

ERX Company Limited

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of ERX Company Limited

Opinion

I have audited the financial statements of ERX Company Limited (the Company) which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, comprising a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basic for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

I communicate with management 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.



(Pichan Lilamethiwal)
 Certified Public Accountant
 Registration No. 11133

PKF Audit (Thailand) Ltd.
 Bangkok
 4 April 2022

ERX Company Limited
Statement of financial position
As at 31 December 2021

Assets	<i>Note</i>	2021	2020
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	6, 22	56,653,237.78	25,445,361.56
Other receivables	7	6,201,114.56	2,324,474.28
Short-term loan to related parties	5	-	16,600,000.00
Total current assets		62,854,352.34	44,369,835.84
<i>Non-current assets</i>			
Digital assets	8	-	-
Leasehold improvement and equipment	9	4,041,961.42	3,276,588.49
Right-of-use asset	10	1,266,127.77	2,865,586.26
Intangible assets	11	31,443,241.67	16,921,923.40
Deferred tax assets	12	8,037,619.34	2,698,780.03
Other non-current financial assets		668,595.39	204,368.00
Total non-current assets		45,457,545.59	25,967,246.18
Total assets		108,311,897.93	70,337,082.02

ERX Company Limited
Statement of financial position
As at 31 December 2021

Liabilities and equity	<i>Note</i>	2021	2020
		<i>(in Baht)</i>	
<i>Current liabilities</i>			
Custodial funds due to customers	22	17,079,886.58	5,888.00
Other payables	13	3,592,245.54	2,642,002.15
Current portion of lease liabilities		700,281.73	815,204.28
Total current liabilities		21,372,413.85	3,463,094.43
<i>Non-current liabilities</i>			
Long-term loan from related parties	5	31,527,187.35	20,000,000.00
Lease liabilities	22	636,844.79	1,640,227.77
Non-current provision for employee benefits	14	216,523.19	263,176.34
Provision for decommissioning	22	52,837.05	125,773.61
Total non-current liabilities		32,433,392.38	22,029,177.72
Total liabilities		53,805,806.23	25,492,272.15
<i>Equity</i>			
Share capital:	15		
Authorised share capital		128,700,000.00	85,000,000.00
Issued and paid-up capital		128,700,000.00	85,000,000.00
Retained earnings (Deficit)		(74,404,013.39)	(40,155,190.13)
Other components of equity		210,105.09	-
Total equity		54,506,091.70	44,844,809.87
Total liabilities and equity		108,311,897.93	70,337,082.02

ERX Company Limited
Statement of comprehensive income
For the year ended 31 December 2021

	Note	2021	2020
		(In Baht)	
Income			
Revenue from fee and services		8,819,966.90	-
Interest income		30,840.75	20,199.90
Total income		8,850,807.65	20,199.90
Expenses			
Cost of service		6,816,865.78	-
Administrative expenses		41,581,105.91	31,532,064.08
Total expenses	16	48,397,971.69	31,532,064.08
Loss before finance costs and income tax expense		(39,547,164.04)	(31,511,864.18)
Finance costs		93,024.80	15,863.04
Loss before income tax expense		(39,640,188.84)	(31,527,727.22)
Tax income	17	5,391,365.58	433,878.64
Loss for the year		(34,248,823.26)	(31,093,848.58)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain on remeasurements of defined benefit plans	14	262,631.36	-
Income tax relating to items that will not be reclassified	12	(52,526.27)	-
Other comprehensive income (expense) for the year, net of tax		210,105.09	-
Total comprehensive expense for the year		(34,038,718.17)	(31,093,848.58)
Loss per share (in Baht)			
Basic loss per share	18	(33.32)	(51.14)

ERX Company Limited

Statement of changes in equity

For the year ended 31 December 2021

	Note	Issued and paid-up share capital	Retained earnings (Deficit) (in Baht)	Total equity
For the year ended 31 December 2020				
Balance at 1 January 2020 - as reported		50,000,000.00	(12,079,466.31)	37,920,533.69
Impact of change in accounting policies	3	-	2,523,865.86	2,523,865.86
Cumulative effects of adjustments in respect of prior year	3	-	494,258.90	494,258.90
Balance at 1 January 2020 - restated		50,000,000.00	(9,061,341.55)	40,938,658.45
Transactions with owners, recorded directly in equity				
Contributions by owners				
Issue of ordinary shares	15	35,000,000.00	-	35,000,000.00
Total transactions with owners, recorded directly in equity		35,000,000.00	-	35,000,000.00
Comprehensive income (expense) for the year				
Loss		-	(31,093,848.58)	(31,093,848.58)
Other comprehensive income (expense)		-	-	-
Total comprehensive income (expense) for the year		-	(31,093,848.58)	(31,093,848.58)
Balance at 31 December 2020		85,000,000.00	(40,155,190.13)	44,844,809.87

