.68
Additions	-	-	6,197,503.23	6,197,503.23
Transfer to property, plant and equipment	-	(82,154,607.97)	(3,644,859.81)	(85,799,467.78)
As at December 31, 2020	24,663,425.71	42,700,073.64	19,950,886.78	87,314,386.13
Additions	-	3,350,000.00	571,803.34	3,921,803.34
Transfer to property, plant and equipment	-	(5,575,073.64)	(3,700,000.00)	(9,275,073.64)
As at December 31, 2021	24,663,425.71	40,475,000.00	16,822,690.12	81,961,115.83
Accumulated amortization				
As at January 1, 2020	-	45,573,506.77	4,209,552.85	49,783,059.62
Amortization for the year	4,624,392.33	11,493,002.23	3,632,439.03	19,749,833.59
Transfer to property, plant and equipment	-	(46,721,301.69)	(1,727,563.68)	(48,448,865.37)
As at December 31, 2020	4,624,392.33	10,345,207.31	6,114,428.20	21,084,027.84
Amortization for the year	4,624,392.33	5,430,037.95	3,824,302.71	13,878,732.99
Transfer to property, plant and equipment	-	(1,964,258.77)	(1,491,150.71)	(3,455,409.48)
As at December 31, 2021	9,248,784.66	13,810,986.49	8,447,580.20	31,507,351.35
Net book value				
As at December 31, 2020	20,039,033.38	32,354,866.33	13,836,458.58	66,230,358.29
As at December 31, 2021	15,414,641.05	26,664,013.51	8,375,109.92	50,453,764.48

Unit: Baht

	Separate financial statements			
	Machinery			Total
	Office building	and equipment	Vehicles	
Cost				
As at January 1, 2020	24,663,425.71	48,602,304.66	13,968,243.36	87,233,973.73
Additions	-	-	6,197,503.23	6,197,503.23
Transfer to property, plant and equipment	-	(43,027,231.02)	(3,644,859.81)	(46,672,090.83)
As at December 31, 2020	24,663,425.71	5,575,073.64	16,520,886.78	46,759,386.13
Additions	-	-	571,803.34	571,803.34
Transfer to property, plant and equipment	-	(5,575,073.64)	(3,700,000.00)	(9,275,073.64)
As at December 31, 2021	24,663,425.71	-	13,392,690.12	38,056,115.83
Accumulated amortization				
As at January 1, 2020	-	16,419,919.37	3,884,407.66	20,304,327.03
Amortization for the year	4,624,392.33	4,044,885.13	2,946,439.05	11,615,716.51
Transfer to property, plant and equipment	-	(18,777,008.28)	(1,727,563.68)	(20,504,571.96)
As at December 31, 2020	4,624,392.33	1,687,796.22	5,103,283.03	11,415,471.58
Amortization for the year	4,624,392.33	276,462.55	3,138,302.76	8,039,157.64
Transfer to property, plant and equipment	-	(1,964,258.77)	(1,491,150.71)	(3,455,409.48)
As at December 31, 2021	9,248,784.66	-	6,750,435.08	15,999,219.74
Net book value				
As at December 31, 2020	20,039,033.38	3,887,277.42	11,417,603.75	35,343,914.55
As at December 31, 2021	15,414,641.05	-	6,642,255.04	22,056,896.09

