

**The International Engineering Public Company
Limited and its Subsidiaries**

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of The International Engineering Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of The International Engineering Public Company Limited and its subsidiaries (the Group), and of The International Engineering Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of The International Engineering Public Company Limited and its subsidiaries and of The International Engineering Public Company Limited, respectively, as at 31 December 2020, and their financial performance and their cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Revenues from rendering of services and contract assets</p> <p>The Group recognizes revenue from engineering based on the percentage of completion by calculating the actual cost and the estimated cost incurred from providing service. The revenue recognition as above mentioned, the management has to use judgement in order to estimate cost incurred and needs the specialists to involve in certain works. In addition, the process of measurement of work, the appropriate period for recognizing revenue and calculating percentage of completion which may be incorrect, including the probability of delay, the measurement of possible project delay. In 2020, the Group and the Company had revenue from rendering of services of Baht 84 million (accounting for 15 percent and 86 percent, respectively of total revenues), and as at 31 December 2020, contract assets amounted to Baht 29 million and allowance for expected credit loss of receivables amounted to Baht 11 million, respectively (net amount accounted for 1 percent and 3 percent of total assets) and provision for penalty under the contract amounted to Baht 23 million (accounting for 5 percent and 14 percent, respectively of total liabilities) in the consolidated and separate financial statements, respectively.</p> <p>Therefore, I consider that the revenue recognition from engineering, and estimate of penalties under the contract and others, which may be incurred under various project contracts, are transactions which impacts to the Group's and the Company's financial statements.</p> <p>Accounting policies were disclosed in Notes 5, 10 and 34 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understand the process of accounting records, collection of debts, payment and estimate of allowance for expected credit loss and related accounting records including internal control procedures; • Review the design and implementation of such internal control procedures; • Test the reasonableness of estimating costs, procurement of supplies used in projects and hiring cost of subcontractors, etc; • Perform substantive testing as follows: <ul style="list-style-type: none"> - Review the details of project service agreements prepared during year; - Review the method which the management used in following-up, considering the reasonableness of project estimation, authorization, and sampling test on related documents; - Test calculating percentage of completion of work of each project; - Test the accuracy of purchase of supplies, payment of wages and relating costs by comparing to the documents supported the accounting records; - Send the confirmation requests to project managers with respect to the stage of completion of work; - Review the adequacy of disclosures in note to the financial statements.

Key Audit Matters	Audit Responses
<p>Lawsuits and litigation</p> <p>The Group and the Company had a lot of lawsuits which have been still in the process of consideration by the Court that may be incurred damage if the Group and the Company can not defend the lawsuits, and must use judgment to determine the adequacy of the provision.</p> <p>Therefore, I pay particular attention to determine the adequacy of provision whether it is recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies and details of commitment, significant events and significant cases were disclosed in Notes 5, 34 and 53 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the process for assessing the lawsuits of the management; • Performing substantive test as follows: <ul style="list-style-type: none"> - Inquiring the management and legal advisors of the entities to acknowledge any significant lawsuits and litigation that may incur and whether the financial impact and expense is reasonable or not. - Considering the potential damages from lawsuits and litigation and evaluating the financial risks, including the adequacy and appropriateness of the recognition and disclosure.

Other matters

Due to the Coronavirus disease 2019 pandemic (“COVID-19”), and the appropriateness of the meeting duration as mentioned in note 3 to the financial statements, the Company was unable to hold the meeting of shareholders. As this result, there was no the resolution to propose to the shareholders for approval of the statements of financial position and income statements for 2018 and 2019 from the shareholders.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement thereon, I am required to communicate the matter to those charged with governance and request further appropriate corrections.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Chaikrit Warakitjaporn)
Certified Public Accountant
Registration Number 7326

NPS Siam Audit Limited
Bangkok
1 March 2021

The International Engineering Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2020

Assets	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
			<i>(in Baht)</i>		
Current assets					
Cash and cash equivalents	7	136,188,048	134,521,583	54,538,165	74,343,367
Trade accounts receivable	8	48,664,285	63,418,523	19,155,006	9,429,332
Other current receivables	6, 9	124,634,693	122,681,264	59,737,828	51,631,330
Current contract assets	10	61,264,224	58,262,926	17,640,028	8,523,940
Short-term loans	6	-	-	-	-
Inventories	11	7,277,440	3,526,294	-	174,343
Other current financial assets	12	11,400,000	1,462,267	11,400,000	1,462,267
Withholding tax	13	5,240,422	3,738,740	3,031,068	1,590,235
Other current assets		231,063	313,022	229,563	293,523
Total current assets		394,900,175	387,924,619	165,731,658	147,448,337
Non-current assets					
Other non-current financial assets	12	1,058,750	1,804,000	1,058,750	1,804,000
Investments in subsidiaries	14	-	-	-	-
Investment properties	15	197,043,091	199,497,003	142,492,201	142,492,201
Property, plant and equipment	16, 32, 54	620,686,447	688,607,292	3,362,503	4,358,527
Non-operating assets	17	161,319,905	161,319,905	151,949,000	151,949,000
Deferred rights to use transmission line	18	32,943,300	34,734,857	-	-
Right-of-use assets	4, 19	28,850,648	6,351,497	14,569,140	6,351,497
Goodwill	20	-	-	-	-
Other intangible assets	21	285,265	409,215	90,372	117,912
Pledged deposits at banks	22, 54	68,945,736	74,348,973	68,902,836	66,898,406
Advance for purchasing of investment	23	-	-	-	-
Other non-current assets	25	53,910,435	52,557,702	17,141,252	15,713,010
Total non-current assets		1,165,043,577	1,219,630,444	399,566,054	389,684,553
Total assets		1,559,943,752	1,607,555,063	565,297,712	537,132,890

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

The International Engineering Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2020

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	26, 54	30,287,986	6,466,472	41,008	582,974
Trade account payables	6, 27	26,584,465	36,453,274	1,816,082	6,401,353
Other current payables	6, 28	121,096,756	121,632,475	28,536,410	25,141,000
Accrued expense		36,892,957	46,901,218	7,046,101	14,409,695
Current portion of long-term loans	31, 54	-	20,280,000	-	-
Long-term loans in default	31, 54	144,913,893	205,271,327	-	-
Current portion of lease liabilities	32	6,290,221	2,356,220	3,524,932	-
Short-term loans	6, 29	-	-	-	-
Current provisions	34	22,820,960	34,446,850	22,820,960	34,446,850
Advance received for purchase of shares	30	10,000,000	10,000,000	10,000,000	10,000,000
Other current liabilities		787,645	855,465	-	-
Total current liabilities		399,674,883	484,663,301	73,785,493	90,981,872
Non-current liabilities					
Long-term loans	31, 54	-	12,150,000	-	-
Deferred tax liabilities	24	1,560,320	1,520,477	1,560,320	1,520,477
Lease liabilities	32	19,562,602	2,444,416	5,651,299	-
Non-current provisions for employee benefit	6, 33	5,408,327	5,446,862	3,922,757	4,287,530
Non-current provisions	34	8,325,825	8,375,341	77,941,443	77,941,443
Other non-current liabilities		9,210,135	9,210,135	1,879,162	1,879,162
Total non-current liabilities		44,067,209	39,147,231	90,954,981	85,628,612
Total liabilities		443,742,092	523,810,532	164,740,474	176,610,484

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

The International Engineering Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2020

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Equity					
Share capital	35				
Authorized share capital		<u>4,476,576,274</u>	<u>4,476,576,274</u>	<u>4,476,576,274</u>	<u>4,473,576,274</u>
Issued and paid share capital		2,493,455,387	2,493,455,387	2,493,455,387	2,493,455,387
share premium on ordinary shares	36	1,422,184,596	1,422,184,596	1,422,184,596	1,422,184,596
Additional paid-in capital from					
reduction in par value of ordinary shares		464,905,198	464,905,198	464,905,198	464,905,198
Discount from changes in ownership					
interest in subsidiary		(369,648,222)	(369,648,222)	-	-
Retained earnings (deficit)					
Appropriated					
Legal reserve	37	2,095,975	2,095,975	2,095,975	2,095,975
Deficit	4	(2,897,538,274)	(2,930,591,603)	(3,982,830,918)	(4,023,461,950)
Other components of equity	12	<u>747,000</u>	<u>1,343,200</u>	<u>747,000</u>	<u>1,343,200</u>
Total equity attributable to owners		1,116,201,660	1,083,744,531	400,557,238	360,522,406
of the parent					
Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity		1,116,201,660	1,083,744,531	400,557,238	360,522,406
Total liabilities and equity		1,559,943,752	1,607,555,063	565,297,712	537,132,890

The International Engineering Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the year ended 31 December 2020

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		(in Baht)			
Revenues					
Revenues from sales of goods or rendering of services		421,907,084	385,731,259	84,160,292	63,541,636
Revenues from subsidy for adders	39, 55	135,373,130	149,072,788	-	-
Dividend income		34,375	35,338	34,375	35,338
Reversal of provision for penalty under the contract	34	11,625,890	-	11,625,890	-
Other income	6, 40	4,821,111	12,721,822	2,606,887	5,626,768
Total revenues		573,761,590	547,561,207	98,427,444	69,203,742
Expenses					
Cost of sales of goods or rendering of services	6, 16, 18, 19, 21	479,411,526	487,277,583	65,339,067	50,833,773
Distribution costs	41	6,265,247	6,797,919	12,742	544,510
Administrative expenses	6, 16, 18, 19, 21, 42	66,079,378	114,244,130	32,096,079	77,145,313
Other expenses	44	14,045,422	14,944,934	3,572,312	3,213,717
Total expenses		565,801,573	623,264,566	101,020,200	131,737,313
Profit (loss) from operating activities		7,960,017	(75,703,359)	(2,592,756)	(62,533,571)
Finance income	6	887,509	1,899,297	18,685,189	19,024,966
Finance costs	6, 45	(11,959,154)	(19,369,916)	(887,866)	(1,117,008)
Impairment loss of assets (reversal)	47	30,939,727	23,313,757	4,858,467	(1,724,499)
Expected credit loss of receivables and other current receivables (reversal)	6, 8, 9, 10	3,424,281	5,439,465	19,863,074	(113,571,333)
Profit (loss) before income tax expenses		31,252,380	(64,420,756)	39,926,108	(159,921,445)
Tax expense (income)	24, 48	-	-	-	-
Profit (loss) for the period		31,252,380	(64,420,756)	39,926,108	(159,921,445)
Other comprehensive income					
Items that will not be reclassified to profit or loss:-					
Gains on remeasurements of defined benefit plans	33	944,466	5,731,728	944,466	5,923,386
Income tax relating to items that will not be reclassified to profit or loss	24	(188,893)	(1,184,677)	(188,893)	(1,184,677)
Total items that will not be reclassified to profit or loss		755,573	4,547,051	755,573	4,738,709

The International Engineering Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the year ended 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Items that will be reclassified					
subsequently to profit or loss :-					
Gain (loss) on remeasuring available -					
- for - sale investments	12	(745,250)	467,500	(745,250)	467,500
Income tax relating to items that will be reclassified					
subsequently to profit or loss	24	149,050	(335,800)	149,050	(335,800)
Total items that will be reclassified					
subsequently to profit or loss		(596,200)	131,700	(596,200)	131,700
Other comprehensive income for the year		159,373	4,678,751	159,373	4,870,409
Total comprehensive income (loss) for the period		31,411,753	(59,742,005)	40,085,481	(155,051,036)
Profit (loss) attributable to:-					
Owners of the parent		31,252,380	(64,420,756)	39,926,108	(159,921,445)
Non-controlling interests		-	-	-	-
Profit (loss) for the period		31,252,380	(64,420,756)	39,926,108	(159,921,445)
Total comprehensive Profit (loss) attributable to :-					
Owners of the parent		31,411,753	(59,742,005)	40,085,481	(155,051,036)
Non-controlling interests		-	-	-	-
Total comprehensive profit (loss) for the period		31,411,753	(59,742,005)	40,085,481	(155,051,036)
Earnings (loss) per share (Baht)					
Basic	49	0.00013	(0.00026)	0.00016	(0.00064)

The International Engineering Public Company Limited and its Subsidiaries
 Statements of changes in equity
 For the year ended 31 December 2020

	Consolidated financial statements										
	Note	Issued and paid share capital	Share premium on ordinary shares	Additional paid in capital from reduction in par value of ordinary shares	Discount from changes in the ownership interest in subsidiaries	Retained earnings (Deficit)		Other components of shareholders' equity Available-for-sale investments	Total equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity
						Legal reserve	Retained earnings (Deficit)				
(in Baht)											
For the year ended 31 December 2019											
Balance as at 1 January 2019		2,493,357,781	1,421,842,977	464,905,198	(369,648,222)	2,095,975	(2,870,717,898)	1,211,500	1,143,047,311	-	1,143,047,311
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the Company											
Issue of ordinary shares	35	97,606	341,619	-	-	-	-	-	439,225	-	439,225
Total contributions by and distributions to owners of the Company		97,606	341,619	-	-	-	-	-	439,225	-	439,225
Total transactions with owners, recorded directly in equity		97,606	341,619	-	-	-	-	-	439,225	-	439,225
Total comprehensive income (loss)											
Loss for the year		-	-	-	-	-	(64,420,756)	-	(64,420,756)	-	(64,420,756)
Other comprehensive income for the year		-	-	-	-	-	4,547,051	131,700	4,678,751	-	4,678,751
Total comprehensive income (loss) for the year		-	-	-	-	-	(59,873,705)	131,700	(59,742,005)	-	(59,742,005)
Balance as at 31 December 2019		2,493,455,387	1,422,184,596	464,905,198	(369,648,222)	2,095,975	(2,930,591,603)	1,343,200	1,083,744,531	-	1,083,744,531

The International Engineering Public Company Limited and its Subsidiaries
 Statements of changes in equity
 For the year ended 31 December 2020

	Note	Consolidated financial statements									
		Issued and paid share capital	Share premium on ordinary shares	Additional paid in capital from reduction in par value of ordinary shares	Discount from changes in the ownership interest in subsidiaries	Retained earnings (Deficit)		Other components of shareholders' equity Available-for-sale investments	Total equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity
						Legal reserve	Retained earnings (Deficit)				
						(in Baht)					
For the year ended 31 December 2020											
Balance as at 1 January 2020-as reported		2,493,455,387	1,422,184,596	464,905,198	(369,648,222)	2,095,975	(2,930,591,603)	1,343,200	1,083,744,531	-	1,083,744,531
Cumulative impact of changes in accounting policy	4	-	-	-	-	-	1,045,376	-	1,045,376	-	1,045,376
Balance as at 1 January 2020-restated		<u>2,493,455,387</u>	<u>1,422,184,596</u>	<u>464,905,198</u>	<u>(369,648,222)</u>	<u>2,095,975</u>	<u>(2,929,546,227)</u>	<u>1,343,200</u>	<u>1,084,789,907</u>	<u>-</u>	<u>1,084,789,907</u>
Total comprehensive income (loss)											
Profit for the year		-	-	-	-	-	31,252,380	-	31,252,380	-	31,252,380
Other comprehensive income (loss) for the year		-	-	-	-	-	755,573	(596,200)	159,373	-	159,373
Total comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,007,953</u>	<u>(596,200)</u>	<u>31,411,753</u>	<u>-</u>	<u>31,411,753</u>
Balance as at 31 December 2020		<u>2,493,455,387</u>	<u>1,422,184,596</u>	<u>464,905,198</u>	<u>(369,648,222)</u>	<u>2,095,975</u>	<u>(2,897,538,274)</u>	<u>747,000</u>	<u>1,116,201,660</u>	<u>-</u>	<u>1,116,201,660</u>

The International Engineering Public Company Limited and its Subsidiaries

Statements of changes in equity

For the year ended 31 December 2020

Note	Separate financial statements						Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary shares	Additional paid-in capital from reduction in par value of ordinary shares	Retained earnings (Deficit)		Other components of shareholders' equity Available-for-sale investments	
				Legal reserve	Deficit		
For the year ended 31 December 2019							
Balance as at 1 January 2019	2,493,357,781	1,421,842,977	464,905,198	2,095,975	(3,868,279,214)	1,211,500	515,134,217
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of ordinary shares	35 97,606	341,619	-	-	-	-	439,225
Total contributions by and distributions to owners of the Company	97,606	341,619	-	-	-	-	439,225
Total transactions with owners, recorded directly in equity	97,606	341,619	-	-	-	-	439,225
Total comprehensive income (loss)							
Loss for the year	-	-	-	-	(159,921,445)	-	(159,921,445)
Other comprehensive income for the year	-	-	-	-	4,738,709	131,700	4,870,409
Total comprehensive income (loss) for the year	-	-	-	-	(155,182,736)	131,700	(155,051,036)
Balance as at 31 December 2019	2,493,455,387	1,422,184,596	464,905,198	2,095,975	(4,023,461,950)	1,343,200	360,522,406

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

The International Engineering Public Company Limited and its Subsidiaries

Statements of changes in equity

For the year ended 31 December 2020

Note	Separate financial statements						Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary shares	Additional paid-in capital from reduction in par value of ordinary shares	Retained earnings (Deficit)		Other components of shareholders' equity Available-for-sale investments	
				Legal reserve	Deficit		
				<i>(in Baht)</i>			
For the year ended 31 December 2020							
Balance as at 1 January 2020-as reported	2,493,455,387	1,422,184,596	464,905,198	2,095,975	(4,023,461,950)	1,343,200	360,522,406
Cumulative impact of changes in accounting policy	4	-	-	-	(50,649)	-	(50,649)
Balance as at 1 January 2020-restated	2,493,455,387	1,422,184,596	464,905,198	2,095,975	(4,023,512,599)	1,343,200	360,471,757
Total comprehensive income (loss)							
Profit for the year	-	-	-	-	39,926,108	-	39,926,108
Other comprehensive income for the year	-	-	-	-	755,573	(596,200)	159,373
Total comprehensive income (loss) for the year	-	-	-	-	40,681,681	(596,200)	40,085,481
Balance as at 31 December 2020	2,493,455,387	1,422,184,596	464,905,198	2,095,975	(3,982,830,918)	747,000	400,557,238

The International Engineering Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2020

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
<i>Note</i>	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	31,252,380	(64,420,756)	39,926,108	(159,921,445)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Interest income	(887,509)	(1,899,297)	(18,685,189)	(19,024,966)
Interest expenses	11,959,154	19,369,916	887,866	1,117,008
Depreciation and amortization	115,356,248	113,393,824	6,830,495	6,822,391
Reversal expected credit loss of receivables and other current receivables	(3,424,281)	-	(19,863,074)	-
Bad debts and Doubtful debts expense	7,322	323,896	7,322	149,682,444
Reversal of allowance for doubtful account	-	(6,111,111)	-	(36,458,861)
Loss on write off of other current receivables	1,306,704	-	1,306,704	-
Loss on write off of withholding tax	1,779,068	2,280,572	1,637,381	1,543,737
Reversal of allowance for impairment of withholding tax	(1,637,375)	(1,816,649)	(1,637,375)	(1,543,737)
Loss on impairment of withholding tax	-	267,007	-	267,007
Unrealized loss from changes in fair value of other current financial assets	607,220	-	607,220	-
Gain on sale of other current financial assets	(180,551)	-	(180,551)	-
Gain on sale of other non-current financial assets	-	(979,400)	-	(979,400)
Loss on write off of investments in subsidiary	-	-	-	15,860,167
Reversal of allowance for impairment of investments in subsidiary	-	-	-	(16,000,000)
Loss on impairment of investment properties	510,793	-	-	-
Reversal of allowance for impairment of property, plant and equipment	(24,187,575)	(21,455,831)	(958,280)	(988,144)
Loss on impairment of property, plant and equipment	-	797,949	-	797,949
Reversal of allowance for impairment of deferred rights to use transmission line	(66,760)	(66,760)	-	-
Reversal of allowance for impairment of intangible assets	(5,558,810)	(5,228,174)	(2,262,812)	(2,119,530)
Loss on impairment of other non-current assets	-	4,375,849	-	5,564,861
Loss on write off of other non-current assets	13,684	2,778,473	13,684	1,589,462
Gain on disposal of equipment	(233,644)	(2,480,754)	(328,978)	(1,018,745)
Loss on write off of construction in progress and equipment	10,331,423	9,805,370	-	-

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

The International Engineering Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2020

