

ATP 30 Public Company Limited  
Report and financial statements  
31 December 2020

## **Independent Auditor's Report**

To the Shareholders of ATP 30 Public Company Limited

### **Opinion**

I have audited the accompanying financial statements of ATP 30 Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ATP 30 Public Company Limited as at 31 December 2020, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

The key audit matters and how audit procedures respond for each matter are described below.

#### *Residual values of transportation vehicles*

As disclosed in Note 10 to the financial statements, as at 31 December 2020, the net book values of the Company's transportation vehicles amounted to Baht 635 million and depreciation expense for the year then ended total Baht 60 million. In determining the depreciation expenses, the management was required to exercise judgment in estimating the residual values of the transportation vehicles. The estimates of residual values thus directly impact the amounts of depreciation expenses recorded during the year.

I gained an understanding of and assessed the residual values of the transportation vehicles through a review of the procedures applied by the management. I performed the assessment taking into account the knowledge and past experience of the experts, such as dealers of each type of vehicles. In addition, I compared the residual values determined by the experts with the market values.

#### *Recognition of service income*

The Company is principally engaged in the business of transport services. Service income is a significant account and key indicator on which the management and the stakeholders focus because an increase or decrease in such revenue directly impacts the Company's operating results. I therefore focused on the amount and timing of recognition of the Company's revenue, in accordance with its accounting policies as disclosed in Note 5.1 to the financial statements.

I assessed and tested the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I sent confirmation requests for service income amounts to the major customers. I randomly selected documents supporting service income transactions occurring during the year and near the period end for examination, and reviewed credit notes issued by the Company to customers after the end of

the reporting period. Moreover, I performed analytical procedures on disaggregated data to detect any unusual service transactions, particularly for accounting entries made through journal vouchers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Krongkaew Limkittikul  
Certified Public Accountant (Thailand) No. 5874

EY Office Limited  
Bangkok: 25 February 2021

**ATP 30 Public Company Limited****Statement of financial position****As at 31 December 2020**

		(Unit: Baht)	
	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		39,960,822	40,909,652
Trade and other receivables	8	59,968,646	59,763,718
Spare parts and supplies		957,112	791,400
Current tax assets		3,666,549	3,802,890
Other current assets		<u>7,184,129</u>	<u>16,237,221</u>
<b>Total current assets</b>		<u>111,737,258</u>	<u>121,504,881</u>
<b>Non-current assets</b>			
Restricted bank deposits	9	-	839,331
Transportation vehicles	10	634,663,611	587,615,155
Land, leasehold improvement and equipment	11	73,815,878	43,847,023
Other non-current assets		<u>961,757</u>	<u>1,582,141</u>
<b>Total non-current assets</b>		<u>709,441,246</u>	<u>633,883,650</u>
<b>Total assets</b>		<u><u>821,178,504</u></u>	<u><u>755,388,531</u></u>

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

**ATP 30 Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2020**

		(Unit: Baht)	
	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Bank overdrafts	12	-	11,967,609
Trade and other payables	13	44,975,049	39,867,633
Current portion of long-term loan	14	7,460,000	830,000
Current portion of lease liabilities	15	103,083,736	94,730,614
Other current liabilities		<u>1,763,369</u>	<u>2,334,881</u>
<b>Total current liabilities</b>		<u>157,282,154</u>	<u>149,730,737</u>
<b>Non-current liabilities</b>			
Long-term loan, net of current portion	14	34,326,300	21,170,000
Lease liabilities, net of current portion	15	162,291,433	137,496,219
Deferred tax liabilities	21	33,947,714	30,521,375
Provision for long-term employee benefits	16	10,277,032	8,615,405
Other non-current liabilities		<u>2,557,500</u>	<u>2,263,500</u>
<b>Total non-current liabilities</b>		<u>243,399,979</u>	<u>200,066,499</u>
<b>Total liabilities</b>		<u>400,682,133</u>	<u>349,797,236</u>

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



**ATP 30 Public Company Limited**

**Statement of financial position (continued)**

**As at 31 December 2020**

(Unit: Baht)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Shareholders' equity</b>			
Share capital	17		
Registered			
617,310,058 ordinary shares			
(2019 : 618,750,000 ordinary shares) of Baht 0.25 each		<u>154,327,514</u>	<u>154,687,500</u>
Issued and fully paid-up			
617,310,058 ordinary shares of Baht 0.25 each		154,327,514	154,327,514
Share premium		180,575,750	180,575,750
Retained earnings			
Appropriated - statutory reserve	18	12,340,000	10,900,000
Unappropriated		<u>73,253,107</u>	<u>59,788,031</u>
<b>Total shareholders' equity</b>		<u>420,496,371</u>	<u>405,591,295</u>
<b>Total liabilities and shareholders' equity</b>		<u>821,178,504</u>	<u>755,388,531</u>
		-	-