16. OTHER INTANGIBLE ASSETS - NET

Movement of other intangible assets for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht				
	Consolidated financial statements				
	Concession	Computer software	Trademark	Work in progress	Total
Cost					
As at January 1, 2020	12,748,603.19	5,017,100.00	107,700.00	289,800.00	18,163,203.19
Additions	-	593,900.00	-	2,645,400.00	3,239,300.00
As at December 31, 2020	12,748,603.19	5,611,000.00	107,700.00	2,935,200.00	21,402,503.19
Additions	2,863,997.87	393,600.00	-	-	3,257,597.87
Transfer in/(transfer out)	2,250,400.00	395,000.00	-	(2,645,400.00)	-
As at December 31, 2021	17,863,001.06	6,399,600.00	107,700.00	289,800.00	24,660,101.06
Accumulated amortization					
As at January 1, 2020	1,403,206.66	3,654,441.23	36,904.64	-	5,094,552.53
Amortization for the year	698,492.27	622,569.45	10,770.03	-	1,331,831.75
As at December 31, 2020	2,101,698.93	4,277,010.68	47,674.67	-	6,426,384.28
Amortization for the year	1,853,679.14	602,183.64	10,770.03	-	2,466,632.81
As at December 31, 2021	3,955,378.07	4,879,194.32	58,444.70	-	8,893,017.09
Impairment loss					
As at December 31, 2020	-	-	-	-	-
As at December 31, 2021	-	-	-	173,880.00	173,880.00
Net book value					
As at December 31, 2020	10,646,904.26	1,333,989.32	60,025.33	2,935,200.00	14,976,118.91
As at December 31, 2021	13,907,622.99	1,520,405.68	49,255.30	115,920.00	15,593,203.97

Unit: Baht

	Separate financial statements				
	Concession	Computer software	Trademark	Work in progress	Total
Cost					
As at January 1, 2020	4,215,296.39	4,972,500.00	23,100.00	289,800.00	9,500,696.39
Additions	-	399,450.00	-	395,000.00	794,450.00
As at December 31, 2020	4,215,296.39	5,371,950.00	23,100.00	684,800.00	10,295,146.39
Additions	-	196,800.00	-	-	196,800.00
Transfer in/(transfer out)	-	395,000.00	-	(395,000.00)	-
As at December 31, 2021	4,215,296.39	5,963,750.00	23,100.00	289,800.00	10,491,946.39
Accumulated amortization					
As at January 1, 2020	715,906.87	3,642,223.27	6,100.89	-	4,364,231.03
Amortization for the year	356,449.79	579,116.76	2,309.98	-	937,876.53
As at December 31, 2020	1,072,356.66	4,221,340.03	8,410.87	-	5,302,107.56
Amortization for the year	355,475.88	509,030.17	2,309.98	-	866,816.03
As at December 31, 2021	1,427,832.54	4,730,370.20	10,720.85	-	6,168,923.59
Impairment loss					
As at December 31, 2020	-	-	-	-	-
As at December 31, 2021	-	-	-	173,880.00	173,880.00
Net book value					
As at December 31, 2020	3,142,939.73	1,150,609.97	14,689.13	684,800.00	4,993,038.83
As at December 31, 2021	2,787,463.85	1,233,379.80	12,379.15	115,920.00	4,149,142.80

17. DEFERRED EXCAVATION COSTS

Movement of deferred excavation cost for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
As at January 1,	16,895,432.64	19,438,369.83	16,895,432.64	19,438,369.83
Increase during the year	1,586,225.64	3,352,098.46	1,586,225.64	3,352,098.46
Amortized during the year	(4,057,695.73)	(5,895,035.65)	(4,057,695.73)	(5,895,035.65)
As at December 31,	<u>14,423,962.55</u>	<u>16,895,432.64</u>	<u>14,423,962.55</u>	<u>16,895,432.64</u>

18. DEFERRED TAX - NET

Deferred tax as at December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
			(Restated)	(Restated)
Deferred tax assets	30,252,086.32	36,556,256.56	25,148,219.36	29,565,791.65
Deferred tax liabilities	(8,920,412.93)	(10,855,193.47)	(6,566,629.70)	(8,943,307.65)
Deferred tax assets - net	<u>21,331,673.39</u>	<u>25,701,063.09</u>	<u>18,581,589.66</u>	<u>20,622,484.00</u>