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
<i>Note</i>	2020	2019	2020	2019
	<i>(in Baht)</i>			
Unrealized (gain) loss on exchange rate	53,385	(276,929)	40,204	(270,994)
Provision for penalty under the contract (reversal)	(11,625,890)	15,445,150	(11,625,890)	15,445,150
Provision on lawsuit	-	80,519	-	80,519
Employee benefit expenses	920,868	2,746,160	579,694	2,308,620
Dividend income	<u>(34,375)</u>	<u>(35,338)</u>	<u>(34,375)</u>	<u>(35,338)</u>
	126,261,479	66,893,686	(3,739,846)	(37,281,845)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	14,746,916	(9,106,833)	(9,732,996)	7,686,437
Other current receivables	3,335,860	8,489,919	4,951,827	6,762,556
Current contract assets	(6,368,533)	(34,770,115)	(12,483,323)	(4,526,086)
Inventories	(3,751,146)	6,850,853	174,343	4,945,474
Other current assets	81,959	225,925	63,961	25,232
Other non-current assets	(1,366,418)	2,903,011	(1,441,926)	2,620,233
Trade account payables	(9,868,810)	20,292,487	(4,585,272)	1,822,188
Other current payables	4,906,775	(4,660,226)	2,605,207	(10,655,947)
Accrued expense	(8,844,678)	(10,140,855)	(7,363,594)	(5,756,467)
Other current liabilities	(67,819)	855,465	-	-
Payment of employee benefit expenses	(14,937)	-	-	-
Payment of provision on lawsuit	(49,516)	(4,762,514)	-	(4,490,668)
Other non-current liabilities	-	(601,950)	-	(601,951)
Net cash generated from (used in) operation	119,001,132	42,468,853	(31,551,619)	(39,450,844)
Withholding tax paid	<u>(1,643,375)</u>	<u>(2,450,990)</u>	<u>(1,440,839)</u>	<u>(1,857,242)</u>
Net cash from (used in) operating activities	<u>117,357,757</u>	<u>40,017,863</u>	<u>(32,992,458)</u>	<u>(41,308,086)</u>
<i>Cash flows from investing activities</i>				
Interest received	1,083,031	5,404,096	968,469	1,593,818
Dividend received	34,375	35,338	34,375	35,338
Purchase of other current financial assets	(13,488,872)	-	(13,488,872)	-
Proceed from other current financial assets	1,662,203	-	1,662,203	-
Payment of short-term loans to related parties	-	-	(42,978,000)	(131,885,000)
Proceeds from short-term loans to related parties	-	-	69,560,000	30,000,000
Purchase of property, plant and equipment	(20,857,242)	(23,665,242)	(255,770)	(21,645)
Sales of equipment	233,645	3,384,528	400,915	1,795,740
Purchase of intangible assets	-	(207,000)	-	(137,400)
Cash received from liquidation of investment in subsidiary	-	-	-	139,834

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

The International Engineering Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2020

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Cash received from sales of other non-current financial assets		-	1,179,400	-	1,179,400
Pledged deposit at bank		6,865,505	16,484,205	(542,162)	683,583
Net cash from (used in) investing activities		(24,467,355)	2,615,325	15,361,158	(96,616,332)
<i>Cash flows from financing activities</i>					
Interest paid		(17,455,033)	(27,617,305)	(137,867)	(1,390,341)
Bank overdrafts		3,821,514	4,278,421	(541,966)	(985,721)
Proceeds from short-term loans from financial institutions		40,000,000	(60,000,000)	-	-
Payment of short-term loans from financial institutions		(20,000,000)	40,000,000	-	-
Payment from short-term loans from related parties		-	(65,000,000)	-	(50,000,000)
Payment of short-term loans from other		-	(65,000,000)	-	(50,000,000)
Payment of long-term loans from financial institutions		(92,787,434)	(96,314,753)	-	-
Payment of lease liabilities		(4,802,984)	(2,070,499)	(1,494,069)	(1,019,624)
Proceeds from issue of ordinary shares		-	439,225	-	439,225
Net cash used in financing activities		(91,223,937)	(271,284,911)	(2,173,902)	(102,956,461)
Net increase (decrease) in cash and cash equivalents		1,666,465	(228,651,723)	(19,805,202)	(240,880,879)
Cash and cash equivalents at 1 January	7	134,521,583	363,173,306	74,343,367	315,224,246
Cash and cash equivalents at 31 December	7	136,188,048	134,521,583	54,538,165	74,343,367
<i>Non - cash transactions</i>					
Purchase of machinery under lease agreements	16, 32	-	2,029,708	-	-

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Note	Contents
1	General information
2	Basis of preparation of financial statements
3	The Impact of the situation of Coronavirus disease 2019 pandemic (“COVID-19”)
4	Changes in accounting policies
5	Significant accounting policies
6	Related parties
7	Cash and cash equivalents
8	Trade accounts receivable
9	Other current receivables
10	Current contract assets
11	Inventories
12	Other current financial assets and other non-current financial assets
13	Withholding tax
14	Investments in subsidiaries
15	Investment properties
16	Property, plant and equipment
17	Non-operating asset
18	Deferred rights to use transmission line
19	Right-of-use assets
20	Goodwill
21	Other intangible assets
22	Pledged deposits at banks
23	Advance investment in subsidiary
24	Deferred income tax
25	Other non-current assets
26	Bank overdrafts and short-terms loans from financial institutions
27	Trade accounts payable
28	Other current payables
29	Short-term loans
30	Advance received for purchase of shares
31	Long-term Loans
32	Lease liabilities
33	Non-current provisions for employee benefit
34	Provisions
35	Share capital
36	Share premium on ordinary shares
37	Legal reserve
38	Segment information
39	Revenues from subsidy for adders
40	Other income
41	Distribution costs
42	Administrative expenses
43	Employee benefit expenses
44	Other expenses
45	Finance costs
46	Expenses by nature
47	Impairment loss of assets (reversal)

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

48	Income tax expense
49	Earnings (loss) per share
50	Promotional privileges
51	Financial instruments
52	Commitments with non-related parties
53	Lawsuits and litigation
54	Pledged assets
55	Significant agreements
56	Events after the reporting period
57	Reclassification of accounts

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 1 March 2021.

1. General information

The International Engineering Public Company Limited “the Company” is incorporated in Thailand and has its registered office at 408/37, Phaholyothin Place, 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 13 May 1993.

The Company’s first five major shareholders at 15 January 2021 were as follows:

	<i>(% of paid-up share capital)</i>
Mr. Komol Jungrungruangkij	10.54
Mr. Tischuan Nanavaratorn	2.81
Mr. Surat Itsopolphan	2.01
Mr. Kornchanun Thanannapong	1.58
Mr. Vichit Chinwongvorakul	0.91

The principal activities of the Group are engineering products and providing services on installation and implementation of information technology system, waste plant, generating electricity from waste, solar energy and biomass.

Due to the resignation of the former management and directors of the Company who were accused of fraud and the resignation of the former accounting manager. Besides, the Securities and Exchange Commission (SEC) and the Department of Special Investigation (DSI) had appointed the committee to investigate the fault of the former executive committee. In addition, the Company also filed a lawsuit with the former management. The outcomes of the investigation and the prosecutions have not been finalized. Please also see notes 53 to the interim financial statements.

Details of the Company’s subsidiaries were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<i>Direct subsidiaries</i>				
1. IEC Green Energy Co., Ltd.	Providing consulting in research and development, distributing the products regarding technology for environmental management, and development of all energy and alternative energy	Thailand	100	100
2. IEC Business Partners Co., Ltd.	Investments (not commercial operations yet)	Thailand	100	100

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
3.E-Contech Management Pte. Ltd.	Providing consulting service and engineering technology research (ceased operations)	Singapore	100	100
4.IEC Sakaeo 1 Co., Ltd.	Operating in production and distribution of electricity from biomass	Thailand	100	100
<i>Indirect subsidiaries</i>				
5. GIDEC Co., Ltd.	Operating in waste disposal, and producing and distributing electricity from waste.	Thailand	100	100
6. IEC Mae Tha Mae Taeng Co., Ltd.	Operating in production and distribution of electricity from solar energy	Thailand	100	100

2. Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standard (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”), and applicable rules and regulations of the Thai Securities and Exchange Commission.

2.2 New financial reporting standards

2.2.1 Financial reporting standards that became effective in the current year

The new and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS have resulted in changes in certain of the Group/Company’s accounting policies.

The Group/Company has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 4.

2.2.2 Financial reporting standards (TFRSs) have been issued but are not yet effective

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2021 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Group/Company has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

Items	Measurement bases
Defined benefit liability	Present value of non-current provisions for defined benefits as disclosed in note 33 to the financial statements

2.4 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Group's /the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand / million unless otherwise stated.

2.5 Use of judgments and estimate

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

2.5.1 Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements is included in the following notes:

Notes 19 and 32	Leases : <ul style="list-style-type: none"> - whether an arrangement contains a lease; - whether the Group/Company is reasonably certain to exercise extension options; - whether the Group/Company exercise termination options; - whether the Group/Company has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
-----------------	---

2.5.2 Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Notes 32	Determining the incremental borrowing rate to measure lease liabilities.
Notes 14, 15, 16, 17, 18, 20 and 21	Impairment test: key assumptions underlying recoverable amounts.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Note 33	Measurement of defined benefit obligations: key actuarial assumptions.
Note 8	Measurement of ECL allowance for trade receivables: key assumptions use to determine weight-average loss rate.
Note 34	Recognition and measurement of provisions and contingent liabilities about key assumptions about the probability of resource loss and the probability of damages.

Significant accounting judgments and estimates are summarized as follows:

Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognized assets or liabilities, the management is required to make judgment on whether the Group's/Company's significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Expected credit loss on receivables

Expected credit loss on receivables are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

From the situation of Corona virus disease 2019 as described in Note 3, resulting in estimation uncertainty, the Group/Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options, issued by the Federation of Accounting Professions, in response to impact from the situation of COVID – 19, The Group/Company elected to consider impairment of trade accounts receivables under simplified approach using historical loss to estimate for expected credit losses and did not take forward – looking information about situation of COVID – 19 to be uncertainty for consideration.

Allowance for impairment of investments

The Company treats investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Allowance for impairment of assets

The Group/Company determines assets as impaired when there is any indication of impairment and a significant decline in the fair value of those assets. The Group/Company estimates recoverable amount of assets basing on the management's judgment.

Building, equipment, investment properties and intangible assets and depreciation

In calculating depreciation and amortization on building and equipment and investment properties and intangible assets, the management estimates useful lives and residual values when unused of assets and reviews estimated useful lives and residual values if there are any changes.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Impairment of goodwill

The Company and its subsidiaries test goodwill on investment in subsidiaries to determine to impairment in each of year. The recoverable amount from cash-generating assets is based on the value-in-use.

Estimated loss on liabilities of the subsidiaries

The management makes subjective judgments and estimates regarding loss on liabilities to other person based on ownership interest in those subsidiaries.

Litigation

The Group/Company has contingent liabilities as a result of litigation. The management has used judgment to assess the outcome of the litigation and believes that no loss will be incurred exceed the provisions are recorded as at the end of reporting period.

Non-current provisions for employee benefit

The Group/ Company has obligations in respect of the severance to be paid to employees upon retirement under the labour law. The Company treats these severance payment obligations as the post-employment benefit plan.

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

2.6 *Measurement of fair values*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group/Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s/the Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group/Company measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group/the Company use valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group/the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group/the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) inactive markets (Stock Exchange) for identical assets or liabilities that the Group/the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/the Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note 12	Measurement of available-for-sale investments
Note 15	Investments properties
Note 20	Goodwill
Note 51	Financial instruments

2.7 *Significant financial information of the Company and subsidiaries*

As shown in the financial statements, for the year ended 31 December 2020, the Company had negative cash flows from operating activities in the amount of Baht (33) million in the separate financial statements, and as at 31 December 2020, the Group/Company had deficit amounted to Baht 2,922 million and Baht 4,007 million in the consolidated and separate financial statements, respectively. The Group also had current liabilities exceeded current assets in the amount of Baht 5 million in consolidated financial statements. Five subsidiaries had deficit of shareholders and a subsidiary did not maintain a financial ratio according to the loan agreement that it may entitle the creditor to accelerate the subsidiary makes the repayment immediately. In addition, the Group and the Company had a lot of litigation which have been still in the process of consideration by the Court. Furthermore, The Stock Exchange of Thailand delists common shares of the Company from being listed securities effective from 10 July 2019 onwards. However, the current Board of Directors and the management have planned to resolve the above problems to manage liquidity risk and the management is revising the capital restructuring plan to reverse deficit, to study the investment in the solar farm project and hotel business and the increasing capital plan. Moreover,

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

the Company filed to sue The Stock Exchange of Thailand to The Central Administrative Court (due to delist common shares of the Company from being listed securities) (as details described in note 53 to the financial statements). The case has been in the process of The Central Administrative Court consideration, the result has not been finalized. In addition due to major shareholder of the Company and the Company confirmed to provide continuous financial support for the Company and subsidiaries able to continue business operations until September 2022.

3. The Impact of the situation of Corona virus disease 2019 pandemic (“COVID-19”)

As economic conditions and the Corona virus disease 2019 pandemic is continuing to evolve. It has speeded and significantly affected businesses and the general public both directly and indirectly around the world, resulting in an economic slowdown and adversely impacting most businesses and industries, but does not affected to the Company’s main revenue (sale of electricity).

Such situation may bring uncertainties and have an impact on the environment in current operation. The Group’s/Company’s management will continuously monitor the progress of the above situation and will assess the financial impact on the value of assets, estimation of liabilities and contingent liabilities on a regular basis. In addition, the level of severity of the impact depends on the Government’s various control measures and timing of the outbreak of corona virus disease 2019 (COVID-19), which the management will have to use judgement in various issues as the situation changes.

4. Change in accounting policies

From 1 January 2020, the Group/Company has applied the new and revised financial reporting standards (TFRS), as described in Note 2.2 to the financial statements, is summarized as follows:

4.1 TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 5.3 and 51. The impact from adoption of TFRS - Financial instruments standards are as follows:

4.1.1 Classification - Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortized cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. Under TFRS 9, derivatives are measured at FVTPL. It replaces accounting policies of the Group/the Company on recognition of revaluation exchange rate at the end of period or when the derivatives were exercised.

The classification - Financial assets under TFRS 9 has no material effect on the financials statements of the Group/Company.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

4.1.2 Measurement at amortized cost

Under TFRS 9, interest income and interest expenses recognized from all financial assets and financial liabilities measured at amortized cost shall be calculated using effective interest rate method. The adoption of TFRS 9 has no material effect on the financial statements of the Group/the Company.

4.1.3 Classification - Financial liabilities

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortized cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

The classified other financial liabilities according to TFRS 9 has no material effect on the financial statements of the Group/the Company.

4.1.4 Impairment - Financial assets

TFRS 9 introduces forward-looking “expected credit loss” (ECL) model of financial assets whereas previously the Group/the Company estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortized cost or fair value to other comprehensive income, except for investments in equity instruments.

The Group/the Company made an assessment of the impairment of financial assets under TFRS 9. This adoption has no material effect on the financial statements of the Group/the Company.

4.2 TFRS 16 Leases

Previously, the Group/the Company, as a lessee, recognized payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. When TFRS 16 is effective from 1 January 2020, it introduces a single lessee accounting model for lessees. A lessee recognizes a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases or leases of low-value items.

The Company has initially adopted the above financial reporting standard by using the modified retrospective approach of which the cumulative effect is recognized as an adjustment to the deficit as at 1 January 2020, and the comparative information was not restated. Impact from the adoption of those financial reporting standards was summarized as follow:

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		
	Previously reported	Adjustment/ Reclassification <i>(in thousand Baht)</i>	Restated
<i>Statement of financial position</i>			
<i>As at 1 January 2020</i>			
Leasehold Right	6,351	(6,351)	-
Right-of-use assets	-	26,565	26,565
Accrued expense	46,901	(1,164)	45,737
Current portion of lease liabilities	2,356	1,797	4,153
Leases liabilities	2,445	19,250	21,695
Deficits	(2,930,592)	1,045	(2,929,547)

	Separate financial statements		
	Previously reported	Adjustment/ Reclassification <i>(in thousand Baht)</i>	Restated
<i>Statement of financial position</i>			
<i>As at 1 January 2020</i>			
Leasehold Right	6,351	(6,351)	-
Right-of-use assets	-	11,448	11,448
Current portion of lease liabilities	-	940	940
Leases liabilities	-	4,992	4,992
Deficits	(4,023,462)	(50)	(4,023,512)

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

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Operating lease commitments as at 31 December 2019	30,800	13,215
Less: short-term leases and leases of low-value assets	(65)	(65)
Less: service agreement	(7,288)	(7,288)
Less: deferred interest expenses	(3,115)	(714)
Increase in lease liabilities due to TFRS 16 adoption	20,332	5,148
Lease liabilities as at 31 December 2019	4,801	-
Lease liabilities as at 1 January 2020	25,133	5,148
Classified to:		
Current	4,095	882
Non-current	21,038	4,266
Total	25,133	5,148

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 were summarized as follow:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Land	15,117	-
Building	5,097	5,097
Leasehold Right	6,351	6,351
Total right-of-use assets at 1 January 2020	26,565	11,448

5. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except the changes in accounting policies as described in Note 4 related to financial instruments and leases.

5.1 Basis of consolidation

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

Business combinations

The Group applies the acquisition method for business combinations.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group/Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The Group/Company measured non-controlling interests, based on their proportionate interest in net assets from the acquiree.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group/Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Subsidiaries

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

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liability of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

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

5.2 Foreign currencies

Foreign currency transactions

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

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

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

Foreign exchange differences arising on translation are recognized in profit or loss.

Foreign operations

The financial statements of foreign operations are prepared in Thai Baht which is the functional currency as same as the Company.

5.3 Financial instruments

Accounting policies applicable from 1 January 2020

5.3.1 Recognition and initial measurement

Trade receivable and trade payables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group /the Company becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

financial asset and a financial liability measured at FVTPL are initially recognized at fair value.

5.3.2 Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group/the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group/ the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group/the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment;

“Principal” is defined as the fair value of the financial asset on initial recognition.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

“Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group/the Company consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognizing is also recognized in profit or loss.

5.3.3 Derecognition

Financial assets

The Group/the Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group/the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group/the Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group/the Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group/the Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group/the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Account policies applicable before 1 January 2020

Investments in other equity securities

Marketable equity securities other than those securities held for trading are classified as available-for-sale. Available-for-sale investments, subsequent to initial recognition, are stated at fair value and changes therein, other than impairment losses are recognized in equity. Impairment losses are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

5.4 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments (which do not have restriction of usage). Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

5.5 Trade and other current receivables

Receivables are recognized when the Group/the Company has an unconditional right to receive consideration.

Trade account receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts).

Trade and other current receivables are stated at their invoice value less allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments.

Bad debts are written off when they occur.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

5.6 Inventories

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

Cost is calculated using the weighted average cost for finished goods, work in process, fuel raw materials (represented wood bark, woodchips, palm tendon/fiber and bagasse) and chemical. Cost comprises all costs of purchase, cost of conversions and other costs incurred in bringing the inventories to their present location and condition. In case of work in process, cost includes spare parts and supplies, labor cost including appropriate share of costs based on service to be provided.

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

The Company and its subsidiaries record the allowance for devaluation of inventories base on damaged and slow-moving inventories by assessing the histories and current information.

5.7 Assets held for sale

Non-current assets are classified as assets held for sale if it is highly probably that they will be primary recovered through sale rather than through continuing use.

Assets are measured at the lower of carrying amounts and fair value less costs to sell.

Impairment loss on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Plant and equipment are classified as assets held for sale is not charged depreciation.

5.8 Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less an allowance for devaluation of investments.

5.9 Investment properties

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

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

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-developed assets includes other costs directly attributable to bringing the investment property to a working condition or sell such as fee, provide and coordination expenses.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Depreciation is charged to profit or loss on straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Condominium	20 years
-------------	----------

No depreciation is provided on freehold land.

5.10 Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

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

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

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

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

Land improvement	25	years
Buildings and condominium	20	years
Leasehold building improvement	5	years
Electricity generating from solar energy plant with equipment	25	years
Waste disposal plant and electricity generating from waste plant with equipment	10, 15, 20 and 25	years

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Electricity generating from biomass plant with equipment	20	years
Tools and equipment	5	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

No depreciation is provided on Land and construction in progress

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

Three subsidiaries classified properties of waste disposal plant and production electricity from waste, solar energy and biomass in accordance with TAS 16 Property, Plant and Equipment. In addition, the subsidiaries considered 2 TFRIC as follows:

TFRIC 4 : Determining whether an Arrangement contains a Lease

This TRRIC requires the company must asset whether an arrangement is, or contains, a lease should be made, based on the substance of the arrangement. If the arrangement is, or contains, a lease, the company should separate payments for the lease from other payments. The subsidiary assesses and concludes that the arrangement is not be applied under this TFRIC. Although the subsidiary's assets are specific assets, the arrangement does not convey the right to use such assets

TFRIC 12 : Service Concession Arrangement

This interpretation gives guidance on the accounting by operators who obtain the concession in relation to recognize and measure the obligations and related right in public-to-private service concession arrangements. The operators shall recognize consideration received or receivable at fair value as the right in a financial asset or an intangible asset. The subsidiary considers and concludes that the term of service agreement to manage waste disposal system in community with Hatyai Municipality is not agreed with the condition of this interpretation because the subsidiary's main business objective is producing electricity from waste which Hatyai Municipality has to procure and deliver waste to use as supplies for producing electricity under the agreement. The waste disposal plant is a process of preparation waste to be the appropriated supplies for producing electricity. If the waste disposal plant would be constructed alone, it's not worthy for investment.

5.11 Non-operating asset

Non-operating asset represented machinery and equipment are stated at carrying amount at the date when the assets are no longer actively used less allowance for impairment of asset

The difference between the net disposal proceeds and the carrying amount of asset is recognized in profit or loss in the period when the asset is derecognized.

5.12 Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group/the Company assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group/the Company uses the definition of a lease in TFRS 16.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group /the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group/the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group/the Company recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognized as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group/the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group/the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's/the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable amount under purchase, extension or termination option if the Group/the Company is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognized as expenses in the accounting period in which they are incurred.