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

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Directors  
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**ATP 30 Public Company Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2020**

		(Unit: Baht)	
	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Service income		391,093,952	456,961,077
Other income		<u>597,060</u>	<u>1,773,567</u>
<b>Total revenues</b>		<u>391,691,012</u>	<u>458,734,644</u>
<b>Expenses</b>			
Cost of services		302,989,501	339,566,728
Administrative expenses		<u>43,538,997</u>	<u>51,723,460</u>
<b>Total expenses</b>		<u>346,528,498</u>	<u>391,290,188</u>
<b>Operating profit</b>		45,162,514	67,444,456
Finance income		42,816	156,684
Finance cost	19	(11,013,058)	(12,891,285)
Expected credit losses	8	<u>(1,441,779)</u>	<u>-</u>
<b>Profit before income tax</b>		32,750,493	54,709,855
Income tax expenses	21	<u>(4,000,412)</u>	<u>(7,888,968)</u>
<b>Profit for the year</b>		<u>28,750,081</u>	<u>46,820,887</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>			
Actuarial loss		-	(912,962)
Less: income tax effect	21	<u>-</u>	<u>182,592</u>
<b>Total other comprehensive income for the year</b>		<u>-</u>	<u>(730,370)</u>
<b>Total comprehensive income for the year</b>		<u>28,750,081</u>	<u>46,090,517</u>
<b>Earnings per share</b>			
	22		
Basic earnings per share		<u>0.047</u>	<u>0.079</u>
Diluted earning per share		<u>0.047</u>	<u>0.078</u>

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

**ATP 30 Public Company Limited**

**Statement of changes in shareholders' equity**

**For the year ended 31 December 2020**

(Unit: Baht)

	Issued and fully paid-up share capital	Share subscription received in advance	Share premium	Retained earnings		Total
				Appropriated - Statutory reserve	Unappropriated	
<b>Balance as at 1 January 2019</b>	130,865,945	21,048,125	124,267,984	8,500,000	50,372,736	335,054,790
Increase share capital	23,461,569	(21,048,125)	56,307,766	-	-	58,721,210
Unappropriated retained earnings transferred to statutory reserve (Note 18)	-	-	-	2,400,000	(2,400,000)	-
Dividend paid (Note 25)	-	-	-	-	(34,275,222)	(34,275,222)
Profit for the year	-	-	-	-	46,820,887	46,820,887
Other comprehensive income for the year	-	-	-	-	(730,370)	(730,370)
Total comprehensive income for the year	-	-	-	-	46,090,517	46,090,517
<b>Balance as at 31 December 2019</b>	<b>154,327,514</b>	<b>-</b>	<b>180,575,750</b>	<b>10,900,000</b>	<b>59,788,031</b>	<b>405,591,295</b>
						-
<b>Balance as at 1 January 2020</b>	154,327,514	-	180,575,750	10,900,000	59,788,031	405,591,295
Cumulative effect of change in new accounting policy (Note 4)	-	-	-	-	(1,498,814)	(1,498,814)
<b>Balance as at 1 January 2020 - as restated</b>	<b>154,327,514</b>	<b>-</b>	<b>180,575,750</b>	<b>10,900,000</b>	<b>58,289,217</b>	<b>404,092,481</b>
Unappropriated retained earnings transferred to statutory reserve (Note 18)	-	-	-	1,440,000	(1,440,000)	-
Dividend paid (Note 25)	-	-	-	-	(12,346,191)	(12,346,191)
Total comprehensive income for the year - profit for the year	-	-	-	-	28,750,081	28,750,081
<b>Balance as at 31 December 2020</b>	<b>154,327,514</b>	<b>-</b>	<b>180,575,750</b>	<b>12,340,000</b>	<b>73,253,107</b>	<b>420,496,371</b>
						-