Movements in total deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Unit: Baht				
	Consolidated financial statements				
	As at January 1, 2021	Credited / (Charged) to:			As at December 31, 2021
		Profit or loss	Other comprehensive income		
	(Restated)			(Restated)	
Deferred tax assets					
Trade accounts receivable	26,422,101.75	(5,513,098.91)	-	20,909,002.84	
Inventories	4,073,519.78	(1,517,825.49)	-	2,555,694.29	
Provision for impairment of assets	2,365,596.30	47,315.05	-	2,412,911.35	
Employee benefit obligations	3,695,038.73	679,439.11	-	4,374,477.84	
Total	36,556,256.56	(6,304,170.24)	-	30,252,086.32	
Deferred tax liabilities					
Lease liabilities	(10,855,193.47)	1,934,780.54	-	(8,920,412.93)	
Total	(10,855,193.47)	1,934,780.54	-	(8,920,412.93)	
Net	25,701,063.09	(4,369,389.70)	-	21,331,673.39	

	Unit: Baht				
	Consolidated financial statements				
	As at January 1, 2020	Credited / (Charged) to:			As at December 31, 2020
		Profit or loss	Other comprehensive income		
	(Restated)			(Restated)	
Deferred tax assets					
Trade accounts receivable	27,310,142.77	(888,041.02)	-	26,422,101.75	
Inventories	1,621,834.47	2,451,685.31	-	4,073,519.78	
Provision for impairment of assets	2,371,950.41	(6,354.11)	-	2,365,596.30	
Employee benefit obligations	2,872,393.00	591,412.92	231,232.81	3,695,038.73	
Total	34,176,320.65	2,148,703.10	231,232.81	36,556,256.56	

	Unit: Baht			
	Consolidated financial statements			
	Credited / (Charged) to:			
	As at		Other	As at
	January 1,		comprehensive	December 31,
	2020	Profit or loss	income	2020
	(Restated)			(Restated)
Deferred tax liabilities				
Lease liabilities	(11,889,974.94)	1,034,781.47	-	(10,855,193.47)
Total	(11,889,974.94)	1,034,781.47	-	(10,855,193.47)
Net	22,286,345.71	3,183,484.57	231,232.81	25,701,063.09

	Unit: Baht			
	Separate financial statements			
	Credited / (Charged) to:			
	As at		Other	As at
	January 1,		comprehensive	December 31,
	2021	Profit or loss	income	2021
	(Restated)			
Deferred tax assets				
Trade accounts receivable	26,422,101.75	(5,513,098.91)	-	20,909,002.84
Inventories	231,514.31	484,431.25	-	715,945.56
Provision for impairment of assets	-	47,315.05	-	47,315.05
Employee benefit obligations	2,912,175.59	563,780.32	-	3,475,955.91
Total	29,565,791.65	(4,417,572.29)	-	25,148,219.36
Deferred tax liabilities				
Lease liabilities	(8,943,307.65)	2,376,677.95	-	(6,566,629.70)
Total	(8,943,307.65)	2,376,677.95	-	(6,566,629.70)
Net	20,622,484.00	(2,040,894.34)	-	18,581,589.66

	Unit: Baht			
	Separate financial statements			
	Credited / (Charged) to:			
	As at January 1, 2020 (Restated)	Profit or loss	Other comprehensive income	As at December 31, 2020 (Restated)
Deferred tax assets				
Trade accounts receivable	27,310,142.77	(888,041.02)	-	26,422,101.75
Inventories	220,591.96	10,922.35	-	231,514.31
Employee benefit obligations	2,245,348.60	505,504.73	161,322.26	2,912,175.59
Total	<u>29,776,083.33</u>	<u>(371,613.94)</u>	<u>161,322.26</u>	<u>29,565,791.65</u>
Deferred tax liabilities				
Lease liabilities	(10,272,176.04)	1,328,868.39	-	(8,943,307.65)
Total	<u>(10,272,176.04)</u>	<u>1,328,868.39</u>	<u>-</u>	<u>(8,943,307.65)</u>
Net	<u>19,503,907.29</u>	<u>957,254.45</u>	<u>161,322.26</u>	<u>20,622,484.00</u>

19. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deposits	3,739,570.01	3,521,178.32	3,187,970.01	3,469,578.32
Prepaid expense - land rental	1,043,118.48	1,262,722.33	1,043,118.48	1,262,722.33
Total	<u>4,782,688.49</u>	<u>4,783,900.65</u>	<u>4,231,088.49</u>	<u>4,732,300.65</u>

20. CREDIT FACILITIES FROM FINANCIAL INSTITUTIONS

As at December 31, 2021 and 2020, the Company has short-term loans from financial institutions amounting to Baht 1 million and Baht 3 million, respectively. The Company has bank overdrafts and other short-term credit facilities from financial institutions amounting to Baht 131 million. These credit facilities are collateralized by mortgaged land and building (see Notes 13 and 14) together with guaranteed by director and subsidiary.

21. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts payable				
Related party	-	-	16,744,859.44	14,225,276.73
Other parties	8,509,494.30	7,237,192.36	3,889,234.30	4,327,759.67
	8,509,494.30	7,237,192.36	20,634,093.74	18,553,036.40
Other current payables				
Related parties	230,692.00	135,248.00	230,692.00	135,248.00
Other parties	9,900,873.30	8,851,981.97	7,455,060.12	6,996,682.84
Deferred revenue	2,197,649.99	1,860,541.98	2,197,649.99	1,860,541.98
Accrued expenses	4,438,278.77	3,862,301.66	3,184,054.99	2,496,183.60
Retention	1,830,645.30	571,895.30	900,000.00	400,000.00
Others	13,402.53	325,848.79	11,002.53	323,913.79
	18,611,541.89	15,607,817.70	13,978,459.63	12,212,570.21
Total	27,121,036.19	22,845,010.06	34,612,553.37	30,765,606.61

22. LEASE LIABILITIES

Lease liabilities as at December 31, 2021 and 2020 consisted of:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Lease liabilities	38,840,590.45	53,503,435.92	23,452,492.00	31,197,095.17
<u>Less</u> deferred interest	(2,983,384.56)	(4,735,661.18)	(2,128,671.74)	(3,313,720.46)
	35,857,205.89	48,767,774.74	21,323,820.26	27,883,374.71
<u>Less</u> current portion of lease liabilities	(14,040,714.92)	(16,001,873.68)	(5,985,501.49)	(7,056,100.85)
Long-term lease liabilities - net	21,816,490.97	32,765,901.06	15,338,318.77	20,827,273.86

As at December 31, 2021 and 2020, the lease liabilities and the repayment detail are as follows:

	Unit: Baht					
	Consolidated financial statements					
	2021			2020		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
Within one year	15,566,854.68	(1,526,139.76)	14,040,714.92	18,036,873.69	(2,035,000.01)	16,001,873.68
After one year but						
within five years	23,273,735.77	(1,457,244.80)	21,816,490.97	35,466,562.23	(2,700,661.17)	32,765,901.06
Total	38,840,590.45	(2,983,384.56)	35,857,205.89	53,503,435.92	(4,735,661.18)	48,767,774.74

	Unit: Baht					
	Separate financial statements					
	2021			2020		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
Within one year	6,946,821.00	(961,319.51)	5,985,501.49	8,293,999.53	(1,237,898.68)	7,056,100.85
After one year but						
within five years	16,505,671.00	(1,167,352.23)	15,338,318.77	22,903,095.64	(2,075,821.78)	20,827,273.86
Total	23,452,492.00	(2,128,671.74)	21,323,820.26	31,197,095.17	(3,313,720.46)	27,883,374.71

23. NON-CURRENT PROVISIONS FOR EMPLOYMENT BENEFIT

Defined benefit plan - Statutory Severance Pay

The Company operates defined benefit plans based on the requirement of Thai Labor Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Changes in the present value of non-current provisions for employee benefit for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht	
	Consolidated financial statements	
	2021	2020
Non-current provisions for employee benefit as at January 1,	25,264,257.68	21,151,029.01
Include in profit or loss:		
Current service cost	3,446,124.00	3,356,438.63
Interest cost	512,866.00	471,494.00
	3,958,990.00	3,827,932.63
Benefits paid during year	(2,367,467.00)	(870,868.00)
Include in other comprehensive income:		
Defined benefit plan actuarial profit (loss)		
Change in financial assumptions	-	1,502,841.04
Experience adjustment	-	(346,677.00)
	-	1,156,164.04
Non-current provisions for employee benefit as at December 31,	26,855,780.68	25,264,257.68