The Group/the Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group/the Company present right-of-us assets that do not satisfy the definition of investment property as Property, plant and equipment, and present lease liabilities as long-term loans in the statement of financial position.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group/the Company substantially assume all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/the Company determine whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group/the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Group's/the Company's incremental borrowing rate.

5.13 Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group/the Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables, debt investments and contract assets).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group/the Company is exposed to credit risk.

The Group/the Company assumes that the credit risk on a financial asset has increased significantly, significant deterioration in financial instrument's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group/the Company.

The Group/the Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group/the Company in full, without recourse by the Group/the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 365 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognized as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group/the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

financial difficulty, a breach of contract such as more than 365 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group/the Company have no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group/the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

Reversal of impairment

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

5.14 *Impairment of non-financial assets*

The carrying amounts of the Group/the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

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

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.15 Other intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination.

Other intangible assets

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

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

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

Software licences	5	years
Right of using the technology	25	years when the Company commences in commercial operations (11 December 2014)

Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

5.16 Leasehold rights

Leasehold rights that are acquired by the Group/the Company, which have finite useful lives, are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are 3 - 28 years.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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

5.17 *Deferred rights to use transmission line*

Deferred rights to use transmission line of the subsidiaries, which represent cost of transmission line system under the agreement in order to link with the Electricity Authority's system for the distributing electricity purpose, are stated at cost less accumulated amortization. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of 25 years.

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

5.18 *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

5.19 *Trade and other current payables*

Trade and other current payables are stated at cost.

5.20 *Employee benefits*

a) Short – term employee benefits

Short-term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Post – employment benefit plans

The Group/Company records post-employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

- *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (Provident Fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

- *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's/Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

The Group/Company recognised immediately all actuarial gains or losses arising from defined benefit plans in other comprehensive income.

c) *Other long-term employee benefits*

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

d) *Termination benefits*

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

5.21 Provisions

A provision is recognized if, as a result of past event, the Group/Company has a present legal or constructive obligation that can be estimate reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, the risks specific to the liability. The unwinding of discount is recognized as finance cost.

5.22 Revenue

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sale of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Service income on engineering is recognized by reference to the stage of completion.

Revenue and cost incurred from installation and implementation of information technology system are recognized in profit or loss by reference to the stage of completion of the contract activity or when the completed work has been delivered and the customer has accepted. The stage of completion of service under the contract is calculated by basing on actual cost and estimated budget cost to be provided service, and by reference to the stage of completion assessed by project manager. When the outcome of service contract cannot be estimated reliably, installment service revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on a service contract is recognized immediately in profit or loss.

For bundled packages, the Group/Company accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group/Company sells the products and services in separate transactions.

Revenue from distributing electricity

Revenue from distributing electricity is recognized when electricity is delivered to and accepted by the customer.

Revenue from waste disposal

Revenue from waste disposal is recognized when the services are rendered under the service agreement.

Government grants

Government grants are recognized when there is reasonable assurance that the entity will comply with the conditions related to them and that the grants will be received. The Group/Company has selected to present government grants separately as income in the statement of comprehensive income.

Other income is recognized as services are provided.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposit.

Dividend income is recognised in profit or loss on the date the Group/the Company's right to receive payments is established.

Interest income is recognised in profit or loss on an accrual basis.

Other income

Other income is recognized on an accrual basis.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

5.23 Expenses

Expenses are recognized on the accrual basis.

5.24 Finance cost

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

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Accounting policies applicable before 1 January 2020

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes substantial periods of time to be prepared for its intended use or sale.

5.25 Income tax

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

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group/Company expected, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting date.

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

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.26 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the earning (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

5.27 Business segment reporting

Segment results that are reported to the Board of Directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.28 Related parties

A related party is person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

6. Related parties

Relationships with subsidiaries and other related parties that the Group / the Company had significant transactions with during the year were as follows:

Name of related parties	Country of Incorporation/ nationality	Natures of relationship
1. IEC Green Energy Co., Ltd.	Thailand	Subsidiary, 100% shareholding and some common directors
2. IEC Business Partners Co., Ltd.	Thailand	Subsidiary, 100% shareholding and some common directors
3. NFS (2010) Co., Ltd.	Thailand	Subsidiary, 100% shareholding and some common directors until 4 January 2019
4. GIDEC Co., Ltd.	Thailand	Indirect subsidiary held by IEC Green Energy Co., Ltd. 100% shareholding in and some common directors
5. IEC Mae Tha Mae Taeng Co., Ltd.	Thailand	Indirect subsidiary held by IEC Green Energy Co., Ltd., 100% shareholding and some common directors
6. E-Contech Management Pte. Ltd.	Singapore	Subsidiary (ceased operations), 100% shareholding
7. IEC Sakaeo 1 Co., Ltd. (“SK1”)	Thailand	Subsidiary, 100% shareholding and some common directors
8. The M Group Plc.	Thailand	Related company by shareholding
9. AI Consortium	Thailand	Consortium between the Company and Appworks Co., Ltd
10. Appworks Co., Ltd	Thailand	Related company, venturer of AI Consortium
11. King Sponge Industries Co., Ltd.	Thailand	Related company, relate to major shareholder
12. Mr. Komol Jungrungruangkij	Thai	Major Shareholder and director
13. Rungruang 2017 Registered ordinary Partnership	Thai	Related person, relate to major shareholder
14. Yuttana 2017 Registered ordinary Partnership	Thai	Related person, relate to major shareholder
15. Kasem 2017 Registered ordinary Partnership	Thai	Related person, relate to major shareholder
16. Boonjong Registered ordinary Partnership	Thai	Related person, relate to major shareholder

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Name of related parties	Country of Incorporation/ nationality	Natures of relationship
17.A related person	Thai	Related person, relate to major shareholder
18. Key management personnel	Thailand	Persons having authority and responsibility for Planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group/Company (whether executive of otherwise)

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

Transactions	Pricing policies
Management fee income	Contract price
Interest income	2 - 5% per annum
Dividend income	At shareholder meeting resolution
Cost of services	Agree price
Warehouse rental fee	Contract price
Consulting fee	Contract price
Interest expense	2 - 5% per annum
Directors' and managements' remunerations represent director bonus, meeting allowance, salary and others	Approval from the Company's directors and shareholders

Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Revenue				
Subsidiaries				
Management fee income	-	-	1,200,000	2,013,374
Interest income	-	-	17,914,434	17,426,377
Gain on disposal of equipment	-	-	328,978	-
Expenses				
Related companies				
Cost of service	13,450,355	25,442,514	13,450,355	25,442,514
Related person				
Consulting fee	1,560,748	620,000	640,000	620,000
Interest expenses	-	290,411	-	212,329
Key management personnel				
Compensation				
Short - term employee benefits	8,864,960	13,734,959	4,689,100	8,453,890
Post - employment benefits	297,180	1,062,891	217,498	923,400
Total key management personnel compensation	9,162,140	14,797,850	4,906,598	9,377,290

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Balances as at 31 December with related parties were as follows:

Other current receivables - related parties

	Debt balance		Consolidated financial statements		Net		
	2020	2019	Allowance for expected credit loss/ Allowance for doubtful account	2020	2019	2020	2019
			(in Baht)				
<i>Other receivables</i>							
Related company							
The M Group Plc.	450,000,000	450,000,000	450,000,000	450,000,000	-	-	
Total	450,000,000	450,000,000	450,000,000	450,000,000	-	-	

	Debt balance		Separate financial statements		Net		
	2020	2019	Allowance for expected credit loss/ Allowance for doubtful account	2020	2019	2020	2019
			(in Baht)				
<i>Other receivables</i>							
Subsidiaries							
IEC Green Energy Co., Ltd.	2,281,062	2,152,662	2,281,062	2,152,662	-	-	
IEC Business Partners Co., Ltd.	490,060	490,060	490,060	490,060	-	-	
IEC Mae Tha Mae Taeng Co., Ltd	-	96,300	-	-	-	96,300	
IEC Sakaeo 1 Co., Ltd.	7,544,891	7,544,891	7,544,891	7,544,891	-	-	
GIDEC Co., Ltd.	-	7,468,921	-	7,468,921	-	-	
Related company							
The M Group Plc.	450,000,000	450,000,000	450,000,000	450,000,000	-	-	

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Debt balance		Separate financial statements		2020	Net	2019
	2020	2019	Allowance for expected credit loss / Allowance for doubtful account	2020			
			(in Baht)				
Accrued interest income							
Subsidiaries							
IEC Green Energy Co., Ltd.	361,149,591	348,839,212	361,149,591	348,839,212	-	-	-
IEC Business Partners Co., Ltd.	21,018,597	21,018,598	21,018,597	21,018,598	-	-	-
IEC Sakaeo 1 Co., Ltd.	32,188,892	26,649,060	32,188,892	26,649,060	-	-	-
E-Contech Management Pte. Ltd.	619,427	557,395	619,427	557,395	-	-	-
Total	875,292,520	864,817,099	875,292,520	864,720,799	-	96,300	

Short-term loans to related parties

	Debt balance		Separate financial statements		2020	Net	2019
	2020	2019	Allowance for expected credit loss / Allowance for doubtful account	2020			
			(in Baht)				
Subsidiaries							
IEC Green Energy Co., Ltd.	575,434,136	632,994,136	575,434,136	632,994,136	-	-	-
IEC Business Partners Co., Ltd.	2,423,000	1,645,000	2,423,000	1,645,000	-	-	-
IEC Sakaeo 1 Co., Ltd.	236,469,215	206,269,215	236,469,215	206,269,215	-	-	-
E-Contech Management Pte. Ltd.	4,522,605	4,522,605	4,522,605	4,522,605	-	-	-
Total	818,848,956	845,430,956	818,848,956	845,430,956	-	-	

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>For the year ended 31 December</i>				
Reversal of allowance for expected credit loss	-	-	(26,582,000)	-
Doubtful debts expense	-	-	-	131,885,000
Reversal of allowance for doubtful account	-	-	-	(30,000,000)
Total	<u>-</u>	<u>-</u>	<u>(26,582,000)</u>	<u>101,885,000</u>

Movements of short – term loans to related parties during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
At 1 January	-	-	845,430,956	743,545,956
Increase	-	-	42,978,000	131,885,000
Decrease	-	-	(69,560,000)	(30,000,000)
At 31 December	<u>-</u>	<u>-</u>	<u>818,848,956</u>	<u>845,430,956</u>

Investments in subsidiaries were as details in note 14 to the financial statements.

Right-of-use assets - related person

	Consolidated financial statements and Separate financial statements		
	2020		
	Land	Building	Total
	<i>(in Baht)</i>		
Cost	-	5,557,801	5,557,801
Accumulated depreciation	-	642,739	642,739
Net book value	<u>-</u>	<u>4,915,062</u>	<u>4,915,062</u>

Trade accounts payable - related party

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Related Company Consortium				
Appwork Co., Ltd.	821,332	2,631,184	821,332	2,631,184
Total	<u>821,332</u>	<u>2,631,184</u>	<u>821,332</u>	<u>2,631,184</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Other current payables - related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Accrued meeting allowance</i>				
Directors	-	569,000	-	569,000
Total	-	569,000	-	569,000

Short-term loans from related person

Movements of short-term loans from related person during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
At 1 January	-	65,000,000	-	50,000,000
Payment	-	(65,000,000)	-	(50,000,000)
At 31 December	-	-	-	-

Lease liabilities - related person

	Consolidated financial statements and Separate financial statements					
	2020		2019		2019	
	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment
	<i>(in Baht)</i>					
Within one year	2,940,000	202,569	2,737,431	-	-	-
After one year but within five year	2,260,000	51,872	2,208,128	-	-	-
Total	5,200,000	254,441	4,945,559	-	-	-

Non-current provisions for employee benefit - related person

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Related person				
Key management personnel	1,509,357	2,155,026	1,213,355	1,936,712
Total	1,509,357	2,155,026	1,213,355	1,936,712

Provision for losses of subsidiaries was described in note 34 to the financial statements.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Directors' remunerations

The Ordinary General Meeting of Shareholders held on 25 January 2020 passed a resolution to approve the remunerations for directors and audit committee for the year 2020 in the amount not exceeding Baht 0.80 million.

The Ordinary General Meeting of Shareholders of the Company held on 30 April 2019 passed a resolution to approve the remuneration for directors and audit committee for the year 2019 in the amount not exceeding Baht 0.80 million

Significant agreements with related parties

The Company entered into 5 consultant agreements with related persons and key management personnel of the Company as the consultants to provide legal advice and coordinate with various departments for a period of 3 months to 60 months from 1 November 2018 to 31 October 2024 at the rate of Baht 10,000 to Baht 50,000 per month.

During 2020 and 2019, the Company entered into the management agreements and an additional memorandum of agreement with four subsidiaries and five subsidiaries, respectively, to provide various management services for a period 12 month from 1 January 2020 to 31 December 2020 and 1 January 2019 to 31 December 2019, requiring management fee of each subsidiary at the rate of Baht 120,000 to Baht 360,000 per year.

On 1 October 2020, a subsidiary (IEC Mae Tha Mae Taeng Co., Ltd.), entered into a consultant agreement with the related person (Mr. Komol Jungrungrangkij) as the consultant on new project plans for a period 12 month from 1 October 2020 to 30 September 2021, requiring a compensation at the rate of Baht 200,000 per month (including VAT).

On 1 October 2020 and 1 November 2020, the Company entered into 5 warehouse rental agreements with related company and related person for storage of goods, machinery, materials, equipment and documents were moved from the Project of Waste Plastic Recycling at Rayong Province for a period of 1 year from 1 October 2020 to 31 October 2021, at the rate of Baht 20,000 - 90,000 per month.

On 1 April 2016, a subsidiary (IEC Green Energy Co., Ltd.), entered into a front-end machinery rental agreement with a subsidiary (GIDEC Co., Ltd.) for a period of 5 years with monthly rental rate of Baht 1.50 million.

Consortium agreement

On 20 August 2018, the Company entered into a consortium agreement. ("Consortium") with Apps Works Company Limited named "AI Consortium" with the objective to propose and submit a tender, entering into the agreement and performing the work under the agreement, with a public company in the project of a backup system development plan for OM Unified. The period of consortium agreement start from the date of signing the agreement and will finish when the consortium has fully complies with the agreement. In this regard, each consortium has to perform according to the scope of work, procuring goods and services and conditions specified in the consortium agreement.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Contingently liable to its related parties

As at 31 December 2019, the Company was contingently liable as guarantor of loans from domestic financial institution of the subsidiary (IEC Mae Tha Mae Taeng Co., Ltd.).

7. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Cash on hand	565,071	599,334	174,500	294,334
Cash at banks – current accounts	8,197,798	6,601,849	165,289	202,931
Cash at banks – savings accounts	117,129,653	117,144,265	43,928,297	63,695,195
Cash at banks – fix accounts	10,295,526	10,176,135	10,270,079	10,150,907
Total	136,188,048	134,521,583	54,538,165	74,343,367

8. Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Other parties	56,269,333	71,023,571	26,031,524	16,305,850
Less Allowance for expected credit losses (2019: allowance for doubtful accounts)	(7,605,048)	(7,605,048)	(6,876,518)	(6,876,518)
Net	48,664,285	63,418,523	19,155,006	9,429,332
<i>For the year ended 31 December</i>				
Doubtful debts expenses	-	1,230	-	-
Total	-	1,230	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Within credit terms	41,218,019	52,282,585	15,024,806	3,758,375
Overdue				
Less than 3 months	7,446,266	7,853,756	4,130,200	2,388,775
Over 3-6 months	-	-	-	-
Over 6-12 months	-	422,650	-	422,650
Over 12 months	7,605,048	10,464,580	6,876,518	9,736,050
Total	56,269,333	71,023,571	26,031,524	16,305,850
Less Allowance for expected credit losses (2019: allowance for doubtful accounts)	(7,605,048)	(7,605,048)	(6,876,518)	(6,876,518)
Net	48,664,285	63,418,523	19,155,006	9,429,332

The normal credit term granted by the Group/Company ranges from 7 -30 days.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

9. Other current receivables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Related parties	450,000,000	450,000,000	875,292,520	864,817,099
<i>Less</i> Allowance for expected credit losses (2019: allowance for doubtful accounts)	<u>(450,000,000)</u>	<u>(450,000,000)</u>	<u>(875,292,520)</u>	<u>(864,720,799)</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,300</u>
Other parties	257,242,744	262,080,830	169,120,422	168,137,654
<i>Less</i> Allowance for expected credit losses (2019: allowance for doubtful accounts)	<u>(132,608,051)</u>	<u>(139,399,566)</u>	<u>(109,382,594)</u>	<u>(116,602,624)</u>
Net	<u>124,634,693</u>	<u>122,681,264</u>	<u>59,737,828</u>	<u>51,535,030</u>
Net	<u>124,634,693</u>	<u>122,681,264</u>	<u>59,737,828</u>	<u>51,631,330</u>
<i>For the year ended 31 December</i>				
Expected credit loss (reversal)	(6,791,515)	-	3,351,691	-
Doubtful debts expenses	-	79,999	-	17,554,776
Reversal of allowance for doubtful account	-	(6,111,111)	-	(6,458,861)
	<u>(6,791,515)</u>	<u>(6,031,112)</u>	<u>3,351,691</u>	<u>11,095,915</u>

Other current receivable - other parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Prepaid expenses	3,867,080	4,304,715	336,495	2,464,038
Advance payment for development project	6,000,000	6,000,000	6,000,000	6,000,000
Other advance payment	403,673	298,997	303,500	60,000
Accrued interest income	6,125,107	6,320,630	6,125,107	6,320,630
Value added tax recoverable	114,511,553	123,649,802	46,200,852	47,426,473
Input tax invoices	980,723	1,614,704	74,053	1,306,704
Advance payment for materials	7,031,300	2,549,978	4,052,500	-
Other receivables – NongRee Power Plant Co., Ltd	51,666,667	58,888,889	51,666,667	58,888,889
Securities company receivables	8,226,989	-	8,226,989	-
Other receivables	<u>58,429,652</u>	<u>58,453,115</u>	<u>46,134,259</u>	<u>45,670,920</u>
Total	257,242,744	262,080,830	169,120,422	168,137,654
<i>Less</i> Allowance for expected credit losses (2019: allowance for doubtful accounts)	<u>(132,608,051)</u>	<u>(139,399,566)</u>	<u>(109,382,594)</u>	<u>(116,602,624)</u>
Net	<u>124,634,693</u>	<u>122,681,264</u>	<u>59,737,828</u>	<u>51,535,030</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Allowance for expected credit losses (2019: allowance for doubtful accounts) of other current receivable - other parties comprised :-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Other advance payment	80,000	80,000	-	-
Advance payment for development project	6,000,000	6,000,000	6,000,000	6,000,000
Accrued interest income	6,078,582	6,078,582	6,078,582	6,078,582
Value added tax recoverable	10,850,067	10,876,942	-	-
Other receivables – Nong Ree Power Plant Co., Ltd	51,666,667	58,888,889	51,666,667	58,888,889
Other receivables	57,932,735	57,475,153	45,637,345	45,635,153
Total	<u>132,608,051</u>	<u>139,399,566</u>	<u>109,382,594</u>	<u>116,602,624</u>

The Board of Directors Meeting of the Company held on 26 February 2018 passed a resolution to approve the Company to sell the right to claim of short-term loans to Nong Ree Power Plant Co., Ltd. in the amount of Baht 65 million to other company who purchased share of Nong Ree Power Plant Co., Ltd. from the Company at the price of Baht 20 million. The payment was required to be completed within 3 years by monthly payable in 36 installments of Baht 555,555.55 per month. The first installment will be paid within the end of month (when Nong Ree Power Plant Co., Ltd. was able to produce 3 megawatts of electricity and sold to PEA). On 26 February 2018, the Company entered into the sell and purchase the right to claim agreement. As at 31 December 2020 and 2019, the outstanding balance amounted to Baht 52 million and Baht 59 million, respectively which was set up an allowance for doubtful accounts in the amount of Baht 52 million and Baht 59 million, respectively.

