

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

INTERIM FINANCIAL INFORMATION

SEPTEMBER 30, 2020



SP AUDIT CO.,LTD.

บริษัท เอส พี ออดิท จำกัด

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AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of Hydrotek Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at September 30, 2020 and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2020, changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2020, and the condensed notes to financial statements of Hydrotek Public Company Limited and its subsidiaries and of Hydrotek Public Company Limited. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 "Interim Financial Reporting".

SP Audit Co; Ltd.

Emphasis of matter

Without qualifying my conclusion, I draw attention to the notes to financial statements, as follows

(1) As mentioned in the notes to financial statements No.4, the Group faces losses from continued operation for the nine-month period ended on September 30, 2020 in the amount of Baht 65.14 million. As at September 30, 2020, the Group's current liabilities exceeded its current assets in the amount of Baht 93.21 Million. Such circumstance indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and

(2) As mentioned in the notes to financial statements No. 30.1, explaining the uncertainty over the outcome of the case that the Company has filed against the counterparty to the Administrative Court demanding of construction fees to be paid to the Company, The said counterparty has filed a counterclaim to the Administrative Court demanding compensation from the Company, Currently such case is under consideration by the Administrative Court.

SP Audit Company Limited



(Miss Susan Eiamvanicha)

Certified Public Accountant (Thailand) No. 4306

Bangkok

November 12, 2020

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

(Unit : Baht)

	Notes	Consolidated		Separate financial statements	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
		Unaudited	Audited	Unaudited	Audited
<u>ASSETS</u>					
Current Assets					
Cash and cash equivalents		17,243,532.26	25,735,064.60	5,672,195.01	19,928,049.57
Short-term investment		1,103,261.61	819,836.76	1,103,261.61	819,836.76
Other current receivables - person and related parties	7.1	-	4,429,870.89	4,169,433.52	8,860,654.13
Trade and other current receivables - third parties	8	116,875,239.41	125,737,020.15	76,669,078.04	95,200,673.38
Contract assets	9	29,497,996.94	38,773,137.83	4,839,999.97	14,315,762.09
Retention receivables		3,859,234.82	3,584,576.30	-	-
Suspend input vat		5,377,079.41	3,767,154.81	3,813,446.16	3,442,405.75
Short-term loan to related parties	7.1	-	-	5,022,837.70	-
Total Current Assets		173,956,344.45	202,846,661.34	101,290,252.01	142,567,381.68
Non-Current Assets					
Deposits at banks pledged as collateral		49,675,397.95	49,658,464.06	49,675,397.95	49,658,464.06
Investment in associate	10	-	-	-	-
Investment in subsidiaries	11	-	-	1,999,600.00	2,999,600.00
Receivables under the concession agreement	12	-	-	-	-
Long-term loan to related parties	7.1	-	2,213,410.99	-	2,213,410.99
Investments property		2,973,750.00	2,973,750.00	2,973,750.00	2,973,750.00
Land and equipment	13	33,410,335.20	33,964,721.94	33,318,632.18	33,861,587.31
Right-of-use assets	14	6,135,320.25	-	5,908,414.00	-
Intangible assets	15	108,945,339.49	108,949,730.56	108,886,747.81	108,876,125.17
Withholding tax deducted at source		5,957,019.57	5,495,496.13	3,450,337.37	2,988,818.50
Other non-current assets		3,425,411.58	2,503,564.78	1,008,116.71	965,710.78
Total Non-Current Assets		210,522,574.04	205,759,138.46	207,220,996.02	204,537,466.81
Total Assets		384,478,918.49	408,605,799.80	308,511,248.03	347,104,848.49

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

(Unit : Baht)

		Consolidated		Separate financial statements	
	Notes	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
		Unaudited	Audited	Unaudited	Audited
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Bank overdrafts and short-term loans due to financial institution	16	19,090,932.25	31,714,277.10	19,090,932.25	31,714,277.10
Other current payable - person and related parties	7.1	576,528.94	362,539.09	3,286,009.34	2,734,092.55
Trade and other current payables - third parties	17	198,861,862.12	184,837,649.89	146,361,566.10	151,122,879.58
Contract liabilities	18	39,686,026.90	63,187,894.62	9,226,379.44	17,489,095.00
Unbilled output tax		4,645,320.26	4,402,205.18	3,526,495.83	3,511,305.81
Current portion					
Provision for warranty	20	2,053,215.60	4,206,457.42	2,053,215.60	4,206,457.42
Lease liabilities	21	2,202,985.63	-	1,971,900.31	-
Short-term loan from person and related parties	7.1	-	8,650,000.00	17,688,329.40	34,865,052.87
Accrued income tax		54,304.10	7,840.52	-	-
Provision for construction losses		-	3,028,549.21	-	3,028,549.21
Total Current Liabilities		267,171,175.80	300,397,413.03	203,204,828.27	248,671,709.54
Non-Current Liabilities					
Long-term loans due to third party	19	125,644,786.50	125,644,786.50	125,644,786.50	125,644,786.50
Provision for warranty	20	2,184,809.76	-	2,184,809.76	-
Lease liabilities	21	3,301,321.94	-	3,301,321.94	-
Employee benefit obligation	22	4,436,354.71	4,857,599.04	4,436,354.71	4,857,599.04
Other-non-current liabilities		3,890,106.59	3,771,532.22	162,549.33	369,852.07
Total Non-Current Liabilities		139,457,379.50	134,273,917.76	135,729,822.24	130,872,237.61
Total Liabilities		406,628,555.30	434,671,330.79	338,934,650.51	379,543,947.15
SHAREHOLDERS' EQUITY					
Share capital	23				
Authorized share capital					
1,668,058,615 ordinary shares, at par value of Baht 1.00		1,668,058,615.00	-	1,668,058,615.00	-
1,197,077,359 ordinary shares, at par value of Baht 1.00		-	1,197,077,359.00	-	1,197,077,359.00
Paid-up share capital					
1,280,385,570 ordinary shares, at par value of Baht 1.00		1,280,385,570.00	-	1,280,385,570.00	-
784,968,760 ordinary shares, at par value of Baht 1.00		-	784,968,760.00	-	784,968,760.00
Premium on share capital		141,376,373.77	141,376,373.77	141,376,373.77	141,376,373.77
Discount on share capital		(426,418,456.60)	-	(426,418,456.60)	-
Retained earnings (deficits)					
Appropriated-legal reserve		9,620,000.00	9,620,000.00	9,620,000.00	9,620,000.00
Unappropriated		(1,025,490,789.04)	(960,350,895.61)	(1,035,386,889.65)	(968,404,232.43)
Other components of equity		(1,928,760.51)	(2,000,059.44)	-	-
Equity attributable to the owners of the company		(22,456,062.38)	(26,385,821.28)	(30,423,402.48)	(32,439,098.66)
Non-controlling interests		306,425.57	320,290.29	-	-
Total shareholders' equity		(22,149,636.81)	(26,065,530.99)	(30,423,402.48)	(32,439,098.66)
Total Liabilities and Shareholders' Equity		384,478,918.49	408,605,799.80	308,511,248.03	347,104,848.49

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

(Unit : Baht)

	Notes	Consolidated		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Construction income		35,643,037.10	23,882,813.67	-	-
Service income		1,000,000.00	-	1,000,000.00	-
Other income		367,393.38	1,125,063.92	292,241.48	2,506,730.16
Total Revenues		37,010,430.48	25,007,877.59	1,292,241.48	2,506,730.16
Expenses					
Cost of construction		42,656,911.95	47,887,278.14	-	26,527,073.38
Cost of services		848,900.25	-	848,900.25	-
Loss on impairment of assets		-	-	1,000,000.00	400,000.00
Loss on disposal of subsidiaries		-	3,089,611.50	-	11,070,508.00
Administrative expenses		13,935,323.02	33,362,124.66	19,237,487.66	20,905,310.35
Finance cost		2,950,634.76	6,723,251.08	3,286,302.96	7,067,869.29
Total Expenses		60,391,769.98	91,062,265.38	24,372,690.87	65,970,761.02
Loss before income tax income (expenses)		(23,381,339.50)	(66,054,387.79)	(23,080,449.39)	(63,464,030.86)
Income tax income (expenses)		(56,848.31)	2,491,155.64	-	2,666,126.91
Loss for the period		(23,438,187.81)	(63,563,232.15)	(23,080,449.39)	(60,797,903.95)
Other comprehensive income					
Transactions that be classified into profit or loss in the future					
Difference exchange rate from conversion of financial statements		42,703.76	(101,965.84)	-	-
Other comprehensive income (loss) for the period		42,703.76	(101,965.84)	-	-
Total comprehensive loss for the period		(23,395,484.05)	(63,665,197.99)	(23,080,449.39)	(60,797,903.95)
Loss attributable to					
Equity holders of the Company		(23,427,696.60)	(59,262,377.83)		
Non-controlling interests		(10,491.21)	(4,300,854.32)		
		(23,438,187.81)	(63,563,232.15)		
Total comprehensive loss attributable to					
Equity holders of the Company		(23,393,533.59)	(59,343,950.50)		
Non-controlling interests		(1,950.46)	(4,321,247.49)		
		(23,395,484.05)	(63,665,197.99)		
Basic loss per share	25	(0.02)	(0.08)	(0.02)	(0.08)
Weighted average of ordinary shares (unit : share)		1,280,385,570	784,968,760	1,280,385,570	784,968,760

Unaudited

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

(Unit : Baht)

