

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REPORT OF AUDITOR AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

## **INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of  
The Practical Solution Public Company Limited

### **Opinion**

I have audited the consolidated financial statements of The Practical Solution Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of The Practical Solution Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, 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 consolidated financial position of The Practical Solution Public Company Limited and its subsidiaries as at December 31, 2021, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of The Practical Solution Public Company Limited as at December 31, 2021, its financial performance and its 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 Group and 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 Matter**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated financial statements and separate 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.

The revenue from sales and services recognition

The Group has revenue from sales with computer network installation, full service communication system, wireless communication system, network security system, data center solution and network system management including revenue from rendering maintenance service related to such system for the year ended December 31, 2021 in the amount of Baht 572 million. The Company has entered into numerous agreements and may have agreement that the Company is obligated to render additional service to the customer as included in the selling agreement with installation at the same time such as product warranty apart from regular warranty, preventive maintenance service, etc which cause the risk of valuation and period of revenue recognition. Therefore, I have stated that the revenue recognition from sales and service is a significant risk that requires special attention in the audit. The Company has disclosed the accounting policy and amount related to revenue recognition from sales and service in Notes 3.1 and 27, respectively.

Regarding my audit approach on such matter, I have understood the internal control system of revenue and related accounting transactions, tested the design and efficiency of the internal control related to the recognition of revenue and related accounting transactions especially the control of valuation and period of revenue recognition from sales and service. Furthermore, I sampled revenue transactions to test the details with the agreement or related documents to check the accuracy of the revenue recognition in accordance with the agreement and consistency with the accounting policy including cut-off revenue from sales and service before and after the end of the accounting period as well as performed analytical review. In addition, I have considered the appropriateness and adequacy of the information disclosure in the financial statements and notes to the financial statements.

### **Other Information**

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

### **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 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that we 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.

(Mr. Peradate Pongsathiansak)  
Certified Public Accountant  
Registration No. 4752

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 22, 2022

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes	2021	2020	2021	2020	
<b>Current assets</b>					
Cash and cash equivalents	5	149,802,721.96	122,151,669.84	147,748,077.02	116,188,969.41
Trade and other receivable	6	139,604,917.09	145,232,951.43	138,325,977.09	145,232,951.43
Contract assets	7	26,648,586.92	15,375,586.53	23,524,695.64	15,375,586.53
<b>Current portion of finance lease</b>					
receivables	8	29,868,099.78	18,420,275.03	29,868,099.78	18,420,275.03
Inventories	9	128,697,041.33	45,366,717.05	128,697,041.33	45,366,717.05
Other current assets		2,624,445.46	1,866,107.85	1,801,505.56	1,866,107.85
<b>Total current assets</b>		<b>477,245,812.54</b>	<b>348,413,307.73</b>	<b>469,965,396.42</b>	<b>342,450,607.30</b>
<b>Non-current assets</b>					
Restricted bank deposit	10	21,453,484.98	21,376,756.48	21,453,484.98	21,376,756.48
Investment in the joint operations	11	116,061.81	-	-	-
Investments in subsidiaries	12	-	-	5,099,800.00	3,299,800.00
Finance lease receivables	8	77,583,002.60	46,215,454.07	77,583,002.60	46,215,454.07
Property, plant and equipment	13	142,885,165.99	146,232,204.74	142,689,091.62	146,232,204.74
Right-of-use assets	14	18,222,849.33	16,842,323.05	18,222,849.33	16,842,323.05
Intangible assets	15	447,704.98	238,258.82	447,704.98	238,258.82
Deferred tax assets	16	1,874,236.43	1,487,440.85	762,168.52	1,487,440.85
Other non-current assets	17	34,386,013.89	34,817,994.71	32,117,886.82	34,817,994.71
<b>Total non-current assets</b>		<b>296,968,520.01</b>	<b>267,210,432.72</b>	<b>298,375,988.85</b>	<b>270,510,232.72</b>
<b>TOTAL ASSETS</b>		<b>774,214,332.55</b>	<b>615,623,740.45</b>	<b>768,341,385.27</b>	<b>612,960,840.02</b>

Notes to the financial statements form an integral part of these statements.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2021**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Current liabilities</b>					
Trade and other payables	19	203,473,992.68	124,808,156.05	201,186,885.08	124,808,156.05
Contract liabilities	7	47,691,689.25	24,049,683.91	47,691,689.25	24,049,683.91
Short - term loans from related parties	4	1,500,000.00	-	-	-
Current portion of liability under					
lease agreements	21	4,197,716.67	3,640,118.43	4,197,716.67	3,640,118.43
Income tax payable		-	4,019,145.84	-	4,019,145.84
Other current liabilities	20	5,999,646.81	7,966,884.40	5,957,344.31	7,911,434.40
<b>Total current liabilities</b>		<b>262,863,045.41</b>	<b>164,483,988.63</b>	<b>259,033,635.31</b>	<b>164,428,538.63</b>
<b>Non-current liabilities</b>					
Liability under lease agreements	21	6,138,814.53	5,879,160.47	6,138,814.53	5,879,160.47
Employee benefit obligations	22	23,261,847.54	20,532,209.03	23,038,418.69	20,532,209.03
Contract liabilities	7	74,767,628.93	45,033,252.04	72,646,190.12	45,033,252.04
<b>Total non-current liabilities</b>		<b>104,168,291.00</b>	<b>71,444,621.54</b>	<b>101,823,423.34</b>	<b>71,444,621.54</b>
<b>TOTAL LIABILITIES</b>		<b>367,031,336.41</b>	<b>235,928,610.17</b>	<b>360,857,058.65</b>	<b>235,873,160.17</b>

Notes to the financial statements form an integral part of these statements.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2021**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital	24				
Authorised share capital					
336,000,000 ordinary shares of Baht 0.50 each		168,000,000.00		168,000,000.00	
280,000,000 ordinary shares of Baht 0.50 each			140,000,000.00		140,000,000.00
Issued and paid-up share capital					
335,999,872 ordinary shares of Baht 0.50 each		167,999,936.00		167,999,936.00	
280,000,000 ordinary shares of Baht 0.50 each			140,000,000.00		140,000,000.00
Premium on share capital		153,294,618.30	153,294,618.30	153,294,618.30	153,294,618.30
Surplus on share-based payment transactions		6,754,000.00	6,754,000.00	6,754,000.00	6,754,000.00
Retained earnings					
Appropriated					
Legal reserve	25	16,052,661.77	14,000,000.00	16,052,661.77	14,000,000.00
Unappropriated		61,022,296.90	62,990,782.46	63,383,110.55	63,039,061.55
Total attributable to company's shareholders		405,123,512.97	377,039,400.76	407,484,326.62	377,087,679.85
Non-controlling interests		2,059,483.17	2,655,729.52	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>407,182,996.14</b>	<b>379,695,130.28</b>	<b>407,484,326.62</b>	<b>377,087,679.85</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>774,214,332.55</b>	<b>615,623,740.45</b>	<b>768,341,385.27</b>	<b>612,960,840.02</b>

Notes to the financial statements form an integral part of these statements.



**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2021	2020	2021	2020	
<b>Revenues</b>						
	Revenues from sales and services	4	583,115,496.18	733,394,240.11	570,638,535.18	733,394,240.11
	Interest income		3,574,409.58	3,000,844.24	3,571,911.42	3,000,761.38
	Other income		2,558,971.60	1,553,186.06	2,922,927.71	1,553,186.06
	Total revenues		<u>589,248,877.36</u>	<u>737,948,270.41</u>	<u>577,133,374.31</u>	<u>737,948,187.55</u>
<b>Expenses</b>						
	Cost of sales and services		401,507,776.85	517,444,532.76	390,544,793.51	517,444,532.76
	Selling expenses		28,083,335.46	35,267,160.27	27,851,558.04	35,267,160.27
	Administrative expenses	4	114,243,081.12	115,482,446.41	108,135,448.55	115,389,613.98
	Total expense		<u>543,834,193.43</u>	<u>668,194,139.44</u>	<u>526,531,800.10</u>	<u>668,101,307.01</u>
	Profit from operating activities		45,414,683.93	69,754,130.97	50,601,574.21	69,846,880.54
	Finance cost		454,279.93	1,009,132.34	453,861.30	1,009,132.34
	Profit before income tax expense		44,960,404.00	68,744,998.63	50,147,712.91	68,837,748.20
	Income tax expense	30	8,015,949.46	14,872,025.16	9,094,477.46	14,872,025.16
	Profit for the year		<u>36,944,454.54</u>	<u>53,872,973.47</u>	<u>41,053,235.45</u>	<u>53,965,723.04</u>
<b>Other comprehensive income</b>						
<b>Components of other comprehensive income that</b>						
will not be reclassified to profit or loss						
	Gains on re-measurements of defined benefit plans, net of tax	22	543,405.32	-	543,405.32	-
	Other comprehensive income (expense) for the period, net of tax		543,405.32	-	543,405.32	-
	Total comprehensive income for the year		<u>37,487,859.86</u>	<u>53,872,973.47</u>	<u>41,596,640.77</u>	<u>53,965,723.04</u>
<b>Profit (loss) attributable to:</b>						
	Shareholders of the parent company		38,740,700.89	53,917,443.95	41,053,235.45	53,965,723.04
	Non-controlling interests		(1,796,246.35)	(44,470.48)	-	-
			<u>36,944,454.54</u>	<u>53,872,973.47</u>	<u>41,053,235.45</u>	<u>53,965,723.04</u>
<b>Total other comprehensive income (loss) attributable to:</b>						
	Shareholders of the parent company		39,284,106.21	53,917,443.95	41,596,640.77	53,965,723.04
	Non-controlling interests		(1,796,246.35)	(44,470.48)	-	-
			<u>37,487,859.86</u>	<u>53,872,973.47</u>	<u>41,596,640.77</u>	<u>53,965,723.04</u>
<b>Earnings per share for profit attributable to the parent company</b>						
	Basic earnings per share	31	0.12	0.19	0.13	0.19