10. Current contract assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Other parties	72,697,919	66,329,386	29,073,723	16,590,400
Less Allowance for expected credit losses (2019: allowance for doubtful accounts)	(11,433,695)	(8,066,460)	(11,433,695)	(8,066,460)
Net	<u>61,264,224</u>	<u>58,262,926</u>	<u>17,640,028</u>	<u>8,523,940</u>
<i>For the year ended</i>				
<i>31 December</i>				
Expected credit loss	3,367,235	-	3,367,235	-
Doubtful debts expenses	-	242,667	-	242,667
	<u>3,367,235</u>	<u>242,667</u>	<u>3,367,235</u>	<u>242,667</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

11. Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Fuel - raw material	2,316,343	2,892,210	-	-
Spare parts and supplies	4,961,097	459,741	-	-
Cost of installation work	-	174,343	-	174,343
Total	<u>7,277,440</u>	<u>3,526,294</u>	<u>-</u>	<u>174,343</u>

The inventories recognized as an expense in cost of sales and services for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Cost of sales and services	<u>261,738,338</u>	<u>132,450,753</u>	<u>56,842,494</u>	<u>41,549,986</u>
Net	<u>261,738,338</u>	<u>132,450,753</u>	<u>56,842,494</u>	<u>41,549,986</u>

12. Other current financial assets and other non-current financial assets

	Consolidated and separate financial statements	
	Fair Value	
	31 December 2020	31 December 2019
	<i>(in Baht)</i>	
Short-term deposit with financial institution	-	1,462,267
Investment for trading	11,400,000	-
Available-for-sale investment	1,058,750	1,804,000
Other long-term investments	8,995,000	8,995,000
	<u>21,453,750</u>	<u>12,261,267</u>
<i>Less</i> allowance for devaluation of investments	<u>(8,995,000)</u>	<u>(8,995,000)</u>
Net	<u>12,458,750</u>	<u>3,266,267</u>
Classified to:		
Current	11,400,000	1,462,267
Non-current	1,058,750	1,804,000
Total	<u>12,458,750</u>	<u>3,266,267</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

- Investment for trading

Movements of Investment for trading during the year ended 31 December were as follows:

	Consolidated and separate financial statements	
	Fair Value	
	2020	2019
	<i>(in Baht)</i>	
At 1 January	-	-
Acquisition during the year	13,488,872	-
Disposal during the year	(1,481,652)	-
Valuation adjustment	(607,220)	-
At 31 December	<u>11,400,000</u>	<u>-</u>

- Available-for-sale investment

Movements of Available-for-sale investment during the year ended 31 December were as follows:

	Consolidated and separate financial statements	
	Fair Value	
	2020	2019
	<i>(Baht)</i>	
At 1 January	1,804,000	1,336,500
Valuation adjustment	(745,250)	467,500
At 31 December	<u>1,058,750</u>	<u>1,804,000</u>

	Consolidated and Separate financial statements					
	Cost		Unrealized gain from change in value of investments		Fair value	
	2020	2019	2020	2019	2020	2019
	<i>(in Baht)</i>					
Available-for-sale investment						
Electricity Generating Plc.	<u>125,000</u>	<u>125,000</u>	<u>933,750</u>	<u>1,679,000</u>	<u>1,058,750</u>	<u>1,804,000</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

- Other long-term investments

Movements of Other long-term investments during the year ended 31 December were as follows:

	Consolidated and separate financial statements	
	2020	2019
	<i>(Baht)</i>	
Other investments – Cost :-		
Energy system engineering and service Co., Ltd.		
As at 1 January	8,995,000	8,995,000
Disposal	-	-
As at 31 December	<u>8,995,000</u>	<u>8,995,000</u>
Less allowance for devaluation of investments	<u>(8,995,000)</u>	<u>(8,995,000)</u>
Net	<u>-</u>	<u>-</u>

13. Withholding Tax

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Withholding Tax	7,868,324	8,004,017	5,204,793	5,401,335
Less allowance for impairment	<u>(2,627,902)</u>	<u>(4,265,277)</u>	<u>(2,173,725)</u>	<u>(3,811,100)</u>
Net	<u>5,240,422</u>	<u>3,738,740</u>	<u>3,031,068</u>	<u>1,590,235</u>
<i>For the year ended</i>				
<i>31 December</i>				
Impairment loss	-	267,007	-	267,007
Reversal of allowance for impairment	<u>(1,637,735)</u>	<u>(1,816,649)</u>	<u>(1,637,375)</u>	<u>(1,543,736)</u>
Total	<u>(1,637,735)</u>	<u>(1,549,642)</u>	<u>(1,637,375)</u>	<u>(1,276,729)</u>

14. Investments in subsidiaries

Movements during the years ended 31 December were as follows:

	Separate financial statements	
	2020	2019
	<i>(in Baht)</i>	
Cost:-		
At 1 January	2,470,010,330	2,486,010,330
liquidation	-	(16,000,000)
	<u>2,470,010,330</u>	<u>2,470,010,330</u>
Less allowance for devaluation of investments	<u>(2,470,010,330)</u>	<u>(2,470,010,330)</u>
At 31 December	<u>-</u>	<u>-</u>
<i>For the year ended 31 December</i>		
Reversal loss on devaluation of investments	<u>-</u>	<u>(16,000,000)</u>

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Investments in subsidiaries as at 31 December 2020 and 2019 were as follows:

	Ownership		Paid-up capital		Cost method		Separate financial statements		At cost – net		Dividends	
	Interest						Allowance for					
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(%)</i>		<i>(in million Baht)</i>				<i>(in Baht)</i>					
Direct subsidiaries												
IEC Green Energy Co., Ltd.	100	100	1,040	1,040	1,031,135,000	1,031,135,000	(1,031,135,000)	(1,031,135,000)	-	-	-	-
IEC Business Partners Co., Ltd.	100	100	760	760	760,600,000	760,600,000	(760,600,000)	(760,600,000)	-	-	-	-
E-Contech Management Pte. Ltd.	100	100	3	3	3,275,330	3,275,330	(3,275,330)	(3,275,330)	-	-	-	-
IEC Sakaeo1 Co., Ltd.	100	100	630	630	675,000,000	675,000,000	(675,000,000)	(675,000,000)	-	-	-	-
Total					2,470,010,330	2,470,010,330	(2,470,010,330)	(2,470,010,330)	-	-	-	-

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

15. Investment properties

	Consolidated financial statements		
	Land	Condominium (in Baht)	Total
<i>Cost</i>			
At 1 January 2019	195,991,919	39,584,669	235,576,588
No change during the year	-	-	-
At 31 December 2019 and 1 January 2020	195,991,919	39,584,669	235,576,588
No change during the year	-	-	-
At 31 December 2020	195,991,919	39,584,669	235,576,588
<i>Accumulated depreciation</i>			
At 1 January 2019	-	16,977,744	16,977,744
Depreciation charge for the year	-	1,960,468	1,960,468
At 31 December 2019 and 1 January 2020	-	18,938,212	18,938,212
Depreciation charge for the year	-	1,943,119	1,943,119
At 31 December 2020	-	20,881,331	20,881,331
<i>Allowance for impairment</i>			
At 1 January 2019	17,141,373	-	17,141,373
No change during the year	-	-	-
At 31 December 2019 and 1 January 2020	17,141,373	-	17,141,373
Impairment loss for the year	510,793	-	510,793
At 31 December 2020	17,652,166	-	17,652,166
Net book value			
At 31 December 2019	178,850,546	20,646,457	199,497,003
At 31 December 2020	178,339,753	18,703,338	197,043,091

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements		
	Land	Condominium (in Baht)	Total
Cost			
At 1 January 2019	159,633,573	792,870	160,426,443
No change during the year	-	-	-
At 31 December 2019 and 1 January 2020	159,633,573	792,870	160,426,443
No change during the year	-	-	-
At 31 December 2020	159,633,573	792,870	160,426,443
Accumulated depreciation			
At 1 January 2019	-	770,212	770,212
Depreciation charge for the year	-	22,657	22,657
At 31 December 2019 and 1 January 2020	-	792,869	792,869
Depreciation charge for the year	-	-	-
At 31 December 2020	-	792,869	792,869
Allowance for impairment			
At 1 January 2019	17,141,373	-	17,141,373
No change during the year	-	-	-
At 31 December 2019 and 1 January 2020	17,141,373	-	17,141,373
No change during the year	-	-	-
At 31 December 2020	17,141,373	-	17,141,373
Net book value			
At 31 December 2019	142,492,200	1	142,492,201
At 31 December 2020	142,492,200	1	142,492,201

Depreciation for the years ended 31 December were included in:-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in Baht)			
Administrative expenses	1,943,119	1,960,468	-	22,657
Total	1,943,119	1,960,468	-	22,657
For the year ended 31 December				
Impairment loss	510,793	-	-	-

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Investment properties as at 31 December 2020 and 2019 were as follows:

Location	No.title deeds/Nor Sor 3 kor	Area	Cost	31 December 2020		
				Accumulated depreciation/ allowance for impairment <i>(in million Bath)</i>	Net book value	Appraised value
The Company						
• Land						
1. Ban Bueng District, Chonburi Province	4 title deeds	120 rai	133.12	17.15	115.97	115.97
2. Sa Krai District and Muang District, NongKhai Province	4 title deeds	99 rai	0.58	-	0.58	19.15
3. Hat Yai District, Songkhla Province	1 title deed	99 square wah	0.03	-	0.03	1.55
4. NikomPhatthana District, Rayong Province	1 title deed	24 rai	25.91	-	25.91	33.62
	10 title deeds	243 rai 99 square wah	159.64	17.15	142.49	170.29
• Condominium						
1. P.S.T. Condo Ville Tower 1 Bangkok	-	-	0.79	0.79	-	1.38
Total of the Company	10 title deeds	243 rai 99 square wah	160.43	17.94	142.49	171.67
Subsidiaries						
IEC Green Energy Co., Ltd						
• Land						
1. Hat Yai District, Songkhla Province	2 title deeds	10 rai	29.14	-	29.14	71.78
IEC Sakaeo1 Co., Ltd.						
• Land						
1. Muang Sakaeo District, Sakaeo Province	2 title deeds 1 set	60 rai	7.22	0.51	6.71	11.64
	4 title deeds 1 set	70 rai	36.36	0.51	35.85	83.42
IEC Green Energy Co., Ltd						
• Condominium						
1. Commonwealth Pinklao Bangkok			38.79	20.09	18.70	49.47
Total of subsidiaries			75.15	20.60	54.55	132.89
Grand total			235.58	38.54	197.04	304.56

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Location	No.title deeds/Nor Sor 3 kor	Area	Cost	31 December 2019		
				Accumulated depreciation/ allowance for impairment	Net book value	Appraised value
				<i>(in million Bath)</i>		
The Company						
• Land						
1. Ban Bueng District, Chonburi Province	4 title deeds	120 rai	133.12	17.15	115.97	115.97
2. Sa Krai District and Muang District, NongKhai Province	4 title deeds	99 rai	0.58	-	0.58	19.15
3. Hat Yai District, Songkhla Province	1 title deed	99 square wah	0.03	-	0.03	1.55
4. NikomPhatthana District, Rayong Province	1 title deed	24 rai	25.91	-	25.91	33.62
	10 title deeds	243 rai 99 square wah	159.64	17.15	142.49	170.29
• Condominium						
1. P.S.T. Condo Ville Tower 1 Bangkok	-	-	0.79	0.79	-	1.38
Total of the Company	10 title deeds	243 rai 99 square wah	160.43	17.94	142.49	171.67
Subsidiaries						
IEC Green Energy Co., Ltd						
• Land						
1. Hat Yai District, Songkhla Province	2 title deeds	10 rai	29.14	-	29.14	71.78
IEC Sakaeo1 Co., Ltd.						
• Land						
1. Muang Sakaeo District, Sakaeo Province	2 title deeds 1 set	64 rai	7.22	-	7.22	11.64
	4 title deeds 1 set	74 rai	36.36	-	36.36	83.42
IEC Green Energy Co., Ltd						
• Condominium						
1. Commonwealth Pinklao Bangkok			38.79	18.14	20.65	49.47
Total of subsidiaries			75.15	18.14	57.01	132.89
Grand total			235.58	36.08	199.50	304.56

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Measurement of fair values

- The Company and such subsidiaries had appraised the investment properties by an independent appraiser (15 Business Advisory Limited) based on market price less cost to sell as the appraisal report dated 2 July 2019.
- Land 60 rai of a subsidiary (IEC Sakaeo 1 Co., Ltd.) with cost value amounted to Baht 7.22 million, the subsidiary had entered into sales and purchase agreement with other person (former shareholders in subsidiary) in the price as same as cost and presented the amount of land as advance received from sale of land in other non-current liabilities. The subsidiary has not yet transferred the ownership to the buyer because the buyer has a lawsuit to be responsible and providing compensation to the Company and subsidiary as described in note 53 to the financial statements.

Pledge

As at 31 December 2020 and 2019, investment properties totaling 4 title deeds with cost value amounted to Baht 133 million and condominium with book value amounted to Baht 18.70 million and Baht 20.65 million, respectively, of subsidiary (IEC Green Energy Co., Ltd.) had been mortgaged as collateral for loans from a related person and please also see note 54 to the financial statements.

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

16. Property, plant and equipment

Consolidated financial statements

	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	Waste disposal plant and power plant from waste and biomass with equipment <i>(in Baht)</i>	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<i>Cost</i>												
At 1 January 2019	75,090,116	123,733,471	256,675,591	15,867,108	395,747,231	1,370,290,826	116,078,847	11,865,364	11,574,554	32,263,317	608,342,672	3,017,529,097
Additions	-	-	-	236,433	985,340	2,589,000	-	932,147	360,920	13,184,560	7,406,550	25,694,950
Disposals	-	-	-	-	-	-	-	-	-	(9,019,764)	-	(9,019,764)
Write off	-	-	-	-	-	-	-	-	-	-	(9,805,370)	(9,805,370)
Transfers – net	-	-	-	-	-	7,406,550	-	-	-	-	(7,406,550)	-
At 31 December 2019												
and 1 January 2020	75,090,116	123,733,471	256,675,591	16,103,541	396,732,571	1,380,286,376	116,078,847	12,797,511	11,935,474	36,428,113	598,537,302	3,024,398,913
Additions	-	-	690,000	1,508,507	686,200	14,922,011	-	126,943	349,665	1,971,114	602,802	20,857,242
Disposals	-	-	-	-	-	-	-	-	(34,100)	(1,284,900)	-	(1,319,000)
Write off	-	-	-	-	(5,008,727)	(11,332,020)	-	(21,542)	(28,046)	-	-	(16,390,335)
At 31 December 2020	75,090,116	123,733,471	257,365,591	17,612,048	392,410,044	1,383,876,367	116,078,847	12,902,912	12,222,993	37,114,327	599,140,104	3,027,546,820

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements											
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	Waste disposal plant and power plant from waste and biomass with equipment <i>(in Baht)</i>	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<i>Accumulated depreciation</i>												
At 1 January 2019	-	5,341,754	48,551,878	6,336,254	75,183,646	285,993,687	6,781,047	7,251,727	9,924,848	23,532,379	-	468,897,220
Depreciation charge for the year	-	1,336,572	10,514,202	2,457,215	10,685,944	64,259,080	4,649,232	1,963,751	1,630,980	5,182,792	-	102,679,768
Disposals	-	-	-	-	-	-	-	-	-	(8,294,561)	-	(8,294,561)
At 31 December 2019 and 1 January 2020	-	6,678,326	59,066,080	8,793,469	85,869,590	350,252,767	11,430,279	9,215,478	11,555,828	20,420,610	-	563,282,427
Depreciation charge for the year	-	1,338,098	10,516,659	2,486,445	10,895,667	65,878,668	4,649,230	1,615,639	430,490	4,823,342	-	102,634,238
Disposals	-	-	-	-	-	-	-	-	(29,120)	(1,289,879)	-	(1,318,999)
Write off	-	-	-	-	(1,636,136)	(4,373,541)	-	(21,539)	(27,696)	-	-	(6,058,912)
At 31 December 2020	-	8,016,424	69,582,739	11,279,914	95,129,121	411,757,894	16,079,509	10,809,578	11,929,502	23,954,073	-	658,538,754

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements											
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	Waste disposal plant and power plant from biomass with equipment	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
	<i>(in Baht)</i>											
<i>Allowance for impairment</i>												
At 1 January 2019	40,719,123	109,701,115	168,278,273	6,522,543	182,708,564	649,278,738	32,883,701	751,693	895,745	3,688,228	597,739,353	1,793,167,076
Additions	-	-	-	-	-	-	-	-	-	-	797,949	797,949
Reversal	-	(750,926)	(9,731,404)	(1,966,362)	-	(64,639)	(8,339,423)	(86,978)	(516,099)	-	-	(21,455,831)
At 31 December 2019 and 1 January 2020	40,719,123	108,950,189	158,546,869	4,556,181	182,708,564	649,214,099	24,544,278	664,715	379,646	3,688,228	598,537,302	1,772,509,194
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Reversal	-	(755,549)	(9,727,738)	(1,929,593)	-	(2,991,258)	(8,339,423)	(64,368)	(379,646)	-	-	(24,187,575)
At 31 December 2020	40,719,123	108,194,640	148,819,131	2,626,588	182,708,564	646,222,841	16,204,855	600,347	-	3,688,228	598,537,302	1,748,321,619
<i>Net book value</i>												
<i>Under finance</i>												
lease agreements	-	-	-	-	-	4,031,413	-	-	-	3,191,688	-	7,223,101
Owned assets	34,370,993	8,104,956	39,062,642	2,753,891	128,154,417	376,788,097	80,104,290	2,917,318	-	9,127,587	-	681,384,191
At 31 December 2019	34,370,993	8,104,956	39,062,642	2,753,891	128,154,417	380,819,510	80,104,290	2,917,318	-	12,319,275	-	688,607,292
<i>Under finance</i>												
lease agreements	-	-	-	-	-	3,812,020	-	-	-	2,491,588	-	6,303,608
Owned assets	34,370,993	7,522,407	38,963,721	3,705,546	114,572,359	322,083,612	83,794,483	1,492,987	293,491	6,980,438	602,802	614,382,839
At 31 December 2020	34,370,993	7,522,407	38,963,721	3,705,546	114,572,359	325,895,632	83,794,483	1,492,987	293,491	9,472,026	602,802	620,686,447

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements											Total
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	Waste disposal plant and power plant from waste and biomass with equipment	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	
	<i>(in Baht)</i>											
<i>Cost</i>												
At 1 January 2019	-	-	-	4,257,154	-	-	-	127,321	5,034,556	22,019,967	135,290,303	166,729,301
Additions	-	-	-	-	-	-	-	2,420	19,225	-	-	21,645
Disposals	-	-	-	-	-	-	-	-	-	(3,272,000)	-	(3,272,000)
At 31 December 2019 and 1 January 2020	-	-	-	4,257,154	-	-	-	129,741	5,053,781	18,747,967	135,290,303	163,478,946
Additions	-	-	-	-	-	-	-	-	255,770	-	-	255,770
Disposals	-	-	-	-	-	-	-	-	(34,100)	(821,000)	-	(855,100)
At 31 December 2020	-	-	-	4,257,154	-	-	-	129,741	5,275,451	17,926,967	135,290,303	162,879,616
<i>Accumulated depreciation</i>												
At 1 January 2019	-	-	-	2,319,511	-	-	-	69,125	3,468,272	11,526,282	-	17,383,190
Depreciation charge for the year	-	-	-	563,415	-	-	-	25,923	810,454	2,223,865	-	3,623,657
Disposals	-	-	-	-	-	-	-	-	-	(2,673,574)	-	(2,673,574)
At 31 December 2019 and 1 January 2020	-	-	-	2,882,926	-	-	-	95,048	4,278,726	11,076,573	-	18,333,273
Depreciation charge for the year	-	-	-	564,909	-	-	-	25,331	619,266	928,630	-	2,138,136
Disposals	-	-	-	-	-	-	-	-	(29,120)	(754,043)	-	(783,163)
At 31 December 2020	-	-	-	3,447,835	-	-	-	120,379	4,868,872	11,251,160	-	19,688,246

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements											
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	Waste disposal plant and power plant from waste and biomass with equipment	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
	<i>(in Baht)</i>											
<i>Allowance for impairment</i>												
At 1 January 2019	-	-	-	1,937,643	-	-	-	-	884,537	3,662,807	134,492,354	140,977,341
Additions (reversal)	-	-	-	(563,415)	-	-	-	-	(424,729)	-	797,949	(190,195)
At 31 December 2019 and 1 January 2020	-	-	-	1,374,228	-	-	-	-	459,808	3,662,807	135,290,303	140,787,146
Additions (reversal)	-	-	-	(564,909)	-	-	-	-	(393,370)	-	-	(958,279)
At 31 December 2020	-	-	-	809,319	-	-	-	-	66,438	3,662,807	135,290,303	139,828,867
Net book value												
Owned assets	-	-	-	-	-	-	-	34,693	315,247	4,008,587	-	4,358,527
At 31 December 2019	-	-	-	-	-	-	-	34,693	315,247	4,008,587	-	4,358,527
Net book value												
Owned assets	-	-	-	-	-	-	-	9,362	340,141	3,013,000	-	3,362,503
At 31 December 2020	-	-	-	-	-	-	-	9,362	340,141	3,013,000	-	3,362,503

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Depreciation for the year ended 31 December was included in:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Cost of sales of goods or rendering of services	93,520,724	91,733,959	-	-
Administrative expenses	9,113,514	10,945,809	2,138,136	3,623,657
Total	102,634,238	102,679,768	2,138,136	3,623,657
<i>For the year ended 31 December</i>				
Loss on write off of construction in progress and equipment	10,331,423	9,805,370	-	-
Impairment loss	-	797,949	-	797,949
Reversal of allowance for impairment	(24,187,575)	(21,455,831)	(958,279)	(988,144)
Total	(13,856,152)	(10,852,512)	(958,279)	(190,195)

Measurement of fair values

Fair value hierarchy

The fair value of property, plant and equipment was determined by independent appraisers having recent experience in the location and category of the property valued.

This valuation has been categorized as Level 3 fair value.