	Unit: Baht	
	Separate financial statements	
	2021	2020
Non-current provisions for employee benefit as at January 1,	21,349,941.94	18,015,807.01
Include in profit or loss:		
Current service cost	2,826,203.00	2,776,191.63
Interest cost	424,493.00	394,200.00
	<u>3,250,696.00</u>	<u>3,170,391.63</u>
Benefits paid during year	(2,237,467.00)	(642,868.00)
Include in other comprehensive income:		
Defined benefit plan actuarial profit (loss)		
Change in financial assumptions	-	1,153,288.30
Experience adjustment	-	(346,677.00)
	<u>-</u>	<u>806,611.30</u>
Non-current provisions for employee benefit as at December 31,	<u>22,363,170.94</u>	<u>21,349,941.94</u>

As at December 31, 2021, the weighted average duration of the liabilities for long-term employee benefit of the Company is 16 years (2020: 17 years). The subsidiary's weighted average duration of the liabilities for long-term employee benefit is 17 years (2020: 18 years).

Employee benefit expenses for the years ended December 31, 2021 and 2020 as recognized in statement of comprehensive income are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost of sale of goods and rendering of services	2,092,176.00	2,047,808.64	2,247,066.00	2,220,345.13
Selling expenses	140,445.00	119,969.00	140,445.00	119,969.00
Administrative expenses	1,726,369.00	1,660,154.99	863,185.00	830,077.50
Total	<u>3,958,990.00</u>	<u>3,827,932.63</u>	<u>3,250,696.00</u>	<u>3,170,391.63</u>

The followings were the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(%)		(%)	
Discount rate	1.44 - 1.61	1.44 - 1.61	1.44	1.44
Future salary growth	5.00	5.00	5.00	5.00
Employee turnover rate**	0 - 31.00	0 - 31.00	0 - 31.00	0 - 31.00
Mortality rate	100 of mortality table on 2017	100 of mortality table on 2017	100 of mortality table on 2017	100 of mortality table on 2017
Disability rate	5.00 of mortality table on 2017	5.00 of mortality table on 2017	5.00 of mortality table on 2017	5.00 of mortality table on 2017

**Upon the length of employee age.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumption, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation				
as at December 31, 2021				
Discount rate (1% movement)	(1,830,499.00)	2,070,739.00	(1,417,374.00)	1,595,452.00
Future salary growth (1% movement)	2,676,770.00	(2,384,293.00)	2,111,333.00	(1,890,934.00)
Turnover rate (1% movement)	(1,919,505.00)	527,658.00	(1,478,625.00)	378,941.00
Life expectancy (1 year changed)	132,199.00	(131,439.00)	101,036.00	(100,506.00)
Defined benefit obligation				
as at December 31, 2020				
Discount rate (1% movement)	(1,668,089.00)	1,886,785.00	(1,305,423.00)	1,468,065.00
Future salary growth (1% movement)	2,208,784.00	(1,981,592.00)	1,750,621.00	(1,579,933.00)
Turnover rate (1% movement)	(1,745,619.00)	476,244.00	(1,358,755.00)	338,857.00
Life expectancy (1 year changed)	121,859.00	(121,109.00)	94,757.00	(94,219.00)

The analysis of the maturity of benefit payments before discounted cash flow as at December 31, 2021 is as follows:

	Unit: Baht	
	Consolidated	Separate
	financial statements	financial statements
Within one year	202,559.14	202,559.14
After one year but within five years	11,201,738.95	10,926,997.80
More than five years	19,232,766.10	14,001,305.01

24. RESERVE

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.

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.

25. SEGMENT INFORMATION

For the year ended December 31, 2021, management considers that the Group operates in a single line of business, namely quarrying, and has, therefore, only one reportable segment.

Geographical segment

The Group is managed and operates principally in Thailand. There is no material revenues derived from, or assets located in foreign countries.

