

INFRASET PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

Independent Auditor's Report

To the Shareholders and the Board of Directors of Infraset Public Company Limited

Opinion

I have audited the financial statements of Infraset Public Company Limited, which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Infraset Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition for Services

Risk

The Company has disclosed its policies on recognition of revenue from construction of data center, information technology, infrastructure and telecommunication network, is estimation of services project cost and the allowance for loss on construction projects in Note 4 and Note 5 to the financial statements. I identified the recognition of revenue from services and the estimated possible losses from services contracts to be areas of significant risk in audit. This is because the amount of revenue from construction of data center, information technology, infrastructure and telecommunication network that the Company recognises in each period forms a significant portion of the Company's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition, and the estimation of anticipated losses are areas requiring management to exercise significant judgment to assess the

percentage of completion, the probability of loss, and the measurement of anticipated loss. There are therefore risks with respect to amount and timing of the recognition of revenue and provisions for anticipated losses on projects.

Auditor's Response

I assessed and tested the internal controls put in place by the Company over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and anticipated losses under contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected major contracts and randomly selected additional samples and performed the following procedures:

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquired with the Company's engineers/the project managers about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of anticipated loss.
- Made enquiries of the Company's engineers/the project managers, gained an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorized person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the project management's competency in estimating project costs, checked actual costs to supporting documents and performed an analytical review to compare the percentage of completion estimated by the Company's engineers/the project managers to the percentage of completion derived from the actual costs incurred.
- Evaluated the anticipated losses on projects assessed by the management through a comparative analysis of the actual cost incurred to the cost estimates for projects.
- Tested the calculation of the percentage of completion based on actual construction costs incurred.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.
- Reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of anticipated losses.

Other Information

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

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

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

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

(Yuttapong Chuamuangpan)

Certified Public Accountant

Registration Number 9445

ANS Audit Co., Ltd.

Bangkok, February 17, 202

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Notes	Unit : Baht	
		Unaudited	Audited
		Reviewed June 30, 2020	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents	5	314,996,464.49	223,048,227.90
Trade and other current receivables	6, 18	254,405,919.50	169,477,990.84
Contract assets	7.1, 18	366,852,616.85	259,467,035.37
Current financial assets - net	8, 3.3	-	250,833,424.34
Total current assets		936,255,000.84	902,826,678.45
Non-current assets			
Non-current contract assets		233,533.26	-
Property, plant and equipment - net	9	86,532,919.90	82,950,442.82
Right-of-use assets - net	9	12,869,612.99	-
Intangible assets - net	9	697,768.50	829,783.64
Deferred tax assets	10	3,541,704.11	3,110,177.60
Non-current financial assets	17.2, 3.3	51,376,644.03	50,906,670.14
Other non-current assets		6,521,297.59	4,008,941.86
Total non-current assets		161,773,480.38	141,806,016.06
Total assets		1,098,028,481.22	1,044,632,694.51

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2020

		Unit : Baht	
		Unaudited	
		Reviewed	Audited
	Notes	June 30, 2020	December 31, 2019
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other current payables	11	267,347,814.20	179,117,609.66
Contract liabilities	7.2, 18	-	24,763,321.11
Current portion of long-term loan from a financial institution	12	8,772,252.84	8,579,448.68
Current portion of lease liabilities	13	4,056,082.42	-
Income tax payables		7,899,463.49	-
Total current liabilities		288,075,612.95	212,460,379.45
Non-current liabilities			
Retention payables		8,894,123.41	23,400,606.18
Long-term loan from a financial institution - net	12	8,458,656.01	12,907,842.81
Lease liabilities - net	13	9,011,556.12	-
Non-current provisions for employee benefits	14	17,510,495.00	15,550,888.00
Total non-current liabilities		43,874,830.54	51,859,336.99
Total liabilities		331,950,443.49	264,319,716.44
Shareholders' equity			
Share capital			
Registered			
560,000,000 ordinary shares at Baht 0.50 each		280,000,000.00	280,000,000.00
Issued and fully paid-up			
560,000,000 ordinary shares at Baht 0.50 each		280,000,000.00	280,000,000.00
Premium on ordinary shares		370,596,731.62	370,596,731.62
Surplus on share-based payment transactions		6,430,993.00	6,430,993.00
Retained earnings			
Appropriated			
Legal reserve		28,000,000.00	26,706,060.37
Unappropriated		81,050,313.11	96,579,193.08
Total shareholders' equity		766,078,037.73	780,312,978.07
Total liabilities and shareholders' equity		1,098,028,481.22	1,044,632,694.51