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

**ATP 30 Public Company Limited****Cash flow statement****For the year ended 31 December 2020**

	(Unit: Baht)	
	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Profit before tax	32,750,493	54,709,855
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	63,962,429	57,597,376
Expected credit losses	1,441,779	-
Gain on sales and amortisation of transportation vehicles	-	(270,008)
Loss on written-off equipment	56,688	11,255
Provision for long-term employee benefits	1,817,327	2,968,624
Financial income	(42,816)	(156,684)
Financial expenses	11,013,058	12,891,285
Profit from operating activities before changes in operating assets and liabilities	110,998,958	127,751,703
Operating assets decrease (increase)		
Trade and other receivables	(3,520,224)	(1,852,545)
Spare parts and supplies	(165,712)	(14,701)
Other current assets	8,160,676	(1,071,839)
Other non-current assets	325,619	(713,467)
Operating liabilities increase (decrease)		
Trade and other payables	(6,641,950)	1,408,090
Other current liabilities	(571,512)	1,426,513
Other non-current liabilities	294,000	295,000
Cash flows from operating activities	108,879,855	127,228,754
Cash paid for long-term employee benefits	(155,700)	(267,601)
Cash received from refundable withholding tax	4,067,306	3,395,140
Cash paid for withholding tax	(3,865,919)	(4,515,035)
<b>Net cash flows from operating activities</b>	<u>108,925,542</u>	<u>125,841,258</u>

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

**ATP 30 Public Company Limited****Cash flow statement (continued)**

For the year ended 31 December 2020

(Unit: Baht)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from investing activities</b>		
Decrease (increase) in restricted bank deposits	839,331	(10,260)
Cash paid for accounts payable - purchase of fixed assets	(178,109)	(704,388)
Acquisition of transportation vehicles and equipment	(19,816,788)	(7,854,580)
Acquisition of land	-	(34,183,931)
Proceeds from sales of transportation vehicles	-	1,300,000
Cash received from interest income	42,816	156,684
<b>Net cash flows used in investing activities</b>	<u>(19,112,750)</u>	<u>(41,296,475)</u>
<b>Cash flows from financing activities</b>		
Increase (decrease) in bank overdrafts	(11,967,609)	5,554,177
Cash received from short term loan	5,000,000	-
Cash paid for short term loan	(5,000,000)	-
Cash received from long term loan	23,416,300	22,000,000
Cash paid for long term loan	(3,630,000)	-
Proceeds from increase in share capital	-	58,721,210
Payment principal of lease liabilities	(75,168,507)	(120,818,173)
Cash paid for interest expenses	(11,061,060)	(12,891,285)
Dividend paid	(12,350,746)	(34,268,879)
<b>Net cash flows used in financing activities</b>	<u>(90,761,622)</u>	<u>(81,702,950)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(948,830)	2,841,833
Cash and cash equivalents at beginning of year	<u>40,909,652</u>	<u>38,067,819</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>39,960,822</u></u>	<u><u>40,909,652</u></u>
	-	-
<b>Supplemental cash flows information</b>		
Non-cash items		
Increase of assets from lease agreements	103,464,697	37,329,000
Payable of acquisition of equipment	11,932,030	178,109

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

**ATP 30 Public Company Limited**  
**Notes to financial statements**  
**For the year ended 31 December 2020**

**1. General information**

**1.1 General information of the Company**

ATP 30 Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the business of transport services. The registered office of the Company is at 700/199 Moo 1, T. Bankhao, A. Panthong, Chonburi.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current period

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **Financial reporting standards related to financial instruments**

A 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

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 amortised 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.

The impact of the adoption of these standards on the Company's financial statements is recognition of credit losses. The Company recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred.

The cumulative effect of the change is described in Note 4 to the financial statements.

## **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.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The cumulative effect of the change is described in Note 4 to the financial statements.

### **(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 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 management of the Company considers that the aforementioned standard will not have any material impact on the Company's financial statements in the year when they are adopted.

### **4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3 to the financial statements, during the current period, the Company has adopted TFRS related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.



The impacts of changes in accounting policies on the statements of financial position as at 1 January 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	31 December 2019	The impacts of		1 January 2020
		TFRSs related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Trade and other receivables	59,764	(1,874)	-	57,890
Other current assets	16,237	-	(628)	15,609
<b>Non-current assets</b>				
Land, leasehold improvement and equipment	43,847	-	5,480	49,327
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	(94,731)	-	(1,577)	(96,308)
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	(137,496)	-	(3,275)	(140,771)
Deferred tax liabilities	(30,521)	375	-	(30,146)
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	(59,788)	(1,499)	-	(58,289)

#### 4.1 Financial instruments

The impact on retained earnings as at 1 January 2020 due to the initial adoption of TFRSs related to financial instruments caused by recognition of an allowance for expected credit losses.