	Notes	Consolidated		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Construction income		106,137,844.14	219,497,377.58	4,342,875.26	95,144,329.00
Service income		1,000,000.00	15,638,162.55	1,000,000.00	14,896,142.55
Other income		2,355,089.14	3,691,836.95	2,486,353.49	7,886,041.52
Total Revenues		109,492,933.28	238,827,377.08	7,829,228.75	117,926,513.07
Expenses					
Cost of construction		110,731,745.61	249,869,876.41	3,984,529.98	129,982,976.47
Cost of services		848,900.25	13,234,450.31	848,900.25	10,479,683.03
Loss on impairment of assets		-	80,740,000.00	1,000,000.00	101,300,000.00
Loss on disposal of subsidiaries		-	3,089,611.50	-	11,070,508.00
Administrative expenses		53,371,092.89	92,347,813.30	58,164,060.27	51,619,014.11
Finance cost		9,453,586.31	20,904,827.27	10,587,268.52	22,010,260.32
Total Expenses		174,405,325.06	460,186,578.79	74,584,759.02	326,462,441.93
Loss before income tax income (expenses)		(64,912,391.78)	(221,359,201.71)	(66,755,530.27)	(208,535,928.86)
Income tax income (expense)	24	(259,191.10)	3,339,471.77	(90,000.00)	3,497,578.62
Loss for the period		(65,171,582.88)	(218,019,729.94)	(66,845,530.27)	(205,038,350.24)
Other comprehensive income					
Transactions that be classified into profit or loss in the future					
Difference exchange rate from conversion of financial statements		89,123.66	(1,219,017.28)	-	-
Other comprehensive income (loss) for the period		89,123.66	(1,219,017.28)	-	-
Total comprehensive loss for the period		(65,082,459.22)	(219,238,747.22)	(66,845,530.27)	(205,038,350.24)
Loss attributable to					
Equity holders of the Company		(65,139,893.43)	(203,475,104.23)		
Non-controlling interests		(31,689.45)	(14,544,625.71)		
		(65,171,582.88)	(218,019,729.94)		
Total comprehensive loss attributable to					
Equity holders of the Company		(65,068,594.50)	(204,450,318.05)		
Non-controlling interests		(13,864.72)	(14,788,429.17)		
		(65,082,459.22)	(219,238,747.22)		
Basic loss per share	25	(0.07)	(0.26)	(0.07)	(0.26)
Weighted average of ordinary shares (unit : share)		963,969,724	784,968,760	963,969,724	784,968,760

Unaudited

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

Equity attributable to the owners of the Company											(Unit : Baht)
Notes	Paid-up share capital	Premium on share capital	Discount on share capital	Convertible debenture equity component	Retained earnings (deficits)		Other components of shareholders' equity		Total	Non-controlling Interests	
					Appropriated- legal reserve	Unappropriated	Difference exchange rate from conversion of financial statements	equity attributable to the owners of the Company			
Balance as at January 1, 2020	784,968,760.00	141,376,373.77	-	-	-	9,620,000.00	(960,350,895.61)	(2,000,059.44)	(26,385,821.28)	320,290.29	(26,065,530.99)
Changes in equity for the period											
Increment of capital	495,416,810.00	-	(426,058,456.60)	-	-	-	-	-	69,358,353.40	-	69,358,353.40
Expenses of issuing shares	-	-	(360,000.00)	-	-	-	-	-	(360,000.00)	-	(360,000.00)
Total comprehensive loss for the period	-	-	-	-	-	-	(65,139,893.43)	71,298.93	(65,068,594.50)	(13,864.72)	(65,082,459.22)
Balance as at September 30, 2020	1,280,385,570.00	141,376,373.77	(426,418,456.60)	-	-	9,620,000.00	(1,025,490,789.04)	(1,928,760.51)	(22,456,062.38)	306,425.57	(22,149,636.81)
Balance as at January 1, 2019	784,968,760.00	141,376,373.77	-	21,071,297.74	9,620,000.00	(704,015,596.99)	(1,234,683.65)		251,786,150.87	(1,879,737.60)	249,906,413.27
Changes in equity for the period											
Redemption of convertible debentures	-	-	-	-	-	-	(5,220,500.00)	-	(5,220,500.00)	-	(5,220,500.00)
Related income tax	-	-	-	-	-	-	1,044,100.00	-	1,044,100.00	-	1,044,100.00
Transfer to deficits directly	-	-	-	(21,071,297.74)	-	21,071,297.74	-	-	-	-	-
Transfer from disposal of subsidiaries	-	-	-	-	-	-	-	-	-	20,773,179.98	20,773,179.98
Total comprehensive loss for the period	-	-	-	-	-	-	(203,475,104.23)	(975,213.82)	(204,450,318.05)	(14,788,429.17)	(219,238,747.22)
Balance as at September 30, 2019	784,968,760.00	141,376,373.77	-	-	9,620,000.00	(890,595,803.48)	(2,209,897.47)		43,159,432.82	4,105,013.21	47,264,446.03

Unaudited

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Notes	Paid-up share capital	Premium on share capital	Discount on share capital	Convertible debenture equity component	Retained earnings (deficits)		Total
						Appropriated- legal reserve	Unappropriated	
Balance as at January 1, 2020 (as previously reported)		784,968,760.00	141,376,373.77	-	-	9,620,000.00	(968,404,232.43)	(32,439,098.66)
Impact of changes in accounting policy	6.1	-	-	-	-	-	(137,126.95)	(137,126.95)
Balance as at January 1, 2020 (restated)		784,968,760.00	141,376,373.77	-	-	9,620,000.00	(968,541,359.38)	(32,576,225.61)
Changes in equity for the period								
Increment of capital	23	495,416,810.00	-	(426,058,456.60)	-	-	-	69,358,353.40
Expenses of issuing shares	23	-	-	(360,000.00)	-	-	-	(360,000.00)
Total comprehensive loss for the period		-	-	-	-	-	(66,845,530.27)	(66,845,530.27)
Balance as at September 30, 2020		1,280,385,570.00	141,376,373.77	(426,418,456.60)	-	9,620,000.00	(1,035,386,889.65)	(30,423,402.48)
Balance as at January 1, 2019		784,968,760.00	141,376,373.77	-	21,071,297.74	9,620,000.00	(714,105,161.37)	242,931,270.14
Changes in equity for the period								
Redemption of convertible debentures		-	-	-	-	-	(5,220,500.00)	(5,220,500.00)
Related income tax		-	-	-	-	-	1,044,100.00	1,044,100.00
Transfer to deficits directly		-	-	-	(21,071,297.74)	-	21,071,297.74	-
Total comprehensive loss for the period		-	-	-	-	-	(205,038,350.24)	(205,038,350.24)
Balance as at September 30, 2019		784,968,760.00	141,376,373.77	-	-	9,620,000.00	(902,248,613.87)	33,716,519.90

Unaudited

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

(Unit : Baht)					
		Consolidated		Separate financial statements	
	Notes	2020	2019	2020	2019
Cash Flow From Operating activities					
Loss before income tax income (expenses)		(64,880,702.33)	(206,814,576.00)	(66,755,530.27)	(208,535,928.86)
Adjustments to reconcile loss before income tax income (expenses) for cash received (used) from operations					
Share of loss attributable to non-controlling interests		(31,689.45)	(14,544,625.71)	-	-
Unrealized (gain) loss on exchange rate		(121,064.00)	208,141.45	(121,064.00)	167,760.00
Doubtful debts		6,078,268.66	2,688,130.73	11,800,938.53	800,408.91
Depreciation		2,659,986.77	6,205,781.95	1,972,769.21	1,206,149.75
Amortisation of intangible assets		80,821.07	281,587.09	65,807.36	172,864.92
Loss on asset impairment		-	80,740,000.00	1,000,000.00	101,300,000.00
Loss on disposal and written-off of fixed assets		-	11,495.20	-	11,495.20
Loss on disposal of subsidiary		-	3,089,611.50	-	11,070,508.00
Gain from redemption of convertible debentures		-	(605,268.59)	-	(605,268.59)
Provision for warranty (Reversal)		31,567.94	(2,133,819.52)	31,567.94	(2,289,708.56)
Provision for construction losses (Reversal)		(3,028,549.21)	2,139,254.57	(3,028,549.21)	2,139,254.57
Provisions for employee benefits		677,465.58	1,260,844.45	677,465.58	1,038,944.07
Interest income		(419,028.06)	(369,665.71)	(615,183.66)	(1,182,907.62)
Interest expenses		9,453,586.31	20,904,827.27	10,587,268.52	22,010,260.32
Loss from operation before changes in operating assets and liabilities		(49,499,336.72)	(106,938,281.32)	(44,384,510.00)	(72,696,167.89)
(Increase) decrease in other current receivables - related parties		(30,000.00)	(2,846,488.24)	(5,471,269.47)	17,954,731.16
(Increase) decrease in trade and other current receivables - third parties		9,624,022.93	26,753,972.58	18,401,040.98	(2,122,731.41)
Decrease in contract assets		9,275,140.89	94,621,646.92	9,475,762.12	60,305,247.17
Increase in retention receivables		(274,658.52)	(16,977,630.98)	-	-
Increase in suspend input vat		(1,609,924.60)	(3,302,584.26)	(371,040.41)	(3,436,944.80)
Increase in receivables under the concession agreement		-	(867,248.31)	-	-
(Increase) decrease in other non-current assets		(845,147.90)	6,620,023.84	(42,405.93)	(10,400.00)
Increase in other current payables - person and related parties		509,580.30	27,675,132.54	221,603.26	834,885.55
Increase (decrease) in trade and other current payables - third parties		7,130,547.22	48,046,517.61	(11,629,993.23)	48,613,952.75
Decrease in contract liabilities		(23,501,867.72)	(81,705,132.16)	(8,262,715.56)	(57,904,714.91)
Increase (decrease) in unbilled output tax		243,115.08	(3,435,069.35)	15,190.02	1,018,457.42
Increase (decrease) in other non-current liabilities		118,574.37	1,452,349.87	(207,302.74)	(1,793,483.79)
Cash generated from operating		(48,859,954.67)	(10,902,791.26)	(42,255,640.96)	(9,237,168.75)
Cash paid for employee benefits		(1,098,709.91)	(3,240,000.00)	(1,098,709.91)	(3,240,000.00)
Cash paid for income tax		(1,422,892.62)	(3,360,610.38)	(461,518.87)	(1,177,462.99)
Net cash used in operating activities		(51,381,557.20)	(17,503,401.64)	(43,815,869.74)	(13,654,631.74)