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

	Notes	Unit : Baht	
		Unaudited but reviewed	
		2020	2019
	4		
Revenues			
Revenues from services		308,261,697.13	321,483,274.25
Other income		912,958.81	577,020.55
Total revenues		309,174,655.94	322,060,294.80
Expenses			
Cost of services		255,818,199.99	269,722,942.47
Distribution costs		1,826,364.52	2,113,978.74
Administrative expenses		13,817,306.88	15,682,191.67
Total expenses		271,461,871.39	287,519,112.88
Profit before finance costs and income tax		37,712,784.55	34,541,181.92
Finance costs		(251,777.30)	(339,094.95)
Profit before income tax		37,461,007.25	34,202,086.97
Tax expenses		(7,339,823.72)	(6,799,327.52)
Profit for the periods		30,121,183.53	27,402,759.45
Other comprehensive income		-	-
Total comprehensive income for the periods		30,121,183.53	27,402,759.45
Basic earnings per share		0.05	0.07
Weighted average number of issued and fully paid-up ordinary shares (shares)		560,000,000.00	414,000,000.00

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		Unit : Baht	
		Unaudited but reviewed	
Notes		2020	2019
4, 16			
Revenues			
	Revenues from services	527,607,636.04	576,803,519.73
	Other income	2,605,570.52	881,512.74
	Total revenues	530,213,206.56	577,685,032.47
Expenses			
	Cost of services	435,288,426.01	485,873,995.73
	Distribution costs	3,475,835.74	3,907,453.54
	Administrative expenses	28,262,730.43	29,009,598.41
	Total expenses	467,026,992.18	518,791,047.68
	Profit before finance costs and income tax	63,186,214.38	58,893,984.79
	Finance costs	(643,241.30)	(700,908.78)
	Profit before income tax	62,542,973.08	58,193,076.01
	Tax expenses	(12,381,363.18)	(11,621,942.96)
	Profit for the periods	50,161,609.90	46,571,133.05
	Other comprehensive income	-	-
	Total comprehensive income for the periods	50,161,609.90	46,571,133.05
	Basic earnings per share	0.09	0.11
	Weighted average number of issued and fully paid-up ordinary shares (shares)	560,000,000.00	414,000,000.00

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

Unit : Baht

		Unaudited but reviewed					
		Share capital		Surplus on	Retained earnings		
		Issued and	Premiums	share-based payment	Appropriated		Total
Notes		fully paid-up	on ordinary shares	transactions	Legal Reserve	Unappropriated	
	Balance as at January 1, 2020	280,000,000.00	370,596,731.62	6,430,993.00	26,706,060.37	96,579,193.08	780,312,978.07
	Legal reserve	-	-	-	1,293,939.63	(1,293,939.63)	-
	Dividend paid	15	-	-	-	(64,396,550.24)	(64,396,550.24)
	Total comprehensive income for the period	-	-	-	-	50,161,609.90	50,161,609.90
	Balance as at June 30, 2020	280,000,000.00	370,596,731.62	6,430,993.00	28,000,000.00	81,050,313.11	766,078,037.73
	Balance as at January 1, 2019	207,000,000.00	63,000,000.00	6,430,993.00	13,000,000.00	69,792,996.32	359,223,989.32
	Legal reserve	-	-	-	7,700,000.00	(7,700,000.00)	-
	Dividend paid	-	-	-	-	(60,030,000.00)	(60,030,000.00)
	Total comprehensive income for the period	-	-	-	-	46,571,133.05	46,571,133.05
	Balance as at June 30, 2019	207,000,000.00	63,000,000.00	6,430,993.00	20,700,000.00	48,634,129.37	345,765,122.37