The Company has measured financial assets and financial liabilities at amortised cost.

## 4.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)
Operating lease commitments as at 31 December 2019	2,365
Less: Short-term leases and leases of low-value assets	(99)
Add: Option to extend lease term	3,784
Less: Contracts reassessed as service agreements	(939)
Less: Deferred interest expenses	(259)
Increase in lease liabilities due to TFRS 16 adoption	4,852
Liabilities under finance lease agreements as at 31 December 2019	232,227
Lease liabilities as at 1 January 2020	237,079
Weighted average incremental borrowing rate (percent per annum)	3.72 - 4.50
Comprise of:	
Current lease liabilities	96,308
Non-current lease liabilities	140,771
	237,079

## 5. Significant accounting policies

### 5.1 Revenue and expense recognition

#### Service income

Service income is recognised when services have been rendered.

#### Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### 5.2 Cash and cash equivalents

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

### 5.3 Spare parts and supplies

Spare parts and supplies are valued at the lower of average cost and net realisable value and are charged to cost of services whenever consumed.

### 5.4 Transportation vehicles, land, leasehold improvement and equipment/Depreciation

Land is stated at cost. Transportation vehicles, leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of transportation vehicles, leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Transportation vehicles	10	years
Leasehold improvement	5 and 10	years
Furniture, fixture and office equipment	5	years
Tool	5	years
Motor vehicles	5	years

Depreciation is included in profit or loss.

No depreciation is provided on land, transportation vehicle in process and assets under construction.

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

### 5.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 5.6 Leases

#### Accounting policies adopted since 1 January 2020

The Company recognises right-of-use assets and leases liabilities for all leases at the date the underlying asset is available for use (the commencement date). The Company recognises as rental expenses on a straight-line basis over the lease term for a lease term less than 12 months or a lease of low-value assets.

## **Right-of-use assets**

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs, and lease payments made at or before the commencement date of the lease less any compensation or incentives received from lessors.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the lease term or their estimated useful lives in case of the ownership of the leased asset is transferred to the Company at the end of the lease term.

Office space and car park	Lease term
Equipment	Lease term
Motor Vehicles	5 years
Transportation vehicles	10 years

Right-of-use assets are presented as a part of transportation vehicles, land, leasehold improvement and equipment in in the statement of financial position.

## **Lease liabilities**

Lease liabilities are measured at the present value of the lease payments to be made over the lease term and discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest, reduced for the lease payments made and is remeasured if there is a change in the lease term.

### *Accounting policies adopted before 1 January 2020*

Leases of transportation vehicles and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of transportation vehicles and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## **5.7 Related party transactions**

Related parties comprise individuals or enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

## **5.8 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the transportation vehicles, land, leasehold improvement and equipment, right-of-use asset, or other intangible assets whenever events or changes in circumstances indicate that the assets may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

## **5.9 Employee benefits**

### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### ***Post-employment benefits***

#### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

#### *Defined benefit plans*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

## 5.10 Provisions

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

## 5.11 Income tax

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

### Current tax

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

### Deferred tax

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

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

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

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

## 5.12 Financial instruments

### Accounting policies adopted since 1 January 2020

The Company initially measures financial assets at its fair value plus transaction costs. Except for trade receivables, the Company measured at the transaction price as disclosed in the accounting policy relating to revenue recognition and classified as financial assets as to be subsequently measured at amortised cost using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company derecognised financial assets

when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset or control of the asset.

At initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. The Company takes into account any fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included in finance costs in profit or loss. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

#### **Impairment of financial assets**

The Company consider the credit risk and to be in default when contractual payments are past due and using other internal or external information. The Company recognises an allowance for expected credit losses ("ECLs") of financial assets based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables, the Company applies a simplified approach in calculating ECLs. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **Accounting policies adopted before 1 January 2020**

##### **Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### 5.13 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 applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1 - Use of quoted market prices in an 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 determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 6. Significant accounting judgements and estimates

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

Significant judgments and estimates are as follows:

### **Allowance for expected credit losses of trade receivables**

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



## **Transportation vehicles, land, leasehold improvement and equipment/Depreciation**

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

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

## **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **7. Related party transactions**

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

	<u>2020</u>	<u>2019</u>	(Unit: Million Baht) <u>Pricing policy</u>
<u>Transactions with related parties</u>			
Subcontract service	4.3	4.9	As agreed rate
Insurance expenses	4.3	6.3	As agreed rate
Rental and service expenses	1.5	2.1	Contract rate
Consultancy fee	0.6	0.6	As agreed rate