ERX Company Limited
Statement of changes in equity
For the year ended 31 December 2021

		Issued and paid-up share capital	Retained earnings (Deficit)	Other components of equity Gain on remeasurements of defined benefit plans (in Baht)	Total equity
	<i>Note</i>				
For the year ended 31 December 2021					
Balance at 1 January 2021		85,000,000.00	(40,155,190.13)	-	44,844,809.87
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of ordinary shares	15	43,700,000.00	-	-	43,700,000.00
Total transactions with owners, recorded directly in equity		43,700,000.00	-	-	43,700,000.00
Comprehensive income (expense) for the year					
Loss		-	(34,248,823.26)	-	(34,248,823.26)
Other comprehensive income		-	-	210,105.09	210,105.09
Total comprehensive income (expense) for the year		-	(34,248,823.26)	210,105.09	(34,038,718.17)
Balance at 31 December 2021		128,700,000.00	(74,404,013.39)	210,105.09	54,506,091.70

ERX Company Limited
Statement of cash flow
For the year ended 31 December 2021

	Note	2021	2020
		(in Baht)	
Cash flows from operating activities			
Loss for the year		(34,248,823.26)	(31,093,848.58)
<i>Adjustments to reconcile profit (loss) to cash receipts (payment)</i>			
Tax expense (income)	17	(5,391,365.58)	(433,878.64)
Finance cost		93,024.80	15,863.04
Adjustment of lease modification	10	26,628.34	-
Depreciation and amortisation		1,833,825.62	942,851.32
Employee benefits	14	215,978.21	199,241.24
Reversal of loss on provision for decommissioning		(73,802.12)	-
Write off intangible assets	11	108,720.00	-
Write off other receivables		6,943.86	-
Write off other non-current assets		495,990.00	-
(Reversal) Loss on impairment of rental deposit		(496,990.00)	496,990.00
Write off leasehold improvement and equipment		1,575,041.58	-
(Reversal) Loss on impairment of leasehold improvement	9	(1,700,990.57)	1,700,990.57
Interest income		(30,840.75)	(20,199.90)
		<u>(37,586,659.87)</u>	<u>(28,191,990.95)</u>
<i>Changes in operating assets and liabilities</i>			
Decrease in other receivables (Increase)		(3,883,584.14)	(1,497,527.89)
Increase in custodial funds due to customers		17,073,998.58	5,888.00
Increase in other payables (Decrease)		950,243.39	(2,580,810.62)
Interest received in cash		30,840.75	20,199.90
Cash used in operating activities		<u>(23,415,161.29)</u>	<u>(32,244,241.56)</u>
Taxes paid		<u>(257,645.00)</u>	<u>-</u>
Net cash used in operating activities		<u>(23,672,806.29)</u>	<u>(32,244,241.56)</u>
Cash flows from investing activities			
Proceeds from repayment of short-term loans to related parties	5	16,600,000.00	34,900,000.00
Cash payments for short-term loans to related parties	5	-	(29,000,000.00)
Cash payment for digital asset exchange center license	11	-	(2,500,000.00)
Cash return (payments) from rental deposit		100,969.61	(204,368.00)
Cash payments for acquisition of leasehold improvement and equipment	9	(3,341,043.22)	(781,340.93)
Cash payments for computer program development	11	(14,739,336.90)	(11,668,745.13)
Proceeds from disposal of leasehold improvement and equipment		1,830,937.17	-
Net cash from (used in) investing activities		<u>451,526.66</u>	<u>(9,254,454.06)</u>

ERX Company Limited
Statement of cash flow
For the year ended 31 December 2021

	Note	2021	2020
		(in Baht)	
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares	15	43,700,000.00	35,000,000.00
Proceeds from long-term loans from related party	5	39,477,187.35	20,000,000.00
Repayment of long term loan from related party	5	(27,950,000.00)	-
Cash payments for lease liability	10	(798,031.50)	(424,063.60)
Net cash from financing activities		54,429,155.85	54,575,936.40
Net increase in cash and cash equivalents		31,207,876.22	13,077,240.78
Cash and cash equivalents at the beginning of accounting period		25,445,361.56	12,368,120.78
Cash and cash equivalents at 31 December		56,653,237.78	25,445,361.56
<i>Non-cash transactions</i>			
Increase in leasehold improvement and equipment payables		-	1,636,434.39
Increase (decrease) in right-of-use asset from lease		(324,790.01)	2,989,406.22
Right-of-use asset reclassification to rental deposit		(306,552.00)	-

ERX Company Limited
Notes to the financial statements
For the year ended 31 December 2021

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ERX Company Limited
Notes to the financial statements
For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Director of the Company on 4 April 2022.