..... Director

(Mr. Sakbaworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Unit : Baht	
	Unaudited but reviewed	
	2020	2019
Cash flows from operating activities :		
Profit for the periods	50,161,609.90	46,571,133.05
Adjustments to reconcile profit for the periods to cash receipts (payment) :		
Depreciation and amortization	5,056,467.55	814,633.46
Difference from rental reduction	(359,907.36)	-
Gain on disposal of assets	(404.29)	(538.89)
Gain on disposal of current financial assets	(1,243,559.77)	-
Interest income	(1,353,122.70)	(880,973.85)
Interest expenses	643,241.30	700,908.78
Non-current provisions for employee benefits	1,959,607.00	1,749,730.00
Income tax expenses	12,381,363.18	11,621,942.96
Profit from operating activities before changes in operating assets and liabilities	67,245,294.81	60,576,835.51
Operating assets increased :		
Trade and other current receivables	(85,182,285.45)	(133,752,270.93)
Contract assets	(107,385,581.48)	(41,794,524.88)
Non-current contract assets	(233,533.26)	-
Other non-current assets	(2,512,355.73)	(776,506.00)
Operating liabilities increased (decreased) :		
Trade and other current payables	88,143,647.00	(21,975,541.03)
Contract liabilities	(24,763,321.11)	114,005,011.84
Retention payables	(14,506,482.77)	12,904,503.83
Cash used in operating activities	(79,194,617.99)	(10,812,491.66)
Interest income	1,607,479.49	985,827.41
Interest paid	(643,241.30)	(700,908.78)
Income tax paid	(4,913,426.20)	(13,703,460.57)
Net cash used in operating activities	(83,143,806.00)	(24,231,033.60)

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Unit : Baht	
	Unaudited but reviewed	
	2020	2019
Cash flows from investing activities :		
Cash received from disposal of current financial assets	452,076,984.11	-
Cash paid for acquisition of current financial assets	(200,000,000.00)	-
Cash received from disposal of fixed assets	467.29	16,521.17
Cash paid for acquisition of fixed assets	(6,151,225.97)	(14,972,888.58)
Cash paid for acquisition of intangible assets	(48,400.00)	(152,200.00)
Increase in restricted non-current financial assets	(469,973.89)	(15,337,279.88)
Net cash from (used in) investing activities	245,407,851.54	(30,445,847.29)
Cash flows from financing activities :		
Cash paid for long-term loan from a financial institution	(4,256,382.64)	(8,659,091.22)
Cash paid for lease liabilities	(1,662,876.07)	-
Dividend paid	(64,396,550.24)	(60,030,000.00)
Net cash used in financing activities	(70,315,808.95)	(68,689,091.22)
Net increase (decreased) in cash and cash equivalents	91,948,236.59	(123,365,972.11)
Cash and cash equivalents at the beginning of the periods	223,048,227.90	174,138,721.18
Cash and cash equivalents at the end of the periods	314,996,464.49	50,772,749.07

Supplemental Disclosures of Cash Flows Information

Non-cash flows items consist of:

Increase in accounts payables for purchase of fixed assets	86,557.54	6,424,865.18
Increase in right-of-use assets from lease liabilities	15,393,746.99	-
Decrease in right-of-use assets from cancellation of lease liabilities	(303,325.02)	-

..... Director
 (Mr. Sakboworn Pukkanasut)

..... Director
 (Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2020
(UNAUDITED BUT REVIEWED)

1. GENERAL INFORMATION

Infrasets Public Company Limited (the "Company") was incorporated in Thailand on May 8, 2006 in accordance with the Civil and Commercial Code and transformed the Company into a public company on March 22, 2019. The Company is principally engaged in the construction of data center and information technology, infrastructure, and telecommunication network. The Company has its head office at 165/37-39 Ramintra Road, Victory Monument, Bang Khen, Bangkok.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2019), Interim Financial Reporting.