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties were as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<b><u>Prepaid insurance expenses - related party</u></b>		
Related company (Common Director)	<u>325</u>	<u>3,300</u>
<b><u>Trade accounts payable - related parties (Note 13)</u></b>		
Related company (Common management)	782	875
Related persons (Management and Managing Director's brother)	<u>319</u>	<u>320</u>
	<u>1,101</u>	<u>1,195</u>
<b><u>Accrued expenses - related parties (Note 13)</u></b>		
Related companies (Common Director)	<u>330</u>	<u>2,901</u>

**Directors and management's benefits**

During the year ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	12,900	13,591
Post-employment benefits	<u>794</u>	<u>1,741</u>
Total	<u>13,694</u>	<u>15,332</u>

## 8. Trade and other receivables

The balances of trade and other receivables as at 31 December 2020 and 2019 aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Trade accounts receivable		
Aged on the basis of due dates		
Not yet due	56,496	53,906
Past due		
Up to 3 months	932	1,958
3 - 6 months	-	955
6 - 12 months	854	160
Over 12 months	2,461	396
Total trade accounts receivable	<u>60,743</u>	<u>57,375</u>
Less: Allowance for expected credit losses	<u>(3,315)</u>	<u>-</u>
Total trade account receivable - net	57,428	57,375
Accrued services income	2,401	1,867
Advance payment	140	82
Other receivables	-	440
Total trade and other receivables	<u><u>59,969</u></u>	<u><u>59,764</u></u>

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)
As at 1 January 2020 (Note 4)	1,874
Expected credit losses	<u>1,441</u>
As at 31 December 2020	<u><u>3,315</u></u>

## 9. Restricted bank deposits

The balances of bank deposits were pledged with a bank to secure bank guarantees.

## 10. Transportation vehicles

(Unit: Thousand Baht)

	Transportation vehicles	Transportation vehicles in process	Total Transportation vehicles	Right-of-use assets	Total
<b>Cost:</b>					
As at 1 January 2019	835,686	200	835,886	-	835,886
Additions	43,308	675	43,983	-	43,983
Disposals/written off	(2,553)	-	(2,553)	-	(2,553)
Transfers	(911)	(564)	(1,475)	-	(1,475)
As at 31 December 2019	875,530	311	875,841	-	875,841
Reclassify to right-of-use assets (Note 15)	(414,686)	-	(414,686)	414,686	-
Additions	4,083	136	4,219	103,221	107,440
Written off	(245)	-	(245)	-	(245)
Transfers	136	(447)	(311)	-	(311)
As at 31 December 2020	982,725	-	464,818	517,907	982,725
<b>Accumulated depreciation:</b>					
As at 1 January 2019	234,524	-	234,524	-	234,524
Depreciation for the year	55,507	-	55,507	-	55,507
Depreciation on disposals/written off	(1,523)	-	(1,523)	-	(1,523)
Depreciation for transfers	(282)	-	(282)	-	(282)
As at 31 December 2019	288,226	-	288,226	-	288,226
Reclassify to right-of-use assets (Note 15)	(70,886)	-	(70,886)	70,886	-
Depreciation for the year	26,948	-	26,948	33,083	60,031
Written off	(196)	-	(196)	-	(196)
As at 31 December 2020	244,092	-	244,092	103,969	348,061
<b>Net book value:</b>					
As at 31 December 2019	587,304	311	587,615	-	587,615
As at 31 December 2020	220,726	-	220,726	413,938	634,664
<b>Depreciation for the year:</b>					
2019 (Included in cost of services)					55,507
2020 (Included in cost of services)					60,031

As at 31 December 2020, the Company had transportation vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 125 million. (2019: Baht 81 million)

## 11. Land, leasehold improvement and equipment

(Unit: Thousand Baht)