1 General information

ERX Company Limited (the “Company”) is incorporated in Thailand and has its registered office at No. 1 Habito Mall, Unit no.308, 308-2-2, 3rd Floor, Soi Rim Klong Prakanong, Prakanong Nua, Wattana, Bangkok *(Previous registered office during the year was No. 1 Habito Mall, Unit no.204, 205, 210, 2nd Floor, Soi Rim Klong Prakanong, Prakanong Nua, Wattana, Bangkok)*

In October 2021, Mr. Chaiyuth Pitakteeratham acquired newly issued ordinary shares and became major shareholder of the Company (41% shareholding) *(former major shareholder was ER Market LLC (49% shareholding), incorporated in United States of America).*

The principal activities of the Company is digital assets exchange center services for digital token.

2 Basis of preparation of the financial statements

2.1 Statement of compliance

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

2.2 Coronavirus disease 2019 pandemic (Covid-19)

Due to the COVID-19 pandemic at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, including curfew policy from the government etc. This has significantly affected the world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Company’s staff and to manage the impact on the business as less as possible.

2.3 Basis of measurement

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

Items	Measurement bases
Other non-current financial assets	Fair value
Defined benefit liability	Present value of the defined benefit obligation

ERX Company Limited
Notes to the financial statements
For the year ended 31 December 2021

2.4 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency.

All financial information is presented in Thai Baht in the notes to the financial statements unless otherwise stated.

The financial statements in English language have been translated from the Thai language financial statements. In the event of any conflict or different interpretation in the two languages, the Thai version of the financial statements, in accordance with Thai laws will prevail.

2.5 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, 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 estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3.2	Leases: - whether an arrangement contains a lease - whether the Company is reasonably certain to exercise extension options - whether the Company exercise termination options - whether the Company has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
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Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts in the financial statements are included in the following notes:

Note 3.2	Determining the incremental borrowing rate to measure lease liabilities;
Note 4.4 and 4.9	Measurement of ECL allowance for receivables;
Note 4.6, 4.7 and 4.8	Estimation useful life of assets;
Note 4.11	Measurement of defined benefit obligations: key actuarial assumptions;
Note 4.13	Determining the fair value of financial instruments on the basis of significant unobservable inputs;
Note 4.18	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

ERX Company Limited
Notes to the financial statements
For the year ended 31 December 2021

3 Changes in accounting policies and adjustments in respect of prior year

3.1 *Accounting for financial instruments standards*

The Company have adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Company did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

The 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 adoption of TFRS - Financial instruments standards do not significantly impact to the Company.

3.2 *Accounting for leasing*

From 1 January 2020, the Company has adopted TFRS 16 Lease on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining Whether an Arrangement Contains a Lease. Previously, the Company, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease.

Under TFRS 16, the Company assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Company allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Company recognised right-of-use asset and lease liabilities, as a result, the nature of expenses related to those leases were changed because the Company recognised depreciation of right-of-use asset and interest expense on lease liabilities as at 31 December 2020, the Company presented the right-of-use asset in amount of Baht 2.87 million (see Note 10) and lease liabilities in amount of Baht 2.46 million. Lease liabilities was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates.

Commitment from operating leases which disclosed as of 31 December 2019, the Company has entered into the operating leases for the office space rental and services agreement for the period from 1 to 3 years and cancelled the agreement during the year 2020. Thus, there is no effect from TFRS 16 adoption on 1 January 2020 from the practical expedients: do not recognise right-of-use asset and lease liabilities for leases with less than 12 months of lease term.

3.3 *Adjustments in respect of prior year financial statements*

The Company has adjustments in respect of prior year that have the effects to the opening balances at 1 January 2020 of financial statements which are presented as comparative due to the Company have fully adopted Thai Financial Reporting Standards (TFRS) for annual accounting periods beginning on or after 1 January 2019. The initial application of this adoption of TFRS has resulted in changes in certain of the Company's accounting policies in the following areas:

- Presentation of financial statements
- Accounting for employee benefits
- Accounting for income tax

ERX Company Limited
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For the year ended 31 December 2021

Other TFRSs did not have significant impact on the accounting policies, financial position or performance of the Company and the Company has adjustments in respect of prior year that have the effects to the opening balances at 1 January 2020 due to an adjustment in direct cost of intangible assets and changes in new accounting policies. Consequently, the Company retrospectively adjusted in financial statements presuming that the accounting errors are corrected in the period that the transaction had occurred.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities at the reporting date denominated in foreign currencies are translated to Thai Baht at the exchange rate at the 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 currency differences are generally recognised in profit or loss.