Notes to the financial statements form an integral part of these statements.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

		Baht							
		Consolidated financial statements							
		Attributable to shareholders of the parent company							
		Share capital	Premium on	Surplus on	Retained earnings		Total	Non-	Total
		Issued and	share capital	Share-based	Appropriated	Unappropriated		controlling	
		Paid-up		Payment	Legal reserve			interests	
Notes				transactions					
	Balance as at January 1, 2021	140,000,000.00	153,294,618.30	6,754,000.00	14,000,000.00	62,990,782.46	377,039,400.76	2,655,729.52	379,695,130.28
	Changes in shareholder's equity								
	Non-controlling interests in subsidiaries increasing from business acquisitions	-	-	-	-	-	-	1,200,000.00	1,200,000.00
24	Share capital increase	27,999,936.00	-	-	-	-	27,999,936.00	-	27,999,936.00
25	Legal reserve	-	-	-	2,052,661.77	(2,052,661.77)	-	-	-
26	Dividend	-	-	-	-	(39,199,930.00)	(39,199,930.00)	-	(39,199,930.00)
	Profit for the period	-	-	-	-	38,740,700.89	38,740,700.89	(1,796,246.35)	36,944,454.54
	Comprehensive profit for the period								
	Gains on re-measurements of defined benefit plans	-	-	-	-	543,405.32	543,405.32	-	543,405.32
	Balance as at December 31, 2021	<u>167,999,936.00</u>	<u>153,294,618.30</u>	<u>6,754,000.00</u>	<u>16,052,661.77</u>	<u>61,022,296.90</u>	<u>405,123,512.97</u>	<u>2,059,483.17</u>	<u>407,182,996.14</u>
	Balance as at January 1, 2020	140,000,000.00	153,294,618.30	6,754,000.00	12,446,049.54	66,627,288.97	379,121,956.81	-	379,121,956.81
	Changes in shareholder's equity								
	Non-controlling interests in subsidiaries increasing from business acquisitions	-	-	-	-	-	-	2,700,200.00	2,700,200.00
25	Legal reserve	-	-	-	1,553,950.46	(1,553,950.46)	-	-	-
26	Dividend	-	-	-	-	(56,000,000.00)	(56,000,000.00)	-	(56,000,000.00)
	Comprehensive profit for the period	-	-	-	-	53,917,443.95	53,917,443.95	(44,470.48)	53,872,973.47
	Balance as at December 31, 2020	<u>140,000,000.00</u>	<u>153,294,618.30</u>	<u>6,754,000.00</u>	<u>14,000,000.00</u>	<u>62,990,782.46</u>	<u>377,039,400.76</u>	<u>2,655,729.52</u>	<u>379,695,130.28</u>

Notes to the financial statements form an integral part of these statements.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		Baht					
		Separate financial statements					
		Share capital	Premium on	Surplus on	Retained earnings		Total
		Issued and	share capital	Share-based	Appropriated	Unappropriated	
		Paid-up		Payment	Legal reserve		
Notes				transactions			
	Balance as at January 1, 2021	140,000,000.00	153,294,618.30	6,754,000.00	14,000,000.00	63,039,061.55	377,087,679.85
	Share capital increase	24 27,999,936.00	-	-	-	-	27,999,936.00
	Legal reserve	25 -	-	-	2,052,661.77	(2,052,661.77)	-
	Dividend	26 -	-	-	-	(39,199,930.00)	(39,199,930.00)
	Profit for the period	-	-	-	-	41,053,235.45	41,053,235.45
	Comprehensive profit for the period						
	Gains on re-measurements of defined benefit plans	-	-	-	-	543,405.32	543,405.32
	Balance as at December 31, 2021	<u>167,999,936.00</u>	<u>153,294,618.30</u>	<u>6,754,000.00</u>	<u>16,052,661.77</u>	<u>63,383,110.55</u>	<u>407,484,326.62</u>
	Balance as at January 1, 2020	140,000,000.00	153,294,618.30	6,754,000.00	12,446,049.54	66,627,288.97	379,121,956.81
	Legal reserve	25 -	-	-	1,553,950.46	(1,553,950.46)	-
	Dividend	26 -	-	-	-	(56,000,000.00)	(56,000,000.00)
	Comprehensive profit for the period	-	-	-	-	53,965,723.04	53,965,723.04
	Balance as at December 31, 2020	<u>140,000,000.00</u>	<u>153,294,618.30</u>	<u>6,754,000.00</u>	<u>14,000,000.00</u>	<u>63,039,061.55</u>	<u>377,087,679.85</u>

Notes to the financial statements form an integral part of these statements.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
Profit for the year	36,944,454.54	53,872,973.47	41,053,235.45	53,965,723.04
Reconciliations of profit for the period to net cash provided by (used in) operating activities				
Depreciation	12,071,781.75	10,112,243.73	12,046,040.69	10,112,243.73
Amortization of intangible assets	73,976.84	45,067.93	73,976.84	45,067.93
Allowance for doubtful debt	(1,112,281.16)	7,066,488.30	(1,112,281.16)	7,066,488.30
Provision of allowance for decline in value of inventories (reversal)	13,789.75	(14,291.00)	13,789.75	(14,291.00)
(Gain) loss on disposal of building improvement and equipment	(991,235.77)	(363,160.44)	(991,235.77)	(363,160.44)
(Gain) loss on disposal of right-of-use assets	-	138,943.46	-	138,943.46
Employee benefits expenses	3,595,045.16	2,402,816.00	3,371,616.31	2,402,816.00
Profit sharing in joint operations	(116,061.81)	-	-	-
Interest income	(3,574,087.57)	(3,000,844.24)	(3,571,911.42)	(3,000,761.38)
Finance costs	454,279.93	1,009,132.34	453,861.30	1,009,132.34
Income tax expense	8,015,949.46	14,872,025.16	9,094,477.46	14,872,025.16
Profit from operation before changes in operating assets and liabilities	55,375,611.12	86,141,394.71	60,431,569.45	86,234,227.14
(Increase) decrease in operating assets				
Trade and other accounts receivable	5,975,340.48	(50,064,413.36)	7,254,280.48	(50,064,413.36)
Contract assets	(11,273,000.39)	37,843,439.79	(8,149,109.11)	37,843,439.79
Finance lease receivables	(42,051,010.26)	(36,919,095.48)	(42,051,010.26)	(36,919,095.48)
Inventories	(83,344,114.03)	1,939,722.79	(83,344,114.03)	1,939,722.79
Other current assets	(841,525.00)	2,167,285.77	64,602.29	2,167,285.77
Other non-current assets	431,980.82	(5,822,743.51)	2,700,107.89	(5,822,743.51)
Increase (decrease) in operating liabilities				
Trade and other payables	78,610,836.63	(7,076,812.54)	76,378,729.03	(7,076,812.54)
Other current liabilities	(1,911,625.59)	3,868,118.32	(1,953,478.09)	3,812,668.32
Contract liabilities	53,376,382.23	11,373,155.68	51,254,943.42	11,373,155.68
Cash generated (paid) from operation	54,348,876.01	43,450,052.17	62,586,521.07	43,487,434.60
Interest received	3,574,087.57	3,000,844.24	3,571,911.42	3,000,761.38
Income tax paid	(12,474,554.82)	(9,443,580.58)	(12,524,202.30)	(9,443,580.58)
Employee benefits obligations paid	(186,150.00)	(201,500.00)	(186,150.00)	(201,500.00)
Net cash provided by (used in) operating activities	45,262,258.76	36,805,815.83	53,448,080.19	36,843,115.40