	Land	Leasehold improvement	Furniture, fixture and office equipment	Tool	Motor vehicles	Leasehold improvement under construction	Total land, leasehold improvement and equipment	Right-of-use assets	Total
<b>Cost:</b>									
As at 1 January 2019	-	8,789	5,336	1,669	1,635	-	17,429	-	17,429
Additions	34,184	154	866	154	-	204	35,562	-	35,562
Written off	-	-	(132)	(4)	-	-	(136)	-	(136)
Transfers	-	50	-	14	1,475	(64)	1,475	-	1,475
As at 31 December 2019	34,184	8,993	6,070	1,833	3,110	140	54,330	-	54,330
Adjustments of right-of-use assets (Note 4, 15)	-	-	-	-	-	-	-	5,480	5,480
Reclassify to right-of-use assets (Note 15)	-	-	-	-	(1,475)	-	(1,475)	1,475	-
Additions	-	100	133	136	-	27,161	27,530	244	27,774
Written off	-	-	(51)	(23)	-	-	(74)	-	(74)
Transfers	-	30	-	311	-	(30)	311	-	311
Capitalised interest	-	-	-	-	-	48	48	-	48
As at 31 December 2020	34,184	9,123	6,152	2,257	1,635	27,319	80,670	7,199	87,869
<b>Accumulated depreciation:</b>									
As at 1 January 2019	-	2,996	3,877	1,225	460	-	8,558	-	8,558
Depreciation for the year	-	686	617	154	311	-	1,768	-	1,768
Depreciation on written off	-	-	(122)	(3)	-	-	(125)	-	(125)
Depreciation for transfers	-	-	-	-	282	-	282	-	282
As at 31 December 2019	-	3,682	4,372	1,376	1,053	-	10,483	-	10,483
Reclassify to right-of-use assets (Note 15)	-	-	-	-	(429)	-	(429)	429	-
Depreciation for the year	-	619	528	215	163	-	1,525	2,111	3,636
Depreciation on written off	-	-	(47)	(19)	-	-	(66)	-	(66)
As at 31 December 2020	-	4,301	4,853	1,572	787	-	11,513	2,540	14,053
<b>Net book value:</b>									
As at 31 December 2019	34,184	5,311	1,698	457	2,057	140	43,847	-	43,847
As at 31 December 2020	34,184	4,822	1,299	685	848	27,319	69,157	4,659	73,816
<b>Depreciation for the year:</b>									
2019 (Baht 1.6 million included in administrative expenses, and the balance in cost of services)									1,768
2020 (Baht 1.8 million included in administrative expenses, and the balance in cost of services)									3,636

As at 31 December 2020, the Company has certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 6 million. (2019: Baht 5 million)

As at 31 December 2020, the Company obtained a loan from a commercial bank for construction of building and the weighted average rate of 3.72% has been used to determine the amount of borrowing costs eligible for capitalisation.

The Company pledged its land and building of approximately Baht 34 million (2019: Baht 34 million) as collateral against the loan received from such commercial bank.

## 12. Bank overdrafts

As at 31 December 2020, the bank overdraft credit facilities of the Company which have not yet been drawn down amounted to Baht 31 million (2019: Baht 19 million).

## 13. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Trade accounts payable	27,023	28,641
Trade accounts payable - related parties (Note 7)	1,101	1,195
Other payables	884	1,034
Accounts payables - purchase of fixed assets	11,932	178
Accrued expenses	3,483	5,735
Accrued expenses - related parties (Note 7)	330	2,901
Advance receipt	222	184
Total	<u>44,975</u>	<u>39,868</u>

## 14. Long-term loan

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Long-term loan	41,786	22,000
Less: Current portion	<u>(7,460)</u>	<u>(830)</u>
Long-term loan, net of current portion	<u>34,326</u>	<u>21,170</u>

In 2019 and 2020, the Company drew down a long-term loan from a commercial bank of Baht 30.4 million. The loan principal is to be settled in monthly installments, starting from December 2020 and interest is charged based on MLR rate. The long-term loan is secured by the mortgage of land and construction thereon. In 2020, the payment of Baht 3.6 million of a principal portion was made.

In addition, in April 2020, the Company obtained a long-term loan of Baht 15 million from the same bank in accordance with measures to provide soft loan to assist entrepreneurs affected by the COVID-19 pandemic. The loan principal is to be settled in monthly installments, starting from April 2022 and interest is charged at a rate of 2 percent per annum without collateral required.

As at 31 December 2020, the long-term credit facility of the Company which has not been drawn down amounted to Baht 9.6 million (2019: Baht 18 million).

## 15. Leases

The Company has lease contracts for assets used in its operations. Leases generally have lease terms between 1 - 5 years.