- the Company and a subsidiaries revised the impairment of assets which were assessed in 2016 (by UK Valuations and Agency Co., Ltd.) by hiring an independent appraiser (15 Business Advisory Limited) to calculate the recoverable amount of property, plant and equipment as the report dated 2 July 2019 (basing on fair value less cost to sells (adjusted) and based on value in use method which calculated basing on the present value of future cash flow projection from continuous use of assets) (for a subsidiary).
- As at 31 December 2020 and 2019, the gross amount of the Group and the Company's fully depreciation building and equipment that was still in use amounted to Baht 37 million and Baht 16 million, respectively.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- **Property, plant and equipment under construction**

Construction in progress as at 31 December 2020 and 2019:-

	Consolidated financial statements		
	Cost	Allowance	Net
	<i>(in million Baht)</i>		
The Company			
- Digital Mobile TV project	114	(114)	-
- Advance for Rotary Diyer System machinery	17	(17)	-
- Carbon separation system	4	(4)	-
Total	<u>135</u>	<u>(135)</u>	<u>-</u>
IEC Green Energy Co., Ltd.			
- Prototype of Very Small Power Plant from Municipal Solid Waste at Hat Yai	2	(2)	-
- Developing technology and creating a prototype of waste management at Hat Yai	12	(12)	-
Total	<u>14</u>	<u>(14)</u>	<u>-</u>
IEC Business Partners Co., Ltd.			
- Project of producing ethanol at Rayong	449	(449)	-
Grand total	<u>598</u>	<u>(598)</u>	<u>-</u>

1. Digital Mobile TV project (Cost of construction in progress amounted to Baht 114 millions)

- The Company has operated a portable digital television via a UHF frequency under the 58 – bands. Total budget cost amounted to Baht 250 million and actual cost incurred as of 31 December 2020 and 2019 totalled Baht 155 million (recording in construction in progress of Baht 114 million, intangible assets of Baht 35 million and other expense of Baht 6 million) and the remaining amounted to Baht 95 million. At the present, the Company has been waiting for MCOT to carry out the import permission for the radio communication equipment from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) which resulted to delay of the project and the allocation of frequency of MCOT did not agree to the legal. However, the Company set up an allowance for impairment of such asset in full amount basing on prudence. Therefore, as at 31 December 2020 and 2019, the said asset has cost of Baht 114 million and the allowance for impairment of Baht 114 million, respectively.
- The Board of Directors Meeting held on 12 November 2014, resolve to approve the Company terminated the agreement and sue MCOT. On 7 September 2015, the Company notified the letter of the termination to MCOT and requested to claim the payment within 30 days from the date of receiving the notification. Subsequently, on 22 April 2016, the Company filed a lawsuit against MCOT to the Civil Court (Black Case No. Por1830/2559) for compensation with interest in the claim amount of Baht 245 million. The Court determined to appoint the settlement of issues and prosecutes method or take evidence from the plaintiff's witness on 4 July 2016. Subsequently, MCOT filed a petition to the Civil Court to dismiss the case and transfer the case to the Central Administrative Court. On 3 February 2017, the Central Administrative Court ordered to receive the transfer of the case. The Company filed an objection to the Central Administrative Court on 21 June 2017. Presently, it has been in the process of issuing a warrant to the parties in order to inform the appointment date.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

2. Project of Producing Ethanol plant at Rayong (cost of construction in progress incurred in the amount of Baht 449 million)

- The subsidiary (IEC Business Partners Co., Ltd.) had property, plant and equipments of which cost as at 31 December 2020 and 2019 amounted to Baht 469 million (cost of land of Baht 20 million and cost of construction in progress of Baht 449 million) less allowance for impairment loss of asset of Baht 469 million. During the years 2008 – 2010, the said assets related to the contentions cases in purchasing asset from International Gasohol Corporation Limited (IGA). The proceedings of the Supreme Court had been finalized in October 2018 and the subsidiary succeeded in the case. The Court decided that the subsidiary had purchased said assets legally. Therefore, as at 31 December 2020 and 2019, the said asset has cost of Baht 469 million and the allowance for impairment of Baht 469 million, respectively.

- Assets installed on the rental land**

As at 31 December 2020 and 2019, plant and equipment of the two subsidiaries (GIDEC Co., Ltd. and IEC Green Energy Co., Ltd.) with carrying value in the amount of Baht 205 million and Baht 241 million, respectively, had been constructed on the rental land of a subsidiary under the 2 rental contracts for a period of 20 years and 25 years. All of the rights in construction, building and machinery of subsidiaries belong to landlord at the end of lease agreement.

- Pledge**

As at 31 December 2020 and 2019, net book value of land with exist structures and structures to be constructed in the future of a subsidiary in 2020 (IEC Sakaeo 1 Co., Ltd.) and two subsidiaries in 2019 (IEC Sakaeo 1 Co., Ltd. and IEC Mae Tha Mae Taeng Co., Ltd.), and the related right to insurance claims on those assets have been mortgaged as collaterals for loan agreements in the credit line of Baht 551 million and Baht 693 million were as follows:

	Consolidated financial statements	
	<i>(in million Baht)</i>	
	2020	2019
Lands	16	30
Building	2	8
Solar energy power plant with equipment	-	93
Biomass power plant with equipment	166	194
Total	184	325

Please also see note 54 to the financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

17. Non-operating asset

	Consolidated financial statements	Separate financial statements
	(in Baht)	
Cost		
At 1 January 2019	882,480,037	716,112,992
No changed during the year	-	-
At 31 December 2019 and 1 January 2020	882,480,037	716,112,992
No changed during the year	-	-
At 31 December 2020	882,480,037	716,112,992
Allowance for impairment of assets		
At 1 January 2019	721,160,132	564,163,992
No changed during the year	-	-
At 31 December 2019 and 1 January 2020	721,160,132	564,163,992
No changed during the year	-	-
At 31 December 2020	721,160,132	564,163,992
Net book value		
At 31 December 2019	161,319,905	151,949,000
At 31 December 2020	161,319,905	151,949,000

Non-operating asset as at 31 December 2020 and 2019 consist of:-

	Consolidated financial statements		
	Cost	Allowance	Net
	(in million Baht)		
The Company			
- Construction project of waste biomass power plant and plastic recycling at Rayong (machinery and equipment)	75	(61)	14
- Project of waste plastic recycling at Rayong (construction)	40	(40)	-
- Project of waste plastic recycling at Rayong on leasehold land (machinery and equipment)	530	(396)	134
- Project of waste plastic recycling at Hat Yai, Songkhla on leasehold land (machinery and equipment and construction)	72	(68)	4
Total	717	(565)	152
IEC Green Energy Co., Ltd.			
- Prototype of Very Small Power Plant from Municipal Solid Waste at Hat Yai (machinery and equipment)	140	(131)	9
- Fuel-processing front-end system rental project at Sakaeo (advance for machinery and equipment)	27	(27)	-
Total	167	(158)	9
Grand total	884	(723)	161

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The Company

- **Property, plant and equipment under construction of the Company and subsidiaries, which had been approved by the former directors and management, were summarized as follows:**

1) Construction project of waste biomass power plant and Plastic Recycling at Amphoe Banbueng, Chonburi Province

- The above project incurred actual cost in the amount of Baht 231.22 million. Subsequently, the current management adjusted to write off as an expense in 2016 in the amount of Baht 23.10 million, remaining cost of land as at 31 December 2020 and 2019, amounted to Baht 133 million (including tax and fee) of 4 title deeds with 119 rai 2 ngan 26 square wah, (presented as investment properties and record the allowance for impairment of Baht 17 million), and cost of construction in progress of Baht 75 million (presented in non-operating assets), and recorded an allowance for impairment of Baht 61 million.

2) Project of Waste Plastic Recycling:-

2.1 The project located on land for 24 rai at Tambon Makhmku, Ampur Nikompattana, Rayong Province

- The project incurred actual cost in the amount of Baht 66 million (consisted of land of Baht 26 million (recorded in investment properties in full amount) and cost of construction in progress of Baht 40 million. (transferred to non-operating assets in full amount.) The current management considered that the project could not reach to breakeven point, so they did not approve to continue the project and set up an allowance for impairment of said asset in full amount of Baht 40 million. Therefore, as at 31 December 2020 and 2019, the said non-operating asset has cost of Baht 40 million and the allowance for impairment of Baht 40 million, respectively.

2.2 The project located on land and leasehold building under the lease agreement dated 12 July 2015 at Tambon Makhmku, Ampur Nikompattana, Rayong Province

- The project incurred actual cost in the amount of Baht 693 million. Subsequently, the current management considered that the project could not reach to breakeven point, so the above lease agreement was terminated on March 2019 and the machinery and equipment were moved to new location while the current management has not decided whether the project needed use the said machinery and equipment or not. This resulted to write off cost of building and building components which belonged to landlord as expense in the amount of Baht 163 million in profit or loss in 2018. The outstanding of machinery and equipment as at 31 December 2020 and 2019 with cost amounted to Baht 530 million (transferred to non-operating asset in full amount).

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- On 6 June 2018 and 31 March 2019, the Company hired two independent appraiser to appraise the values of said machinery and equipment of which the recoverable amount calculated by independent appraiser (UK Valuations and Agency Co., Ltd. and 15 Business Advisory Limited) in the amount of Baht 134 million as the report dated 24 July 2018 and 21 July 2019 (basing on market price method less cost to sells). As a result, the Company record the allowance for impairment of assets in the amount of Baht 396 million.

Therefore, as at 31 December 2020 and 2019, the said non-operating asset has cost of Baht 530 million and the allowance for impairment of Baht 396 million, respectively.

3) Waste plastic recycling project in Southern Region Industrial Estate, Tambon Chalung, Ampur Had Yai, Songkhla

- The project incurred actual cost in the amount of Baht 72 million (representing 3 sets of plastic machine in the amount of Baht 50 million (50% of machinery value), construction cost of factory in the amount of Baht 10.50 million, trommel machine in the amount of Baht 10 million, residence in the amount of Baht 0.60 million and consultant fee in the amount of Baht 0.87 million) were recorded in construction in progress, subsequently, they were transferred to non-operating assets. The current management also hired an independent appraiser (15 Business Advisory Limited) on 15 March 2019 to value assets by calculating the recoverable amount (based on fair value less cost to sells) in the amount of Baht 4 million. This resulted to set up an allowance for impairment of assets in the amount of Baht 68 million. Therefore, as at 31 December 2020 and 2019, the said non-operating asset has cost of Baht 72 million and the allowance for impairment of Baht 68 million, respectively.

The subsidiary (IEC Green Energy Co., Ltd.)

1. Prototype of Very Small Power Plant (VSPP) for Minicipal Solid Waste (MSW) Using Applied Technology Project at Hat Yai

- The project incurred actual cost in the amount of Baht 140 million (transferred to non-operating assets). Subsequently, the current management hired an independent appraiser (15 Business Advisory Limited) to appraise of asset by calculating the recoverable amount (based on fair value less cost to sells) in the amount of Baht 9 million. This resulted to the subsidiary set up an allowance for impairment of assets in the amount of Baht 131 million.

2. Developing technology and creating a prototype of waste management by converts garbage into fuel waste at Hat Yai

- The project incurred actual cost in the amount of Baht 114 million (recorded in construction in progress of Baht 12 million). Subsequently, the current management brought the machine of Baht 102 million rent to the subsidiary (GIDEC Co., Ltd.) under the lease agreement dated 1 April 2016 for a period of 5 years with monthly rental of Baht 1.50 million.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

3. Fuel – Processing Front-end System Rental Project at Sakaeo

- The project incurred actual cost in the amount of Baht 27 million (recorded in construction in progress and transferred subsequently to non-operating assets). Subsequently, the current management considered that the project was unsuccessful so it was approved to set up the allowance for impairment of assets of Baht 27 million. Therefore, as at 31 December 2020 and 2019, the said non-operating asset has cost of Baht 27 million and the allowance for impairment of Baht 27 million, respectively.

Presently, the management of the Company is in the process of reviewing the appraised price by 2-3 independent appraisers, which has not yet been completed. However, the Company's management believes that the recoverable value of such non-operating assets would not be decreasing materially.

18. Deferred right to use transmission line

	Consolidated financial statements (in Baht)
<i>Cost</i>	
At 1 January 2019	46,441,230
No changed during the year	-
At 31 December 2019 and 1 January 2020	46,441,230
No changed during the year	-
At 31 December 2020	46,441,230
<i>Accumulated amortization</i>	
At 1 January 2019	7,742,770
Amortization charge for the year	1,857,648
At 31 December 2019 and 1 January 2020	9,600,418
Amortization charge for the year	1,858,319
At 31 December 2020	11,458,736
<i>Allowance for impairment of asset</i>	
At 1 January 2019	2,172,714
Reversal	(66,760)
At 31 December 2019 and 1 January 2020	2,105,954
Reversal	(66,760)
At 31 December 2020	2,039,194
<i>Net book value</i>	
At 31 December 2019	34,734,857
At 31 December 2020	32,943,300

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Amortizations for the year were included in:-

	Consolidated financial statements	
	2020	2019
	<i>(in Baht)</i>	
Cost of sales of goods or rendering of service	1,858,319	1,857,648
Total	<u>1,858,319</u>	<u>1,857,648</u>
<i>For the year ended 31 December</i>		
Reversal of allowance for impairment	<u>(66,760)</u>	<u>(66,760)</u>

19. Right-of-use assets

	Consolidated financial statements		
	Land	Building <i>(in Baht)</i>	Total
<i>Cost</i>			
Adjustments of right-of-use assets due to TFRS16 adoption	20,815,513	11,677,544	32,493,057
Reclassification – Leasehold Right to right-of-use assets	-	13,546,243	13,546,243
At 1 January 2020	<u>20,815,513</u>	<u>25,223,787</u>	<u>46,039,300</u>
Additions	-	5,557,801	5,557,801
At 31 December 2020	<u>20,815,513</u>	<u>30,781,588</u>	<u>51,597,101</u>
<i>Accumulated depreciation</i>			
Adjustments of right-of-use assets due to TFRS16 adoption	6,534,005	6,615,695	13,149,700
Reclassification – Leasehold Right to right-of-use assets	-	7,194,746	7,194,746
At 1 January 2020	<u>6,534,005</u>	<u>13,810,441</u>	<u>20,344,446</u>
Additions	-	2,402,007	2,402,007
At 31 December 2020	<u>6,534,005</u>	<u>16,212,448</u>	<u>22,746,453</u>
<i>Net book value</i>			
At 31 December 2020	14,281,508	14,569,140	28,850,648

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements		
	Land	Building (in Baht)	Total
Cost			
Adjustments of right-of-use assets due to TFRS16 adoption	-	11,677,544	11,677,544
Reclassification – Leasehold Right to right-of-use assets	-	13,546,243	13,546,243
At 1 January 2020	-	25,223,787	25,223,787
Additions	-	5,557,801	5,557,801
At 31 December 2020	-	30,781,588	30,781,588
Accumulated depreciation			
Adjustments of right-of-use assets due to TFRS16 adoption	-	6,615,695	6,615,695
Reclassification – Leasehold Right to right-of-use assets	-	7,194,746	7,194,746
At 1 January 2020	-	13,810,441	13,810,441
Additions	-	2,402,007	2,402,007
At 31 December 2020	-	16,212,448	16,212,448
Net book value			
At 31 December 2020	-	14,569,140	14,569,140

Depreciation for the years ended 31 December were included in:-

	Consolidated and separate financial statements	
	2020	2019
	(in Baht)	
Administrative expenses	2,402,007	-
Total	2,402,007	-

20. Goodwill

	Consolidated and separate financial statements	
	2020	2019
	(in Baht)	
Cost:		
At 1 January	239,322,329	239,322,329
No changed during the year	-	-
As at 31 December	239,322,329	239,322,329
Less allowance for impairment of assets	(239,322,329)	(239,322,329)
Net	-	-

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The allocation of goodwill to the significant cash generating unit was as follows:

	Consolidated financial statements			Total
	Operating in production and distribution of electricity from biomass	Operating in production and distribution of electricity from waste	Operating in production and distribution of electricity from solar energy	
	<i>(in Baht)</i>			
Goodwill allocation	102,588,145	110,701,348	26,032,836	239,322,329
Allowance for impairment of assets	(102,588,145)	(110,701,348)	(26,032,836)	(239,322,329)
Net	-	-	-	-

Impairment testing

For the purpose of annual impairment testing, the management calculated the recoverable amount of production and distribution of electricity business and noted that the recoverable amount based on cash flows projection for the group of business referring to an approved financial and business plan set by management based on a 13 - 23 years, were less than the investment amounts. Therefore, the Group set up the allowance for impairment of goodwill in full amount.

21. Other intangible assets

	Consolidated financial statements			Total
	Right of use of technology	Computer software	Television broadcasting's right	
	<i>(in Baht)</i>			
Cost				
At 1 January 2019	80,000,000	25,952,185	35,000,000	140,952,185
Additions	-	207,000	-	207,000
At 31 December 2019 and 1 January 2020	80,000,000	26,159,185	35,000,000	141,159,185
Additions	-	-	-	-
At 31 December 2020	80,000,000	26,159,185	35,000,000	141,159,185
Accumulated amortization				
At 1 January 2019	12,984,110	15,983,934	-	28,968,044
Amortization for the year	3,200,000	2,795,982	-	5,995,982
At 31 December 2019 and 1 January 2020	16,184,110	18,779,916	-	34,964,026
Amortization for the year	3,200,000	2,482,760	-	5,682,760
At 31 December 2020	19,384,110	21,262,676	-	40,646,786
Allowance for impairment of assets				
At 1 January 2019	67,015,890	8,998,227	35,000,000	111,014,117
Reversal	(3,200,000)	(2,028,173)	-	(5,228,173)
At 31 December 2019 and 1 January 2020	63,815,890	6,970,054	35,000,000	105,785,944

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements			
	Right of use of technology	Computer software	Television broadcasting's right	Total
	<i>(in Baht)</i>			
Reversal	(3,200,000)	(2,358,810)	-	(5,558,810)
At 31 December 2020	60,615,890	4,611,244	35,000,000	100,227,134
 <i>Net book value</i>				
At 31 December 2019	-	409,215	-	409,215
At 31 December 2020	-	285,265	-	285,265
	Separate financial statements			
	Computer software	Television broadcasting's right	Total	
	<i>(in Baht)</i>			
 <i>Cost</i>				
At 1 January 2019	21,667,876	35,000,000	56,667,876	
Additions	137,400	-	137,400	
At 31 December 2019 and 1 January 2020	21,805,276	35,000,000	56,805,276	
Additions	-	-	-	
At 31 December 2020	21,805,276	35,000,000	56,805,276	
 <i>Accumulated amortization</i>				
At 1 January 2019	12,923,532	-	12,923,532	
Amortization for the year	2,276,118	-	2,276,118	
At 31 December 2019 and 1 January 2020	15,199,650	-	15,199,650	
Amortization for the year	2,290,352	-	2,290,352	
At 31 December 2020	17,490,002	-	17,490,002	
 <i>Allowance for impairment of assets</i>				
At 1 January 2019	8,607,244	35,000,000	43,607,244	
Reversal	(2,119,530)	-	(2,119,530)	
At 31 December 2019 and 1 January 2020	6,487,714	35,000,000	41,487,714	
Reversal	(2,262,812)	-	(2,262,812)	
At 31 December 2020	4,224,902	35,000,000	39,224,902	
 <i>Net book value</i>				
At 31 December 2019	117,912	-	117,912	
At 31 December 2020	90,372	-	90,372	

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Amortizations for the years ended 31 December were included in:-

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Cost of sales of goods or rendering of services	3,341,118	3,605,395	-	-
Administrative expenses	2,341,642	2,390,587	2,290,352	2,276,118
Total	<u>5,682,760</u>	<u>5,995,982</u>	<u>2,290,352</u>	<u>2,276,118</u>
<i>For the year ended 31 December</i>				
Reversal of allowance for impairment	(5,558,810)	(5,228,173)	(2,262,812)	(2,119,530)
Total	<u>(5,558,810)</u>	<u>(5,228,173)</u>	<u>(2,262,812)</u>	<u>(2,119,530)</u>

Right in use of technology

In 2010, subsidiary (GIDEC Co., Ltd.) acquired the right on Ash Melting Gasification technology and obtaining the consulting in waste disposal and power plant from waste with Solitech Co., Ltd. in order to operate waste disposal and power plant project size 6 MW with Hat yai Municipal, Song Kha province by using Ash Melting Gasification technology with Energy Recovery incinerator. Subsidiary agreed to pay compensation for the technology amounted to Baht 80 million with 4 installments. The subsidiary already paid in the amount of Baht 64 million and a remaining amounted to Baht 16 million which was recognized in other current payables. Under that agreement contains the restrictive conditions in relation to employment to perform a design of system and engineering, coordinate and control all construction and construction of waste incinerators with management system of waste, transfer the right in technology, breach of agreement which will be entitled to claim, etc.