Notes to the financial statements form an integral part of these statements.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES :</u></b>				
Bank deposit liable to guarantee (increase) decrease	(76,728.50)	(228,698.39)	(76,728.50)	(228,698.39)
Cash payments for increase capital in subsidiaries	-	-	(1,800,000.00)	(3,299,800.00)
Cash payments to acquire property, plant and equipment	(4,285,888.93)	(22,369,373.94)	(4,064,073.50)	(22,369,373.94)
Cash received from sale of equipment	993,811.28	1,017,497.20	993,811.28	1,017,497.20
Net cash provided by (used in) investing activities	(3,368,806.15)	(21,580,575.13)	(4,946,990.72)	(24,880,375.13)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES :</u></b>				
Cash payment from long-term loan from financial institution	-	(31,900,000.00)	-	(31,900,000.00)
Cash payments for liabilities under lease agreements	(5,288,126.56)	(4,811,768.93)	(5,288,126.56)	(4,811,768.93)
Cash receipts from capital increase	1,200,000.00	-	-	-
Cash received from company establishment				
from non-controlling interests	-	2,700,200.00	-	-
Account payable-director	1,500,000.00	-	-	-
Dividend paid	(11,199,994.00)	(56,000,000.00)	(11,199,994.00)	(56,000,000.00)
Interest paid	(454,279.93)	(637,213.27)	(453,861.30)	(637,213.27)
Net cash provided by (used in) financing activities	(14,242,400.49)	(90,648,782.20)	(16,941,981.86)	(93,348,982.20)
Increase (decrease) in cash and cash equivalent, net	27,651,052.12	(75,423,541.50)	31,559,107.61	(81,386,241.93)
Cash and cash equivalent, at the beginning of the period	122,151,669.84	197,575,211.34	116,188,969.41	197,575,211.34
Cash and cash equivalent, at the end of the period	149,802,721.96	122,151,669.84	147,748,077.02	116,188,969.41
<b>Supplemental disclosure for cash flows information :</b>				
Purchase of asset under financial lease agreements	6,105,378.86	6,484,464.00	6,105,378.86	6,484,464.00
Dividend payment by issuing ordinary shares	27,999,936.00	-	27,999,936.00	-

Notes to the financial statements form an integral part of these statements.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited Company on May 20, 2004. According to the Meeting of Shareholders No. 1/2019 held on June 28, 2019, the shareholders approved to register the Company's status to be a change into public company limited. The Company had registered to be a public company limited with Department of Business Development on July 9, 2019 and registered with the Market for Alternative Investment (MAI) on November 15, 2019.

The registered address of the Company, 99 Cement Thai Alley, Lat Yao, Chatuchak, Bangkok, Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

(b) Nature of the Company's business

The main business of the Group is engaged in the distribution and installation of computer network systems, fully integrated communication system, wireless communication system, network security system, data centre solution and management system and network system management including to provide maintenance services related to such systems, survey and installation of telecommunication lines.

Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation may affect the results of operations of business. Nevertheless, the management of the Company and its subsidiaries have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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 such financial statements in Thai language.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

2.2 Basis of preparation of the consolidated financial statements

- a) The consolidated financial statements include the financial statements of The Practical Solution Public Company Limited and subsidiaries as follows :

Companies	Type of Business	Head office	Percentage of holding % of share capital	
			2021	2020
<u>Subsidiaries directly held by the Company</u>				
The Practical Superb Solution Co., Ltd.	Distribution and installation of computer network systems	Bangkok	49.98	49.98
The Win Telecom Co., Ltd.	Survey and installation of telecommunication lines	Bangkok	56.00	56.00
X-Secure Co., Ltd.	Distribution and services Information system security	Bangkok	60.00	-

The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated statements of financial position		Percentage of total revenues included in consolidated statements of comprehensive income for the year	
	2021	2020	2021	2020
<u>Subsidiaries directly held by the Company</u>				
The Practical Superb Solution Co., Ltd.	0.37	-	1.10	-
The Win Telecom Co., Ltd.	0.71	-	1.91	-
X-Secure Co., Ltd.	0.18	-	0.03	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by The Practical Solution Public Company Limited after eliminating inter-company transactions between The Practical Solution Public Company Limited and its subsidiaries. Investment in the subsidiaries and the shareholders' equity of the subsidiaries has been eliminated from the consolidated financial statements.
- e) Accounting policy for subsidiary company will utilize the same policy as the parent company.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the portion of owners of the parent.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

2.3 Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

2.4 Financial reporting standards that will become effective in the future

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

The management of the Group have assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

3. SIGNIFICATION ACCOUNTING POLICIES

3.1 Recognition of revenues and expenses

**Revenue from sale of goods**

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue from sales of goods that are conditional on installation and inspection is recognised at the point in time when control of the asset is transferred to the customer, generally upon the buyer accepting the goods, when installation is complete and the goods have passed inspection.

Revenue is stated at the amount of the consideration received or expected to be received, excluding value added tax, of goods supplied after deducting returns and discounts.

For sale with warranties to assure that the goods comply with agree-upon specifications, the Company recognized the warranty as provisions, contingent liabilities and contingent assets.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.



**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

**Revenue from rendering of services**

Revenue from providing maintenance service is recognized over time when services have been rendered considering the straight-line method over the term of the contracts.

Revenue from project development services is recognized over time in accordance with the measuring progress towards complete satisfaction of a performance obligation, based on the costs incurred to the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation. In some circumstances, the Company may not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company shall recognize revenue only to the extent of costs incurred until such time that it can reasonably measure the outcome of the performance obligation

The recognized revenue which is not yet due per the contracts has been presented as “Accrued service income /Unbilled receivables” in the statement of financial position, which is classified as contract assets. When the Company is entitled to receive without condition such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or service to a customer for which the Company has received the consideration or an amount of consideration is due from the customer is presented as “Deferred revenue” in the statement of financial position, which is classified short-term agreement as current contract liabilities and long-term agreement as other non-current contract liabilities. Deferred revenue will be recognized as revenue when the Company has completely performed the obligation stated in the contract.

Revenue from providing other service is recognized when the services are rendered.

**Interest income and other income**

Interest income is recognized over the period of time in consideration by the accrual basis.

Other income is recognized on the accrual basis.

**Expenses**

Other expenses are recognized on an accrual basis.

**3.2 Cash and cash equivalents**

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

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

3.3 Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional less allowance for expected credit losses unless they contain significant financing components, when they are recognized at its present value.

The allowance for expected credit losses is disclosed in Note 3.7

3.4 Contract assets/Contract liabilities

Contract assets

A contract asset is the right that will receive compensation in exchange for services the Group has already transferred to the customer. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

3.5 Investments

Investments in subsidiaries

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

In the separate financial statements, investments in subsidiaries are stated at net cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss for the period in the statement of comprehensive income.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

3.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the specific method.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realisable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

An allowance for decline in value of inventories is provided for all deteriorated, damaged, obsolete and slow-moving inventories.

3.7 Financial instrument

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by The Group business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

**Classification and valuation of financial liabilities**

The Group are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

**Derivative**

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for hedge.

**Derecognition of financial instruments**

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

**Impairment of financial assets**

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Group use the general approach in considering the allowance for loss on impairment. For trade receivables, the Group apply a simplified approach in calculating ECLs. The Group recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

**Offset of financial instruments**

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company and its subsidiaries intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

**3.8 Property, plant and equipment / Depreciation**

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Allowance for impairment loss of assets will be recorded when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Repair and maintenance costs are recognized as an expense when incurred.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

Depreciation is calculated by cost less residual value on the straight-line basis over the following estimated useful life:-

<u>Type of assets</u>	<u>Estimated useful lives (years)</u>
Land improvement	5 - 10
Building	40
Building improvement	5 - 20
Office equipment	3 - 5
Office furniture and fixture	5
Vehicles	5

The Group has regularly reviewed the residual value and useful life of the assets.

The depreciation for each asset component is calculated on the separate component when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and asset under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from the sale or write-off of assets are recognized in the statement of income.

**3.9 Borrowing costs**

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalised as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

**3.10 Intangible asset / Amortization**

Intangible assets are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of income on a straight-line basis over their estimated useful life from the date that they are available for use. The estimated useful life is as follows:

<u>Type of assets</u>	<u>Estimated useful lives (years)</u>
Software	5 - 10

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

3.11 Impairment of assets

As at the statement of financial position date, the Group assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.12 Trade accounts payable and other payable

Trade and other accounts payable are stated at cost.

3.13 Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.14 Employee benefits

Short-term employment benefits

The Group recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Group 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 recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Group has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retained earnings.