The interim financial statements consist of primary financial information (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity, and statement of cash flows). The Company has chosen to present the interim financial statements in a format consistent with the annual financial statements, in compliance with Thai Accounting Standard No. 1, Presentation of Financial Statements. The notes to the interim financial statements are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

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

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2019. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2019.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards 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.

..... Director
(Mr. Sakbaworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim 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, 2019, except the adoption of new financial reporting standards which are effective on January 1, 2020 as follows:

3.1 Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortized cost, fair value through profit or loss (“FVPL”) and fair value through other comprehensive income (“FVOCI”). Classification of debt assets will be driven by the entity’s business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. The Company can make an irrevocable election to recognize the fair value change in other comprehensive income without subsequent recycling to profit or loss
- Financial liabilities are classified and measured at amortized cost.
- Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

The impairment requirements

The accounting for expected credit losses on its financial assets measured at amortized cost, investments in debt instruments measured at fair value through other comprehensive income and loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognized. The Company applies general approach for credit-impaired consideration. Except for trade receivables, they are permitted to measure by simplified approach for credit-impaired consideration.

The set of of these standard does not have any significant impact on the Company’s financial statements.

3.2 TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Where the Company is the lessee, leases are recognized as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as expense in the statement of income.

3.3 Impacts on the financial information

The Company has adopted these two group of reporting standards from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognized in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the statement of financial position as at January 1, 2020 are as follows:

	Unit : Baht			As at January 1, 2020
	As at December 31, 2019	TFRS 9	TFRS 16	
Statement of financial position				
Current assets				
Temporary investment - net	250,833,424.34	(250,833,424.34)	-	-
Current financial assets - net	-	250,833,424.34	-	250,833,424.34
Non-current assets				
Pledged deposit with a financial institutions	50,906,670.14	(50,906,670.14)	-	-
Non-current financial assets	-	50,906,670.14	-	50,906,670.14
Right-of-use assets - net	-	-	15,393,746.99	15,393,746.99
Current liabilities				
Current portion of lease liabilities	-	-	4,196,010.05	4,196,010.05
Non-current liabilities				
Lease liabilities - net	-	-	11,197,736.94	11,197,736.94

However, the change in accounting policy due to the adoption of new financial reporting standards does not have any impact on retained earnings as at January 1, 2020.

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

Financial instruments

Classification and measurement

On January 1, 2020 (the date of initial application), the Company's management has assessed which business models applied to the financial assets and liabilities held by the Company and has classified the financial assets and liabilities as at January 1, 2020 are as follows:

	Unit : Baht		
	FVPL	Amortized cost	Total
Financial assets			
Cash and cash equivalents	-	223,048,227.90	223,048,227.90
Trade and other current receivables	-	169,477,990.84	169,477,990.84
Contract assets	-	259,467,035.37	259,467,035.37
Current financial assets - net	250,833,424.34	-	250,833,424.34
Non-current financial assets	-	50,906,670.14	50,906,670.14
	<u>250,833,424.34</u>	<u>702,899,924.25</u>	<u>953,733,348.59</u>
Financial liabilities			
Trade and other current payables	-	179,117,609.66	179,117,609.66
Contract liabilities	-	24,763,321.11	24,763,321.11
Retention payables	-	23,400,606.18	23,400,606.18
Current portion of long-term loan			
from a financial institution	-	8,579,448.68	8,579,448.68
Long-term loan from a financial			
institution - net	-	12,907,842.81	12,907,842.81
	-	<u>248,768,828.44</u>	<u>248,768,828.44</u>

Financial assets mandatorily measured at FVPL as at January 1, 2020 are as following:

	Unit : Baht
Current assets	
Open-End fund investments	250,833,424.34

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

Leases

On adoption of TFRS 16, the Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 Leases. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The Company's incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was ranged between 4.00% to 4.50%.