Unaudited

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

(Unit : Baht)					
		Consolidated		Separate financial statements	
	Notes	2020	2019	2020	2019
Cash Flow From Investing Activities					
(Increase) decrease in short-term loans to person and related party		-	-	(5,000,000.00)	3,972,363.01
Increase in short-term investment		(283,424.85)	(7,300,000.00)	(283,424.85)	(7,300,000.00)
Cash paid from disposal of subsidiary		-	(532,693.31)	-	-
(Increase) decrease in deposits at bank pledged as collateral		(16,933.89)	3,865,277.09	(16,933.89)	3,865,277.09
Cash paid for purchase of equipment		(103,183.18)	(114,713.35)	(103,183.18)	(40,032.52)
Cash received from disposal of equipment		-	10,500.00	-	10,500.00
Cash paid for purchase of right-of-use assets		(707,158.88)	-	(707,158.88)	-
Cash paid for purchase of intangible assets		(76,430.00)	(1,038,134.31)	(76,430.00)	(1,038,134.31)
Cash received from interest income		1,220,391.17	358,505.52	1,247,590.50	866,510.96
Net cash provided by (used in) investing activities		33,260.37	(4,751,258.36)	(4,939,540.30)	336,484.23
Cash Flow From Financing Activities					
Decrease in bank overdraft and short-term loans due to financial institutions		(12,623,344.85)	(16,276,506.15)	(12,623,344.85)	(15,051,209.45)
Cash received from short-term loan from person and related parties		1,217,029.53	7,300,000.00	1,217,029.53	43,800,000.00
Cash paid for short-term loan from person and related parties		(9,867,029.53)	(1,350,000.00)	(18,174,163.16)	(30,837,073.22)
Cash paid for lease liabilities		(1,926,270.65)	(1,021,499.79)	(1,254,663.77)	-
Cash paid for long-term loans due to financial institutions		-	(334,703.77)	-	-
Cash paid for interest expenses		(2,856,696.16)	(1,532,802.95)	(3,573,655.67)	(1,861,034.90)
Cash received from increment of capital		69,358,353.40	-	69,358,353.40	-
Expenses of issuing shares		(450,000.00)	-	(450,000.00)	-
Net cash provided by (used in) financing activities		42,852,041.74	(13,215,512.66)	34,499,555.48	(3,949,317.57)
Effects of exchange rate change on the balance of					
cash and cash equivalents		4,722.75	11,000.51	-	-
Net Decrease in Cash and Cash Equivalent		(8,491,532.34)	(35,459,172.15)	(14,255,854.56)	(17,267,465.08)
Cash and Cash Equivalent at the Beginning of the period		25,735,064.60	38,151,209.46	19,928,049.57	18,474,424.95
Cash and Cash Equivalent at the End of the period	26.1	17,243,532.26	2,692,037.31	5,672,195.01	1,206,959.87

Unaudited

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 (UNAUDITED)

1. General information

Hydrotek Public Company Limited (“Company”) is a public company and is incorporated in Thailand. The Company is listed on the Market for Alternative Investment (MAI). The address of the Company’s registered office is 14th Floor, TP&T Tower 1 Soi Vibhavadee-Rangsit 19, Chatuchak, Chatuchak, Bangkok.

The principal business operations of the Company and subsidiaries (“the Group”) are construction and management of water treatment and wastewater treatment system, waste management system and selling of related supplies.

Coronavirus disease 2019 Pandemic

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

2. Basis of preparation of interim financial statements

These interim consolidated and separate financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543 (or 2000), being those Thai Accounting Standards issued under the Account Profession Act B.E. 2547 (or 2004), and the financial reporting requirements of Capital Market Supervisory Board. The primary financial statements (i.e. statement of financial position, statement of comprehensive income, statement of changes in shareholders’ equity and statement of cash flows) are prepared in the full format as required by Capital Market Supervisory Board. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 34 “Interim Financial Reporting” and additional notes are presented as required by Capital Market Supervisory Board under the Securities and Exchange Act B.E. 2535 (or 1992).

(Unaudited)

The interim consolidated and separate financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2019. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim consolidated and separate financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The Federation of Accounting Profession (TFAC) has notified to apply the new financial reporting standards and the revised some exiting financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2020.

TFRS No. 1 First-time Adoption of International Financial Reporting Standards

TFRS No. 3 Business Combinations

TFRS No. 7 Financial Instruments : Disclosures

TFRS No. 9 Financial Instruments

TFRS No. 11 Joint Arrangements

TFRS No. 16 Leases

TAS No. 12 Income Taxes

TAS No. 19 Employee Benefits

TAS No. 23 Borrowing Costs

TAS No. 28 Investments in Associates and Joint Ventures

TAS No. 32 Financial Instruments : Presentation

TFRIC No. 16 Hedges of a Net Investment in a Foreign Operation

TFRIC No. 19 Extinguishing Financial Liabilities with Equity Instruments

TFRIC No. 23 Uncertainty over Income Tax Treatments

Guide on Accounting : Financial Instruments and Disclosures for Insurance Business

Guide on Accounting : Exemption for Business Combination under Common Control in case of First-time Adoption of International Financial Reporting Standards

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period except the implementation of TFRS No.9 Financial Instruments and TFRS No.16 Leases as described in notes to financial statement no.6.

(Unaudited)

The Federation of Accounting Professions announced Accounting Guidance for Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

3. Principles of interim consolidation financial statements

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred for acquisition is measured at the sum of the fair value of the assets given, the liabilities incurred, and equity instruments issued by the Group at the date of exchange. Acquisition-related costs are accounted as expenses in the period in which the costs are incurred. The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the fair value of the net identifiable assets of the subsidiary acquired is recognized as goodwill and to be tested for impairment annually. If, after reassessment, the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in profit or loss as a bargain purchase gain.

(Unaudited)

The interim consolidated financial statements for the nine-month periods ended September 30, 2020 and 2019 have been prepared by including the financial statements of Hydrotek Public Company Limited and its subsidiaries after eliminate the significant related party balances and transactions. The Company holds shares at the percentage of:-

Companies	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
Hydrotek-Chaisarit Joint Venture	Construction of water treatment	Thailand	100.00	100.00
Hydrotek Utilities Co., Ltd.	Investment project, which produce and supply water and related businesses	Thailand	100.00	100.00
Hydrotek Supreme Mandalay Co.,Ltd.	Production and management wastewater treatment and wastewater collection system.	Myanmar	80.00	80.00
Sahahydro Joint Venture	Construction of the expansion of water	Thailand	100.00	100.00
SUT Global Co.,Ltd.	Operate a business as construction contractor, provision of service regarding the operation and maintenance, and a consultancy services regarding waste management engineering	Thailand	-	66.00
SUT Hydro Co., Ltd.	Service of treatment wastewater	Thailand	40.00	40.00

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company and using consistent significant accounting policies.

Non-controlling interests measured at net asset value of the proportion of shares held by non-controlling interest in it.

The assets and liabilities in the financial statements of overseas subsidiaries company is translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of “ Other components of equity” in the statements of changes in shareholders’ equity.

4. Going concern basis

The Group faces losses from continued operation over several years, with net loss for the nine-month periods ended on September 30, 2020 and 2019 in the amount of Baht 65.14 million and Baht 203.48 million, respectively. The current liabilities as at September 30, 2020 and December 31, 2019 is higher than the current assets in the amount of Baht 93.21 million and Baht 97.55 million, respectively. However, the Group’s management plans to reduce expenses and increase share capital to enhance liquidity of the Group, including participating in bidding for various projects to make profitable. The Group’s management believes that the preparation of the financial statements on a going concern basis is appropriate. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classification

(Unaudited)

of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company is not able to continue as a going concern.

5. Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019, except the change in accounting policy as mentioned in the note to financial statement no. 6.

Costs that incur unevenly during the financial period are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial period.

6. Change in accounting policy

6.1 Accounting for financial instruments

From January 1, 2020 onward, the Group applied TFRS No.9 Financial Instruments which replaces TAS No. 101 Doubtful Accounts and Bad Debts, TAS No. 104 Accountings for Troubled Debt Restructurings (revised 2016), TAS No. 105 Accountings for Investments in Debt and Equity Securities (revised 2016), TAS No.106 Accountings for Investments Entities, TSIC Transfers of Assets from Customers, Guide on Accounting for De-recognition of financial assets and financial liabilities and Guide on Accounting for Insurance Business in Determining Financial Instruments as Financial Instruments Presented with Fair Value through Profit or loss. The financial reporting standard stipulates the accounting treatments on the classification and measurement of financial assets and financial liabilities, the loss allowance for expected credit loss and the hedge accounting.

The Group elects to apply this Standard by recognition the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application on the transition for classification and measurement of financial assets and financial liabilities and the loss allowance for expected credit loss.

(Unaudited)

The change of accounting policy has impacted on the statement of financial position as at January 1, 2020 as follows:-

	(Unit : Baht)	
	Consolidated statement of financial position	Separate statement of financial position
	As at	
	January 1, 2020	
Increase in trade and other current receivables - third parties	31,908.92	31,908.92
(Decrease) in other non-current assets	(31,908.92)	(31,908.92)
(Increase) in short-term loans from person and related parties	-	(137,126.95)
Increase in deficits	-	137,126.95

The measurement categories and carrying amounts of financial assets and financial liabilities determined in accordance with the previous accounting standard and the new financial reporting standard are as follows:-

	(Unit : Baht)		
	Consolidated statement of financial position		
	Previous Accounting Standard	New (TFRS 9)	
	The carrying amounts according to previous accounting principles December 31, 2019	The measurement categories	The carrying amounts January 1, 2020
<u>Financial assets</u>			
Cash and cash equivalents	25,735,064.60	Amortized cost	25,735,064.60
Short-term investment	819,836.76	Amortized cost	819,836.76
Other current receivables - person and related parties	1,060,243.18	Amortized cost	1,060,243.18
Trade and other current receivables - third parties	66,430,889.27	Amortized cost	66,462,798.19
Retention receivables	3,584,576.30	Amortized cost	3,584,576.30
Deposits at banks pledged as collateral	49,658,464.06	Amortized cost	49,658,464.06
Long-term loan to related parties	2,213,410.99	Amortized cost	2,213,410.99
Other non-current assets	2,502,658.24	Amortized cost	2,470,749.32
<u>Financial liabilities</u>			
Bank overdrafts and short-term loans due to financial institution	31,714,277.10	Amortized cost	31,714,277.10
Other current payable – person and related parties	661,496.52	Amortized cost	661,496.52
Trade and other current payables - third parties	184,616,537.59	Amortized cost	184,616,537.59
Short-term loan from person and related parties	8,650,000.00	Amortized cost	8,650,000.00
Long-term loans due to third party	125,644,786.50	Amortized cost	125,644,786.50
Other-non-current liabilities	3,771,532.22	Amortized cost	3,771,532.22

(Unaudited)