### (a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Land, leasehold improvement and equipment					Total right-of-use assets
	Transportation vehicles	Office space and car park	Furniture, fixture and office equipment	Motor vehicles	Total	
1 January 2020	343,800	5,076	404	1,046	6,526	350,326
Additions	103,221	242	2	-	244	103,465
Depreciation for the year	(33,083)	(1,860)	(103)	(148)	(2,111)	(35,194)
31 December 2020	413,938	3,458	303	898	4,659	418,597

### (b) Lease liabilities

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
Lease payments	279,816	244,837
Less: Deferred interest expenses	(14,441)	(12,610)
Total	265,375	232,227
Less: Portion due within one year	(103,084)	(94,731)
Lease liabilities - net of current portion	162,291	137,496

A maturity analysis of lease payments is disclosed in Note 27.1 under the liquidity risk.

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

(Unit: Thousand Baht)

	For the year ended 31 December 2020
Depreciation expense of right-of-use assets	35,194
Interest expense on lease liabilities	9,668

**16. Provision for long-term employee benefits**

Provision for long-term employee benefits which represents compensation payable to employee after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<b>Provision for long-term employee benefits</b>		
<b>at beginning of year</b>	8,615	5,001
Included in profit or loss:		
Current service cost	1,610	1,484
Interest cost	207	171
Past service cost	-	1,314
Included in other comprehensive income:		
Actuarial loss arising from		
Financial assumptions changes	-	913
Benefits paid during the year	<u>(155)</u>	<u>(268)</u>
<b>Provision for long-term employee benefits at end of year</b>	<u><u>10,277</u></u>	<u><u>8,615</u></u>

In 2019, the Company recorded an additional provision for long-term employee benefits of Baht 1.3 million as a result of the new legal severance pay rate, according to the Labor Protection Act (No.7) B.E. 2562 by recording past service costs as expenses in profit or loss of 2019 because this is post-employee benefits plan amendment.

The Company expects to pay long-term employee benefits during the next year of approximately Baht 0.1 million (2019: Baht 0.3 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2019: 12 years).



Key actuarial assumptions used for the valuation are as follows:

	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)
Discount rate	1.4	1.6
Future salary increase rate (depending on employee type)	4 - 6	4 - 6

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Million Baht)			
	31 December 2020		31 December 2019	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(0.4)	0.5	(0.3)	0.3
Salary increase rate	0.5	(0.5)	0.4	(0.3)

## 17. Share capital

On 1 April 2020, the Annual General Meeting of the Company's shareholders passed the resolutions to decrease the Company's registered share capital from Baht 154.69 million (618.75 million ordinary shares of Baht 0.25 each) to Baht 154.33 million (617.31 million ordinary shares of Baht 0.25 each) by cancelling 1.44 million registered but unissued ordinary shares with a par value of Baht 0.25 per share that had been reserved for the exercise of warrants (ATP30-W1). The Company registered the decrease the Company's registered share capital with the Ministry of Commerce on 15 April 2020.

## 18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 19. Finance cost

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	1,345	731
Interest expenses on lease liabilities	9,668	12,160
Total	<u>11,013</u>	<u>12,891</u>

## 20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	111,759	116,749
Subcontract services	38,066	57,743
Depreciation and amortisation	63,962	57,597
Insurance expenses	18,144	16,266
Fuel expense	72,011	95,682
Motor vehicles expenses	24,399	24,614

## 21. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>		
Current income tax charge	199	712
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<u>3,801</u>	<u>7,177</u>
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u><u>4,000</u></u>	<u><u>7,889</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial loss	<u>-</u>	<u>(183)</u>

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

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Accounting profit before tax	32,750	54,710
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	6,550	10,942
Effects of:		
Non-deductible expenses	141	40
Additional expenses deductions allowed	(2,691)	(3,093)
Total	(2,550)	(3,053)
Income tax expenses reported in the statement of comprehensive income	4,000	7,889

The components of deferred tax asset and deferred tax liability are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<b>Deferred tax asset</b>		
Provision for long-term employee benefits	2,055	1,723
Allowance for expected credit losses	663	-
Total	2,718	1,723
<b>Deferred tax liability</b>		
Accumulated depreciation - transportation vehicle	26,110	24,798
Lease liabilities (2019: Liabilities under finance lease agreement)	10,555	7,446
Total	36,665	32,244
<b>Deferred tax liability - net</b>	33,947	30,521

## 22. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either on the date the beginning of the year.

The following table sets forth the computation of basic and diluted earnings per share:

	Profit for the years		Weighted average		Earnings per share	
	ended 31 December		number of ordinary			
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit for the year	28,750	46,821	617,310	590,434	0.047	0.079
<b>Effect of dilutive potential ordinary shares</b>						
Warrant offered to existing shareholders (ATP30-W1)	-	-	-	11,044		
<b>Diluted earnings per share</b>						
Profit attributable to equity holders of the Company						
assuming the conversion of warrants to ordinary shares	<u>28,750</u>	<u>46,821</u>	<u>617,310</u>	<u>601,478</u>	0.047	0.078

## 23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Managing Director.

The Company's principal operating segments are transport services. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the years 2020 and 2019, the Company has no major customer with revenue of 10 percent or more of the Company's revenues.