Other long-term employee benefits

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

3.15 Share-based payment

The fair value of the shares as at grant date to the management and employees is recognized as employee expense along with the increase in shareholder's equity throughout the period that employee is able to access the rights without restriction. The amount recognized is expense to be adjusted to reflect the rights to purchase shares under the term of service that is not the term of equity market.

3.16 Leases

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

The Group and its subsidiaries assess the lease term for the non-cancellable period as stipulated in the lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.



**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

**Right-of-use assets-as a lessee**

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

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

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease term and the estimated useful lives for each type of right-of-use assets.

**Lease liabilities**

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Group and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Group and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group and its subsidiaries apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

3.17 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Group records income tax expense, (if any), based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or disallowable from income tax calculation.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Group will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Group expects to benefit from the deferred tax assets when they are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Group will no longer have the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.18 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue during the year.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

3.19 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at the prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

3.20 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.21 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 amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements 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 prevailing economic condition.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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The provision for obsolete slow-moving and deteriorated inventory is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as expense under cost of sales in profit or loss.

Property, plant, Right-of-use assets and equipment/Depreciation

In determining depreciation of plant, Right-of-use assets and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant, Right-of-use assets and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

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

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.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassessed the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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4. RELATED PARTIES TRANSACTION

The Group has certain transaction with its related parties, such transactions comply with commercial terms and based on the agreed upon between the Company and related parties as an ordinary course of business.

The nature of relationship with related parties can be summarized as follows:

Name of related parties	Nature of relationship
<u>Related persons</u>	
Director and key management personnel	Persons having authority and responsibility of management
<u>Related entities</u>	
The Practical Superb Solution Co., Ltd.	Subsidiary
The Win Telecom Co., Ltd.	Subsidiary
X-Secure Co., Ltd.	Subsidiary
RPCA Joint Venture	Joint Venture

Pricing policy for transaction with related parties as follows:

Type of business	Pricing policy
Sale of assets	Market price less discount 30 percent
Management benefit expenses	As approved by the director and shareholder
Revenues from sales	The price is followed with the price basis charged to general customers

As at December 31, 2021 and 2020 the Group has balance with the related parties were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Short - Term Loans From Related Parties				
Director	1,500,000.00	-	-	-
Total	1,500,000.00	-	-	-

	Baht	
	Consolidated financial statements	Separate financial statements
As at December 31, 2020	-	-
Addition	1,500,000.00	-
Payments	-	-
As at December 31, 2021	1,500,000.00	-

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

During the year 2021, there was the loan from director with 6-month period due and carried the interest rate equal to the 6-month fixed deposit of a commercial bank.

Revenue and expense transactions with related parties for the year ended December 31, 2021 and 2020 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenues from sales				
Subsidiary	-	-	5,975,500.00	-
Joint Venture	743,456.47	-	8,472,982.04	-
Total	<u>743,456.47</u>	<u>-</u>	<u>14,448,482.04</u>	<u>-</u>
Sale of assets	<u>-</u>	<u>402,500.00</u>	<u>-</u>	<u>402,500.00</u>
Management benefit expenses				
Short-term employee benefits	41,826,980.57	37,512,108.68	38,038,696.70	37,512,108.68
Post-term employee benefits	<u>1,224,460.28</u>	<u>1,249,653.00</u>	<u>1,224,460.28</u>	<u>1,249,653.00</u>
	<u>43,051,440.85</u>	<u>38,761,761.68</u>	<u>39,263,156.98</u>	<u>38,761,761.68</u>

**MANAGEMENT BENEFIT EXPENSES**

Management benefit expenses represents the benefits paid to the Group's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the managing director level.

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash on hand	75,000.00	60,000.00	60,000.00	60,000.00
Cash at banks - current accounts	105,622.27	16,250,299.40	41,107.58	16,227,051.00
Cash at banks - savings accounts	149,620,956.52	105,840,228.55	147,645,826.27	99,900,776.52
Cash at banks - fixed deposits	<u>1,143.17</u>	<u>1,141.89</u>	<u>1,143.17</u>	<u>1,141.89</u>
Total	<u>149,802,721.96</u>	<u>122,151,669.84</u>	<u>147,748,077.02</u>	<u>116,188,969.41</u>

As at December 31, 2021 and 2020, savings accounts carried interest at the rate of 0.25% per annum and 0.25% per annum, respectively.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts receivable	105,134,703.60	116,610,695.86	105,134,703.60	116,610,695.86
<u>Less</u> Allowance for the expected loss	<u>(696,923.00)</u>	<u>(1,044,841.14)</u>	<u>(696,923.00)</u>	<u>(1,044,841.14)</u>
Total	104,437,780.60	115,565,854.72	104,437,780.60	115,565,854.72
Other receivable	35,167,136.49	29,667,096.71	33,888,196.49	29,667,096.71
Total	<u>139,604,917.09</u>	<u>145,232,951.43</u>	<u>138,325,977.09</u>	<u>145,232,951.43</u>

Trade accounts receivable and accrued income - sale of goods and services classified by age of account:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Not due	68,787,811.12	93,857,617.26	68,787,811.12	93,857,617.26
Over 1 days to 90 days	18,740,211.88	17,339,542.00	18,740,211.88	17,339,542.00
Over 91 days to 180 days	6,820,501.00	2,321,044.00	6,820,501.00	2,321,044.00
Over 181 days to 360 days	10,721,979.60	2,690,172.60	10,721,979.60	2,690,172.60
Over 361 days	64,200.00	402,320.00	64,200.00	402,320.00
Total	<u>105,134,703.60</u>	<u>116,610,695.86</u>	<u>105,134,703.60</u>	<u>116,610,695.86</u>

Trade accounts receivables over 90 days are the government agencies receivables that are in the process of disbursement according of the budget considered to have normal payment periods of such agencies.

Other receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Prepaid expenses	29,352,374.34	24,079,422.14	29,352,374.34	24,079,422.14
Others	5,814,762.15	5,587,674.57	4,535,822.15	5,587,674.57
Total	<u>35,167,136.49</u>	<u>29,667,096.71</u>	<u>33,888,196.49</u>	<u>29,667,096.71</u>

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

7. Contract assets / Contract liabilities

Contract assets / Contract liabilities consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current contract assets				
Accrued income	26,648,586.92	15,375,586.53	23,524,695.64	15,375,586.53
Total contract assets	<u>26,648,586.92</u>	<u>15,375,586.53</u>	<u>23,524,695.64</u>	<u>15,375,586.53</u>
Contract liabilities - current				
Short-term deferred revenue	47,691,689.25	24,049,683.91	47,691,689.25	24,049,683.91
Contract liabilities – non current				
Long-term deferred revenue	71,347,732.18	41,828,252.04	69,441,190.12	41,828,252.04
Deposit	3,419,896.75	3,205,000.00	3,205,000.00	3,205,000.00
Total	<u>74,767,628.93</u>	<u>45,033,252.04</u>	<u>72,646,190.12</u>	<u>45,033,252.04</u>
Total contract liabilities	<u>122,459,318.18</u>	<u>69,082,935.95</u>	<u>120,337,879.37</u>	<u>69,082,935.95</u>

8. FINANCE LEASE RECEIVABLES

Finance lease receivables consisted of:

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2021	2020
Finance lease receivables	125,508,499.26	78,141,874.87
<u>Less</u> Deferred interest	<u>(11,906,299.79)</u>	<u>(6,590,685.66)</u>
Net	113,602,199.47	71,551,189.21
<u>Less</u> Current Portion	<u>(29,868,099.78)</u>	<u>(18,420,275.03)</u>
Finance lease receivables - net	83,734,099.69	53,130,914.18
<u>Less</u> Allowance for the expected loss	<u>(6,151,097.09)</u>	<u>(6,915,460.11)</u>
Net	<u>77,583,002.60</u>	<u>46,215,454.07</u>



**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

The minimum lease payments and present value of minimum lease payments which the receivable will be paid under the financial lease agreements as at December 31, 2021 and 2020 were as follows:

	Baht			
	Consolidated financial statements/Separate financial statements			
	2021		2020	
Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	
Collection period				
Within 1 year	34,745,553.89	29,868,099.78	21,337,087.93	18,420,275.03
Over 1 year but less than 5 years	<u>90,762,945.37</u>	<u>83,734,099.69</u>	<u>56,804,786.94</u>	<u>53,130,914.18</u>
Total	125,508,499.26	113,602,199.47	78,141,874.87	71,551,189.21
<u>Less</u> Deferred interest	<u>(11,906,299.79)</u>	-	<u>(6,590,685.66)</u>	-
Net	<u><u>113,602,199.47</u></u>	<u><u>113,602,199.47</u></u>	<u><u>71,551,189.21</u></u>	<u><u>71,551,189.21</u></u>

9. INVENTORIES

Inventories consisted of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2021	2020
Project work during installation	114,585,714.94	39,132,317.84
Material for project work	<u>14,146,131.91</u>	<u>6,255,414.97</u>
Total	128,731,846.85	45,387,732.81
<u>Less</u> allowance for decline in value of inventories	<u>(34,805.52)</u>	<u>(21,015.76)</u>
Net	<u><u>128,697,041.33</u></u>	<u><u>45,366,717.05</u></u>

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2021	2020
Decline in value of inventory recognized as cost of goods sold for the year	13,789.75	14,291.00
Reversal of decline in value of inventory for the year	-	-

10. RESTRICTED BANK DEPOSIT

As at December 31, 2021 and 2020, the Company had fixed deposits, 6 and 12 months in the amount of Baht 21.45 million and Baht 21.38 million, respectively which are used for pledge against the letter of guarantee from a local bank (see note 18).