(Unit : Baht)

Separate statement of financial position			
	Previous Accounting Standard	New (TFRS 9)	
	The carrying amounts according to previous accounting principles December 31, 2019	The measurement categories	The carrying amounts January 1, 2020
<u>Financial assets</u>			
Cash and cash equivalents	19,928,049.57	Amortized cost	19,928,049.57
Short-term investment	819,836.76	Amortized cost	819,836.76
Other current receivables - person and related parties	5,491,026.42	Amortized cost	5,491,026.42
Trade and other current receivables - third parties	54,376,586.91	Amortized cost	54,408,495.83
Deposits at banks pledged as collateral	49,658,464.06	Amortized cost	49,658,464.06
Long-term loan to related parties	2,213,410.99	Amortized cost	2,213,410.99
Other non-current assets	964,804.24	Amortized cost	932,895.32
<u>Financial liabilities</u>			
Bank overdrafts and short-term loans due to financial institution	31,714,277.10	Amortized cost	31,714,277.10
Other current payable - person and related parties	2,734,092.55	Amortized cost	2,734,092.55
Trade and other current payables - third parties	151,122,879.58	Amortized cost	151,122,879.58
Short-term loan from person and related parties	34,865,052.87	Amortized cost	35,002,179.82
Long-term loans due to third party	125,644,786.50	Amortized cost	125,644,786.50
Other-non-current liabilities	369,852.07	Amortized cost	369,852.07

6.2 Accounting for leases

From January 1, 2020 onward, the Group applied TFRS No.16 Leases which replaces TAS No. 17 Leases (revised 2018), TSIC No. 15 Operating Leases - Incentives (revised 2018), TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2018) and TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2018). The financial reporting standard requires that a lessee recognizes an asset and a liability for all leases except for short-term leases (leases of 12 months or less) and leases for which the underlying asset is of low value. The lessee shall recognize a right-of-use asset and a lease liability and shall measure the right-of-use asset at cost and the lease liability at the present value of the lease payments that are not paid at that date. And the lessee shall subsequently measure the right-of-use asset by applying the cost model, the fair value model or the revaluation model and the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payment made. The previous accounting treatment requires that the lessee classified leases as either finance leases or operating leases and account for those two types of leases differently. However, the substantial requirement on leases accounting for a lessor does not change. Thus, the lessor will continue to classify leases as either finance leases or operating leases and account for those two types of leases differently.

(Unaudited)

The Group elects to apply retrospectively with the cumulative effect of initially applying this financial reporting standard recognized at the date of initial application to all of its leases in which the Group is a lessee by recognition the cumulative effect of initially applying this financial reporting standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Moreover, the Group elects to recognize a lease liability measured at the present value of the remaining lease payments discounted using the Group's incremental borrowing rate at the date of initial application and to recognize a right-of-use asset measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application in accordance with the transition provision of this financial reporting standard.

The change of accounting policy has impacted on the statement of financial position as at January 1, 2020 as follows:-

	(Unit : Baht)	
	Consolidated statement of financial position	Separate statement of financial position
	As at	
	January 1, 2020	
Increase in right-of-use assets	5,201,709.08	4,299,016.88
(Increase) in lease liabilities	(5,201,709.08)	(4,299,016.88)

The difference between the operating lease commitments as at December 31, 2019 and the lease liabilities as at January 1, 2020 consists of:-

	(Unit : Baht)	
	Consolidated	Separate financial statement
Operating lease commitments as at December 31, 2019	1,219,325.72	1,087,125.72
Discounting the operating lease commitments *	(513,467.90)	(483,835.95)
Option to extend/terminate the leases – present value	4,517,451.26	3,695,727.11
Electing to not apply to short-term lease and lease for which the underlying asset is of low value	(21,600.00)	-
Lease liabilities as at January 1, 2020, which were previously recognized as operating lease	5,201,709.08	4,299,016.88
Financial lease liabilities previously recognized as at December 31, 2019	-	-
Lease liabilities as at January 1, 2020	5,201,709.08	4,299,016.88

* The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2020 is 6.00%.

(Unaudited)

7. Related party transactions

The Company's major shareholders are the group of Mr.Slib Soongswang, held at 6.07% of share, Mr.Kitti Jivacate, held at 5.74% of share, Mr.Titpat Amornnuntipat, held at 5.07% of share, Mr.Somprasong Panjalak, held at 16.40% of share and Miss Parisa Chayavasan held at 30.46% of share (December 31, 2019 : The group of Mr.Slib Soongswang, held at 4.95% of share, Mr.Kitti Jivacate, held at 5.03% of share, Mr. Surachet Chaipatamanont, held at 5.44% of share, and Mr. Somprasong Panjalak, held at 10.76% of share and Miss Parisa Chayavasan held at 24.84% of share) of the share capital of the Company. Transactions related to the principal shareholders or directors are recognized as related parties to the Company.

The transactions with related parties for the three-months and nine-month periods ended September 30, 2020 and 2019 are as follows:-

7.1 Inter-assets and liabilities

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Other current receivables				
Advances to subcontractors				
SUT Global Co.,Ltd.	3,369,627.71	3,369,627.71	3,369,627.71	3,369,627.71
<u>Less</u> Allowance for expected credit loss	(3,369,627.71)	-	(3,369,627.71)	-
Net	-	3,369,627.71	-	3,369,627.71
Accrued interest receivable				
SUT Global Co.,Ltd.	94,069.96	910,243.18	94,069.96	910,243.18
Sahahydro Joint Venture	-	-	20,050.68	-
Total	94,069.96	910,243.18	114,120.64	910,243.18
<u>Less</u> Allowance for expected credit loss	(94,069.96)	-	(94,069.96)	-
Net	-	910,243.18	20,050.68	910,243.18

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Others receivable				
Hydrotek Utilities Co., Ltd.	-	-	30,775.54	30,775.54
Hydrotek-Chaisarit Joint Venture	-	-	309,714.85	213,414.85
Sahahydro Joint Venture	-	-	9,531,562.32	4,186,592.85
SUT Global Co.,Ltd.	20,311,525.81	20,311,525.81	20,311,525.81	20,311,525.81
CFO Co.,Ltd.	150,000.00	150,000.00	150,000.00	150,000.00
Director	30,000.00	-	30,000.00	-
Total	20,491,525.81	20,461,525.81	30,363,578.52	24,892,309.05
<u>Less</u> Allowance for expected credit loss	(20,491,525.81)	(20,311,525.81)	(26,214,195.68)	(20,311,525.81)
Net	-	150,000.00	4,149,382.84	4,580,783.24
Total other current receivable	-	4,429,870.89	4,169,433.52	8,860,654.13
Short-term loans to person and related parties				
SUT Global Co.,Ltd.				
Beginning balance	-	17,500,000.00	-	17,500,000.00
Loans in during the period	-	-	-	-
Repayment in during the period	-	(3,972,363.01)	-	(3,972,363.01)
Reclassified to long-term loans	-	(13,527,636.99)	-	(13,527,636.99)
Ending balance	-	-	-	-
Sahahydro Joint Venture				
Beginning balance	-	-	-	-
Loans in during the period	-	-	5,022,837.70	-
Repayment in during the period	-	-	-	-
Ending balance	-	-	5,022,837.70	-
Director				
Beginning balance	-	-	-	-
Loans in during the period	-	8,482,293.27	-	-
Repayment in during the period	-	(3,989,543.45)	-	-
Transfer out due to disposal of subsidiaries	-	(4,492,749.82)	-	-
Ending balance	-	-	-	-
Total	-	-	5,022,837.70	-

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Long-term loans to related parties				
SUT Global Co.,Ltd.				
Beginning balance	13,527,636.99	-	13,527,636.99	-
Reclassified from short-term loans	-	13,527,636.99	-	13,527,636.99
Repayment in during the period	-	-	-	-
Ending balance	13,527,636.99	13,527,636.99	13,527,636.99	13,527,636.99
Less Allowance for expected credit loss	(13,527,636.99)	(11,314,226.00)	(13,527,636.99)	(11,314,226.00)
Net	-	2,213,410.99	-	2,213,410.99
Other current payables				
Accrued expenses				
Directors	99,700.00	90,749.49	99,700.00	70,039.24
Advance payment				
Directors	476,828.94	-	191,942.50	-
Deferred income				
Hydrotek-Chaisarit Joint Venture	-	-	9,604.24	-
Sahahydro Joint Venture	-	-	23,800.85	-
	-	-	33,405.09	-
Accrued interest				
Hydrotek-Chaisarit Joint Venture	-	-	2,857,467.05	1,858,787.69
Sahahydro Joint Venture	-	-	103,494.70	533,476.02
Directors	-	271,789.60	-	271,789.60
Total other current payables	-	271,789.60	2,960,961.75	2,664,053.31
Total	576,528.94	362,539.09	3,286,009.34	2,734,092.55
Short-term loans from person and related parties				
Directors				
Beginning balance	8,650,000.00	10,000,000.00	8,650,000.00	10,000,000.00
Additional in during the period	1,217,029.53	7,300,000.00	1,217,029.53	7,300,000.00
Repayment in during the period	(9,867,029.53)	(8,650,000.00)	(9,867,029.53)	(8,650,000.00)
Ending balance	-	8,650,000.00	-	8,650,000.00

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Short-term loans from person and related parties (Continued)				
Hydrotek-Chaisarit Joint Venture				
Beginning balance	-	-	18,715,052.87	19,332,462.09
Impact of changes in accounting policy	-	-	137,126.95	-
Opening balance as restated	-	-	18,852,179.82	19,332,462.09
Additional in during the period	-	-	-	-
Repayment in during the period	-	-	(1,163,850.42)	(617,409.22)
Ending balance	-	-	17,688,329.40	18,715,052.87
Sahahydro Joint Venture				
Beginning balance	-	-	7,500,000.00	-
Additional in during the period	-	-	-	36,500,000.00
Repayment in during the period	-	-	(7,500,000.00)	(29,000,000.00)
Ending balance	-	-	-	7,500,000.00
Total	-	8,650,000.00	17,688,329.40	34,865,052.87

As at September 30, 2020, short-term loans to related party was loan in the form of 6 month loan of promissory notes and interest are carried by the rate of 6.97% per annum.