4.2 Financial instruments

Accounting policies applicable from 1 January 2020

4.2.1 Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when 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 financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

4.2.2 Classification and subsequent measurement

Financial assets - classification

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

ERX Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Financial assets are not reclassified subsequent to their initial recognition unless 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 amortised 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 cashflows; 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 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 amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment

The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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.

'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 Company 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 Company considers:

- 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 Company'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.
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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.
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Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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Derecognition

Financial assets

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 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 Company enters into transactions whereby it transfers assets recognised 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 Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. 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 recognised 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 recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, 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 realise the asset and settle the liability simultaneously.

4.3 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances and call deposits, including restricted deposits and customer custodial funds which separated from the Company's accounts and with restriction.

4.4 Other receivables

A receivable is recognised when the Company has an unconditional right to receive consideration. If revenue has been recognised before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred (if any).

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4.5 Digital assets

The Financial Reporting Standards and accounting guidance regarding digital asset are still evolving. The Company has considered and evaluated digital asset transactions from core operation as digital token exchange center. According to current Financial Reporting Standards interpretation and the Agenda Discussions, June 2019 by the IFRS Interpretations Committee, the Company recognized the digital assets as prepayment included under other receivables in statement of financial position, for the digital assets which hold for system testing and transaction fee on blockchain. Prepayment is measured at cost.

Other digital assets are shown only the Company's asset in net balance from customers' asset. Due to the Company provides digital asset wallet for customer and the wallet connected with network when transacting only (cold wallet), which qualified under the announcements by the Securities and Exchange Commission ("SEC"). The SEC emphasized on cybersecurity whereby the Company securely controls the private key and assesses the risk level of loss or theft of private key at extremely unlikely due to; (1) it has no known or historical experience of risk to use as a basis of measurement (2) it accounts for and continually verifies the amount of digital assets within its controls (3) it has established cybersecurity complied with rules and regulations of the SEC. Thus, the Company had not recognized a liability from digital assets in the financial statements.

Therefore, the Company will re-evaluate the accounting policy for digital assets regularly and adjust if appropriate when the new financial reporting standards and accounting guidance have been announced or change in the Company's business practice.

4.6 Leasehold improvement and equipment

Recognition and measurement

Owned assets

Leasehold improvement and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

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 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 capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item have different useful lives, they are accounted for as separate items (major components).

Any gains and losses on disposal of item of leasehold improvements and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvements and equipment, and are recognised in profit or loss.

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Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvement and equipment are recognised 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 assets. The estimated useful lives are as follows:

Leasehold improvements	5 years
Office furniture, fixture and equipment	5 years

No depreciation is provided on assets under construction.

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

4.7 Intangible Assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. (if any)

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

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Intangible assets with indefinite useful life consist of digital assets exchange center licenses which are tested for impairment annually and whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognised (if any).

Amortisation

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

Amortisation is recognised 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:

Computer program	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

No amortisation is provided on intangible assets under development.

4.8 Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, 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 Company uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, 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 Company has elected to separate non-lease components and account for the lease as a single lease component.

The Company recognises 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 recognised 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that 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.

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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 Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable.

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 amortised 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.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised 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 recognised in profit or loss on a straight-line basis 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.

4.9 Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

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 Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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.

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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 Company'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 Company recognises 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 Company is exposed to credit risk.

The Company assumes that the credit risk on a financial asset has increased significantly if it is past due, significant deterioration in financial instruments'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 Company.

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

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 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 Companyed 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 recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Company recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised 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 financial difficulty, a breach of contract such past due, probable the debtor will enter bankruptcy.

Write-off

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

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Accounting policies applicable before 1 January 2020

Other receivable

A receivable is measured at transaction price less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.10 Impairment of non-financial assets

The carrying amounts of 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. For goodwill and 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 recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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.

Reversal of impairment

Impairment losses recognised in prior periods in respect of 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 that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.11 Employee benefit

Defined benefit plans

The Company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the 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.

4.12 Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated 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 the discount is recognised as a finance cost.

4.13 Fair value measurement

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

A number of 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 Company measures 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 Company uses valuation techniques that maximise the use of relevant observable inputs and minimise 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.

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

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 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 recognised 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.

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 in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised 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 Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.14 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

4.15 Revenue

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

Revenue from fee

Revenue from trading fee from digital asset exchange platform is recognized at a point in time when the Company has satisfied its performance obligation to the customer, and recognized based on rate agreed with customers.

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Revenue for rendering of services

Revenue from rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

4.16 Other income

Other income comprises interest income and others are recognised in profit or loss as it accrues.