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

11. INVESTMENTS IN JOINT OPERATIONS

RPCA Joint Venture

On March 22, 2021, the Company entered into RPCA joint venture agreement that was the joint operation agreement with a company on behalf of RPCA joint venture. It was to join the bidding in the procurement of durable goods and equipment for the police vocational training center in the procurement project of durable goods and equipment for the police vocational training center and the law enforcement.

Share of joint operating expenses as follows:

Name	Baht	
	2021	2020
RPCA Joint Venture	116,061.81	-
Total	116,061.81	-

12. INVESTMENTS IN SUBSIDIARY

Investments in subsidiary consisted of the Company's ordinary shares as follows:

Name	Nature of business	Paid-up share capital (Baht)		Investment ratio (%)		Separate financial statements	
		2021	2020	2021	2020	Cost method (Baht)	
						2021	2020
The Practical Superb Solution Co., Ltd.	Distribution and installation of computer network systems	1,000,000	1,000,000	49.98	49.98	499,800	499,800
The Win Telecom Co., Ltd.	Survey and installation of telecommunication lines	5,000,000	5,000,000	56.00	56.00	2,800,000	2,800,000
X-Secure Co., Ltd.	Distribution and services Information system security	3,000,000	-	60.00	-	1,800,000	-
						<u>5,099,800</u>	<u>3,299,800</u>

The Practical Superb Solution Co., Ltd.

According to the Board of Directors' Meeting No. 3/2020 dated May 11, 2020, it had a resolution to establish a joint venture company with a private company to join in bidding on large projects related to information technology systems with the registered capital of Baht 1,000,000. The Company had registered the establishment of the joint venture company on July 3, 2020. The Company had held its shareholding in such company at 49.98 percent.

According to the agreement in the joint venture agreement, the Board of Directors of The Practical Superb Solution Co.,Ltd. consists of 3 directors, 2 directors from The Practical Solution (Public) Co.,Ltd. and 1 director from Superb Comp Co.,Ltd. The meeting resolution on various matters has to receive majority votes of all directors. This means The Practical Solution (Public) Co., Ltd. will have control over the operation of The Practical Superb Solution Co.,Ltd. Therefore, the Company considered the investments in The Practical Superb Solution Co.,Ltd. as a subsidiary.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2021

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:

	Baht				Balance per book Dec. 31, 2021
	Consolidated financial statements			Balance per book Dec. 31, 2020	
	Balance per book Dec. 31, 2020	Movement during the year			
	Addition	Deduction	Transfer		
<u>At cost</u>					
Land	42,221,830.00	-	-	-	42,221,830.00
Land improvement	4,739,656.64	47,000.00	-	-	4,786,656.64
Building	67,466,147.55	-	-	-	67,466,147.55
Building improvement	20,052,323.10	102,912.15	-	-	20,155,235.25
Office equipment	15,590,823.70	1,543,259.07	(166,900.00)	4,368,059.12	21,335,241.89
Office furniture and fixture	7,169,380.61	115,211.61	(8,449.06)	-	7,276,143.16
Vehicles	9,059,532.71	-	(3,982,242.99)	7,713,485.98	12,790,775.70
Works in progress	4,508,728.00	142,754.12	-	(4,651,482.12)	-
Total	170,808,422.31	1,951,136.95	(4,157,592.05)	7,430,062.98	176,032,030.19
<u>Accumulated depreciation</u>					
Land improvement	634,706.63	637,995.28	-	-	1,272,701.91
Building	1,825,282.76	1,686,653.69	-	-	3,511,936.45
Building improvement	1,755,817.19	1,900,499.39	-	-	3,656,316.58
Office equipment	9,361,409.00	2,852,016.49	(166,816.99)	-	12,046,608.50
Office furniture and fixture	1,997,224.61	1,339,237.68	(5,959.56)	-	3,330,502.73
Vehicles	9,001,777.38	576,013.66	(3,982,239.99)	3,733,246.98	9,328,798.03
Total	24,576,217.57	8,992,416.19	(4,155,016.54)	3,733,246.98	33,146,864.20
Property, plant and equipment, net	146,232,204.74				142,885,165.99

	Baht				Balance per book Dec. 31, 2021
	Separate financial statements			Balance per book Dec. 31, 2020	
	Balance per book Dec. 31, 2020	Movement during the year			
	Addition	Deduction	Transfer		
<u>At cost</u>					
Land	42,221,830.00	-	-	-	42,221,830.00
Land improvement	4,739,656.64	47,000.00	-	-	4,786,656.64
Building	67,466,147.55	-	-	-	67,466,147.55
Building improvement	20,052,323.10	102,912.15	-	-	20,155,235.25
Office equipment	15,590,823.70	1,331,195.52	(166,900.00)	4,368,059.12	21,123,178.34
Office furniture and fixture	7,169,380.61	105,459.73	(8,449.06)	-	7,266,391.28
Vehicles	9,059,532.71	-	(3,982,242.99)	7,713,485.98	12,790,775.70
Works in progress	4,508,728.00	142,754.12	-	(4,651,482.12)	-
Total	170,808,422.31	1,729,321.52	(4,157,592.05)	7,430,062.98	175,810,214.76

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

	Baht					
	Separate financial statements					
	Balance per book	Movement during the year				Balance per book
	Dec. 31, 2020	Addition	Deduction	Transfer		Dec. 31, 2021
<u>Accumulated depreciation</u>						
Land improvement	634,706.63	637,995.28	-	-	1,272,701.91	
Building	1,825,282.76	1,686,653.69	-	-	3,511,936.45	
Building improvement	1,755,817.19	1,900,499.39	-	-	3,656,316.58	
Office equipment	9,361,409.00	2,826,789.93	(166,816.99)	-	12,021,381.94	
Office furniture and fixture	1,997,224.61	1,338,723.18	(5,959.56)	-	3,329,988.23	
Vehicles	9,001,777.38	576,013.66	(3,982,239.99)	3,733,246.98	9,328,798.03	
Total	<u>24,576,217.57</u>	<u>8,966,675.13</u>	<u>(4,155,016.54)</u>	<u>3,733,246.98</u>	<u>33,121,123.14</u>	
Property, plant and equipment, net	<u>146,232,204.74</u>				<u>142,689,091.62</u>	

	Baht					
	Consolidated financial statements/Separate financial statements					
	Balance per book	Movement during the year				Balance per book
	Dec. 31, 2019	Addition	Deduction	Transfer		Dec. 31, 2020
<u>At cost</u>						
Land	42,221,830.00	-	-	-	42,221,830.00	
Land improvement	1,600,000.00	2,439,656.64	-	700,000.00	4,739,656.64	
Building	67,466,147.55	-	-	-	67,466,147.55	
Building improvement	13,863,306.85	4,937,648.74	-	1,251,367.51	20,052,323.10	
Office equipment	13,450,159.62	3,657,178.22	(1,638,153.68)	121,639.54	15,590,823.70	
Office furniture and fixture	1,956,112.51	2,077,419.93	(241,448.03)	3,377,296.20	7,169,380.61	
Vehicles	26,613,299.06	-	(1,550,467.29)	(16,003,299.06)	9,059,532.71	
Works in progress	2,237,096.84	7,721,934.41	-	(5,450,303.25)	4,508,728.00	
Total	<u>169,407,952.43</u>	<u>20,833,837.94</u>	<u>(3,430,069.00)</u>	<u>(16,003,299.06)</u>	<u>170,808,422.31</u>	
<u>Accumulated depreciation</u>						
Land improvement	26,301.37	608,405.26	-	-	634,706.63	
Building	138,629.07	1,686,653.69	-	-	1,825,282.76	
Building improvement	107,035.55	1,648,781.64	-	-	1,755,817.19	
Office equipment	8,777,873.90	2,153,722.37	(1,570,187.27)	-	9,361,409.00	
Office furniture and fixture	1,071,294.91	1,157,008.38	(231,078.68)	-	1,997,224.61	
Vehicles	14,160,603.83	99,770.65	(1,550,466.29)	(3,708,130.81)	9,001,777.38	
Total	<u>24,281,738.63</u>	<u>7,354,341.99</u>	<u>(3,351,732.24)</u>	<u>(3,708,130.81)</u>	<u>24,576,217.57</u>	
Property, plant and equipment, net	<u>145,126,213.80</u>				<u>146,232,204.74</u>	

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation for the year	8,992,416.19	7,354,341.99	8,966,675.13	7,354,341.99
Gain (loss) on sales and write-off of equipment for the year	991,235.77	224,216.98	991,235.77	224,216.98

As at December 31, 2021 and 2020, equipment which was fully depreciated but is still in use had its gross carrying amount before depreciation in the amount of Baht 12.62 million and Baht 13.80 million, respectively.