As at September 30, 2020, long-term loan to related party was loan in the form of 10 year loan agreement with interest of 8.50% per annum, with interest and principal paid every three months. The first principal is paid at the end of March 2025 and the last principal is paid at the end of December 2029 (December 31, 2019 : 8.50% per annum).

As at September 30, 2020, short-term loans from director in the form of promissory notes, at call and interest are carried by the rate of 5.97 - 6.25% per annum (December 31, 2019 : 6.25% - 6.50% per annum).

As at September 30, 2020, short-term loans from related parties in the form of promissory notes, at call and interest are carried by the rate of 6.25 - 7.25% per annum (December 31, 2019 : 6.25% - 7.25% per annum).

(Unaudited)

7.2 Inter-revenue and expenses

(Unit : Baht)

	Consolidated		Separate financial statements	
	For the three-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Other income				
Hydrotek-Chaisarit Joint Venture	-	-	30,000.00	30,000.00
Sahahydro Joint Venture	-	-	1,654,587.53	1,439,752.85
SUT Global Co.,Ltd.	-	-	-	31,500.00
	-	-	1,684,587.53	1,501,252.85
Interest income				
SUT Global Co.,Ltd.	-	-	-	264,252.19
Hydrotek-Chaisarit Joint Venture	-	-	9,604.24	-
Sahahydro Joint Venture	-	-	19,087.53	-
	-	-	28,691.77	264,252.19
Interest expense				
Hydrotek-Chaisarit Joint Venture	-	-	254,461.87	347,047.99
Sahahydro Joint Venture	-	-	-	123,287.67
Director	-	199,594.80	-	199,594.80
	-	199,594.80	254,461.87	669,930.46

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statements	
	For the nine-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Other income				
Hydrotek-Chaisarit Joint Venture	-	-	90,000.00	90,000.00
Sahahydro Joint Venture	-	-	4,995,298.57	3,542,899.00
SUT Global Co.,Ltd.	-	-	-	906,810.00
	-	-	5,085,298.57	4,539,709.00
Interest income				
SUT Global Co.,Ltd.	-	-	94,069.96	832,216.14
Hydrotek-Chaisarit Joint Venture	-	-	195,137.21	-
Sahahydro Joint Venture	-	-	19,087.53	-
	-	-	308,294.70	832,216.14
Subcontraction cost				
SUT Global Co.,Ltd.	-	-	-	31,039,325.50
Interest expense				
Hydrotek-Chaisarit Joint Venture	-	-	846,704.02	1,034,554.79
Sahahydro Joint Venture	-	-	205,771.86	415,325.34
Director	165,334.70	480,554.49	165,334.70	480,554.49
	165,334.70	480,554.49	1,217,810.58	1,930,434.62

7.3 Management benefit expenses

(Unit : Baht)

	Consolidated		Separate financial statements	
	For the three-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	4,444,795.00	4,204,000.00	4,444,795.00	1,815,000.00
Post-employment benefits	73,301.10	112,748.15	73,301.10	57,876.91
Total	4,518,096.10	4,316,748.15	4,518,096.10	1,872,876.91

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statements	
	For the nine-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	10,565,345.00	13,320,349.00	10,565,345.00	7,751,349.00
Post-employment benefits	219,903.30	408,111.56	219,903.30	243,497.85
Total	10,785,248.30	13,728,460.56	10,785,248.30	7,994,846.85

7.4 Pricing policies

<u>Transaction</u>	<u>Pricing Policies</u>
Other income	Based on the agreed price
Purchase of assets	Based on the agreed price
Construction	Based on the agreed price
Design Fee	Based on the agreed price
Interest income	Based on interest rate of financial institutions+ 1.00%
Interest expense	Based on interest rate of a financial institution MLR +1.00%

7.5 Nature of relationship

<u>Name</u>	<u>Relationship</u>
Hydrotek-Chaisarit Joint Venture	Shares held by Company
Hydrotek Utilities Co., Ltd.	Shares held by Company
Hydrotek Supreme Mandalay Co.,Ltd.	Shares held by Company
Sahahydro Joint Venture	Shares held by Company
SUT Global Co.,Ltd.*	Company's director is a director in such company
SUT Hydro Co., Ltd.	Shares held by Company
CFO Co., Ltd.	Shares held by the Company's director
Navajessada Construcion and Supply Co.,Ltd.*	Shares held by close relative of former major shareholder
UAC Global Public Co., Ltd.	The majority shareholder
S.P.C. Design Co., Ltd.	Shares held by close relative of director

* Cease of related party on September 27, 2019, because the Company disposed investment in SUT Global Co.,Ltd. to a former major shareholder.

(Unaudited)

8. Trade and other current receivables - third parties

Outstanding trade account receivable-third parties can be aged as follows:-

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Trade accounts receivables				
Within credit term	15,069,185.33	49,562,997.63	-	37,547,085.90
Overdue 1 – 3 Months	-	2,301,626.30	-	2,301,626.30
Overdue 3 – 6 Months	-	888,350.50	-	888,350.50
Overdue 6 – 12 Months	38,595,910.28	4,131,897.42	38,595,910.28	4,131,897.42
Overdue over 12 Months	7,419,296.00	7,198,136.00	7,419,296.00	7,198,136.00
Total	61,084,391.61	64,083,007.85	46,015,206.28	52,067,096.12
<u>Less</u> Allowance for expected credit loss	(7,419,296.00)	(7,198,136.00)	(7,419,296.00)	(7,198,136.00)
Net	53,665,095.61	56,884,871.85	38,595,910.28	44,868,960.12
Other receivables	17,538,092.54	25,584,321.49	11,610,591.54	20,514,336.00
Deposit for purchase of goods	25,967,360.46	22,845,971.66	14,901,589.47	14,901,589.47
Advances to subcontractors	23,386,017.08	24,103,181.43	15,242,313.03	18,597,114.07
Total	66,891,470.08	72,533,474.58	41,754,494.04	54,013,039.54
<u>Less</u> Allowance for expected credit loss	(3,681,326.28)	(3,681,326.28)	(3,681,326.28)	(3,681,326.28)
Net	63,210,143.80	68,852,148.30	38,073,167.76	50,331,713.26
Total trade and other current receivables	116,875,239.41	125,737,020.15	76,669,078.04	95,200,673.38

The movement of allowance for expected credit loss – trade account receivable - third parties for the nine-month period ended September 30, 2020 are as follows:-

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate financial statement</u>
Beginning balance	(7,198,136.00)	(7,198,136.00)
Allowance increased in during the period	(100,096.00)	(100,096.00)
Collected in during the period	-	-
Effective from exchange rate	(121,064.00)	(121,064.00)
Ending balance	(7,419,296.00)	(7,419,296.00)

(Unaudited)

The movement of allowance for expected credit loss – other current receivable – third parties for the nine-month period ended September 30, 2020 are as follows:-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Beginning balance	(3,681,326.28)	(3,681,326.28)
Allowance increased in during the period	-	-
Collected in during the period	-	-
Ending balance	<u>(3,681,326.28)</u>	<u>(3,681,326.28)</u>

9. Contract assets

Consisted of:-

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	As at			
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Unbilled receivable-construction contract	57,856,397.94	67,131,538.83	33,198,400.97	42,674,163.09
<u>Less</u> Allowance for expected credit loss	(28,358,401.00)	(28,358,401.00)	(28,358,401.00)	(28,358,401.00)
Net	29,497,996.94	38,773,137.83	4,839,999.97	14,315,762.09

10. Investment in associate

The nature and carrying value of investment in associate can be summarized as follows:-

(Unit : '000 Baht)										
Name of <u>company</u>	Nature of <u>business</u>	Country of <u>incorporation</u>	<u>Paid-up capital</u>		<u>% of holding</u>		<u>Equity Method</u>		<u>Cost Method</u>	
			September 30, <u>2020</u>	December 31, <u>2019</u>	September 30, <u>2020</u>	December 31, <u>2019</u>	September 30, <u>2020</u>	December 31, <u>2019</u>	September 30, <u>2020</u>	December 31, <u>2019</u>
SUT Hydro Co., Ltd.	Service of treatment wastewater	Thailand	1,000	1,000	40.00	40.00	-	-	400	400
<u>(Less)</u> Allowance for impairment									(400)	(400)
Net									-	-

(Unaudited)

11. Investment in subsidiaries

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiaries in the separate financial statement can be summarized as follows:-

(Unit : '000 Baht)

Name of Company	Paid-up capital('000 Baht)		% of holding		Cost Method		Dividened	
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	September 30,
	2020	2019	2020	2019	2020	2019	2020	2019
<u>Subsidiaries don't having non-controlling interests</u>								
Hydrotek-Chaisarit Joint Venture *	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Hydrotek Utilities Co., Ltd.	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Sahahydro Joint Venture **	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Total					3,000	3,000	-	-
(Less) Allowance for impairment					(1,000)	-	-	-
Net					2,000	3,000	-	-

(Unit : '000 Baht)

Name of Company	Paid-up capital(USD)		% of holding		Cost Method		Dividened	
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	September 30,
	2020	2019	2020	2019	2020	2019	2020	2019
<u>Subsidiaries having immaterial non-controlling interests</u>								
Hydrotek Supreme Mandalay Co.,Ltd. ***	281,250	281,250	80.00	80.00	16,262	16,262	-	-
(Less) Allowance for impairment					(16,262)	(16,262)	-	-
Net					-	-	-	-

*October, 2014, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture, where Chaisarit no longer be held responsible or require to pay indemnity. Thys, Hydrotek Public Company Limited is the sole venturer in Hydrotek-Chaisarit joint venture with the 100.00% shareholding.

**July, 2018, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture, where Chaisarit no longer be held responsible or require to pay indemnity. Thys, Hydrotek Public Company Limited is the sole venturer in Hydrotek-Chaisarit joint venture with the 100.00% shareholding.

*** July, 2015, the Company has incorporated Hydrotek Supreme Mandalay Co., Ltd. in Republic of the Union of Myanmar. The Company holds 80% of the registered capital of USD 500,000.00. This company has been incorporated to obtain permit for the investment to construct the waste water treatment plant and waste collection system in Mandalay industrial zone.