Television broadcasting's right

On 1 July 2011, the Company entered into a representative of the production and broadcast on television agreement with other company to produce and broadcast on television under the channel name "BIG 1", via the channel in Digital Mobile TV System. The television broadcast right is covered the period of 3 years of Baht 35 million from 1 July 2011 to 30 June 2014 and will be amortized as an expense when the Company commences in commercial operations and the company recognized impairment of asset in amount of Baht 35 million. Please also see Note 16 to the financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

22. Pledged deposit at bank

Pledged deposit at bank as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
For guarantee of credit facilities from financial institutions	56,402,836	50,558,406	56,402,836	50,558,406
For guarantee of loans from banks	-	7,383,767	-	-
For guarantee the compliance with contract for television business	12,500,000	12,500,000	12,500,000	12,500,000
For guarantee of electricity usage	42,900	3,906,800	-	3,840,000
Total	<u>68,945,736</u>	<u>74,348,973</u>	<u>68,902,836</u>	<u>66,898,406</u>

23. Advance payment for purchase of investment

	Consolidated and Separate financial statements	
	2020	2019
	<i>(in Baht)</i>	
Advance payment for purchase of investment	40,000,000	40,000,000
Less allowance for impairment of asset	<u>(40,000,000)</u>	<u>(40,000,000)</u>
Net	<u>-</u>	<u>-</u>

The Board of Directors Meeting held on 23 March 2015 had approved to the Company acquired the ordinary shares of Thaworn Energy (2013) Co., Ltd. ("TE") for 100% of paid-up share capital totaling 1,250,000 shares at the price of Baht 100 per share totaling amount of Baht 125 million, requiring payable in 2 installments. The Company paid for the first installment of Baht 40 million on 2 April 2015, which was accounted as advance payment for purchase of investment because the share acquisition had not been achieved under the agreement. The Company filed the lawsuit with the concern parties to refund of the advance payment and set up fully an allowance for impairment of advance payment. Subsequently, the First Instance Court and Appeal Court decided the Company succeed in the case and receive the proceeding in full with interest rate at 7.5% per annum. On 20 January 2021, the defendant filed to the Supreme Court. Until now, the case has been in the process of consideration of the Supreme Court which has not been finalized, as described in note 53 to the financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

24. Deferred Tax

Deferred tax assets and Deferred tax liabilities as at 31 December were as follows:-

	Consolidated and Separate financial statements	
	2020	2019
	<i>(in Baht)</i>	
Deferred tax assets	-	-
Deferred tax liabilities	<u>(1,560,320)</u>	<u>(1,520,477)</u>
Net	<u>(1,560,320)</u>	<u>(1,520,477)</u>

Movements of deferred tax assets and deferred tax liabilities during the year were as follows:-

For the year ended 31 December 2020

	Consolidated and Separate financial statements			
	(Charged)/credited to			
	At 1 January 2020	Profit(loss)	Other comprehensive income (loss)	At 31 December 2020
	<i>(in Baht)</i>			
Deferred tax liabilities				
Available-for-sale investments	(335,800)	-	149,050	(186,750)
Non-current provisions for employee benefit	<u>(1,184,677)</u>	<u>-</u>	<u>(188,893)</u>	<u>(1,373,570)</u>
Total	<u>(1,520,477)</u>	<u>-</u>	<u>(39,843)</u>	<u>(1,560,320)</u>

For the year ended 31 December 2019

	Consolidated and Separate financial statements			
	(Charged)/credited to			
	At 1 January 2019	Profit(loss)	Other comprehensive income (loss)	At 31 December 2019
	<i>(in Baht)</i>			
Deferred tax liabilities				
Available-for-sale investments	-	-	(335,800)	(335,800)
Non-current provisions for employee benefit	<u>-</u>	<u>-</u>	<u>(1,184,677)</u>	<u>(1,184,677)</u>
Total	<u>-</u>	<u>-</u>	<u>(1,520,477)</u>	<u>(1,520,477)</u>

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Deferred tax assets arising from temporary difference that have not been recognized in the financial statements were as follows:-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Deductible temporary differences	1,630	1,659	1,052	1,050
Tax losses	584	565	441	427
Total	2,214	2,224	1,493	1,477

The tax losses expire during 2020 – 2024. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group/ Company can utilize the benefits there from.

25. Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Deposit under a construction and services management of waste disposal system in community agreement	32,500,000	32,500,000	-	-
Deposit for payment on purchase of waste from segregating organic fertilizer	5,000,000	5,000,000	5,000,000	5,000,000
Others deposits	23,985,367	22,632,634	18,510,798	17,082,556
Total	61,485,367	60,132,634	23,510,798	22,082,556
Less allowance for impairment of asset	(7,574,932)	(7,574,932)	(6,369,546)	(6,369,546)
Net	53,910,435	52,557,702	17,141,252	15,713,010
<i>For the year ended 31 December</i>				
Impairment loss	-	5,564,861	-	5,564,861
Reversal of allowance for impairment	-	(1,189,011)	-	-
Total	-	4,375,850	-	5,564,861

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Allowance for impairment of asset as at 31 December were as follows:-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Deposit for payment on purchase of waste from segregating organic fertilizer	5,000,000	5,000,000	5,000,000	5,000,000
Others deposits-other parties	2,574,932	2,574,932	1,369,546	1,369,546
Total	7,574,932	7,574,932	6,369,546	6,369,546

26. Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Bank overdrafts	10,287,986	6,466,472	41,008	582,974
Promissory note	20,000,000	-	-	-
Total	30,287,986	6,466,472	41,008	582,974

Movements of short-term loans from financial institutions for the year ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Promissory note				
At 1 January	-	20,000,000	-	-
Increase	40,000,000	40,000,000	-	-
Decrease	(20,000,000)	(60,000,000)	-	-
At 31 December	20,000,000	-	-	-

As at 31 December 2020 and 2019, the Group and the Company had unutilized credit facilities obtained from the financial institutions in the amount of Baht 36 million and Baht 5 million, respectively which were secured by common collaterals as described in notes 54 to the financial statements.

27. Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Related parties	821,332	2,631,184	821,332	2,631,184
Other parties	25,763,133	33,822,090	994,750	3,770,169
Total	26,584,465	36,453,274	1,816,082	6,401,353

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

28. Other current payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Related parties	-	569,000	-	569,000
Other parties	121,096,756	121,063,475	28,536,410	24,572,000
Total	121,096,756	121,632,475	28,536,410	25,141,000

Other current payables – other parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Payable to purchase of fixed asset	71,769,591	72,684,242	2,887,455	3,802,107
Other payables	29,417,842	34,174,027	12,346,718	14,961,130
Income received under the memorandum for damages	5,000,000	-	5,000,000	-
Undue output tax	11,291,752	11,453,513	4,833,230	3,089,756
Accrued interest expense	3,617,571	2,751,693	3,469,007	2,719,007
Total	121,096,756	121,063,475	28,536,410	24,572,000

The Board of Directors Meeting held on 10 April 2020 passed the resolutions to agree to accept an offer from Mr. Suthin Jaithum to compensate the Company for damages amounting to Baht 15 million and the Company to submit a petition to withdraw the case no. Black at Aor.2568/2016 and Red No. Aor.2696/2561 in charge of fraud among the Company (“plaintiff”) and Mr. Suthin Jaithum and Ms. Charuwan Phusanaphibankhup (“defendant”)

Subsequently, on 16 April 2020, the Company (“plaintiff”) entered into two memorandum of compensation for damages and delivered the fuel with Mr. Sutin Jaithum (“defendant”) and Ms. Charuwan Phusanaphibankhup (“debtor”). The defendant requested to indemnify the Company and asked the Company to withdraw the lawsuit against the defendant in the case no. Black at Aor.2568/2016 and Red No. Aor.2696/2561 in charge of fraud. The debtor agreed to be bound by indemnity, which will pay damages to the Company, however the defendant and the debtor agreed to pay damages to the Company in the amount of Baht 15 million in the following installments:

- 1) Payable on the date of this memorandum in the amount of Baht 5 million by cashier cheque no. 16118083, dated on 13 April 2020, which the Company has already received and as at 31 December 2020, recorded the whole amount as income received under the memorandum for damages under shown other current liabilities.
- 2) The remaining amount of Baht 10 million will be settled by post date cheque, 22 copies, dated on 30 May 2020 to 28 February 2022 issued by Kaew Lamduan Group Company Limited, and Ms. Charuwan Phusanaphibankhup, who signs the cheques.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

In addition, the defendant is able to provide wood chopped fuel used to generate electricity, according to the standards set by the Company which will be delivered to the Company or IEC Sakaeo 1 Co., Ltd. (creditor) every month not exceeding or equal to the amount of Baht 1.50 million. The first installment will begin in April 2020 and must be delivered by February 2022. The value of goods shall be based on the average market price of the three creditable companies.

The Company agreed to immediately withdraw the said lawsuit and the 22 copies of post dated cheques. On 8 May 2020, the Company withdrew the said lawsuit to the Supreme Court.

Presently, the company is unable to collect the payment according to the cheques payable for 9 copies in the amount of Baht 4.05 million. In this regard, the Company has filed a criminal complaint under the Cheque Act with Mr. Sutin Jaithum and Ms. Charuwan Phusanaphibankhup to the police station. However, IEC Sakaeo 1 Co.,Ltd. has outstanding wood chopped fuel debt in the amount of Baht 3.59 million.

29. Short-term loans

Movements of short-term loans from other persons for the year ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
At 1 January	-	65,000,000	-	50,000,000
Decrease	-	(65,000,000)	-	(50,000,000)
At 31 December	-	-	-	-

30. Advance received for purchase of shares

	Consolidated and Separate financial statements	
	2020	2019
	<i>(in Baht)</i>	
Buyer's deposit received for purchase of subsidiary	10,000,000	10,000,000
Total	10,000,000	10,000,000

Buyer's deposit received for purchase of subsidiary

The Executive Committee's Meeting of the Company held on 11 September 2015 agreed to the other company inspected the position of the former subsidiary (IEC Mae Ramat Co., Ltd.) for a purpose of selling the investment in former subsidiary. On 18 September 2015, the Company entered into memorandum with other company and received a deposit of Baht 50 million and agreed the deposit as a part of the settlement of sale of shares if the parties would agree to sell and purchase within 90 days from the date of memorandum. Subsequently, on 28 December 2015, the Company changed the term of period for due diligence to be completed on 16 May 2016. However, on 14 October 2016, the above other company had a letter to terminate the memorandum and request to refund the deposit of Baht 50 million. The Company returned the deposit to the other company in December 2016 of Baht 40 million and the remaining in the amount of Baht 10 million

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

will be paid with interest at the rate of 7.5%. Presently, the Company has not paid said deposit and interest which was recorded as at 31 December 2020 and 2019 in the amount of Baht 3.47 million and Baht 2.72 million, respectively which was shown in other current liabilities.

31. Long-term loans

	Consolidated financial statements	
	2020	2019
	<i>(in Baht)</i>	
Long-term loans from financial institutions	144,913,893	237,701,327
Less long-term loans in default	(144,913,893)	(205,271,327)
current portion of long-term loans	-	(20,280,000)
Net	-	12,150,000

Movements of long-term loans during the years ended 31 December were as follows:

	Consolidated financial statements	
	2020	2019
	<i>(in Baht)</i>	
At 1 January	237,701,327	334,016,080
Decrease	(92,787,434)	(96,314,753)
At 31 December	144,913,893	237,701,327

IEC Mae Tha Mae Taeng Co., Ltd.

On 26 May 2015, IEC Mae Tha Mae Taeng Co., Ltd. (“subsidiary”) entered into loans from domestic financial institution (“CIMB”) in the amount of Baht 142 million (withdrawn in full), as at 31 December 2019 balanced to Baht 32.43 million requiring principal repayment in the amount not less than Baht 1.69 million per month within 7 years. The first payment will be paid within a next month from the principal drawn down. Interest is payable on a monthly basis at the rate of MLR-1.50% per annum and a subsidiary made the payment of the loan completed on March 2020.

Such loans are guaranteed by

- Title deeds, ownership of borrower
- Solar cell and equipment used in electricity current generation, ownership of borrower
- Right to received bank deposits
- IEC Green Energy Co., Ltd. and the Company
- Share certificates of IEC Mae Tha Mae Taeng Co., Ltd.
- Right of Claim on receipt the payment under electricity current agreement

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

IEC Sakaeo 1 Co., Ltd.

IEC Sakaeo 1 Co., Ltd entered into 9 of loans agreement from a domestic commercial bank (dated on 8 December 2010, 11 July 2013 and 6 December 2016) for the construction of biomass power plant. As at 31 December 2020 and 2019 the balance amounted to Baht 145 million and Baht 205 million, respectively, which was detailed as follows:

- Limit 1 : an amount of Baht 173 million (drawn down in full) to pay for the purchase of machine from oversea.
- Limit 2 : an amount of Baht 142 million (drawn down in full) to pay for the purchase of machine from domestic.
- Limit 3 : an amount of Baht 120 million (drawn down in full) to pay for the construction of producing electricity building.
- Limit 4 : an amount of Baht 60 million (drawn down in full) to pay for the construction of producing electricity building foundation
- Limit 5 : an amount of Baht 2 million (drawn down in full) to pay for the control construction cost
- Limit 6 : an amount of Baht 13 million (drawn down in full) to pay for the director guarantee
- Limit 7 : an amount of Baht 10 million (drawn down in full) to pay for the fire protection system
- Limit 8 : an amount of Baht 29 million (drawn down in full) to pay for fuel and payment to trade accounts payable.
- Limit 9 : an amount of Baht 0.71 million (drawn down in full) to pay for the director insurance

Subsequently, the company obtained the release repayment of principal and interest with such commercial bank as the debts restructuring agreement and five amendments (dated 29 March 2016, 11 November 2016, 7 July 2017, 20 February 2018 and 10 July 2018) by agreeing to change the terms of payment and interest rate which were summarized as follows:

- July 2017 to December 2017, payable only interest;
- January 2018 to April 2018, monthly payable principal of Baht 90,000 to Baht 1,000,000;
- May 2018 to July 2018, monthly payable principal of Baht 90,000 to Baht 1,600,000;
- August 2018 to October 2021, monthly payable principal of Baht 90,000 to Baht 1,700,000;
- November 2021 to May 2024, monthly payable principal of Baht 90,000 to Baht 2,200,000;
- June 2024, repayable all principal and interest.

Changes in interest rates were as follows:

- Interest rate of MLR-0.5% to MLR+1% per annum from January 2018 to June 2020;
- Interest rate of MLR+1% per annum from July 2020 onward.

On 19 August 2020, the Company entered into a debt restructuring agreement. (Amendment No. 3) with a local commercial bank. In the event that the Company is able to repay additional loans in the amount of Baht 15 million within August 2020, the Bank will agree to change the loan interest rate to MLR-0.25 percent per annum.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Such long-term loans are guarantee by

- All of lands including structures existing at the present and to be constructed in the future.
- 17 of machines
- Kaolumduan Group Co., Ltd (related party)
- Directors of the Company
- Ordinary shares of 2 shareholders (ordinary person)
- Ordinary shares of the subsidiary held by The International Engineering Pcl. in the amount of 2,650,000 shares at the price of Baht 100 per share
- The Company

Under the above loan agreements contains certain restrictive conditions relating to maintain of debt coverage ratio as follows:

	As per agreement	As per financial statements	
		As at 31 December 2020	As at 31 December 2019
Financial ratio (DSCR)	Not less than 1.1	0.67	0.20
Debt to equity ratio	Not less than 0	(1.04)	(1.36)

Therefore, as at 31 December 2020 and 2019, the subsidiary did not maintain a financial ratio according to the agreement. The bank may accelerate the subsidiary makes the repayment immediately prior to maturity. Therefore, the subsidiary classified long-term loan to long-term loan in default in the amount of Baht 145 million and Baht 205 million, respectively, as shown in current liabilities.

32. Lease liabilities

	Consolidated financial statements					
	2020			2019		
	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment <i>(in Baht)</i>	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment
Within one year	6,885,282	595,061	6,290,221	2,385,981	29,761	2,356,220
After one year but within five year	11,499,534	1,291,911	10,207,623	2,450,700	6,284	2,444,416
After five year	10,663,642	1,308,663	9,354,979	-	-	-
Total	29,048,458	3,195,635	25,852,823	4,836,681	36,045	4,800,636

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements					
	2020		2019			
	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment
Within one year	3,883,885	358,953	3,524,932	-	-	-
After one year but within five year	5,831,104	537,125	5,293,979	-	-	-
After five year	365,029	7,709	357,320	-	-	-
Total	10,080,018	903,787	9,176,231	-	-	-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Classified to:-				
Current	6,290,221	2,356,220	3,524,932	-
Non current	19,562,602	2,444,416	5,651,299	-
Total	25,852,823	4,800,636	9,176,231	-

As at 31 December 2020, lease liabilities in the amount of Baht 26 million and Baht 9 million in the consolidated and separate financial statements, respectively, represented 7 lease agreements of land, Building and vehicle. The payment is made with 24 – 336 month installment of Baht 3,850 to Baht 110,500.

As at 31 December 2019, financial lease liabilities of two subsidiaries (IEC Sakaeo 1 Co.,Ltd. and Gidec Co., Ltd.) in the amount of Baht 5 million represented 2 financial lease agreement to purchase vehicle with other company. The payment is made with 24 – 48 month installment of Baht 0.21 million.

33. Non-current provision for employee benefits

The Company pays a post-employment benefit based on the Company's policy and the requirement of Thai Labor Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

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

Non-current provision for employee benefits in the statement of financial position as at 31 December

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Consolidate		Separate	
	financial statement		financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Post-employment benefits:-				
Legal severance payments plan	5,408,327	5,446,862	3,922,757	4,287,530
Total	5,408,327	5,446,862	3,922,757	4,287,530
Key management personnel level	1,509,357	2,155,026	1,213,355	1,936,712
Employees level	3,898,970	3,291,836	2,709,402	2,350,818
Total	5,408,327	5,446,862	3,922,757	4,287,530

Movement in the present value of the defined benefit obligations

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Defined benefit obligations at 1 January	5,446,862	8,432,432	4,287,530	7,902,296
Recognize in profit or loss				
Past service costs	-	1,086,518	-	887,200
Current service costs	824,363	1,457,693	506,377	1,234,995
Interest on obligation	96,505	201,949	73,316	186,425
Less employee benefit paid	(14,937)	-	-	-
	905,931	2,746,160	579,693	2,308,620
Recognize in other comprehensive income				
Actuarial gains	(944,466)	(5,731,730)	(944,466)	(5,923,386)
Defined benefit obligations at 31 December	5,408,327	5,446,862	3,922,757	4,287,530

The actuarial gains recognized in other comprehensive income at the reporting date arising from:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Demographic assumptions	1,089	(190,448)	1,089	(274,768)
Financial assumptions	94,945	373,173	94,945	242,696
Experience adjustment	(1,040,500)	(5,914,455)	(1,040,500)	(5,891,314)
Total	(944,466)	(5,731,730)	(944,466)	(5,923,386)

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Principal actuarial assumptions

Principal actuarial assumptions at the reporting date

	Consolidated financial statements	
	2020	2019
	(%)	
Discount rate	1.49 – 2.16	1.71 – 2.16
Salary increase rate	3.00	3.00
Staff turnover rate	2.39 – 28.65*	2.39 – 28.65*
Mortality rate	100 of TMO 2017**	100 of TMO 2017**
Disability rate	5 of TMO	5 of TMO
Retirement age (Year)	60	60
	Separate financial statements	
	2020	2019
	(%)	
Discount rate	1.49	1.71
Salary increase rate	3.00	3.00
Staff turnover rate	2.39 – 28.65*	2.39 – 28.65*
Mortality rate	100 of TMO 2017**	100 of TMO 2017**
Disability rate	5 of TMO	5 of TMO
Retirement age (Year)	60	60

*Upon the length of service

**Based on (TMO 2017: Male and Female Thai Mortality Ordinary Tables of 2017)

Sensitivity analysis

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

Impact to defined benefit obligations as at 31 December

	Consolidate financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in Baht)			
Discount rate				
Increase 1%	(502,378)	(636,115)	(408,194)	(440,358)
Decrease 1%	568,761	754,413	474,657	509,551
Salary increase rate				
Increase 1%	616,698	725,221	462,230	492,623
Decrease 1%	(531,486)	(625,292)	(406,299)	(435,229)
Staff turnover rate				
Increase 20%	(439,829)	(542,739)	(289,075)	(308,388)
Decrease 20%	531,176	664,349	331,417	352,664

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Movements for the years ended 31 December were as follows:

	Consolidated financial statements							
	Provision for penalty under the contract		Provisions on lawsuit		Provisions for loss of subsidiary		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in Baht)</i>							
At 1 January	34,446,850	19,001,700	8,375,341	13,057,336	-	-	42,822,191	32,059,036
Increase (reversal)	(11,625,890)	15,445,150	-	80,519	-	-	(11,625,890)	15,525,669
Payment	-	-	(49,516)	(4,762,514)	-	-	(49,516)	(4,762,514)
At 31 December	22,820,960	34,446,850	8,325,825	8,375,341	-	-	31,146,785	42,822,191
	Separate financial statements							
	Provision for penalty under the contract		Provision on lawsuit		Provision for loss of subsidiary		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in Baht)</i>							
At 1 January	34,446,850	19,001,700	-	4,410,149	77,941,443	77,941,443	112,388,293	101,353,292
Increase (reversal)	(11,625,890)	15,445,150	-	80,519	-	-	(11,625,890)	15,525,669
Payment	-	-	-	(4,490,668)	-	-	-	(4,490,668)
At 31 December	22,820,960	34,446,850	-	-	77,941,443	77,941,443	100,762,403	112,388,293

Please also see note 56 to the financial statement.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Provision for penalty under the contract

Provision represents an accepted penalty under the contracts from installation and implementation of information technology system for the state enterprise.

Provision on lawsuit

Please also see note 53 to the financial statements.