4.17 Interest

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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

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 assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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

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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 reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The 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 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 realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.19 Earnings (loss) per share

The Company presents basic earnings (loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.20 Related parties

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

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5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with management or other related parties were as follows:

Related parties	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
ER Market LLC	United States of America	Shareholder of the Company
XSpring Digital Co., Ltd. (Former "SE Digital Co., Ltd.")	Thai	Company under common ultimate parent company
XSpring Capital PCL	Thai	Company under common ultimate parent company

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

Transactions	Pricing policy
Purchase/Sales of assets	Agreed price
Management fee	Contractual price
Revenue from fee and services	Comparable to market price

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

For the year ended 31 December	2021	2020
	<i>(in Baht)</i>	
Related parties		
Revenue from fee and services	3,315.25	-
Sales of assets	1,830,937.17	-
Management fee	350,000.00	434,725.00

Balances as at 31 December 2021 and 2020 with related parties were as follows:

	2021	2020
	<i>(in Baht)</i>	
Related personnel		
Short-term loan to	-	16,600,000.00
Long-term loan from	31,527,187.35	20,000,000.00

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Movements during the year ended 31 December 2021 and 2020 of short-term loan to related parties were as follows:

	2021	2020
	<i>(in Baht)</i>	
At 1 January 2021	16,600,000.00	22,500,000.00
Addition	-	29,000,000.00
Repayment	(16,600,000.00)	(34,900,000.00)
At 31 December	<u>-</u>	<u>16,600,000.00</u>

As at 31 December 2021 and 2020, short-term loan to related parties were interest-free loan.

Movements during the year ended 31 December 2021 and 2020 of long-term loans from related parties were as follows:

	2021	2020
	<i>(in Baht)</i>	
At 1 January	20,000,000.00	-
Addition	39,477,187.35	20,000,000.00
Repayment	(27,950,000.00)	-
As at 31 December	<u>31,527,187.35</u>	<u>20,000,000.00</u>

As at 31 December 2021, long-term loan from related parties were interest-free promissory notes, due within 3 years.

6 Cash and cash equivalents

	2021	2020
	<i>(in Baht)</i>	
Petty cash	10,000.00	20,000.00
Cash at banks - current accounts	548,110.68	87,483.54
Cash at banks - savings accounts	38,575,239.69	25,091,990.02
Customer custodial funds	17,079,887.41	5,888.00
Restricted cash at financial institutions	440,000.00	240,000.00
Total	<u>56,653,237.78</u>	<u>25,445,361.56</u>

Customer custodial funds represent restricted cash maintained in segregated Company bank accounts that are held for the exclusive benefit of customers for use in the Company's service.

Restricted cash at financial institutions

As at 31 December 2021, cash at banks - saving accounts of the Company in amount of Baht 0.44 million (31 December 2020: Baht 0.24 million) were used as a guarantee for safe rental and credit guarantee with domestic financial institutions.

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7 Other receivables

	2021	2020
	<i>(in Baht)</i>	
Revenue department receivable	3,434,158.21	1,655,291.97
Prepayment– digital assets	1,656,151.10	1,696.67
Prepaid expenses	723,420.66	536,435.79
Others	387,384.59	131,049.85
Total	6,201,114.56	2,324,474.28

8 Digital assets

Digital assets as at 31 December 2021 and 2020 were as follows;

	Digital token			Total Digital assets
	Cost	Add (Less) fair value adjustment	Fair value	
As at 31 December 2021				
Digital assets	2,400,700,125.81	864,151.67	2,401,564,277.48	2,401,564,277.48
Less Digital assets of customer	(2,400,700,125.81)	(864,151.67)	(2,401,564,277.48)	(2,401,564,277.48)
Net	-	-	-	-
As at 31 December 2020				
Digital assets	198,436.74	(19,317.07)	179,119.67	179,119.67
Less Digital assets of customer	(198,436.74)	19,317.07	(179,119.67)	(179,119.67)
Net	-	-	-	-

The fair value measurement is categorised as level 2 in the fair value hierarchy.