12. Receivables under the concession agreement

During October 2015, the Mandalay Region Government, Mandalay City Development Committee (MCDC) has signed the concession agreement granting Hydrotek Supreme Mandalay Co., Ltd. the concession in operating Mandalay Industrial Zone Central Wastewater Treatment Plant and Collecting System Project (CWWTP) by construct the said project within 2 years from the date the approval has been granted from MCDC to commence the construction on the land provided by MCDC (excluding the extension of the construction period, if any) and provide waste water treatment service in exchange of the right to collect service fee from the customers of the said industrial zone for the period of 30 years (the term can be extended for 10 years at a time for not more than 2 times) . Furthermore, MCDC shall pay the compensation to the subsidiary if the said operator's wastewater treatment volume is less than the level specified in the service concession arrangement. The said service concession arrangement also stipulated that at the end of the service concession arrangement term, the subsidiary shall transfer the asset ownership of the said project to MCDC without receiving any payment. The Group has recognized the compensations that the subsidiary received from the construction of the wastewater treatment system under the said service concession arrangement. One portion is recognized as intangible assets in the consolidated financial statements.

For the year ended 31 December 2019, the Company recognized the entire amount of allowance for expected credit loss of receivables under the concession agreements and loss in impairment intangible assets, including the investment in Hydrotek Supreme Mandalay Co., Ltd. (a subsidiary). Because of the total quality of wastewater outlet from the Mandalay industrial Zone was significant higher when compared with agreement in the contract. In order to deal with this issue, land requirement and wastewater tariff will be significantly increased. However, MCDC could not either provide additional land area and accept for increasing of wastewater tariff. In case that subsidiary need to continue this project with the same condition in the contract, the return will not be worth. At present, the subsidiary is drafting the notice for termination agreement with MCDC.

13. Land and equipment

The movement of land and equipment during the nine-month period ended September 30, 2020 are as follows:-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value balance	33,964,721.94	33,861,587.31
Purchase in during the period	103,183.18	103,183.18
Disposal in during the period	-	-
Depreciation charge for the period	(657,569.92)	(646,138.31)
Ending net book value balance	33,410,335.20	33,318,632.18

As at September 30, 2020, certain equipment items of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 17.03 million (December 31, 2019 : Baht 15.51 million).

As at September 30, 2020 and December 31, 2019, the Group has mortgaged the land as collateral for short-term loan from financial institutions as mentioned in the notes to financial statements No. 29.2.

The Board of Directors' Meeting No.4/2020, held on 10 April 2020, resolved to sell land with a book value amount of Baht 11.50 million to a third party to use as working capital in business operations. In May 2020, the Company entered into a sale agreement with an unrelated third party ("the buyer") to sell 2 plots of land with the area of 400 square wah at the price of Baht 20.00 million. The buyer has paid a deposit to the Company on the contract date of Baht 4.00 million and the remaining amount of Baht 16.00 million, the buyer agrees to pay on the date of transfer of ownership of the land within June 2020. The Company agrees to complete the transfer of all buildings and equipment prior to the registration of land ownership transfer. Currently, The Company is in the process of releasing the mortgaged of land used as collateral with financial institutions.

(Unaudited)

14. Right-of-use assets

The movement of right-of-use assets for the nine-month period ended September 30, 2020 are as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value as previously reported	-	-
Impact of changes in accounting policy (Note 6.2)	5,201,709.08	4,299,016.88
Opening net book value as restated	5,201,709.08	4,299,016.88
Increase in right-of-use assets	2,936,028.02	2,936,028.02
Depreciation charge for the period	(2,002,416.85)	(1,326,630.90)
Ending net book value	6,135,320.25	5,908,414.00

15. Intangible assets

The movement of intangible assets during the nine-month period ended September 30, 2020 are as follows:-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening balance	108,949,730.56	108,876,125.17
Purchase in during the period	76,430.00	76,430.00
Transfer in during the period	-	-
Amortization charge for the period	(80,821.07)	(65,807.36)
Ending balance	108,945,339.49	108,886,747.81

16. Bank overdrafts and short-term loans due to financial institution

Consisted of:-

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	As at			
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Bank overdrafts	19,090,932.25	19,714,277.10	19,090,932.25	19,714,277.10
Short-term loans	-	12,000,000.00	-	12,000,000.00
Total	19,090,932.25	31,714,277.10	19,090,932.25	31,714,277.10

(Unaudited)

As at September 30, 2020, the Group held bank overdraft amounting of Baht 20.00 million (December 31, 2019 : Bank overdrafts and short-term loans due to financial institution Baht 70.00 million). Interest rate is MOR, MLR per annum (December 31, 2019 : interest rate is MOR, MLR per annum).

Such the line of bank overdrafts and short-term loans due to financial institutions are secured by bank deposits, land and buildings described in notes to financial statements No.13.

17. Trade and other current payables – third parties

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Trade accounts payable	102,361,172.25	88,050,899.63	60,336,241.32	60,444,393.24
Other payables	8,374,850.81	9,245,438.51	5,165,885.90	7,981,492.01
Retention payables	36,511,439.65	36,134,528.94	29,245,039.47	31,290,211.52
Advances received	4,000,000.00	10,937,500.00	4,000,000.00	10,937,500.00
Accrued interest	47,337,962.56	40,469,282.81	47,337,962.56	40,469,282.81
Others	276,436.85	-	276,436.85	-
Total	198,861,862.12	184,837,649.89	146,361,566.10	151,122,879.58

18. Contract liabilities

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Advance revenue from construction	-	8,262,715.56	-	8,262,715.56
Advance receipt from construction contracts	39,686,026.90	54,925,179.06	9,226,379.44	9,226,379.44
Total	39,686,026.90	63,187,894.62	9,226,379.44	17,489,095.00

(Unaudited)

19. Long-term loans due to third party

The movements of long-term loans due to third party for the nine-month period ended September 30, 2020 are as follows:-

	(Unit : Baht)
	<u>Consolidated</u>
	<u>/Separate financial statements</u>
Opening balance	125,644,786.50
Loans in during the period	-
Repayment in during the period	-
Ending balance	<u>125,644,786.50</u>

Long-term loans due to third party – minimum payments are as follows:-

	(Unit : Baht)	
	Consolidated	
	/Separate financial statements	
	As at	
	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Within 1 years	-	-
Within 2 year – 5 years	125,644,786.50	125,644,786.50
Total	125,644,786.50	125,644,786.50

As at September 30, 2020 and December 31, 2019, the whole amount was long term loans due to Yunnan Water (Hong Kong) Company Limited, which was incorporated in Hong Kong, in order to construct water treatment project in Chiangmai province. The interest was charged at 6.75% per annum, an annually repayment for 5 years from commercial operation date. Furthermore, such loan agreement granted the option to Yunnan Water (Hong Kong) Company Limited, to convert the loan to investment in 49% of the registered share capital of Hydrotek Utility Co., Ltd., a subsidiary, that will provide water management service when the construction of such project is completed and both parties will jointly control the subsidiary.

(Unaudited)

20. Provision for warranty

The movement of provision for warranty for the nine-month period ended September 30, 2020, are as follows:-

	(Unit : Baht)
	<u>Consolidated</u>
	<u>/Separate financial statement</u>
Opening balance	4,206,457.42
Increase in during the period	2,390,102.80
Utilized in during the period	(947,211.49)
Unused amount reversed during the period	(1,411,323.37)
Ending balance	<u>4,238,025.36</u>

Provision for warranty consisted of :-

	(Unit : Baht)	
	Consolidated /Separate financial statements	
	As at	
	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Current liabilities	2,053,215.60	4,206,457.42
Non-current liabilities	2,184,809.76	-
Total	<u>4,238,025.36</u>	<u>4,206,457.42</u>

21. Lease liabilities

The movements of lease liabilities for the nine-month periods ended September 30, 2020, are as follows:-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening lease liabilities balance as previously reported	-	-
Impact of changes in accounting policy (Note 6.2)	5,201,709.08	4,299,016.88
Opening lease liabilities balance as restated	5,201,709.08	4,299,016.88
Increase contract in during the period	2,228,869.14	2,228,869.14
Repayment in during the period	(1,926,270.65)	(1,254,663.77)
Ending balance	<u>5,504,307.57</u>	<u>5,273,222.25</u>

(Unaudited)

The maturity analysis of lease liabilities is as follows:-

(Unit : Baht)

	Consolidated			Separate financial statement		
	As at September 30,2020					
	Lease liabilities	Deferred finance lease charges	Net	Lease liabilities	Deferred finance lease charges	Net
Not later than 1 year	2,434,515.93	(231,530.30)	2,202,985.63	2,201,115.93	(229,215.62)	1,971,900.31
Later than 1 year but not later than 5 years	3,486,916.92	(185,594.98)	3,301,321.94	3,486,916.92	(185,594.98)	3,301,321.94
Total	5,921,432.85	(417,125.28)	5,504,307.57	5,688,032.85	(414,810.60)	5,273,222.25

As at September 30, 2020, the Group has entered into the contract of leases with several lessor companies so as to lease Land, buildings, vehicles and office equipment by number of 12 contracts. The leased contracts determine leased fee repayment as monthly installment from Baht 2,500.00 to Baht 88,624.00 per month. The leased period is carried 1-4 years.

22. Employee benefit obligation

Changes in the present value of the employee benefit obligation for the nine-month period ended September 30, 2020, are as follows:-

(Unit : Baht)

	<u>Consolidated</u>
	<u>/Separate financial statement</u>
Opening balance	4,857,599.04
Current service cost	624,010.66
Interest cost	53,454.92
Actuarial loss	-
Benefit obligation paid	(1,098,709.91)
Ending balance	4,436,354.71

(Unaudited)

23. Share capital

	Number of shares (Unit : Share)	Amount (Unit : Baht)
Registered share capital (Baht 1.00 per share)		
As at January 1, 2020	1,197,077,359	1,197,077,359.00
Reduction of capital	(313,987,504)	(313,987,504.00)
Increment of capital	784,968,760	784,968,760.00
As at September 30, 2020	1,668,058,615	1,668,058,615.00

	Number of shares (Unit : Shares)	Ordinary shares (Unit : Baht)	Premium on ordinary share (Unit : Baht)	Discount on ordinary share (Unit : Baht)	Total (Unit : Baht)
Paid-up capital (Baht 1.00 per share)					
As at January 1, 2020	784,968,760	784,968,760.00	141,376,373.77	-	926,345,133.77
Increment of capital	495,416,810	495,416,810.00	-	(426,058,456.60)	69,358,353.40
Expenses concerning of ordinary shares	-	-	-	(360,000.00)	(360,000.00)
As at September 30, 2020	1,280,385,570	1,280,385,570.00	141,376,373.77	(426,418,456.60)	995,343,487.17

The Board of Directors meeting No.2/2020 held on January 31, 2020, has approved the allocation for newly issued ordinary shares by general mandate as follows:-

- To allocate the newly-issued ordinary shares not exceeding 156,993,752 shares with the par value at Baht 1.00 per share, to offered the existing shareholders of the Company in proportion to their holding (Right Offering) at the ratio of 5 existing ordinary shares to 1 newly-issued ordinary shares during March 9-13, 2020;

- To allocate 78,496,876 new ordinary shares with a par value of 1.00 Baht per share for sale to Mrs Parutai Shinawatra (Private Placement) during February 17, 2020 to March 13, 2020; and

- To set the offering price to the existing shareholders of the company according to the proportion of shareholding and the private placement at the price of Baht 0.29 per share.