The lease liabilities as at January 1, 2020, and operating lease commitments as at December 31, 2019 which is disclosed in accordance with TAS 17 are reconciled as follow:

	Unit : Baht
Obligation under the lease agreement disclosed as at December 31, 2019	10,972,500.00
Add: Commitment from the renewal of leases	7,128,000.00
Less: The contract that is considered is a short-term contract	(1,236,500.00)
Less: Deferred interest expenses	(1,470,253.01)
Lease liabilities as at January 1, 2020	<u>15,393,746.99</u>
Consisted of:	
Current lease liabilities	4,196,010.05
Non-current lease liabilities	11,197,736.94
Lease liabilities as at January 1, 2020	<u>15,393,746.99</u>

The recognized right-of-use assets relate to the following types of assets:

	Unit : Baht	
	As at June 30, 2020	As at January 1, 2020
Building	9,188,510.12	10,209,455.68
Vehicles	3,681,102.87	5,184,291.31
Total right-of-use assets	<u>12,869,612.99</u>	<u>15,393,746.99</u>

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

4. TRANSACTIONS WITH RELATED PARTIES

The Company had significant business transactions with related parties for the three-month and six-month periods ended June 30, as follows:

	Unit : Baht	
	2020	2019
Transactions between the Company and related parties		
for the three-month periods ended June 30,		
Rental	-	554,210.52
Right-of-use assets		
Amortization	510,472.78	-
Interest expenses	18,018.53	-
Transactions between the Company and related parties		
for the six-month periods ended June 30,		
Rental	-	1,108,421.04
Right-of-use assets		
Amortization	1,020,945.56	-
Interest expenses	129,707.00	-

Such transactions are on commercial terms and bases agreed upon between the Company and those related parties in the normal course of business.

Significant balances with related parties can be summarized as follows:

	Unit : Baht	
	June 30, 2020	December 31, 2019
Related parties		
Other non-current assets - deposit paid	540,000.00	540,000.00
Right-of-use assets (Cost)	10,209,455.68	-
Lease liabilities	9,349,255.31	-

Management compensation

Management compensation for the six-month periods ended June 30, consisted of:

	Unit : Baht	
	2020	2019
Short-term benefits	12,137,550.22	15,122,390.49
Post-employment benefits	718,104.00	637,774.00
Total management compensation	12,855,654.22	15,760,164.49

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Unit : Baht	
	June 30, 2020	December 31, 2019
Cash on hand	50,000.00	20,956.20
Cash at banks - savings accounts	314,906,512.49	223,017,271.70
Cash at banks - current accounts	39,952.00	10,000.00
Total cash and cash equivalents	314,996,464.49	223,048,227.90

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

	Unit : Baht	
	June 30, 2020	December 31, 2019
Trade receivables	232,423,774.98	157,924,684.17
Other current receivables		
Advance payment for goods and services	4,476,787.60	1,912,181.20
Advance payments other	1,321,852.93	1,550,579.37
Revenue Department receivable	4,854,255.98	4,569,969.38
Undue input tax	9,552,849.59	2,451,641.73
Other	1,776,398.42	1,068,934.99
Total other current receivables	21,982,144.52	11,553,306.67
Total trade and other current receivables	254,405,919.50	169,477,990.84

The Company has trade receivables classified by age analysis as follows:

	Unit : Baht	
	June 30, 2020	December 31, 2019
Trade receivables		
Current	150,327,943.09	144,429,725.13
Not over 3 months	81,987,226.89	37,916.79
Over 3 - 6 months	108,605.00	12,693,062.25
Over 6 - 12 months	-	763,980.00
Total trade receivables	232,423,774.98	157,924,684.17

..... Director
(Mr. Sakbaworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