As at December 31, 2021 and 2020, the land was mortgaged as collateral for credit facilities from bank (Note 18).

**14. RIGHT-OF-USE ASSETS**

Movements of the right-of-use assets account during the year ended December 31, 2021 are summarized below.

	Baht
	Consolidated financial statements/ Separate financial statements
<b>Cost</b>	
As at December 31, 2020	22,710,214.95
Addition	8,440,130.84
Written-off	-
Transfer	(7,713,485.98)
As at December 31, 2021	23,436,859.81
<b>Accumulated depreciation</b>	
As at December 31, 2020	5,867,891.90
Depreciation for the year	3,079,365.56
Depreciation - written-off	-
Transfer	(3,733,246.98)
As at December 31, 2021	5,214,010.48
<b>Net book value</b>	
As at December 31, 2020	16,842,323.05
As at December 31, 2021	18,222,849.33

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

15. INTANGIBLE ASSETS

Intangible assets consisted of:

	Baht				Balance per book Dec. 31, 2021
	Consolidated financial statements/Separate financial statements				
	Balance per book Dec. 31, 2020	Movement during the year			
		Addition	Deduction	Transfer	
Software license	563,200.00	-	-	283,423.00	846,623.00
<u>Less</u> accumulated amortization	(324,941.18)	(73,976.84)	-	-	(398,918.02)
Intangible assets, net	<u>238,258.82</u>				<u>447,704.98</u>

	Baht				Balance per book Dec. 31, 2020
	Consolidated financial statements/Separate financial statements				
	Balance per book Dec. 31, 2019	Movement during the year			
		Addition	Deduction	Transfer	
Software license	563,200.00	-	-	-	563,200.00
<u>Less</u> accumulated amortization	(279,873.25)	(45,067.93)	-	-	(324,941.18)
Intangible assets, net	<u>283,326.75</u>				<u>238,258.82</u>

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2021	2020
	<u>73,976.84</u>	<u>45,067.93</u>
Amortization for the period		

16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and liabilities for the year ended December 31, 2021 were summarized as follows:

	Baht			Balance as at December 31, 2021
	Consolidated financial statements			
	Balance as at December 31, 2020	Income (expenses) during the period		
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Allowance for the expected loss	241,452.75	182,726.02	-	424,178.77
Allowance for declining in value of inventories	4,203.15	2,757.95	-	6,961.10
Liability under lease agreement	113,205.48	(113,205.48)	-	-
Employees benefit obligations	4,106,441.81	681,779.03	(135,851.33)	4,652,369.51
Taxable loss carried forward	-	1,067,382.14	-	1,067,382.14
Total	<u>4,465,303.19</u>	<u>1,821,439.66</u>	<u>(135,851.33)</u>	<u>6,150,891.52</u>
Deferred tax liabilities :				
Receivable under lease agreement	(2,977,862.34)	(1,298,792.75)	-	(4,276,655.09)
Total	<u>(2,977,862.34)</u>	<u>(1,298,792.75)</u>	<u>-</u>	<u>(4,276,655.09)</u>
Deferred tax assets (liabilities), net	<u>1,487,440.85</u>	<u>522,646.91</u>	<u>(135,851.33)</u>	<u>1,874,236.43</u>

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

	Baht				
	Separate financial statements				
	Balance as at December 31, 2020	Income (expenses) during the period			Balance as at December 31, 2021
		In profit or loss	In other comprehensive income		
Deferred tax assets :					
Allowance for the expected loss	241,452.75	182,726.02	-	424,178.77	
Allowance for declining in value of inventories	4,203.15	2,757.95	-	6,961.10	
Liability under lease agreement	113,205.48	(113,205.48)	-	-	
Employees benefit obligations	4,106,441.81	637,093.26	(135,851.33)	4,607,683.74	
Total	4,465,303.19	709,371.75	(135,851.33)	5,038,823.61	
Deferred tax liabilities :					
Receivable under lease agreement	(2,977,862.34)	(1,298,792.75)	-	(4,276,655.09)	
Total	(2,977,862.34)	(1,298,792.75)	-	(4,276,655.09)	
Deferred tax assets (liabilities), net	1,487,440.85	(589,421.00)	(135,851.33)	762,168.52	

	Baht				
	Consolidated financial statements /Separate financial statements				
	Balance as at December 31, 2019	Income (expenses) during the period			Balance as at December 31, 2020
		In profit or loss	In other comprehensive income		
Deferred tax assets :					
Allowance for doubtful debts	178,762.59	62,690.16	-	241,452.75	
Allowance for declining in value of inventories	7,061.35	(2,858.20)	-	4,203.15	
Liability under lease agreement	153,205.48	(40,000.00)	-	113,205.48	
Employees benefit obligations	3,666,178.61	440,263.20	-	4,106,441.81	
Total	4,005,208.03	460,095.16	-	4,465,303.19	
Deferred tax liabilities :					
Receivable under lease agreement	(733,780.17)	(2,244,082.17)	-	(2,977,862.34)	
Total	(733,780.17)	(2,244,082.17)	-	(2,977,862.34)	
Deferred tax assets (liabilities), net	3,271,427.86	(1,783,987.01)	-	1,487,440.85	

**17. OTHER NON-CURRENT ASSETS**

Other non-current assets of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Prepaid expenses	763,292.07	34,533,208.71	260,165.00	34,533,208.71
Others	33,622,721.82	284,786.00	31,857,721.82	284,786.00
Total	34,386,013.89	34,817,994.71	32,117,886.82	34,817,994.71

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

18. CREDIT FACILITIES FROM FINANCIAL INSTITUTIONS

As at December 31, 2021 and 2020, the Company had credit facilities with 2 local commercial banks under the total credit facilities of Baht 306 million and Baht 306 million, respectively, as follows:

Types of credit limit	Interest rate (% per annum)	Million Baht	
		2021	2020
(1) Bank overdrafts	MOR,FDR+1.05	11	11
(2) Short-term loans	MLR - 1.50	65	65
(3) Letter of guarantee	1.25 - 1.50	230	230
Total		<u>306</u>	<u>306</u>

As at December 31, 2021 and 2020, the credit facilities were secured by the mortgage of the Company's land and construction thereon (Note 13), fixed deposits (Note 10) and some directors of the Company.

19. TRADE AND OTHER PAYABLES

Trade and other payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables	174,037,268.79	103,402,130.68	173,653,070.27	103,402,130.68
Accrued expenses	29,436,723.89	21,406,025.37	27,533,814.81	21,406,025.37
Total	<u>203,473,992.68</u>	<u>124,808,156.05</u>	<u>201,186,885.08</u>	<u>124,808,156.05</u>

20. OTHER CURRENT LIABILITIES

Other current liabilities consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Withholding taxes payable	4,380,412.14	3,966,355.14	4,353,109.64	3,966,355.14
Accounts payable -				
Revenue Department	1,319,887.24	3,772,261.26	1,319,887.24	3,772,261.26
Others	299,347.43	228,268.00	284,347.43	172,818.00
Total	<u>5,999,646.81</u>	<u>7,966,884.40</u>	<u>5,957,344.31</u>	<u>7,911,434.40</u>



**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

21. LONG-TERM LOAN FROM FINANCIAL INSTITUTION

Movements of long-term loan from financial institution for year ended December 31, 2021 were as follows :

	<u>Baht</u>
	Consolidated financial statements/ Separate financial statements
As at December 31, 2020	9,519,278.90
Addition	6,105,378.86
Accretion of interest	453,861.30
Payments	<u>(5,741,987.86)</u>
As at December 31, 2021	10,336,531.20
<u>Less: current portion</u>	<u>(4,197,716.67)</u>
Lease liabilities - net of current portion	<u><u>6,138,814.53</u></u>

The following are the amounts recognized in profit or loss:

	<u>Baht</u>
	Consolidated financial statements/ Separate financial statements
Depreciation of right-of-use assets	3,079,365.56
Interest expense on lease liabilities	<u>453,861.30</u>
Total	<u><u>3,533,226.86</u></u>

The Group had total cash outflows for leases of Baht 5.74 million (the separate: Baht 5.74 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 6.11 million (the separate: Baht 6.11 million).