On March 13, 2020, the Company has received the refusal of the subscription for the newly issued ordinary shares to Private Placement (Private Placement: PP).

The Board of Directors' Meeting No.4/2020, held on 10 April 2020, resolved to cancel the capital increase via General Mandate, which allocated to existing shareholders (Right Offering: RO), distributed on March 9 – 13, 2020, in amount of 2,325 shares.

(Unaudited)

The Extraordinary General Meeting of Shareholders No.1/2020 with held on May 20, 2020, has resolved the following details:-

- To approve the decrease of the registered capital from the existing registered capital of Baht 1,197,077,359.00 to Baht 883,089,855.00 by canceling the unallocated ordinary shares in the amount of Baht 78,496,876.00 and unsold ordinary shares in the amount of Baht 235,490,628.00 at a par value of Baht 1.00.

- To approve the increase of the registered capital of Baht 784,968,760.00 from Baht 883,089,855.00 of the previous registered capital to Baht 1,668,058,615.00 by issuing 784,968,760 new ordinary shares with a par value of Baht 1.00.

- To approve the allotment of the capital increase shares in the number of 784,968,760 shares with a par value of Baht 1.00 per share to existing shareholders in proportion to their shareholding (Rights Offering) at the ratio of 1 existing share to 1 new share, with a fraction of shares to be disregarded at the offering price of Baht 0.14 per share. In case there are remaining new ordinary shares from the subscription by existing shareholders, the Board of Directors shall have the power and discretion to allot such remaining new ordinary shares to existing shareholders of the Company proportionately to their shareholding. In case that there are shares remaining from the allocation to the existing shareholders in proportion to their shareholding in the first round the Company will allocate the remaining shares to the existing shareholders who have expressed intention to subscribe for the newly issued ordinary shares in excess of their rights. (Exceeding their shareholding proportion) according to their shareholding proportion. Until selling the newly issued ordinary shares in whole amount at the same price as the allotted shares except in case that it cannot be allocated because it is a fraction of shares or no shareholder wishes to subscribe to the said shares anymore.

The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on May 28, 2020 for reduction of capital and on May 29, 2020 for increment of capital.

On June 15 - 19, 2020, the Company offers ordinary shares by number of 495,416,810 shares to existing shareholders. Such ordinary shares comprise par value of Baht 1.00 per share. Shares are offered in the price of Baht 0.14 per share aggregating to total amount of Baht 69,358,353.40. The Company recorded expenses in respect of shares distribution net of income tax by amount of Baht 360,000.00 as deducted transactions in the discount on share capital.

The shares increment is registered for paid-up from Baht 784,968,760.00 to Baht 1,280,385,570.00 equivalent to ordinary shares by number of 1,280,385,570 shares in the par value of Baht 1.00 per share at the Ministry of Commerce on June 29, 2020.

(Unaudited)

Warrant (HYDRO-W1)

On February 11, 2020, the Company disposed warrants to the existing shareholders (Warrant RO), at no cost, in the number of 98,116,121 units. The warrants (HYDRO-W1) the detail by summation as follows:

- It is the kind of specifying the names of holders and the holders can be changed. The warrants as registered as securities in the Market for Alternative Investment (MAI).
- The age of warrant is 2 years.
- The date the warrants are issued on February 11, 2020.
- The rate of warrants right exercise is one unit over one ordinary share.
- The exercised price is Baht 1.00 per share.
- The exercise dates are the first business day of every three months (March, June, September and December) of each year.
- The first exercise date is March 2, 2020 and the last exercise date is February 10, 2022.

The Company adjusts the exercise price and exercise ratio of the rights to purchase new ordinary shares of the Company no. 1 (HYDRO-W1) because the Company offered new ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering) according to the resolution of the Extraordinary General Meeting of Shareholders No.1 / 2020 on May 20, 2020 by the average price per share of the newly issued ordinary shares is lower than 90 percent of the market price per share of the company's ordinary shares as follows:-

	Exercise price	Exercise ratio
Original exercise price and exercise ratio	Baht 1.00 per share	1 unit of warrant entitlement the right to purchase 1 ordinary share
Adjusted exercise price and exercise ratio (Effective on May 26, 2020)	Baht 1.00 per share	1 unit of warrant entitlement the right to purchase 0.5 ordinary share

As at September 30, 2020, the remaining warrants (HYDRO-W1) not yet exercised are 98,116,121 units.

(Unaudited)

24. Income tax (income) expense

The income tax (income) expenses recognized in profit or loss for the nine-month periods ended September 30, 2020 and 2019, are as follows:-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	For the nine-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current tax expense	259,191.10	241,514.40	90,000.00	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	(3,580,986.17)	-	(3,497,578.62)
Total income tax (income) expense	259,191.10	(3,339,471.77)	90,000.00	(3,497,578.62)

The relationship between income tax expense and accounting loss for the nine-month periods ended September 30, 2020 and 2019, are as follows:-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	For the nine-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting loss	(64,912,391.78)	(221,359,201.71)	(66,755,530.27)	(208,535,928.86)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(12,982,478.36)	(44,271,840.34)	(13,351,106.05)	(41,707,185.77)
Temporary difference not recognized as a deferred tax asset	2,060,803.57	19,321,714.57	3,442,320.02	22,611,278.26
Previous temporary difference not recognized as a deferred tax asset	(1,077,432.88)	(1,925,795.78)	(1,176,684.94)	(1,850,686.93)
Income that are not be taxable	-	(141,816.42)	-	-
Income that are be taxable	-	57,303,094.09	-	58,960,000.00
Expenses that are not deductible in determining taxation profit	97,994.11	287,035.01	46,273.63	31,002.75
Expenses that are deductible at greater amount in taxation profit	(100,620.00)	-	(100,620.00)	-
Loss from operation for period-subidiaries	1,031,107.32	7,630,124.03	-	-
Loss carried forward not recognized as a deferred tax asset	-	(41,541,986.93)	-	(41,541,986.93)
Loss from operation for period	11,229,817.34	-	11,229,817.34	-
Income tax (income) expense recognized in profit or loss	259,191.10	(3,339,471.77)	90,000.00	(3,497,578.62)

(Unaudited)

The income tax expenses (income) recognized in shareholders' equity for the nine-month period ended September 30, 2020 and 2019 are as follows:-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	For the nine-month periods ended on September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current tax (income) expense				
Expenses concerning of ordinary shares	(90,000.00)	-	(90,000.00)	-
Deferred tax (income) expense				
Convertible debenture – equity component	-	(1,044,100.00)	-	(1,044,100.00)
Total income tax (income) expense recognized in shareholders' equity	(90,000.00)	(1,044,100.00)	(90,000.00)	(1,044,100.00)

The deferred tax assets are not recognized in the statement of financial position consisted of:-

(Unit : Baht)				
	Consolidated		Separate financial statement	
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Unused tax losses				
- Expire in next 1 year	17,799,729.83	1,107,839.07	17,791,077.93	1,096,762.23
- Expire in next 2 – 5 years	45,793,530.77	51,332,335.94	42,907,257.92	49,468,518.52
Temporary differences	25,298,621.50	24,978,352.61	26,205,955.44	24,471,505.42
Total	88,891,882.10	77,418,527.62	86,904,291.29	75,036,786.17

25. Earnings (loss) per share

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

Diluted earnings per share is calculated by the sum of the weighted average number of ordinary shares in issue during the period and the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. By supposition that if taking money received from right exercise from such warrants to purchase ordinary shares back in the market price of diluted equivalent ordinary shares; for example, warrants to purchase ordinary shares in the case that prices according to the rights of warrants constitute value lower than market price.

(Unaudited)

As at September 30, 2020, the Company did not include ordinary shares derived from warrants to purchase ordinary shares as diluted equivalent ordinary shares in the computation of diluted earnings per share since exercised price obtains the value higher than market price of ordinary shares.

26. Supplemental disclosures of cash flow information

26.1 Cash and cash equivalents consisted of :-

(Unit : Baht)

	Consolidated		Separate financial statements	
	For the nine-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash on hand	220,903.89	150,052.90	35,998.31	98,112.54
Cash at bank	17,022,628.37	2,541,984.41	5,636,196.70	1,108,847.33
Total	17,243,532.26	2,692,037.31	5,672,195.01	1,206,959.87

26.2 Non-cash items is as follows:-

(Unit : Baht)

	Consolidated		Separate financial statements	
	For the nine-month periods ended September 30,			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Transfer of land and equipment to intangible assets	-	87,069,288.52	-	87,069,288.52
Transfer of others receivable to intangible assets	-	500,000.00	-	500,000.00

27. Operating segments

The Group identifies the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment from the category of service. The Group has four operating segments which consist of the construction service segment, operation and maintenance service segment, water operator of water treatment plant and wastewater treatment plant and other segments that consist of project management and design and procure equipment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses, finance cost and shares of profit or loss in associates.