Provision for loss of subsidiaries

The Company recognized a provision due to guarantee for loss of subsidiary according to the agreement to share the burden of external debt which were summarized as follows:

	Separate financial statements	
	2020	2019
	<i>(in Baht)</i>	
IEC Business Partners Co., Ltd.	77,941,443	77,941,443
Total	<u>77,941,443</u>	<u>77,941,443</u>

35. Share capital

	<i>Par value (in Baht)</i>	Consolidated and separate financial statements			
		2020 Number	2020 Amount <i>(in shares / in Baht)</i>	2019 Number	2019 Amount
Authorized share capital					
At 1 January					
- Ordinary shares	0.01	<u>447,657,627,426</u>	<u>4,476,576,274</u>	<u>447,657,627,426</u>	<u>4,476,576,274</u>
At 31 December					
- Ordinary shares	0.01	<u>447,657,627,426</u>	<u>4,476,576,274</u>	<u>447,657,627,426</u>	<u>4,476,576,274</u>
Issued and paid share capital					
At 1 January					
- Ordinary shares	0.01	249,345,538,669	2,493,455,387	249,335,778,122	2,493,357,781
Increase of shares	0.01	-	-	9,760,547	97,606
At 31 December					
- Ordinary shares	0.01	<u>249,345,538,669</u>	<u>2,493,455,387</u>	<u>249,345,538,669</u>	<u>2,493,455,387</u>

On 13-20 May 2019, warrant holders exercised the rights to convert warrant (IEC-W2) in the amount of 9,760,547 shares, for purchasing ordinary shares at the price of Baht 0.045 per share in the amount of Baht 439,225 (issued and paid-up share capital in the amount of Baht 97,606 and share premium on ordinary shares in the amount of Baht 341,619). The Company registered the increase share capital with the Ministry of Commerce on 31 May 2019

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Warrants to purchase ordinary shares no.2 (IEC – W2)

On 23 May 2016, the Company issued warrants to purchase the Company's ordinary shares no.2 (IEC-W2) amount 40,679 million units for offering to the existing shareholders rate 5 existing shares per 1 warrant at the offering price of 0 baht. The details are as follows:

Number of warrants	:	40,679 million units
Maturity of warrants	:	3 years from 23 May 2016
Offering price	:	At Baht 0 per unit
Exercise ratio	:	1 warrant (IEC-W2) per 1 ordinary share
Exercise price	:	Year 1 price 0.025 Bath per 1 share / year 2 price 0.035 Bath per share and year 3 price 0.045 Bath per share
Due date	:	22 May 2019

During the year ended 31 December the number of warrants to purchase ordinary shares of the Company has changed as follows:

	Number of warrants	
	2020	2019
		(units)
Balance at 1 January	-	40,474,622,726
Less exercise of warrants	-	(9,760,547)
Less warrants not exercised under the condition	-	(40,464,862,179)
Balance at 31 December	-	-

36. Premium on ordinary shares

	Consolidated and Separate financial statements	
	2020	2019
		(in Baht)
Balance at 1 January	1,422,184,596	1,421,842,977
Increase of shares	-	341,619
Balance at 31 December	1,422,184,596	1,422,184,596

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

37. Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The reserve is not available for dividend distribution.

Movements in reserves

Movements in reserves are shown in the statements of change in equity

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

38. Segment information

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

Information regarding the results of each reportable segment is measured based on segment profit before tax as include in the monthly internal management report.

The Group comprises the 2 reportable segments as follows:

- Segment 1 is telecommunication segment and implementation of information technology system.
- Segment 2 is investments business in producing and distributing electricity from alternative energy (business in solar power plant, waste disposal plant and power plant from waste, and biomass power plant)

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

Information about reportable segments

	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
<i>(in million Baht)</i>						
For the year ended 31 December						
Revenue from operations						
- External	84	64	473	471	557	535
Other revenue						
- External	13	4	4	9	17	13
- Inter – segment	2	2	-	-	2	2
Total	99	70	477	480	576	550
Less elimination	(2)	(2)	-	-	(2)	(2)
Total segment revenue	97	68	477	480	574	548
Finance income	1	2	-	-	1	2
Finance cost	1	1	11	18	12	19
Impairment loss on assets (reversal)	(5)	2	(26)	(25)	(31)	(23)
Expected credit loss of Receivables (Reversal)	(4)	(5)	1	-	(3)	(5)
Segment profit (loss) before income tax	4	(61)	27	(3)	31	(64)

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Segment 1		Segment 2		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in million Baht)</i>					
Segment assets	566	538	994	1,070	1,560	1,608
Investment	12	2	-	-	12	2
Segment liabilities	87	100	357	424	444	524

Reconciliation of reportable segment revenues, profit or loss and asset for the year ended 31 December

	2020	2019
	<i>(in million Baht)</i>	
Revenues		
Total revenue from reportable segments	569	535
Other revenue	7	120
	<u>576</u>	<u>655</u>
Elimination of inter – segment revenue	(2)	(69)
Consolidated revenues	574	586
Profit or loss		
Loss for reportable segments	17	(192)
Elimination of inter – segment profits	14	128
Consolidated profit (loss) before income tax	31	(64)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Assets				
Total assets for reportable segments	1,548	1,606	553	535
Investment in equity securities – accounting for investors	12	2	12	2
Consolidated total assets	1,560	1,608	565	537

Major customer

Revenues from three customers of the Group's/Company's derived revenues from 3 Government agencies in 2020 and 2019 amounted to Baht 557 million and Baht 535 million from the total revenue in year 2020 and 2019, respectively.

39. Revenue from subsidy for adders

Revenue from subsidy for adder is subsidy in respect of adder received from the Provincial Electricity Authority due to distribute electricity from solar energy at Baht 6.50 and Baht 8 per kilowatt-hours and from waste at Baht 3.5 per kilowatt-hours for a period of 5 years and 7 year, commencing from the first date of commercial sale of electricity with automatic renewal of 5 year in every period.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

40. Other income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Consulting fee income	-	-	1,200,000	1,845,750
Rental and utility services income	497,974	703,709	497,974	703,708
Gain on sale of equipment	233,644	2,480,754	328,978	1,018,745
Gain on sale of investment for trading	180,551	-	180,551	-
Gain on sale of other long-term investment	-	979,400	-	979,400
Refund from withdraw the case	-	5,000,000	-	-
Others	3,908,942	3,557,959	399,384	1,079,165
Total	4,821,111	12,721,822	2,606,887	5,626,768

In 2019, refund from withdraw the case of fraud in land filing and pile project which the subsidiary (IEC Sakaeo 1 Co., Ltd.) written off in the previous year.

41. Distribution costs

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Selling expenses	5,961,757	5,966,427	-	424,080
Advertising and public relations expenses	303,490	831,492	12,742	120,430
Total	6,265,247	6,797,919	12,742	544,510

42. Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Employee benefit expenses	22,130,314	40,455,141	12,947,213	30,147,464
Directors' meeting allowance	800,000	836,000	800,000	836,000
Place and equipment expenses	9,544,105	18,691,991	3,639,455	10,708,655
Bank charge	1,136,891	671,614	676,583	538,396
Consulting and professional fee	6,687,091	10,094,161	4,280,838	6,933,616
Depreciation and amortization	15,770,974	16,196,823	6,830,495	6,822,391
Penalty expenses	-	15,445,150	-	15,445,150
Others	10,010,003	11,853,250	2,921,495	5,713,641
Total	66,079,378	114,244,130	32,096,079	77,145,313

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

43. Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in Baht)			
Management:-				
Directors' meeting allowance	800,000	836,000	800,000	836,000
Salaries and other benefits	8,202,840	13,589,515	4,023,498	8,364,488
Contribution to social security / compensation fund	63,900	138,750	18,300	49,500
Contribution to provident funds	95,400	233,585	64,800	127,302
Total	<u>9,162,140</u>	<u>14,797,850</u>	<u>4,906,598</u>	<u>9,377,290</u>
Employees:-				
Salaries and other benefits	56,868,967	71,440,094	16,868,581	33,400,822
Contribution to social security / compensation fund	699,238	3,090,878	154,746	306,999
Contribution to provident funds	527,635	878,847	313,862	428,902
Total	<u>58,095,840</u>	<u>75,409,819</u>	<u>17,337,189</u>	<u>34,136,723</u>
Grand Total	<u>67,257,980</u>	<u>90,207,669</u>	<u>22,243,787</u>	<u>43,514,013</u>

Partial employee expenses were included in cost of sale of goods or rendering of services.

The defined contribution plans

The defined contribution plans comprise provident funds established by the Group/Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 3% of their basic salaries and by the Group/Company at rate 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

44. Other expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in Baht)			
Bad debts	7,322	-	7,322	-
Loss on write off of assets	10,472,972	11,731,217	-	-
Loss on write off of undue in put vat	1,306,704	-	1,306,704	-
Loss on write off of withholding tax	1,637,520	1,543,736	1,637,381	1,543,736
Loss on write off of deposit	13,684	1,589,462	13,684	1,589,462
Unrealized loss from changes in fair value of investment for trading	607,220	-	607,221	-
Provision on lawsuit	-	80,519	-	80,519
Total	<u>14,045,422</u>	<u>14,944,934</u>	<u>3,572,312</u>	<u>3,213,717</u>

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

45. Finance costs

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Interest expense:				
- Related parties	-	290,411	-	212,329
- Other parties	1,030,487	137,717	887,866	67,797
- Financial institutions	10,928,667	18,941,788	-	836,882
Total	11,959,154	19,369,916	887,866	1,117,008

46. Expenses by nature

Certain accounts included in calculating profit (loss) from operations for the years ended 31 December have been classified by nature as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Purchase of finished goods and cost of rendering services	293	260	57	44
Repair and maintenance of equipment and machinery	43	86	-	-
Management benefit expenses	9	15	5	9
Employee expenses	58	75	17	35
Depreciation and amortization expenses	115	113	7	7
Consulting and professional expenses	9	10	4	7
Loss on write off of assets	13	15	3	3
Penalty expenses	-	15	-	15
Others	25	35	8	12
Total	566	623	101	132

47. Impairment loss of assets (reversal)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Reversal of impairment loss of assets held for sale	-	253,908	-	253,908
Loss on impairment of withholding tax	-	(267,007)	-	(267,007)
Reversal of impairment loss of withholding tax	1,637,375	1,816,649	1,637,375	1,543,736
Loss on impairment of investment property	(510,793)	-	-	-
Loss on impairment of property, plant and equipment	-	(797,949)	-	(797,949)

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Reversal of impairment loss of property, plant and equipment	24,187,575	21,455,831	958,280	988,144
Reversal of impairment loss of deferred rights to use transmission line	66,760	-	-	-
Reversal of impairment loss of intangible assets	5,558,810	5,228,174	2,262,812	2,119,530
Loss on impairment of other non-current assets	-	(5,564,861)	-	(5,564,861)
Reversal of impairment loss of other non-current assets	-	1,189,012	-	-
Total	<u>30,939,727</u>	<u>23,313,757</u>	<u>4,858,467</u>	<u>(1,724,499)</u>

48. Income tax expense

Income tax reduction

Revenue Code Amendment act No. 42 B.E.2559 date 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting period which begins on or after 1 January 2016.

For the years ended 31 December 2020 and 2019, the Company and its subsidiaries had cumulative loss carry forward not exceeding 5 years before current accounting period and a subsidiary has net profit by promotional privileges. Therefore, there are no any income tax liabilities for the year.

49. Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share for the years ended 31 December 2020 and 2019 is calculated by dividing the net loss for the years attributable to ordinary shareholders of the Company by the weight average number of shares issuing during the year as follows:

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Profit (loss) for the year attributable to ordinary shareholders of the Company (basic)	31,252,380	(64,420,756)	39,926,108	(159,921,445)
Number of ordinary shares outstanding at 1 January	249,345,538,669	249,335,778,122	249,345,538,669	249,335,778,122
Effect of shares issued	-	6,212,795	-	6,212,795
Weighted average number of ordinary shares outstanding (basic)	249,345,538,669	249,341,990,917	249,345,538,669	249,341,990,917
Earnings (loss) per share (basic)	0.00013	(0.00026)	0.00016	(0.00064)

50. Promotional privileges

By virtue of the promotions of the Industrial Investment Promotion Act of B.E. 2520, the subsidiary has been privileged by the Board of Investment relating to operation for which the privileges have been granted which is summarized as follows:

- **GIDEC Co., Ltd.**

On 11 January 2011, the subsidiary has been granted privileges relating to the business of 7.1 Public utilities and basic services and 7.26 Waste water treatments, disposal services or transport of industrial waste or toxic chemicals, the privileges granted is summarized as follows:

- exemption from payment of import duty on machinery;
- exemption from payment of income tax from the promoted business totally not exceeding 100% of investments (excluding land and working capital) for a period of eight years from the date on which the income is first derived from disposal waste by burn;
- exemption from payment of income tax from the promoted business for a period of eight years from the date on which the income is first derived from production electricity from waste;
- exemption of dividends received from the promoted business in the computation of taxable income;
- a 50% reduction in the normal income tax rate on the net profit derived from promoted business for production electricity from waste for a period of five years, commencing from the expiry date of exemption from income tax;
- double deduction from the costs of transportation, electricity and water supply a period of ten years from the date on which the income is first derived from production electricity from waste;

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- Additional 25 % deduction of the cost of installation or construction of facilities beyond normally depreciation.

As the promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificate. The subsidiary has started income on 11 December 2014.

- **IEC Mae Tha Mae Taeng Co., Ltd.**

On 19 October 2010 and 25 March 2013 the subsidiary has been granted privileges relating to the business of 7.1 Public utilities and basic services is summarized as follows:

- exemption from payment of import duty on machinery;
- exemption from payment of income tax from the promoted business for a period of eight years from the date on which the income is first derived ;
- exemption of dividends received from the promoted business in the computation of taxable income;
- a 50% reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years, commencing from the expiry date of exemption from income tax;
- double deduction from the costs of transportation, electricity and water supply for a period of ten years from the date on which the income is first derived from such operations;
- Additional 25 % deduction of the cost of installation or construction of facilities beyond normally depreciation.

As the promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificate. The subsidiary has started income on 23 September 2013 and 30 June 2014.

- **IEC Sakao 1 Co., Ltd.**

On 23 March 2012, the subsidiary has been granted privileges relating to the business of producing electricity from biomass, type of Public utilities and basic services is summarized as follows:

- exemption from payment of import duty on machinery;
- exemption from payment of income tax for the net profit from promoted business for a period of eight years including revenue from sale of by products such as scrap or waste from production ;
- deduction of loss incurred during the period of income tax exemption from net profit for an additional period of five years from the expiry date of income tax exemption ;
- a 50% reduction in the normal income tax rate on the net profit derived from promoted business, commencing from the expiry date of income tax exemption ;

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- double deduction from the cost of transportation, electricity and water supply for a period of ten years from the date on which the income is first derive from such operations ;
- Additional 25% deduction of the cost of installation or construction of facilities beyond normally depreciation.

As the promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificate. The subsidiary has started income in April 2013.

Summary of revenues from promoted and non-promoted businesses of 3 subsidiaries for the years ended 31 December were as follows:

	Consolidated financial statements					
	Promoted businesses	2020 Non- promoted businesses	Total	Promoted businesses	2019 Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Revenue						
Revenues from sales of goods or rendering of services	320	-	320	322	64	386
Revenues subsidy for adders	135	-	135	149	-	149
Other revenue	-	18	18	-	51	51
Total Revenues	455	18	473	471	115	586

51. Financial instruments

Financial risk management policies

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

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows.

The Group/Company's exposure to interest rate risk relates primarily to its cash at financial institution, loans to, bank overdrafts, short-term and long-term loans. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Foreign currency risk

The exposure of the Group/Company to foreign currency risk is limited since the majority of business transactions are denominated in Thai Baht.

Credit risk

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

The Group/Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date the Group / the Company has a credit risk as mentioned in Note 7 to the financial statements. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the reporting date. Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/the Company's operations and to mitigate the effects of fluctuations in cash flows. In addition, major shareholder of the Company and the Company confirmed to provide continuous financial support for the Company and subsidiaries.

Carrying amounts and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts is a reasonable approximation of fair value.

Most financial assets and financial liabilities of the Group / the Company are classified as short-term. The Group / the Company therefore estimates the fair value of financial assets and financial liabilities close to the carrying amount presented in the statement of financial position.

52. Commitments with non – related parties

As at 31 December 2020, the Group /Company had commitments as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Non-cancellable operating lease commitments</i>		
Within one year	2	2
After one year but within five years	3	3
After five years	1	1
Total	6	6

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
Other commitments		
Bank guarantee for performance bonds and bid bonds and compliance with the agreement	52	51
Total	52	51

On 8 April 2015, the Company (“buyer”) entered into an agreement to purchase the remaining waste from separation of organic fertilizer with another company (“seller”) by agreeing to buy the remaining waste from the separation of organic fertilizer to use as raw materials in the recycling plastic project. The purchase price is determined for the first 2 years from the date of the first purchase at a fixed rate of Baht 161 per metric ton and increase by 2% in every year for a total of 10 years, requiring the deposit in the amount of Baht 5 million. Under the agreement requires the important conditions such as the termination of the agreement only when received the consent from both parties and non-compliance under the conditions of agreement, etc.

In this regard, in case of either party fails to comply with the agreement, the other party has the right to claim damages and fines at the rate of 5% per year, including damages or penalty from the termination without consent. As of 1 March 2021, the Company has not been notified of claims for damages or fines from the termination of the agreement. However, the Company has already set up an allowance for impairment of deposit under the above agreement in the amount of Baht 5 million, including has followed the said refund deposit.

53. Lawsuits and litigation

- *Lawsuits that the Company and subsidiaries sued*

The International Engineering Public Company Limited (The Company)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Por.780/2561 Por.1281/2562	The Company	Mrs. Waraporn Petcharawan Mr. Polpiphat Srisuwan Mr. Itthidej Srisuwan Mr Saran Yusuk Thaworn Energy (2013) Co., Ltd.	On 12 February 2018, the Company filed a plaint to the Civil Court for breach of the sale and purchase of share agreement with the claims amount of Baht 53.75 million, which the Court of First Instance ordered the defendant to pay back the deposit for the shares to the Company with interest rate at 7.5 % per annum from the sue date. Subsequently, on 11 June 2019, the defendant appealed to the Court. Subsequently, on 6 October 2020, the Appeal Court ordered the defendant to payment the deposit for the shares to the Company with interest rate at 7.5% per annum until the settlement was completed. Subsequently, the defendant filed a Dika appeal to the Supreme Court. Presently, it has been in the process of consideration of the Supreme Court.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Black case No. Por.310/2563	The Company	IEC Business Partners Co., Ltd ("Subsidiary")	On 21 January 2020, the Company filed a plaint to the Civil Court about debt, loans, promissory note and default on debts. On 2 July 2020, the Court ordered the defendant to make the payment in the amount of Baht 21.02 million to the plaintiff. However, as at 31 December 2020, the Subsidiary recorded such liability amounted to Baht 21.51 million shown under other current payables.

IEC Green Energy Co., Ltd. (IEC GREEN)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Aor.1656/2560	The subsidiary (IEC GREEN)	Mr. Bhusana Premanode Mr. Narong Ongartmaneerut Mr. Chanchai Khemwichien Mr Suthep Boa San Thia LPS Company Limited	On 27 July 2017, the Company filed a plaint to the Court for fraud in the purchasing Bio Scrubber Emission with the claim amount of Baht 20.50 million. On 13 November 2018, the Court dismissed the case and the Company appealed to the Court and the Appeal Court reversed the decision and agreed to obtain all defendants' plaints except for the 2nd and 4th defendants. Subsequently, on 29 August 2019, the subsidiary filed a dike to the Court. Presently, it has been in the process of consideration of the Supreme Court which has not been finalized.

Gidec Co., Ltd. (GIDEC)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Por.1775/2561	The subsidiary (GIDEC)	Flora Technology Company Limited	On 4 September 2018, the subsidiary filed a plaint to the Court regarding the breach of the consulting agreement in the disposal of community waste for processing into electrical energy with the claim amount of Baht 13.71 million. On 19 November 2018, the Civil Court ordered the defendant to pay the amount of claim of Baht 11.84 million with interest from 21 July 2016 until the settlement was completed.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

IEC Mae Tha Mae Taeng Co., Ltd. (IECMT)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Aor.1671/2560 Aor.3006/2561	The subsidiary (IECMT)	Mr. Bhusana Premanode Mr. Kittphat Sirathanaset Mr. Somchai Lertwisettheerak un Mr Maruphong Siriwat Ms. Aphirat Premanode REEC Company Ltd.	On 31 July 2017, the subsidiary filed a plaint to Criminal Court charged with false statements and concealing facts in the procurement of Line Conditioner, Mae Malai Project without real purchasing with the claim amount of Baht 10.52 million and on 13 November 2018, the Court dismissed the case. However, the subsidiary set up an allowance for impairment in full amount. On 28 February 2019, the subsidiary filed an appeal to the Appeal Court and the Court reversed to accept the request of all the defendants and of Mr. Somchai Lertwisettheerakun. The subsidiary filed a petition to the Supreme Court for the defendant – Somchai. Presently, it has been in the process of consideration of the Court, which has not been finalized.
Aor.1673/2560 Aor.3007/2561	The subsidiary (IECMT)	Mr. Bhusana Premanode Mr. Kittphat Sirathanaset Mr. Somchai Lertwisettheerak un Mr Maruphong Siriwat Ms. Aphirat Premanode REEC Company Ltd.	On 31 July 2017, the subsidiary filed a plaint to Criminal Court charged with false statements and concealing the facts in the procurement of Line Conditioner, Mae Tha Project without real purchasing with the claim amount of Baht 20.37 million and on 13 November 2018, the Court dismissed the case. However, the subsidiary set up an allowance for impairment in full amount. On 28 February 2019, the subsidiary filed an appeal to the Appeal Court and the Court reversed to accept the request of all the defendants and Mr. Somchai Lertwisettheerakun. The subsidiary filed a petition to the Supreme Court for the defendant-Somchai. Presently, it has been in the process of consideration of the Court, which has not been finalized.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

IEC Sakaeo 1 Co., Ltd. (IEC SK1)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Por.386/2562	The subsidiary (IEC SK1)	Ms. Charuwan Phusanaphibankhup Mr. Suthin Jaithum	On 18 July 2019, the subsidiary filed a plaint to the Court for breach of the acknowledgement of debt agreement with the claim amount of Baht 2.93 million. Subsequently, on 29 December 2020, the Court ordered the defendant to make the payment in the amount of Baht 2.93 million with interest rate at 7.5 % per annum from the sue date until the settlement was completed. Presently, the defendant has been continuing to extend the term of period of appeal to the Court.