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9 Leasehold improvement and equipment

	Leasehold improvement	Office furniture and fixture	Office equipment (in Baht)	Assets under construction	Total
Cost					
At 1 January 2020	1,953,463.94	740,046.40	884,810.46	-	3,578,320.80
Additions	276,561.12	53,245.00	451,534.81	1,636,434.39	2,417,775.32
At 31 December 2020 and 1 January 2021	2,230,025.06	793,291.40	1,336,345.27	1,636,434.39	5,996,096.12
Additions	1,360,297.00	460,715.87	1,520,030.35	-	3,341,043.22
Transfer in (out)	1,636,434.39	-	-	(1,636,434.39)	-
Write-off/Disposal	(3,866,459.45)	(556,774.60)	(39,261.70)	-	(4,462,495.75)
At 31 December 2021	1,360,297.00	697,232.67	2,817,113.92	-	4,874,643.59
Accumulated depreciation and impairment loss					
At 1 January 2020	109,706.97	49,098.86	40,679.87	-	199,485.70
Depreciation for the year	419,327.52	165,507.56	234,196.28	-	819,031.36
Impairment losses	1,700,990.57	-	-	-	1,700,990.57
At 31 December 2020 and 1 January 2021	2,230,025.06	214,606.42	274,876.15	-	2,719,507.63
Depreciation for the year	374,411.16	152,714.74	343,556.20	-	870,682.10
Write-off/Disposal	(835,924.03)	(217,367.81)	(3,225.15)	-	(1,056,516.99)
Reversal of impairment losses	(1,700,990.57)	-	-	-	(1,700,990.57)
At 31 December 2021	67,521.62	149,953.35	615,207.20	-	832,682.17
Net book value					
At 31 December 2020	-	578,684.98	1,061,469.12	1,636,434.39	3,276,588.49
At 31 December 2021	1,292,775.38	547,279.32	2,201,906.72	-	4,041,961.42

10 Right-of-use asset

<i>As at 31 December</i>	2021	2020
	<i>(In Baht)</i>	
Right-of-use asset		
Office building space	1,266,127.77	2,865,586.26
Total	1,266,127.77	2,865,586.26

During 2020, the right-of-use asset of the Company increased in amount of Baht 2.87 million from lease of office building space for 3 years, with extension options at the end of lease term. Rental payment is on monthly basis, at the rate as stated in the contract. During 2021, regarding the memorandum attached to the lease and services contract dated 20 September 2021, the Company intended to amend to move office space in the contract. The lessee agreed with the amendment which change space area from 433 sq.m. to 196.55 sq.m. The Company has incurred loss from lease modification in amounting to Baht 0.03 million.

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Extension options

Rental agreement of property provided an option to extend the rental period within 90 days.

Before the end of the non-cancellable contract period, where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

For the year ended 31 December	2021	2020
	<i>(In Baht)</i>	
Amounts recognised in profit or loss		
Depreciation of right-of-use asset		
- Office building space	853,844.89	123,819.96
Interest on lease liabilities	92,159.24	15,863.04
Expenses relating to short-term leases	877,742.00	793,584.00
Expenses relating to leases of low value assets	66,894.00	36,000.00

In 2021, total cash outflow for lease of the Company was Baht 0.80 million (2020: Baht 0.42 million)

Movement in right-of-use asset for the year ended 31 December 2021 and 2020 are as follows:

	<i>(In Baht)</i>
Cost	
At 1 January 2020	-
Additions	2,989,406.22
At 31 December 2020 and 1 January 2021	2,989,406.22
Decrease	(745,613.60)
At 31 December 2021	2,243,792.62
Accumulated depreciation	
At 1 January 2020	-
Depreciation for the year	123,819.96
At 31 December 2020 and 1 January 2021	123,819.96
Depreciation for the year	853,844.89
At 31 December 2021	977,664.85
Net book value	
At 31 December 2020	2,865,586.26
At 31 December 2021	1,266,127.77

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11 Intangible assets

	Digital asset business operator license	Computer program under development	Computer program	Total
Cost				
At 1 January 2020 (Restated)	-	2,753,178.27	-	2,753,178.27
Additions	2,500,000.00	11,668,745.13	-	14,168,745.13
At 31 December 2020 and 1 January 2021	2,500,000.00	14,421,923.40	-	16,921,923.40
Additions	-	14,739,336.90	-	14,739,336.90
Transfer in (out)	-	(22,282,550.29)	22,282,550.29	-
Write off	-	(108,720.00)	-	(108,720.00)
At 31 December 2021	2,500,000.00	6,769,990.01	22,282,550.29	31,552,540.30
Accumulated amortisation				
At 1 January 2020	-	-	-	-
Amortisation for the year	-	-	-	-
At 31 December 2020 and 1 January 2021	-	-	-	-
Amortisation for the year	-	-	109,298.63	109,298.63
At 31 December 2021	-	-	109,298.63	109,298.63
Net book value				
At 31 December 2020	2,500,000.00	14,421,923.40	-	16,921,923.40
At 31 December 2021	2,500,000.00	6,769,990.01	22,173,251.66	31,443,241.67

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12 Deferred tax assets

Movement in deferred tax assets for the year ended 31 December 2021 and 2020 are as follows:

	At 1 January 2021	<u>(Charged) / Credited to</u>		At 31 December 2021
		Profit or loss	Other comprehensive income	
		<i>(in Baht)</i>		
Deferred tax assets				
Employee benefits obligation	52,635.27	43,195.64	(52,526.27)	43,304.64
Differences from impairment;				
Leasehold improvement	340,198.11	(340,198.11)	-	-
Rental deposit	99,398.00	(99,398.00)	-	-
Difference from expenses				
record from lease liabilities	4,434.28	13,982.83	-	18,417.11
Loss carried forward	2,252,114.37	5,868,387.50	-	8,120,501.87
Total	2,748,780.03	5,485,969.86	(52,526.27)	8,182,223.62
Deferred tax liabilities				
Difference from amortisation				
of digital asset business				
operator license	(50,000.00)	(50,000.00)	-	(100,000.00)
Difference from computer				
equipment depreciation	-	(44,604.28)	-	(44,604.28)
Total	(50,000.00)	(94,604.28)	-	(144,604.28)
Net	2,698,780.03	5,391,365.58	(52,526.27)	8,037,619.34

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	At	(Charged) / Credited to		At
	1 January		Other	31 December
	2020	Profit or loss	comprehensive	2020
	(Restated)		income	
		(in Baht)		
Deferred tax assets				
Employee benefits obligation	12,787.02	39,848.25	-	52,635.27
Differences from impairment;				
Leasehold improvement	-	340,198.11	-	340,198.11
Rental deposit	-	99,398.00	-	99,398.00
Difference from expenses				
record from lease liabilities	-	4,434.28	-	4,434.28
Loss carried forward	2,252,114.37	-	-	2,252,114.37
Total	2,264,901.39	483,878.64	-	2,748,780.03
Deferred tax liabilities				
Difference from amortisation				
of digital asset business				
operator license	-	(50,000.00)	-	(50,000.00)
Total	-	(50,000.00)	-	(50,000.00)
Net	2,264,901.39	433,878.64	-	2,698,780.03

As at 31 December 2021 and 2020, tax loss occurred which were classified by expiring year of tax benefits as follows;

	2021	2020
	(in Baht)	
Expiring year of tax benefit		
Year 2024	11,260,571.84	11,260,571.84
Year 2025	29,341,937.49	29,341,937.49
Year 2026	39,785,286.92	-
Total	80,387,796.25	40,602,509.33

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13 Other payables

	2021	2020
	<i>(in Baht)</i>	
Service payables	2,339,426.72	-
Accrued expenses	431,325.00	358,957.65
Revenue department payable	344,433.36	213,970.29
Fixed assets payables	280,607.50	1,636,434.39
Others	196,452.96	432,639.82
Total	3,592,245.54	2,642,002.15

14 Non-current provision of employee benefits

	2021	2020
	<i>(in Baht)</i>	
Statement of financial position		
Non-current provisions for:		
Post-employment benefits	216,523.19	263,176.34

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	2021	2020
	<i>(in Baht)</i>	
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	215,978.21	199,241.24

Recognised in other comprehensive income:

Gain on remeasurements of defined benefit plans	(262,631.36)	-
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The Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans are exposed to actuarial risks, such as longevity risk, interest rate risk.

Present value of the defined benefit obligations

	2021	2020
	<i>(in Baht)</i>	
At 1 January 2021	263,176.34	63,935.10
Include in profit or loss:		
Current service cost	211,188.40	198,077.62
Interest on obligation	4,789.81	1,163.62
Total	215,978.21	199,241.24
Include in other comprehensive income		
Gain on remeasurements of defined benefit plans	(262,631.36)	-
At 31 December	216,523.19	263,176.34

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Gain on remeasurement of defined employee benefits recognized in other comprehensive income arises from:

	2021	2020
	(in Baht)	
Demographic assumptions	(313,122.34)	-
Financial assumptions	(137,338.12)	-
Experience adjustment	187,829.10	-
Total	(262,631.36)	-

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	2021	2020
	(%)	
Discount rate	2.89%	1.82%
Future salary growth rate	5.00%	5.00%
Employee turnover rate	6.45% - 51.57%	2.87% - 34.38%

Assumptions regarding future mortality have been based on published statistics and mortality tables 2560 (TMO 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;

	(in Baht)	
At 31 December 2021	Increase	Decrease
Discount rate (1% movement)	(41,533.63)	52,319.67
Future salary growth (1% movement)	50,605.25	(41,158.35)
Employee turnover (20% movement)	(82,759.31)	135,270.90

	(in Baht)	
At 31 December 2020	Increase	Decrease
Discount rate (1% movement)	(83,858.07)	104,094.01
Future salary growth (1% movement)	99,539.34	(82,275.95)
Employee turnover (20% movement)	(99,894.46)	134,713.00

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.