(Unit : Baht)

(Unit : Baht)

Consolidated

(Unaudited)

The segment operation for the nine-month periods ended September 30, 2020 and 2019 are as follows:-

	Consolidated							(Unit : Baht)		
	For the nine-month periods ended September 30,									
	Construction		Operation and maintenance service		Water operator of water treatment plant and wastewater recycle plant		Other segments		Total	
	2020	2019	2020	2019	2020	2019	2020			2019
Revenues from external customers	106,137,844.14	219,497,377.58	-	742,020.00	-	-	1,000,000.00	14,896,142.55	107,137,844.14	235,135,540.13
Gross margin (loss)	(4,593,901.47)	(30,372,498.83)	-	(2,012,747.28)	-	-	151,099.75	4,416,459.52	(4,442,801.72)	(27,968,786.59)
Other income									2,336,001.61	3,691,836.95
Loss on impairment of asset									-	(80,740,000.00)
Loss on disposal of subsidiaries									-	(3,089,611.50)
Administrative expenses									(53,351,042.21)	(92,347,813.30)
Finance cost									(9,454,549.46)	(20,904,827.27)
Loss before income tax expense									(64,912,391.78)	(221,359,201.71)

The reconciliations of each segment total assets to the Group's assets and other material items.

	Consolidated								(Unit : Baht)		
	For the nine-month periods ended September 30,										
	Construction		Operation and maintenance service		Water operator of water treatment plant and wastewater recycle plant		Other segments			Central	Total
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Depreciation	809,204.95	177,582.15	-	1,913,090.83	-	-	-	-	1,850,781.82	4,115,108.97	2,659,986.77
Amortization	-	-	-	-	-	-	-	-	80,821.07	281,587.09	80,821.07

(Unaudited)

Information about geographical areas the nine-month periods ended September 30, 2020 and 2019 are as follows:-

	Consolidated				Total	(Unit : Baht)
	For the nine-month periods ended September 30,					
	Thailand		Myanmar			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>		
Revenues from external customers	107,137,844.14	230,855,930.63	-	4,279,609.50	107,137,844.14	235,135,540.13
Non-current assets (excluding financial instruments and deferred tax assets)	159,232,623.19	152,958,336.50	1,614,552.90	20,390,316.93	160,847,176.09	173,348,653.43

(Unaudited)

For the nine-month period ended September 30, 2020, the Group has the revenue from sale of goods to 1 major customers in the amount of Baht 101.79 million earned by construction segment. (For the nine-month period ended September 30, 2019 : 3 major customers in the amount of Baht 203.54 million earned by construction segment and operation and maintenance segment).

28. Revenue

The relationship between the revenue information disclosed for each reportable segment and the revenue derived from transfer of goods and services over time and a point in time for the three-month and nine-month periods ended on September 30, 2020 and 2019, are as follows:-

(Unit: Million Baht)

	Consolidated							
	For the three-month periods ended September 30,							
	Segment operation							
	Operation and							
	Construction		maintenance service		Other segments		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	35.64	23.88	-	-	1.00	-	36.64	23.88
Revenue about geographic areas								
- Thailand	35.64	23.88	-	-	1.00	-	36.64	23.88
- Myanmar	-	-	-	-	-	-	-	-
Total	35.64	23.88	-	-	1.00	-	36.64	23.88
Revenue recognized when a performance obligation								
- satisfied at a point in time	-	-	-	-	-	-	-	-
- satisfied over time	35.64	23.88	-	-	1.00	-	36.64	23.88
Total	35.64	23.88	-	-	1.00	-	36.64	23.88

(Unaudited)

(Unit: Million Baht)

Consolidated							
For the nine-month periods ended September 30,							
Segment operation							
Operation and							
	Construction		maintenance service		Other segments		Total
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u> <u>2019</u>
Revenue from external customers	106.14	219.50	-	0.74	1.00	14.90	107.14 235.14
Revenue about geographic areas							
- Thailand	106.14	219.50	-	0.74	1.00	10.62	107.14 230.86
- Myanmar	-	-	-	-	-	4.28	- 4.28
Total	106.14	219.50	-	0.74	1.00	14.90	107.14 235.14
Revenue recognized when a performance obligation							
- satisfied at a point in time	-	-	-	-	-	4.28	- 4.28
- satisfied over time	106.14	219.50	-	0.74	1.00	10.62	107.14 230.86
Total	106.14	219.50	-	0.74	1.00	14.90	107.14 235.14

The amount of the transaction price allocated to the performance obligations that are unsatisfied at the ended of reporting periods are as follows:-

(Unit: Baht)

Consolidated		
As at		
	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Construction service	178,406,319.59	321,641,869.96
Operation and maintenance service	-	-
Other service	13,000,000.00	-
Total	191,406,319.59	321,641,869.96

(Unaudited)

The Company expects to recognize the amount of the transaction price allocated to the performance obligations that are unsatisfied as at September 30, 2020, as revenue in the future periods, as follow:-

(Unit: Baht)

	Consolidated			
	<u>2020</u>	<u>2021</u>	<u>2022 up to</u>	<u>Total</u>
- Construction service	81,739,325.39	96,666,994.20	-	178,406,319.59
- Operation and maintenance service	-	-	-	-
- Other service	1,500,000.00	11,500,000.00	-	13,000,000.00
Total	83,239,325.39	108,166,994.20	-	191,406,319.59

The Company expects to recognize the amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2019, as revenue in the future periods, as follow:-

(Unit: Baht)

	Consolidated			
	<u>2020</u>	<u>2021</u>	<u>2022 up to</u>	<u>Total</u>
- Construction service	321,641,869.96	-	-	321,641,869.96
- Operation and maintenance service	-	-	-	-
Total	321,641,869.96	-	-	321,641,869.96

The amount of revenue recognized in the financial statement for the nine-month period ended September 30, 2020 and 2019 that was included in the contract liability balance as at December 31, 2019 and 2018 are as follow:-

(Unit: Baht)

	Consolidated	
	As at	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Advance revenue from construction	-	45,169,291.94
Advance revenue from rendering of service	-	8,959,519.27
Advance receipt from construction contract	15,239,152.16	10,670,466.70
Total	15,239,152.16	64,799,277.91

For the nine-month period ended September 30, 2020 and 2019 there is not an amount of revenue recognized concerning the performance obligation satisfied in the previous period.

(Unaudited)

29. Obligation and contingent liabilities

As at September 30, 2020 and December 31, 2019, the Group has obligation and contingent liabilities as follows:-

29.1 The commitment of the construction subcontracts as follows:-

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at			
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Total amount of agreement	639,662,489.49	791,536,643.41	218,153,437.27	371,793,286.85
Recognized cost of construction	385,570,996.21	469,045,846.34	114,125,905.65	277,636,955.50
The remaining of non-operating work	254,091,493.28	322,490,797.07	104,027,531.62	94,156,331.35

29.2 Apart from various liability that reflects in the financial statements, the Group still constitutes obligation commitment contingent liability as follows:-

(Unit : Million Baht)

	Consolidated/Separate financial statements					
	As at					
	September 30, 2020			December 31, 2019		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	449.11	(42.20)	406.91	449.10	(91.78)	357.32
Credit line of bank overdraft	20.00	(19.09)	0.91	20.00	(19.71)	0.29
Credit line of letters of credit and trust receipts	68.35	-	68.35	68.35	-	68.35
Credit line of short-term loans	-	-	-	50.00	-	50.00

The Group pledged the land, as mentioned in the notes to financial statements No. 13 and bank deposit, including transferal of the claimant right to receive the installment payment of project to the bank. The Group's deposit account has been pledged with the bank. When the money is received from the sales of the tap water, the bank would retain the money in the said account at the amount equivalent to the Company's obligation for that particular month.

29.3 As at September 30, 2020, the Group has performed the leased and service agreement while there are the period 1 years. The Group comprises obligation repay leased and service fee in amount of Baht 1,800.00 per month (December 31, 2019 : has performed the leased and service agreement while there are the period 1-3 years amount of Baht 1,800.00 - 132,936.00 per month).

29.4 As at September 30, 2020, the Group had capital commitments of Baht 1.12 million relating to the construction of assets for water treatment plant and wastewater treatment plant (December 31, 2019 : Baht : 1.12 million).

29.5 As at September 30, 2020, the Group has a commitments with the employer under a contract in the amounting to Baht 858.00 million on behalf of the joint venture where the Group held 51% of such joint venture' share capital. The Group transferred rights and obligations under the construction contract to the another party.

29.6 The subsidiary has entered construction contracts with two companies with the total contracts amount of MMK 34,605,526.00 and amount of USD 145,000.00. As at September 30, 2020, the subsidiary has outstanding commitments under the contracts in amount of MMK 6,921,105.20 and the amount of USD 50,715.00, respectively (December 31, 2019 : MMK 6,921,105.20 and USD 50,715.00).

29.7 As at September 30, 2020, the Group has entered the consultant contract with six companies with the total contract amount of Baht 21.37 million. The Group has outstanding commitment under the contract in the amount of Baht 9.98 million (December 31, 2019 : the total contract amount of Baht 20.47 million. The Group has outstanding commitment under the contract in the amount of Baht 15.33 million).

30. Litigations

30.1 In November 2016, the Company has filed a lawsuit to the Administrative Court against a contractual party to claims for Baht 52.57 million of construction service fees to be paid to the Company and a release of the guarantee money in accordance to the bank's letter of guarantee at Baht 10.60 million to the Company. The said contractual party has breached the contract for the construction of waste collection and wastewater treatment systems by notifying the termination of the said contract without any default or defect created by the Company. In March 2017, the said counter party has filed a counterclaim to the Administrative Court demanding compensation of Baht 52.81 million plus interest at 7.50% per annum from the Company alleging that the construction performed by the Company has been delayed so the counter party has terminated the contract and demanded compensation from the Company.

Nevertheless, the said litigations are in the due process of law. The Company believes that eventually these would not incur any damage to the Company; therefore, the Company do not record allowance for the damage that may incurred from the said matters in the financial statements.

30.2 During the year 2019, the Company was sued in the case of breach of sale and service contracts and of subcontract contract in 2 cases amounting to Baht 1.00 million plus interest at 7.50% per annum. Now, the litigations are in the process of law. However, the Company has recorded the contingent liabilities from such matter.

31. Events after the reporting period

The Board of Directors' Meeting no. 13/2020 with held on November 12, 2020 has the resolution to approve the allotment of the capital increase shares to existing shareholders in propotion to their shareholding (Rights Offering) in the number of 289,551,950 shares with a par value of Baht 1.00 per share, at the offering price of Baht 0.14 per share, with the subscription and payment for shares on December 21-25, 2020.

32. Approval of financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's board of directors on November 12, 2020.