Major customers

Revenues from two main customers of the Group from the quarrying business approximate Baht 152.80 million (2020: Baht 194.78 million) of the Group’s total revenues.

26. ADMINISTRATIVE EXPENSES

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Employee benefit expenses	33,367,024.55	37,128,535.32	16,618,148.25	18,423,813.65
Director compensation	3,120,000.00	2,775,000.00	3,120,000.00	2,775,000.00
Professional fee	5,445,369.77	4,894,716.50	4,076,267.89	3,638,536.96
Security expenses	3,372,000.00	3,372,000.00	2,124,000.00	2,124,000.00
Depreciation and amortization	8,014,180.27	8,246,355.32	7,891,912.19	8,175,012.96
Impairment loss of assets	1,017,893.34	2,311,874.83	1,017,893.34	2,311,874.83
System maintenance expenses	2,267,173.63	2,021,242.41	2,168,723.63	2,021,242.41
Others	6,670,231.70	13,291,231.97	6,060,581.01	7,506,928.69
Total	63,273,873.26	74,040,956.35	43,077,526.31	46,976,409.50

27. EXPENSES BY NATURE

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Changes in inventories of finished goods	9,384,557.34	(9,702,136.20)	6,723,071.13	(2,045,734.02)
Purchase	-	-	171,567,570.13	176,100,986.47
Raw materials and consumables used	67,962,096.54	72,917,671.71	36,240,803.59	45,414,781.43
Fuel oil and electrical expenses	21,045,844.53	21,208,225.16	12,256,776.75	12,704,779.43
Employee benefit expenses	89,474,539.54	101,365,834.18	68,855,919.61	79,522,058.40
Director compensation	3,120,000.00	2,775,000.00	3,120,000.00	2,775,000.00
Repair and maintenance expenses	25,217,819.15	31,750,246.93	14,280,286.27	18,165,951.34
Outsource expenses	10,727,465.60	4,488,652.66	8,505,421.72	2,079,211.28
Depreciation and amortization expenses	70,210,370.46	80,197,115.93	48,799,693.97	57,276,017.92
Allowance for stock obsoletes (reversal)	(7,589,127.46)	15,454,635.37	2,422,156.27	54,611.76
Mineral royalty	14,312,298.48	12,039,103.44	5,677,324.80	6,330,214.80

27. EXPENSES BY NATURE (CONTINUED)

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Environmental monitoring expenses	3,896,114.58	5,075,930.00	2,003,386.54	3,325,213.96
Security expenses	3,372,000.00	3,372,000.00	2,124,000.00	2,124,000.00
Professional fee	5,543,548.35	4,986,458.27	4,154,044.47	3,700,358.73

28. EMPLOYEE BENEFIT EXPENSES

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Wages and salaries	73,554,802.05	83,527,058.00	56,510,398.05	65,406,565.00
Other welfares	11,960,747.49	14,010,843.55	9,094,825.56	10,945,101.77
Statutory severance pay	3,958,990.00	3,827,932.63	3,250,696.00	3,170,391.63
Total	89,474,539.54	101,365,834.18	68,855,919.61	79,522,058.40

29. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The funds are monthly contributed to by Employees on a monthly basis at the rates of 3-5 percent of their salaries, The Group also contributes to the fund on a monthly basis at the rates of 100 percent of the employees' contribution. From May 2020 onwards, the company contributed at the rate of 2% of the employee's salary. The fund is managed by Krung Thai Asset Management Public Company Limited. The funds will be paid to the employees upon termination in accordance with the rules of the funds. During the year 2021 and 2020, the Group contributed Baht 1.26 million and Baht 1.74 million, respectively to the funds.

30. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current tax expense		(Restated)		(Restated)
For the year	7,789,802.49	16,032,268.18	7,393,036.57	13,156,114.09
Deferred tax expense				
Movements in temporary differences	4,369,389.70	(3,183,484.57)	2,040,894.34	(957,254.45)
Total	<u>12,159,192.19</u>	<u>12,848,783.61</u>	<u>9,433,930.91</u>	<u>12,198,859.64</u>

Reconciliation of effective tax rate for the years ended December 31, 2021 and 2020 are as follows:

	Consolidated financial statements			
	2021		2020	
	Rate (%)	(in Baht)	Rate (%)	(in Baht)
Profit before income tax expense		30,655,277.76		45,999,799.30
Income tax using the corporation tax rate	20.00	6,131,055.55	20.00	9,199,959.86
Revenues that are granted				(Restated)
income tax exemption		(227,992.00)		-
Expenses not deductible for tax purposes		1,026,771.54		2,144,449.19
Effect from eliminate transactions		64,400.31		943,004.87
Adjusted an unused deferred tax asset		5,247,077.77		658,090.92
Other		(82,120.98)		(96,721.23)
Total	<u>39.66</u>	<u>12,159,192.19</u>	<u>22.49</u>	<u>12,848,783.61</u>

	Separate financial statements			
	2021		2020	
	Rate (%)	(in Baht)	Rate (%)	(in Baht)
				(Restated)
Profit before income tax expense		17,108,458.60		50,815,607.49
Income tax using the corporation tax rate	20.00	3,421,691.72	20.00	10,163,121.50
Revenues that are granted				
income tax exemption		(149,396.00)		-
Expenses not deductible for tax purposes		996,678.40		1,474,905.42
Adjusted an unused deferred tax asset		5,247,077.77		658,090.92
Other		(82,120.98)		(97,258.20)
Total	55.14	9,433,930.91	20.16	12,198,859.64

31. DIVIDENDS

Minutes of the Annual General Shareholders' Meeting for the year 2021, held on April 9, 2021, resolved to approve dividend payment from its retained earnings of Baht 1 per share, totaling Baht 24.21 million. The dividend was paid to shareholder in April 2021.

32. FINANCIAL INSTRUMENTS

Financial risk management policies

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

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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 monitors the return on capital, which the Group defines as result for operating activities divided by total shareholders' equity and also monitors the level of new investment and distribution of dividends to ordinary shareholders.

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. The Group has no significant exposure to interest rate risk from its borrowings and lease liability.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, management does not anticipate material losses from its debt collection in the quarrying business other than that already provided for the credit loss.

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.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of cash and cash equivalents, current investments, trade and other short-term receivables, trade and other payables are taken to approximate the carrying value.

The fair value of short-term loan to related party and lease liabilities are taken to approximate the carrying value. Because most of these financial instruments carry interest at market rates.

33. COMMITMENTS AND LETTER OF GUARANTEE

Commitments with non-related parties

The Group has entered into several lease agreements in respect of the lease of office equipment. As at December 31, 2021 and 2020, future minimum lease payments required under these operating lease contracts were as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Within one year	84,000.00	57,700.00	84,000.00	57,700.00
After one year but within five years	96,800.00	96,600.00	96,800.00	96,600.00
Total	180,800.00	154,300.00	180,800.00	154,300.00

Bank guarantees

The guarantees issued by banks for the operation are as follows:

Objective	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Guarantee for purchase of inventories	3,618,100.00	3,618,100.00	3,618,100.00	3,618,100.00
Guarantee for legal compliance	200,000.00	200,000.00	-	-
Total	3,818,100.00	3,818,100.00	3,618,100.00	3,618,100.00

As at December 31, 2021 and 2020, the Company has credit facility for fuel cards in the amount of Baht 3.62 million, which were guaranteed by fixed deposits at financial institutions of the Company in the amount of Baht 3.81 million and Baht 3.80 million, respectively.

As at December 31, 2021 and 2020, fixed deposits at financial institutions of the subsidiary in the amount of Baht 0.20 million, were used as collateral for letter of guarantee issued for legal compliance for mining operation.