7. CONTRACT ASSETS /CONTRACT LIABILITIES

7.1 CONTRACT ASSETS

Contract assets consisted of:

	Unit : Baht	
	June 30, 2020	December 31, 2019
	(6 month periods)	(12 month periods)
Revenues recognition from percentage of completion method	443,660,856.51	1,169,664,444.24
Contract assets		
Project value as per contract	3,751,667,630.12	1,465,736,819.58
Accumulated amount recognized as revenues under the percentage of completion basis	2,252,457,239.24	1,182,164,548.11
<u>Add</u> retention receivables	6,321,007.57	5,777,788.29
<u>Less</u> value of total billed	(1,891,925,629.96)	(928,475,301.03)
Contract assets	366,852,616.85	259,467,035.37

7.2 CONTRACT LIABILITIES

Contract liabilities consisted of:

	Unit : Baht	
	June 30, 2020	December 31, 2019
	(6 month periods)	(12 month periods)
Contract liabilities		
Project value as per contract	-	1,061,197,927.68
Value of total billed	-	939,311,873.51
<u>Less</u> accumulated amount recognized as revenues under the percentage of completion basis	-	(914,620,327.40)
Advances received from contract	-	24,691,546.11
Advances received from service	-	71,775.00
Total	-	24,763,321.11

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

8. CURRENT FINANCIAL ASSETS - NET

Current financial assets consisted of:

	Unit : Baht			
	June 30, 2020		December 31, 2019	
	At cost	Fair value	At cost	Fair value
		Level 2		Level 2
Open-End fund investments	-	-	250,000,000.00	250,000,000.00
Add unrealized gain on investments revaluation	-	-	-	833,424.34
Total current financial assets - net	-	-	250,000,000.00	250,833,424.34

9. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS - NET

Property, plant and equipment, right-of-use assets and intangible assets, as at June 30, 2020, consisted of:

	Unit : Baht		
	Property, plant and equipment	Right-of-use assets	Intangible assets
Net book value as at December 31, 2019	82,950,442.82	-	829,783.64
Adjustments from adoption of TFRS 16	-	15,393,746.99	-
Net book value as at January 1, 2020	82,950,442.82	15,393,746.99	829,783.64
Acquisitions during the period (Cost)	6,237,783.51	-	48,400.00
Depreciation during the period	(2,655,243.43)	-	-
Amortization during the period	-	(2,220,808.98)	(180,415.14)
Disposal during the period (Book value)	(63.00)	(303,325.02)	-
Net book value as at June 30, 2020	86,532,919.90	12,869,612.99	697,768.50

Depreciation and amortization for the six-month periods ended June 30, 2020 and 2019 amounted to Baht 5.06 million and Baht 0.81 million, respectively, were included in the statements of profit or loss.

As at June 30, 2020 and December 31, 2019, the Company's equipment which have been fully depreciated but are still in use, amounted to Baht 5.41 million and Baht 6.38 million, respectively.

As at June 30, 2020 and December 31, 2019, all of the Company's land and buildings have been mortgaged as collateral for loan from a financial institution (Note 12) and letters of guarantee for business of the Company.

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

10. DEFERRED TAX ASSETS

Movements in deferred tax assets during the period were as follows:

	Unit : Baht		
	Movement		
	As at January 1, 2020	increase Profit or loss	As at June 30, 2020
Deferred tax assets			
Right-of-use assets (amortization)	-	39,605.11	39,605.11
Non-current provisions for employee benefits	3,110,177.60	391,921.40	3,502,099.00
Total deferred tax assets	3,110,177.60	431,526.51	3,541,704.11

Income tax expenses for the six-month periods ended June 30, were as follows:

	Unit : Baht	
	2020	2019
Current tax expenses	12,812,889.69	11,971,888.96
Deferred tax	(431,526.51)	(349,946.00)
Income tax expenses	12,381,363.18	11,621,942.96

The Company used income tax rate of 20% for the calculation of corporate income tax for the six-month periods ended June 30, 2020 and 2019.

11. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

	Unit : Baht	
	June 30, 2020	December 31, 2019
Trade payables	203,686,761.87	134,704,560.35
Other current payables		
Payable for purchase of fixed assets	86,557.54	-
Accrued incentive expenses	23,928,733.54	29,400,077.66
Accrued other expenses	4,054,850.16	2,466,535.04
Withholding tax payables	1,324,227.73	4,103,816.01
Undue output VAT	11,212,165.43	8,029,405.23
Retention payables	19,877,763.83	374,648.27
Other	3,176,754.10	38,567.10
Total other current payables	63,661,052.33	44,413,049.31
Total trade and other current payables	267,347,814.20	179,117,609.66

..... Director
(Mr. Sakbaworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

12. LONG-TERM LOAN FROM A FINANCIAL INSTITUTION - NET

Long-term loan from a financial institution consisted of:

	Unit : Baht	
	June 30, 2020	December 31, 2019
Long-term loan from a financial institution	17,230,908.85	21,487,291.49
<u>Less</u> current portion of long-term loan		
from a financial institution	(8,772,252.84)	(8,579,448.68)
Long-term loan from a financial institution - net	8,458,656.01	12,907,842.81

Movements in the long-term loan from a financial institution for the six-month period ended June 30, 2020 are summarized below.

	Unit : Baht
Balance as at January 1, 2020	21,487,291.49
Repayment during the period	(4,256,382.64)
Balance as at June 30, 2020	17,230,908.85

13. LEASE LIABILITIES - NET

Lease liabilities as at June 30, 2020 consisted of:

	Unit : Baht
Due within 1 year	
Future minimum leases payment	4,548,000.00
Deferred interest expenses	(491,917.58)
Present value of future minimum leases payment	4,056,082.42
Due over 1 year but not over 5 years	
Future minimum leases payment	9,671,500.00
Deferred interest expenses	(659,943.88)
Present value of future minimum leases payment	9,011,556.12
Net book value of assets under	
lease agreements	12,869,612.99

The Company has entered into the property lease agreements and vehicles with related parties and other company, the terms of the agreements are generally between 1 to 5 years.

..... Director
(Mr. Sakbaworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

14. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provision for employee benefits for the six-month period ended June 30, 2020 and for the year ended December 31, 2019, as follows:

	Unit : Baht	
	June 30, 2020	December 31, 2019
	(6 month periods)	(12 month periods)
Non-current provisions for employee benefits		
beginning of the periods	15,550,888.00	12,437,038.00
Included in profit or loss:		
Current service costs	1,729,463.00	3,065,738.00
Cost of interest	230,144.00	368,112.00
Benefits paid during the periods	-	(320,000.00)
Non-current provisions for employee benefits		
ending of the periods	17,510,495.00	15,550,888.00

Employee benefit expenses for the six-month period ended June 30, consisted of.

	Unit : Baht	
	2020	2019
Current service costs	1,729,463.00	1,565,674.00
Cost of interest	230,144.00	184,056.00
Total employee benefits expenses	1,959,607.00	1,749,730.00

Employee benefit expenses for the six-month period ended June 30, as shown in the statements of profit or loss are as follows:

	Unit : Baht	
	2020	2019
Costs of service	921,798.98	830,482.01
Selling and administrative expenses	1,037,808.02	919,247.99
Total employee benefits expenses	1,959,607.00	1,749,730.00

15. DIVIDEND

The resolutions of the Board of Directors Meeting No. 2/2020 held on April 7, 2020, has resolved to pay an interim dividend instead of paying dividend for the year 2019 at the rate of Baht 0.115 per share, totaling of Baht 64.40 million to shareholders in proportion to their share held. Dividends were paid to shareholders on May 5, 2020. The interim dividend have been proposed to the Annual General Meeting of Shareholders acknowledged on June 17, 2020.