## 24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by K Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 1.3 million (2019: Baht 1.2 million) were recognised as expenses.

## 25. Dividend

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends for 2018	Annual General Meeting of the shareholders on 2 April 2019	21.9	0.04
Interim dividends for 2019	Board of Directors' meeting on 5 November 2019	12.3	0.02
Total dividends for 2019		34.2	0.06
Dividends for 2019	Annual General Meeting of the shareholders on 1 April 2020	12.4	0.02
Total dividends for 2020		12.4	0.02

## 26. Commitments and contingent liabilities

### 26.1 Capital commitments

As at 31 December 2020, the Company had capital commitments relating to the construction of building, garage and car park of approximately Baht 1.3 million.

### 26.2 Service agreement commitments

The Company entered into several service agreements such as the security guard contract. The terms of the agreements are generally between 1 and 4 years.

As at 31 December 2020, the Company had minimum lease payments required within one year under these service agreements of approximately Baht 0.1 million (2019: Baht 0.9 million).

### 26.3 Bank guarantee

As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 13 million (2019: Baht 6.7 million) issued by banks on behalf of the Company as required in the normal course of business.

## **27. Financial instruments**

### **27.1 Financial risk management objectives and policies**

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, long-term loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Company is exposed to credit risk primarily with respect to trade accounts receivable, and cash deposits with banks. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade receivables***

The Company manages the risk by adopting appropriate credit control policies and procedures. Outstanding trade receivables are regularly monitored, therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries.

At each reporting date, the Company determines expected credit losses based on days past due for groupings of various customer segments with similar credit risks.

#### ***Cash deposits***

The Company's credit risk associated with cash deposits is low because the Company's policy is that credit limits assigned to each counterparty are to be determined and approved by the Company's Board of Directors and the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

#### **Market risk**

#### ***Interest rate risk***

The Company's exposure to interest rate risk relates primarily to its long-term loans and leases. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The following table demonstrates the sensitivity of the Company's profit before tax for the year to a reasonably possible change in interest rates on that portion of floating rate of loans from bank affected as at 31 December 2020 and all other variables remain constant over one year.

	(Unit: Thousand Baht)	
	Interest rates of loans from bank	
	Increase 1%	Decrease 1%
Increase (decrease) in profit before tax	(268)	268

### Liquidity risk

The Company manages the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Company has assessed that the risk with respect to the Company's ability to pay its debt is low. This is because the Company has access to a sufficient variety of sources of funding, and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	Less than	1 to 5	Total
	1 year	years	
Trade and other payables	44,975	-	44,975
Long-term loans	8,656	36,155	44,811
Lease liabilities	110,677	169,139	279,816
Total	<u>164,308</u>	<u>205,294</u>	<u>369,602</u>

### 27.2 Fair values of financial instruments

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

### 28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Company's debt-to-equity ratio was 0.95:1 (2019: 0.86:1).

## **29. Even after the reporting period**

(a) On 24 February 2021, the Extraordinary General Meeting of the Company's shareholders No. 1/2021 passed the following resolutions:

- 1) To increase the Company's registered share capital from Baht 154.33 million (617.31 million ordinary shares of Baht 0.25 each) to Baht 170.58 million (682.31 million ordinary shares of Baht 0.25 each) by issuing 65 million new ordinary shares of Baht 0.25 each to be offered on a Private Placement basis.
- 2) To allocate 65 million newly issued ordinary shares of Baht 0.25 each to offer for sale to Private Placement basis by allocation of 65 million ordinary shares at the offering price of Baht 0.99 each, or a total of Baht 64.35 million.

(b) On 25 February 2021, a meeting of the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of the Shareholders adopt the following resolutions:

- 1) To allocate Baht 1.4 million of profit for the year 2020 to the Company's legal reserve
- 2) To pay a dividend of Baht 0.03 per share, or a total of approximately Baht 20.5 million, to the shareholders in respect of the 2020 earnings.

## **30. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.