Capital commitments

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Construction contract	-	2,675,000.00	-	-
Purchase of assets contract	-	3,289,715.00	-	-
Other services contract	-	1,017,832.00	-	-
Total	-	6,982,547.00	-	-

Regulatory Commitment

- 1) In accordance with the mining agreement between the Subsidiary and Department of Primary Industries and Mines, the Subsidiary has to process a mining as approved mining project layout and in accordance with the approved environmental impact protection and correction measures. In addition, the Subsidiary has to comply with all condition and terms as specified in concession and as Agricultural Land Reform Office defined. To follow in the mining agreement, the Subsidiary provided a letter of guarantee amount of Baht 200,000 to the Department of Primary Industries and Mines.
- 2) With the measures to protect and correct the environmental impacts announced by Department of Primary Industries and Mines, they defined that the holder the concession No. 21400/15786 together with the mining layout of concession No. 21375/15320 and the Subsidiary who hold the concession No. 21128/16246 must set up 3 funds from the date of receiving the concession. The details of the funds are as follows:

Mining Rehabilitation Fund

The objective of the fund is for the rehabilitation of mined areas and areas not related to mining. The fee is Baht 34,000 per rai depending on the rehabilitation areas each year until the rights and obligations under the license will expire. In 2021, the Company already funded the fee of Baht 34,000 and the Subsidiary has the total fee of Baht 5,565,800 throughout 25 years whereby the Subsidiary already funded the fee for the first to the third year in the amount of Baht 4,352,500 and for the fourth year in the amount of Baht 125,800 as prescribed.

The Community Infrastructure Improvement Fund

The objective of the fund is for the activities of public development, education, traditions and culture in the local communities surrounding the concession area and areas associated with the concession which defined that the Company and the Subsidiary must pay into the community infrastructure improvement fund at Baht 1 per metric ton of production in the previous year whereby the minimum fund is set at Baht 500,000 per annum until the rights and obligations under the license will expire.

Health Surveillance Fund

The objective of the fund is to fund the cost for health check-ups and public health surveillance. It also supports activities related to health of residents surrounding the concession area and areas associated which defined that the Company and the Subsidiary must pay into health surveillance fund at Baht 0.50 per metric ton of production in the previous year whereby the minimum fund is set at Baht 200,000 per annum until the rights and obligations under the license will expire.

During the year, the Company and the Subsidiary have already deposited funds into the bank accounts for each funds.

34. RESTATEMENT OF PRIOR YEAR'S FINANCIAL STATEMENTS

During the year 2021, the Company found that certain deferred tax assets recognized in the statement of financial position are no longer probable utilization in the future. Therefore, the retrospective adjustments were reflected in the consolidated and separate statements of comprehensive income for the year ended December 31, 2020 and the consolidated and separate statements of financial position as at December 31, 2020 and January 1, 2020 which have been presented for comparative information, as follow:

	Unit: Baht	
	Consolidated and separate financial statements	
	December 31, 2020	January 1, 2020
<u>Statement of financial position</u>		
Decrease in deferred tax assets - net	2,529,538.73	1,871,447.81
Decrease in unappropriated retained earnings	(2,529,538.73)	(1,871,447.81)
		Unit: Baht
		Consolidated and separate
		financial statements
		For the year ended
		December 31, 2020
<u>Statement of comprehensive income</u>		
Increase in income tax expense		658,090.92
Decrease in net profit		(658,090.92)
<u>Basic earnings per share</u>		
Decrease in basic earnings per share		0.03

35. RECLASSIFICATIONS

The Company had reclassified current portion of loan to related party and long-term loan to related party in the separate statement of financial position. There are no impacts on the total comprehensive income for the year.

The impact on the statement of financial position as at December 31, 2020 was as follow:

	Unit: Baht		
	Separate financial statements		
	As reported	Reclassifications	After reclassifications
Current assets	20,000,000.00	(20,000,000.00)	-
Current portion of loan to related party			
Non-current assets			
Long-term loan to related party	-	20,000,000.00	20,000,000.00

36. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting no.1/2022, held on February 25, 2022, has resolved to propose to the shareholders to approve the annual dividend payment from its retained earnings in the amount of Baht 0.50 per share, amounting to totaling Baht 12.11 million. The dividend will be paid within one month from the date of shareholders' approval.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issuance by the Company's Board of Directors on February 25, 2022.