..... Director
(Mr. Sakboworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

16. OPERATING SEGMENTS

The Company operates in three business segments, construct of data center and information technology, infrastructure and telecommunication network and maintenance and services. Revenues and expenses relate to business segments and geographical segments for the six-month periods ended June 30, as follows:

Unit : Baht

	Construction of data center and information technology		Infrastructure and telecommunication network		Maintenance and Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	291,967,213.12	505,517,799.14	151,693,643.39	58,972,148.59	83,946,779.53	12,313,572.00	527,607,636.04	576,803,519.73
Costs	(239,396,322.82)	(410,869,415.16)	(120,875,050.07)	(41,240,708.80)	(56,222,021.07)	(8,362,559.16)	(416,493,393.96)	(460,472,683.12)
Segment gross profit	52,570,890.30	94,648,383.98	30,818,593.32	17,731,439.79	27,724,758.46	3,951,012.84	111,114,242.08	116,330,836.61
Other income							2,605,570.52	881,512.74
Other unallocated costs							(18,795,032.05)	(25,401,312.61)
Distribution costs							(3,475,835.74)	(3,907,453.54)
Administrative expenses							(28,262,730.43)	(29,009,598.41)
Finance costs							(643,241.30)	(700,908.78)
Tax expenses							(12,381,363.18)	(11,621,942.96)
Profit for the periods							50,161,609.90	46,571,133.05
Assets consisted of:								
Property, plant and equipment - net							86,532,919.90	73,173,053.50
Other							1,011,495,561.32	622,818,954.11
Total assets							1,098,028,481.22	695,992,007.61

..... Director

(Mr. Sakbaworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

17. COMMITMENTS AND CONTINGENT LIABILITIES

17.1 As at June 30, 2020 and December 31, 2019, the Company has obligations under service agreement. The remaining service charges of existing contracts to be paid in the future are as follows:

	Unit : Million Baht	
	2020	2019
Within 1 year	0.35	5.84
Over 1 and up to 5 years	-	5.13
Total	0.35	10.97

17.2 As at June 30, 2020 and December 31, 2019, the Company had the long-term credit facilities, overdraft bank overdraft and letters of guarantee for the business of the Company totaling Baht 40.00 million, 16.00 million and 300.00 million, respectively. The credit facilities are guaranteed by non-current financial assets.

17.3 As at June 30, 2020 and December 31, 2019, the Company is contingently liable for bank guarantees issued by the banks amounting to Baht 85.54 million and Baht 87.77 million, respectively.

17.4 As at June 30, 2020 and December 31, 2019, the Company was committed to pay under construction contracts amounting to approximately Baht 1.74 million and Baht 2.09 million, respectively.

18. RECLASSIFICATION OF ACCOUNTS

During the period, the Company has reclassified certain accounts in the statement of financial position as at December 31, 2019 to conform to presentation of the financial statement of current period which does not have any significant impact on net profit or shareholders' equity as follows:

	Unit : Baht		
	Before reclassification	Reclassification	After reclassification
Statement of financial position as at December 31, 2019			
Trade and other current receivables	175,255,779.13	(5,777,788.29)	169,477,990.84
Unbilled receivables	253,689,247.08	(253,689,247.08)	-
Contract assets	-	259,467,035.37	259,467,035.37
Advances received from customers	24,763,321.11	(24,763,321.11)	-
Contract liabilities	-	24,763,321.11	24,763,321.11

..... Director
(Mr. Sakbaworn Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)

19. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors Meeting No. 4/2020, held on August 6, 2020, approved the allotment of net profit for six-month period ended June 30, 2020 for interim dividend payment to shareholders of Baht 0.038 for each share, totaling of Baht 21.28 million to shareholders in proportion to their share held and specified the list of shareholders entitled to receive dividends (Record Date) on August 21, 2020. The interim dividend payment will be paid on September 4, 2020.

20. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's authorized directors to be issued on August 6, 2020.

..... Director
(Mr. Sakbown Pukkanasut)

..... Director
(Mr. Metha Chotiapisitkul)