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

Liability under lease agreements had due repayment as follows:

	Baht					
	Consolidated financial statements/Separate financial statements					
	2021			2020		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
Within 1 year	4,197,716.67	324,957.93	4,522,674.60	3,640,118.43	299,584.47	3,939,702.90
Over 1 - 5 years	6,138,814.53	208,607.48	6,347,422.01	5,879,160.47	246,408.22	6,125,568.69
Total	<u>10,336,531.20</u>	<u>533,565.41</u>	<u>10,870,096.61</u>	<u>9,519,278.90</u>	<u>545,992.69</u>	<u>10,065,271.59</u>

As at December 31, 2021, the Company had vehicles and equipment long-term lease agreements in the form of hire lease with 7 local leasing companies, with 18 contracts. The total amounts of the contacts value are of Baht 19,786,166.80 Installments period are 48 - 60 months and the total repayments are of Baht 392,440.36 per month.

**22. EMPLOYEE BENEFIT OBLIGATIONS**

As at December 31, 2021 and 2020, the Company has defined benefit obligations as follows:

The statement of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Employee benefit obligations at the beginning of the year	20,532,209.03	18,330,893.03	20,532,209.03	18,330,893.03
Actuarial (gain) loss on defined employee benefit plan				
- In profit or loss	708,257.30	-	708,257.30	-
- In other comprehensive income	(679,256.65)	-	(679,256.65)	-
Current service cost and interest increase	2,886,787.86	2,402,816.00	2,663,359.01	2,402,816.00
Benefit paid by the plan during the year	(186,150.00)	(201,500.00)	(186,150.00)	(201,500.00)
Employee benefit obligations at the end of the year	<u>23,261,847.54</u>	<u>20,532,209.03</u>	<u>23,038,418.69</u>	<u>20,532,209.03</u>

Expenses which are recognized in the statement of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current service cost				
Cost of sales	1,022,029.20	1,038,763.00	959,118.30	1,038,763.00
Selling expenses	227,110.33	167,225.00	227,110.33	167,225.00
Administrative expense	1,637,648.33	1,196,828.00	1,477,130.38	1,196,828.00
Total	<u>2,886,787.86</u>	<u>2,402,816.00</u>	<u>2,663,359.01</u>	<u>2,402,816.00</u>

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

Principal actuarial assumptions at the reporting date

	Percentage	
	2021	2020
Discount rate	1.81	1.90
Salary increase rate	8.0	11.0
Employee turnover rate	3.34 - 17.19	0 - 15
Mortality rate	105% of Thai's Mortality Rate 2017	100% of Thai's Mortality Rate 2017

Sensitivity analysis

The effects of change in significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021 and 2020 were summarized below:

	Baht	
	2021	2020
Discount rate - increase 1%	(2,428,105.86)	(2,403,548.00)
Discount rate - decrease 1%	2,917,900.37	2,882,161.00
Salary increase rate - increase 1%	2,924,705.20	2,599,667.00
Salary increase rate - decrease 1%	(2,490,205.78)	(2,240,682.00)

**23. CAPITAL MANAGEMENT**

The primary objective of capital management of the Company is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2021 and 2020, the Group debt-to-equity ratio 0.90 : 1 and 0.62 : 1, respectively (separate 0.89 : 1 and 0.63 : 1, respectively)

**24. SHARE CAPITAL**

According to the General Annual Shareholders' Meeting for the year 2021 dated March 30, 2021, it had a resolution to approve the registered capital increase of the Company from Baht 140 million to Baht 168 million. The capital increase of Baht 28 million had been divided into 56,000,000 ordinary shares at Baht 0.50 per share by allocating the capital increase shares to the shareholders according to the original ratio. The Company had received the share payment in full amount and had registered the capital increase with the Ministry of Commerce on April 8, 2021.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

25. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5 % of its annual net profit after deduction of the deficit brought forward (if any) as legal reserve until the reserve reaches 10 % of the authorized share capital. The reserve is not available for dividend distribution.

26. APPROPRIATION OF RETAINED EARNINGS

Year 2021

According to the minutes of the Board of Directors' Meeting held on March 30, 2021, it had the resolution to pay the dividend from the retained earnings as of December 31, 2020 to the shareholders at Baht 0.14 per share totaling Baht 39.20 million by the dividend payment in cash at Baht 0.04 per share, totaled Baht 11.20 million and the dividend payment with ordinary shares of the Company at 5 original shares per 1 dividend share, totaled Baht 28 million. The Company sets the name list of shareholders who are entitled to receive the dividend as appeared on the shareholders' registration book as at April 7, 2021 and is scheduled to pay the dividend in April 26, 2021.

For the year ended December 31, 2021, the Company appropriated the legal reserve at the rate 5% of net profit for the year 2021 amounted to Baht 2.05 million.

Year 2020

According to the Board of Directors' Meeting No. 2/2020 held on April 17, 2020, the Board approved to pay interim dividend from the operating results for the year ended December 31, 2019 to the shareholders of 280,000,000 shares at Baht 0.20 per share in the amount of Baht 56 million. The dividend was paid on May 15, 2020.

For the year ended December 31, 2020, the Company appropriated the legal reserve at the rate 5% of net profit for the year 2020 amounted to Baht 1.55 million.

27. OPERATING SEGMENT

The Company operates its main business in reportable operating segments according to the type of products and services provided with the main geographical area in Thailand as follows:

<u>Type of operating segments</u>	<u>Type of products and services of segment</u>
- Sales including installment segment (main segment)	Computer network systems, fully integrated of communication system, wireless communication system, network security system, data centre solution and management system and network system management including to provide maintenance services related to such systems
- Other segments	System development installation including related services and other services

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company assesses the performance of the operating segment by using the operating profit or loss as the basis consistent with that used to assess operating profit or loss in the financial statements.

Details of financial information classified by operating segments for the years ended December 31, 2021 and 2020 were as follows:

Million Baht								
Consolidated statement of comprehensive income (partial) For the year ended December 31,								
	Sales including instalment		Maintenance services		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from sales and services	374.98	544.07	186.30	171.79	21.84	17.53	583.12	733.39
Cost of sales and services	(280.61)	(411.72)	(105.15)	(97.58)	(15.75)	(8.14)	(401.51)	(517.44)
Gross profit	<u>94.37</u>	<u>132.35</u>	<u>81.15</u>	<u>74.21</u>	<u>6.09</u>	<u>9.39</u>	<u>181.61</u>	<u>215.95</u>
Interest income							3.57	3.00
Other income							2.56	1.55
Selling expense							(28.09)	(35.27)
Administration expense							(114.24)	(115.48)
Finance cost							(0.45)	(1.01)
Income tax expense							(8.02)	(14.87)
Profit for the period							<u>36.94</u>	<u>53.87</u>
Depreciation and amortization							<u>12.15</u>	<u>10.16</u>
Assets								
Fixed assets							142.89	146.23
Other assets							<u>631.32</u>	<u>469.39</u>
Total							<u>774.21</u>	<u>615.62</u>

**Geographic information**

The Company operates its business in a single geographic region in Thailand only. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

28. EXPENSES BY NATURE

Significant expenses by nature were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changes in work in process	(43,545,489.75)	8,326,024.94	(43,545,489.75)	8,326,024.94
Material used	262,708,483.38	320,695,722.93	258,697,941.49	320,695,722.93
Project service expenses	155,832,520.03	162,867,077.07	149,847,786.48	162,867,077.07
Employee benefit expenses	104,556,088.00	97,024,136.52	98,611,629.43	97,024,136.52
Depreciation and amortization	12,145,758.59	10,157,311.66	12,120,017.53	10,157,311.66
Special incentive	29,053,012.28	40,080,546.31	29,053,012.28	40,080,546.31
Rental expenses for buildings and vehicles	563,854.64	75,600.00	75,600.00	75,600.00
Marketing activities	237,667.03	223,439.90	237,667.03	223,439.90

29. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, the employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E.2530.

The Company's contributions for the years ended December 31, 2021 and 2020 amounted to Baht 4.58 million and Baht 4.13 million, respectively.