- *Litigation that the Company and subsidiaries were sued*

IEC Green Energy Co., Ltd (IEC GREEN)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Aor.1991/2561	LPS Company Limited	The subsidiary (IEC GREEN)	On 2 May 2018, the subsidiary was sued due to bring a false charge and on 16 September 2019, the Court temporarily dispose the case to wait for the result of the primary case, Aor. 1656/2560.

IEC Business Partners Co., Ltd (IECBP)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Civil black case No.219/2552	IGA	The subsidiary (IECBP)	On 22 January 2009, a subsidiary was sued by International Gasohol Corporation Limited in relation to breach the sell agreement with calling the outstanding debt, a lawyer fee of Baht 1 million and claim due to default under sale and purchase of assets agreement in the amount of Baht 77.21 million with interest at 7.5 % per annum on principal totalling Baht 82.54 million. However, the subsidiary recorded payable on assets and provision amounted to Baht 69 million and Baht 8 million, respectively. Subsequently, on 4 February 2020, the Court considered that there was a reasonable cause for both parties to compromise. Therefore, the Court ordered to postpone the consideration and made the

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
			appointment to investigate the witness. On 3 November 2020, the Court judged the defendant to make the payment in the amount of Baht 26 million.

IEC Mae Tha Mae Taeng Co., Ltd (IECMT)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Details of case
Por.4271/2561	Mr. Somchai Lertwisettheerakun	The subsidiary (IECMT)	On 26 July 2018, the subsidiary was sued for violations and recover damage with the claim amount of Baht 50 million. On 21 May 2019, the Court ordered to temporarily dispose of the case to wait for the completed of facts of the relevant criminal case.
Aor.2016/2561 Aor.765/2562	Mr. Somchai Lertwisettheerakun	The subsidiary (IECMT)	On 6 July 2018, the subsidiary was sued due to bring a false charges and on 8 September 2020, the Court ordered to temporarily dispose of the case to wait for the main case. (Aor. 1671/2560) having final judgment first.
Aor.2271/2561 Aor.3057/2561	Mr. Somchai Lertwisettheerakun	The subsidiary (IECMT)	On 25 July 2018, the subsidiary was sued due to bring a false charges. The Court ordered to temporarily dispose of the case to wait for the main case. (Aor. 1673/2560) having final judgment first.

• **Incriminating the former directors and executives of the Company**

On 31 October 2017, The SEC filed criminal complaints against former directors and executives of The International Engineering Public Company Limited (IEC) and their associates, totaling 25 persons, with the Department of Special Investigation (DSI) for jointly committing fraudulent acts, misappropriating the company's assets and seeking unlawful gains, which had caused damage to IEC. Their misconduct also included arranging or allowing preparation of forged accounting records be inconsistent with the facts to deceive other persons during September 2014 to August 2016, regarding purchases of IEC subsidiaries shares, entering into construction contracts, machinery procurement and installation contracts, as well as misuse of North Environment Company Limited (NE) and Energy System Engineering and Service Company Limited (ESSES) as a channel for committing fraudulent acts involved nine cases with the initial total damages of more than Baht 200 million.

In such case, the Department of Special Investigation (DSI) classified into 6 groups which were summarized as follows:

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Group 1 (Special Case No. 29/2018)

- 1.1) Committing a fraud by misappropriating IEC assets through a purchase transaction of IEC Sakaeo 1 Co., Ltd. (IEC SK1) shares in the amount of Baht 345 million. The seller received Baht 300 million from the sale of shares; the margin of approximately Baht 45 million was given to the former director of IEC Sakaeo 1 Co., Ltd.
- 1.2) Arranging for falsification of the IEC financial statements; the former directors and two related persons made up fake documents and partially paid for the debt owed by debtor, who had agreed to take on debt into believed that the debtor owing the outstanding balance of fuel charge worth Baht 53.62 million was capable of debt repayment to the company without allowance for a doubtful account of the outstanding debt.
- 1.3) Performing duties dishonestly and seeking wrongful gains, which caused damage to IEC, through a purchase transaction of IEC SK1 shares at the amount of Baht 100 million. This was done after IEC SK1 had been placed in absolute receivership by the Central Bankruptcy Court's order. ; the former directors knew the fact but they still wanted IEC to buy IECSK1 shares from the two seller (who were their debtors) in order to repay them (the former directors) with the money received from the sale of shares.
- 1.4) Performing duties dishonestly and seeking wrongful gains, which caused damage to IEC, in the case where IEC did not exercise the right to purchase shares of Kokcharoen Green Energy Company Limited (KE) in the amount of Baht 45 million. Instead, the former director offered to buy KE shares directly from the seller at the price of Baht 20 million. Later, he arranged for his associates to sell the shares to a third party at the significantly higher price of Baht 70 million, which created an unlawful benefit for the former directors. The three directors of ESES assisted and supported the execution of such trading transactions.
- 1.5) In the case of purchasing plastic pellet making machine (the Project of Waste Plastic Recycling at Rayong Province) from China, totaled 16 sets at the over price.

Group 2 (Special Case No. 30/2018)

- 2.1) Committing a fraud by misappropriating money of IEC through the selling transactions of thermoplastic of IEC project in Rayong province. That was the former directors and one related person jointly sold the thermoplastic to third parties before the launch date of commercial operation. Instead of making the payment for the thermoplastic to IEC, the buyers transferred the total payment approximately Baht 2.95 million into the accounts of two related persons and NE director, was involved in the arrangement.
- 2.2) Committing a fraud by misappropriating money of IEC through the transactions related to the outsourcing contract with Bann Tongkum, regarding the construction of a wastewater treatment system and a water purifier system of IEC project in Rayong province in the amount of Baht 15.09 million. The former directors and one related person had signed in acceptance of the complete construction and approved the full payment when in fact the construction was incomplete.

The Company has already received compensation in the amount of Baht 13.33 million in March 2018, but the Company still has prosecuted for the offense under the Securities and Exchange Act.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Group 3 (Special Case No. 31/2018)

- 3.1) Committing a fraud by misappropriating money of IEC through the transactions related to purchasing contract of waste trommel screen machines of IEC project in Had Yai District, Songkla Province from Petchpiya Group in the amount of Baht 10.70 million. The former directors and related one person signed in acceptance of the machines and approved the full payment by IEC but the machines could not be found in fact.
- 3.2) Committing a fraud by misappropriating money of IEC through the transactions related to the outsourcing contract with Thai-Chin Engineering & Construction, regarding the construction of a contaminated plastic distilling plant of IEC project in Yad Yai District, Songkla Province in the amount of Baht 10.50 million. The former directors and one related person signed in acceptance of the complete construction and approved the full payment by IEC even though the construction was in breach of the contract.

The Company has already received compensation in the amount of Baht 7.75 million in December 2017, but the Company still has prosecuted for the offense under the Securities and Exchange Act.

Group 4 (Special Case No. 32/2018)

- 4.1) Committing a fraud by misappropriating money of NongRee Power Plants Company Limited through a contract with ESES for the construction of a building and the installation of electricity-generating machinery at the exaggerated price of Baht 58 million. NongRee Power Plants paid for the first installment of Baht 12.48 million to ESES.

The Company has already received compensation in the amount of Baht 12.47 million in March 2017, but the Company still has prosecuted for the offense under the Securities and Exchange Act.

- 4.2) In the case of IEC Green Energy Co., Ltd by former director, purchasing BIO scrubber system and emission control system and equipment ready to install for the project to enhance the efficiency of power generation IEC Sakaeo 1 Biomass Power Plant, subsequently, it was found that the said equipment was not really existing. The damage value amounted to Baht 24 million.
- 4.3) In the case of IEC Green Energy Co., Ltd by former director entering a purchase contract and installing a Catalytic Converter System for Gasifier System work at the waste energy power plant Hat Yai, it found that the said equipment did not exist that it may have been done improperly. The damage value amounted to Baht 15.3 million.

Group 5 (Special Case No. 33/2018)

- 5.1) In the case of IEC Sakaeo 1 Co., Ltd by former director, purchasing bio scrubber for biomass power generation at Sakaeo Province, was paid, and subsequently, it found that the said equipment did not really exist for count. The damage value amounted to Baht 3.9 million.
- 5.2) In the case of IEC Sakaeo 1 Co., Ltd by former director hiring soil filling and pile driving office buildings of SK1, in Sakaeo Province, had been paid in full. Subsequently, based on the inspection, it did not appear to adjust the landfill and piling of the office building. The damage value amounted to Baht 5.5 million.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The Company has already received the compensation in the amount of Baht 5 million in March 2019, but the Company still has prosecuted for the offense under the Securities and Exchange Act.

- 5.3) In the case of IEC Sakaeo 1 Company Limited by former director of IEC Sakaeo 1, selling the heavy machines (long-armed excavators in the amount of Baht 3.50 million, crawler excavators in the amount of Baht 1.50 million, wheel cutters in the amount of Baht 3 million, and tampers in the amount of Baht 2 million), it has been believed that the management misappropriated the heavy machines as their own, no real trading, but it was recorded false statements in the accounts and documents of the Company, incomplete, incorrect, not up to date or not true. The damage value amounted to Baht 0.7 million.
- 5.4) In case of IEC by former director, entering the purchase and installation of machinery and equipment, for Rotary Dryer System, purchase and installation of Microwave - Assisted System and Installation, Power Slip Ring Microwave Rotary Dryer system construction and installation, Purchase and installation of MOD Power Microwave Distribution system and Control Panel and Overheat Profit that was paid. Subsequently, it discovered that the said equipments were not really exist for count, no lists of product appearing. It was assumed that no such system was actually installed. The damage value amounted to Baht 6.99 million.

Group 6 (Special Case No. 34/2018)

- 6.1) In the case of IEC Mae Tha Mae Taeng Co., Ltd., by former Executive Director purchasing a system to increase the efficiency of electricity production (line conditioner system) from REEC Energy Co., Ltd. totaled 18,848 units to install solar power plants, Mae Tha 1 and Mae Tha 2, located in Mae Tha District, Lamphun Province. Subsequently, it was examined and found that the said equipment did not exist for count. The damage value amounted to Baht 20.18 million.
- 6.2) In the case of IEC Mae Tha Mae Taeng Co., Ltd., by former Executive Director purchasing a system to increase the efficiency of electricity production (line conditioner system) from REEC Energy Co., Ltd. totaled 9,516 units to install solar power plants, Mae Malai 1 and Mae Malai 2, located in Mae Taeng District, Lamphun Province. Subsequently, it was examined and found that the said equipment did not exist for count. The damage value amounted to Baht 10.19 million.

The transactions as detailed above are liable to the offences under Paragraph 2 of Section 281/2, Section 307, Section 308, Section 311, Section 312 and Section 315 of the Securities and Exchange Commission Act B.E. 2535 in conjunction with Section 83, Section 86, Section 91, Section 352, Section 353 and Section 354 of the Penal Code. Each case may be subject to imprisonment from 5 to 10 years and a fine from Baht 500,000 to Baht 1 million.

Presently, 5 groups of case, DSI completely investigated and sent the file of those cases to prosecutor of Office of the Special Prosecutor on 28 August 2020, and another group of cases has been in the process of investigation due to be waiting for evidence from People's Republic of China and Republic of Singapore.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The reason for delisting ordinary shares of the Company from being listed security

On 20 June 2019, The Stock Exchange of Thailand (SET) announced the reason for delisting ordinary shares of the Company from being listed security due to the Company was unable to eliminate the grounds for delisting or to repossess the qualifications in order to resume trading within specified deadline which caused their shares subject to possible delisting under SET's regulation. SET allowed trading on the securities of the Company for 7 business days before the effective date of delisting, during 1 – 9 July 2019. At the end of trading period, SET delisted the ordinary shares of the Company from listed security, effective from 10 July 2019 onwards. However, the current management is processing to eliminate the grounds for delisting. On 25 June 2019, the Company resolved to sue and on 27 June 2019, the Company has filed a complaint SET to the Central Administrative Court, to request the Court to revoke the judgement to cancel the order to revoke the delisted ordinary shares of IEC from being listed security. At the present, the case has been in the process of investigation of facts, which has not been finalized.

54. Pledged assets

As at 31 December 2020 and 2019, the Group's/Company's bank deposits of Baht 69 million and Baht 74 million in the consolidated financial statements and Baht 69 million and Baht 67 million in the separate financial statements, respectively, have been used as collateral for credit facilities obtained from banks.

As at 31 December 2020, 6 plots of land, respectively, including present and future structures, building, power plant from biomass of the subsidiary (IEC Sakaeo1 Co., Ltd.) with the carrying amount of Baht 345 million ,respectively, and including the rights to insurance claims of those assets and two subsidiaries shares' certificate held by the Company have been mortgaged/pledged as collateral for loans from one domestic commercial banks and a related person amounting to Baht 631 million.

As at 31 December 2019, 8 plots of land, respectively, including present and future structures, building , solar power plant with equipment, of the subsidiary (IEC Mae Tha Mae Tang Co., Ltd.), power plant from biomass of the subsidiary (IEC Sakaeo1 Co., Ltd.) with the carrying amount of Baht 488 million, respectively, and including the rights to insurance claims of those assets and two subsidiaries shares' certificate held by the Company have been mortgaged/pledged as collateral for loans from two domestic commercial banks and a related person amounting to Baht 882 million.

55. Significant agreements

- On 11 April 2009, the subsidiary (IEC Mae Tha Mae Taeng Co., Ltd.) entered into two power purchase agreements with the Provincial Electricity Authority ("PEA") for project's Lumpoon 1 and Lumpoon 2. The subsidiary agrees to sell electricity to PEA within 1 March 2011, the agreement is effective from 11 April 2009 for a period of five years and automatically renewal for a period of five years and effective until the subsidiary will cease trading electricity by written request to terminate the agreement or either party fails to comply with the condition of the agreement. The payment term according to the conditions is prescribed in the regulations for the purchase of electricity of PEA. The subsidiary was approved by the PEA to extend to distribute electricity and has distributed the electricity to Provincial Electricity Authority on 23 September 2013 and on 30 June 2014, the subsidiary has already distributed the electricity to PEA.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- On 23 June 2010, the subsidiary (GIDEC Co., Ltd.) entered into a construction and services management of waste disposal system in community and amendment memorandum with Hatyai Municipality. The municipality agreed the subsidiary to construct the waste disposal system in community and to install the pollution treatment system on land owned by municipality. The subsidiary has the right to manage such system for a period of 25 years from the date of signing the contract. The significant details are as follows.
 - The subsidiary agreed to pay land rental amounted to Baht 500,000 per year to the municipality.
 - The subsidiary provided the property insurance coverage and determined the municipality as the beneficiary.
 - The municipality agreed to pay a waste disposal to the subsidiary at a rate of Baht 290 per ton for a period of 10 years and after the eleventh year to twenty-fifth year, a waste disposal rate will be revised every 5 years and the subsidiary has right to increase a waste disposal rate according to inflation rate but not more than 10% in every 5 years.
 - The subsidiary shall pay compensation to the municipality at a rate of 10% of revenue from waste disposal. The municipality shall deduct compensation from waste disposal expenses to be withdrawn by the subsidiary each month.
 - The subsidiary shall pay a consulting fee to the municipality for procuring work during construction period at the actual amount but not exceeding Baht 4,000,000.
 - Constructions, building, machineries and other equipments under the agreement are owned by the municipality after the end of the agreement or the date of termination.
- On 4 January 2011, the subsidiary (GIDEC Co., Ltd.) entered into a power purchase agreements with the Provincial Electricity Authority (“PEA”). The subsidiary agrees to sell electricity to PEA within 22 August 2011, the agreement is effective from 4 January 2011 for a period of five years and continuous renewed for a period of five years by automatically and effective until the subsidiary has ceased trading electricity by written request to terminate the agreement or either party fails to comply with the condition of the agreement. The payment term according to the conditions prescribed in the regulations for the purchase of electricity of PEA. The subsidiary was approved by the PEA to extend to distribute electricity and has distributed the electricity to Provincial Electricity Authority on 11 December 2014.
- On 29 April 2011, the subsidiary (GIDEC Co., Ltd.) entered into a letter to divide a space of land (Nor Sor 3 Kor) located at Khuanlang district. On 25 June 2010 to 25 June 2035 in order to construction and manage waste disposal system in community, sizing not less than 250 tons per day. Total rental expenses amounted to Baht 15.26 million, annually payable on 25 June of following year at the rental rate from Baht 500,000 to Baht 732,050 per year with deposit amounted to Baht 1,526,275. Under the rental agreement No. 27/2554 dated 1 December 2010 certain conditions such as properties owned by the lessor.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- On 22 August 2012, the subsidiary (“IEC Sakae01 Co., Ltd.”) enter into a power purchase agreement with the Provincial Electricity Authority (“PEA”) the subsidiary agreed to sell electricity to PEA within 31 May 2013, the agreement is effective from 22 August 2012 for a period of five years and automatically renewal for a period of five years and effective until the subsidiary will cease trading electricity by written request to terminate the agreement or either party fails to comply with the condition of the agreement. The payment term according to the conditions is prescribed in the regulations for the purchase of electricity of PEA. The subsidiary has distributed the electricity to Provincial Electricity Authority since 10 April 2013.

Subsequently, on 20 September 2016, the subsidiary entered into the first amendment to the Power Purchase Agreement from very small power producer (for electricity generating form renewable energy) No VSPP-PEA-081/2555, with the Provincial Electricity Authority (PEA) since the Company wants to join the Adder to Feed-in Tariff (FiT) project, with the significant matter as follows:

- Remaining agreement period in type of Feed-in-tariff (“FIT”) of 13 years 0 month 30 days, expiration date on 9 April 2029.
- The calculation of the amount of electrical energy and the payment of the electricity purchase shall be in accordance with the conditions determined in the announcement of The Office of Energy Regulatory Commission dated 20 June 2016, from the adder to the Feed-in-tariff (“FIT”), effective from 11 March 2016. The project will receive Fit premium (first 8 years) of Baht 0.30 per unit and the end date of receipt of Fit premium is on 9 April 2021.
- The electricity producer will be deducted the operation fee of the power purchase project from very small power producer at the rate of 2% of the exceed amount of electricity which PEA distribute to electricity producer.
- Electricity producers have to pledgeas collateral for submitting proposals to sell electricity in the amount of Baht 1.2 million.
- Etc.

56. Events after the reporting period

On 28 January 2021, the Company received a letter of approval for the extended period under the contract for the implementation of the integrate system due to delay of 1,522 days and the final payment in the amount of Baht 13 million from one State Enterprise. On 25 February 2021, the Company has received the final payment in the amount of Baht 13 million. Therefore, as as 31 December 2020, the Company adjusted to reverse the provision for penalty under the contract of Baht 11.63 million, which was presented in the statement of comprehensive income.

57. Reclassification of accounts

Certain accounts in statements of financial position for the year ended 31 December 2019 and statements of comprehensive income for the year ended 31 December 2019 have been reclassified to conform to the presentation in the financial statements for the year ended 31 December 2020.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	As at 31 December 2019					
	Consolidated statement			Separate statement		
	Before Reclassify	Reclassify	After Reclassify	Before Reclassify	Reclassify	After Reclassify
	<i>(in million Baht)</i>					
Statements of financial position						
Current assets						
Current Investment	2	(2)	-	2	(2)	-
Other current receivables	181	(58)	123	60	(8)	52
Other current financial assets	-	1	1	-	1	1
Current contract assets	-	58	58	-	8	8
Non-current assets						
Available-for-sale investments	1	(1)	-	1	(1)	-
Other non-current financial assets	-	2	2	-	2	2
Leasehold Right	6	(6)	-	6	(6)	-
Right-of-use assets	-	6	6	-	6	6
Total	190	-	190	69	-	69

	For the year ended 31 December 2019					
	Consolidated statement			Separate statement		
	Before Reclassify	Reclassify	After Reclassify	Before Reclassify	Reclassify	After Reclassify
	<i>(in million Baht)</i>					
Statement of comprehensive income						
Revenues						
Interest income	(2)	2	-	(19)	19	-
Finance income	-	(2)	(2)	-	(19)	(19)
Reversal of allowance for doubtful accounts	(6)	6	-	(36)	36	-
Reversal of allowance for impairment of assets	(30)	30	-	(5)	5	-
Expenses						
Doubtful debts expense	1	(1)	-	150	(150)	-
Impairment loss on asset (reversal)	7	(30)	(23)	7	(5)	2
Expected credit loss of receivables (reversal)	-	(5)	(5)	-	114	114
Total	(30)	-	(30)	97	-	97