30. INCOME TAX EXPENSE (TAX INCOME)

30.1 Major components of income tax expense (tax income) for the years ended December 31, 2021 and 2020 consist of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Income tax expense (income) shown in for profit or loss:				
Current income tax expense:				
Income tax expense for the year	8,538,596.37	13,088,038.15	8,505,056.46	13,088,038.15
Deferred tax expense (income):				
Change in temporary differences relating to the original recognition and reversal	(522,649.91)	1,783,987.01	589,421.00	1,783,987.01
Total	8,015,946.46	14,872,025.16	9,094,477.46	14,872,025.16
Income tax relating to components of other comprehensive income:				
Deferred tax relation to:				
Gains on re-measurements of defined benefit plans	135,851.33	-	135,851.33	-
Total	135,851.33	-	135,851.33	-

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2021**

30.2 A numerical reconciliation between income tax expense and the product of accounting profit and the applicable tax rate for the years ended December 31, 2021 and 2020 were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit for the year	44,960,404.00	68,744,998.63	50,147,712.91	68,837,748.20
The applicable tax rate (%)	20.00	20.00	20.00	20.00
Tax expense at the applicable tax rate	8,992,080.80	13,748,999.73	10,029,542.58	13,767,549.64
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses that are forbidden expenses in determining taxable profit	121,639.42	1,787,485.02	186,217.05	1,787,485.02
Tax effect of tax deductible expenses in tax	(1,097,773.76)	(683,009.50)	(1,121,282.17)	(683,009.50)
Unrecognized tax losses as deferred tax	-	18,549.91	-	-
Total reconciliation items	(976,134.34)	1,123,025.43	(935,065.12)	1,104,475.52
Total income tax expense	8,015,946.46	14,872,025.16	9,094,477.46	14,872,025.16

30.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2021 and 2020 were summarized as follows:

	Consolidated financial statements				Separate financial statements			
	2021		2020		2021		2020	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	44,960,404.00		68,744,998.63		50,147,712.91		68,837,748.20	
Income tax expense at the applicable tax rate	8,992,080.80	20.00	13,748,999.73	20.00	10,029,542.58	20.00	13,767,549.64	20.00
Reconciliation items	(976,134.34)	(2.17)	1,123,025.43	0.82	(935,065.12)	(1.86)	1,104,475.52	0.08
Tax expense (income) at the average effective tax rate	8,015,946.46	17.83	14,872,025.16	20.82	9,094,477.46	18.14	14,872,025.16	20.08

**31. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) attributable to the parent company (Baht)	38,740,700.89	53,917,443.95	41,053,235.45	53,965,723.04
Weighted average number of ordinary shares (Share)	318,202,652	280,000,000	318,202,652	280,000,000
Basic earnings per share (Baht/share)	0.12	0.19	0.13	0.19

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2021**

32. CHANGE IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2021 and 2020 are as follows:

	Baht			Balance as at December 31, 2021
	Balance as at January 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction Increase	
Liability under finance lease agreements	9,519,278.90	(5,288,126.56)	6,105,378.86	10,336,531.20
Total	<u>9,519,278.90</u>	<u>(5,288,126.56)</u>	<u>6,105,378.86</u>	<u>10,336,531.20</u>

  

	Baht			Balance as at December 31, 2020
	Balance as at January 1, 2020	Cash flows Increase (decrease)*	Non-cash transaction Increase	
Long-term loan from financial institution	31,487,500.00	(31,487,500.00)	-	-
Liability under finance lease agreements	7,846,583.83	(4,811,768.93)	6,484,464.00	9,519,278.90
Total	<u>39,334,083.83</u>	<u>(36,299,268.93)</u>	<u>6,484,464.00</u>	<u>9,519,278.90</u>

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

33. FINANCIAL INSTRUMENTS

33.1 Risk management

The Group manages its financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Group does not hold or issue derivative financial instruments for speculative or trading purposes.

33.2 Credit risk

The Group is exposed to credit risk primarily relating to trade accounts receivable. The management of the Group manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for the expected loss.

33.3 Interest rate risk

The Group is exposed to interest rate risk relates primarily to its cash at financial institutions, finance lease receivables, restricted bank deposit and liabilities under finance lease agreements. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not have significant effect on their operations and cash flows. Therefore, no other financial derivative was adopted to manage such risks.



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As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rates are summarized as follows:

	Baht				
	Consolidated financial statements				
	As at December 31, 2021				
	Fixed Interest	Floating interest	No interest	Total	Interest rate  (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,143.17	149,620,956.52	180,622.27	149,802,721.96	0.25
Trade and other accounts receivable	-	-	139,604,917.09	139,604,917.09	-
Contract assets	-	-	26,648,586.92	26,648,586.92	-
Finance lease receivables - net	107,451,102.38	-	-	107,451,102.38	3.53 - 9.00
Restricted bank deposits	21,453,484.98	-	-	21,453,484.98	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	203,473,992.68	203,473,992.68	-
Contract liabilities	-	-	122,459,318.18	122,459,318.18	-
Liability under lease agreements	10,336,531.20	-	-	10,336,531.20	2.54 - 5.33
Baht					
Separate financial statements					
As at December 31, 2021					
	Fixed Interest	Floating interest	No interest	Total	Interest rate  (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,143.17	147,645,826.27	101,107.58	147,748,077.02	0.25
Trade and other accounts receivable	-	-	138,325,977.09	138,325,977.09	-
Contract assets	-	-	23,524,695.64	23,524,695.64	-
Finance lease receivables - net	107,451,102.38	-	-	107,451,102.38	3.53 - 9.00
Restricted bank deposits	21,453,484.98	-	-	21,453,484.98	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	201,186,885.08	201,186,885.08	-
Contract liabilities	-	-	120,337,879.37	120,337,879.37	-
Liability under lease agreements	10,336,531.20	-	-	10,336,531.20	2.54 - 5.33

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Baht					
Consolidated financial statements					
As at December 31, 2020					
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,141.89	105,840,228.55	16,310,299.40	122,151,669.84	0.25
Trade and other accounts receivable	-	-	145,232,951.43	145,232,951.43	-
Contract assets	-	-	15,375,586.53	15,375,586.53	-
Finance lease receivables - net	64,635,729.10	-	-	64,635,729.10	3.53 - 9.00
Restricted bank deposits	21,376,756.48	-	-	21,376,756.48	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	124,808,156.05	124,808,156.05	-
Contract liabilities	-	-	69,082,935.95	69,082,935.95	-
Liability under lease agreements	9,519,278.90	-	-	9,519,278.90	2.54 - 5.33

  

Baht					
Separate financial statements					
As at December 31, 2020					
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,141.89	99,900,776.52	16,287,051.00	116,188,969.41	0.25
Trade and other accounts receivable	-	-	145,232,951.43	145,232,951.43	-
Contract assets	-	-	15,375,586.53	15,375,586.53	-
Finance lease receivables - net	64,635,729.10	-	-	64,635,729.10	3.53 - 9.00
Restricted bank deposits	21,376,756.48	-	-	21,376,756.48	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	124,808,156.05	124,808,156.05	-
Contract liabilities	-	-	69,082,935.95	69,082,935.95	-
Liability under lease agreements	9,519,278.90	-	-	9,519,278.90	2.54 - 5.33

**33.4 Foreign currency risk**

The Group has foreign currency exchange rate risk because the Group has transaction of volume rebate on purchases of goods which were denominated in foreign currencies. However, the Group believes that the fluctuating exchange rate in the future will not significantly affect the operating performance and cash flows of the company. The Group did not use other derivative to hedge against such risk.

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33.5 Liquidity risk

The Group manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Group operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

33.6 Fair value of financial instruments

Since the majority of the Group financial instruments are short-term in nature on carry interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

34. COMMITMENTS

34.1 As at December 31, 2021, the Group had commitments in respect of goods purchase under the agreement in the amount of Baht 55.36 million (separate had amounted Bath 49.92 million) The Group has already paid the obligation for Baht 23.11 million (separate had amounted Bath 23.11 million) Therefore, the outstanding commitment is Baht 32.25 million (separate had amounted Bath 23.82 million)

34.2 As at December 31, 2021, the Group had the obligations that had not been delivered or rendered the services amounted Baht 71.05 million (separate had amounted Bath 58.75 million)

35. CONTINGENT LIABILITIES

As at December 31, 2021 and 2020, the Group had contingent liabilities for the letter of guarantees issued by a local bank in the total amount of Baht 53.66 million (separate had amounted Bath 53.66 million) and Baht 30.79 million (separate had amounted Bath 30.79 million), respectively. If the Group cannot comply with the buying/selling agreement, the bank will demand the Group to pay for the damage from the agreement default back to the bank.

36. EVENT AFTER THE REPORTING PERIOD

According to the minutes of the Board of Directors' Meeting held on February 22, 2022, it had the resolution to pay the dividend from the retained earnings as of December 31, 2021 to the shareholders at Baht 0.08 per share totaling Baht 26.88 million and to appropriate the net profit for the year ended December 31, 2021 as legal reserve totaling Baht 2.05 million. The Company sets the name list of shareholders who are entitled to receive the dividend as appeared on the shareholders' registration book as at April 20, 2022 and is scheduled to pay the dividend in May 6, 2022.

37. APPROVAL OF FINANCIAL

These consolidated and separate financial statements were authorized for issue by the Board of Directors of the Company on February 22, 2022.