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15 Share capital

	Par value per share	2021		2020	
		Number of shares	Baht	Number of shares	Baht
Authorised	<i>(in Baht)</i>		<i>(shares/in Baht)</i>		
At 1 January					
- ordinary shares	100	850,000	85,000,000.00	500,000	50,000,000.00
Issue of ordinary shares	100	437,000	43,700,000.00	350,000	35,000,000.00
At 31 December					
- ordinary shares	100	1,287,000	128,700,000.00	850,000	85,000,000.00
Issued and paid-up					
At 1 January					
- ordinary shares	100	850,000	85,000,000.00	500,000	50,000,000.00
Issue of ordinary shares	100	437,000	43,700,000.00	350,000	35,000,000.00
At 31 December					
- ordinary shares	100	1,287,000	128,700,000.00	850,000	85,000,000.00

Increase of registered capital

At the extraordinary general meeting of the shareholders of the Company held on 31 August 2020, the shareholders had the resolution to approve the increase of registered capital amounting to Baht 35 million by issuing 0.35 million shares with a Baht 100 par value, the Company had registered increase in share capital on 10 September 2020.

At the extraordinary general meeting of the shareholders of the Company held on 25 June 2021, the shareholders had the resolution to approve the increase of registered capital amounting to Baht 28 million by issuing 0.28 million shares with a Baht 100 par value, the Company had registered increase in share capital on 29 June 2021.

At the extraordinary general meeting of the shareholders of the Company held on 5 October 2021, the shareholders had the resolution to approve the increase of registered capital amounting to Baht 15.7 million by issuing 0.16 million shares with a Baht 100 par value, the Company had registered increase in share capital on 11 October 2021.

16 Expenses by nature

	2021	2020
	<i>(in Baht)</i>	
Information technology and communication expenses	20,216,022.88	12,538,637.90
Employee benefit expenses	17,159,594.84	11,599,793.02
Professional fee	3,596,406.41	779,222.00
Building, office space and equipment expenses	2,182,749.13	2,550,166.03
Depreciation and amortisation	1,833,825.60	942,851.32
Management fee	350,000.00	434,725.00
(Reversal of) impairment losses of asset	(11,285.13)	2,197,980.57
Others	3,070,657.96	488,688.24
Total	48,397,971.69	31,532,064.08

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17 Income tax

Income tax expense recognised in profit or loss

	2021	2020
	(in Baht)	
Current income tax		
Current year	-	-
Total	-	-
Deferred income tax		
Movement in temporary differences	5,391,365.58	433,878.64
Total tax	5,391,365.58	433,878.64

Reconciliation of effective tax rate

	Rate (%)	2021 (in Baht)	Rate (%)	2020 (in Baht) (Restated)
Loss before income tax expense		(39,640,188.84)		(31,527,727.22)
Income tax expense (income) using the Thai corporation tax rate	20	(7,928,037.77)	20	(6,305,545.44)
Expenses not deductible for tax purposes		457,202.31		3,279.30
Expenses eligible for more deductibles		(4,600.00)		-
Tax losses from the prior year are recorded as deferred tax assets during the year		(5,868,387.50)		-
Current year losses for which no deferred tax asset was recognised		7,952,457.38		5,868,387.50
Tax expense (income)	13.60	(5,391,365.58)	1.38	(433,878.64)

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18 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the year ended 31 December 2021 and 2020 were based on the profit (loss) for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year.

	2021	2020
	(in Baht/share)	
<i>For the year ended 31 December</i>		
Basic earnings per share		
Profit (loss) attributable to ordinary shareholders	(34,248,823.26)	(31,093,848.58)
Profit (loss) attributable to ordinary shareholders	(34,248,823.26)	(31,093,848.58)
Number of ordinary shares issued as at 1 January	850,000	500,000
Adjustment for shares issued and paid-up during the period	177,956	108,060
Weighted average number of ordinary shares outstanding	1,027,956	608,060
Basic earnings (loss) per share	(33.32)	(51.14)

19 Risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's board of directors is assisted in its oversight role by risk management committee. Risk management committee undertakes both regular and ad hoc reviews of risk management controls and procedures.

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates, currency exchange rates and digital assets exchange rate, and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivatives for speculative or trading purposes.

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Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital liquidity level maintenance and capital management

Capital liquidity level maintenance is to maintain capital stability to maintain trust from investor, creditor and market and to sustain the future development of the business. The Office of Securities and Exchange Commission (SEC) governs and requires regularly report submission from digital asset business operators, according to the following notifications;

- Attachment to the notification of the Office of the Securities and Exchange Commission No. GorThor. 19/2561 Re: Rules, Conditions and Procedures for Undertaking Digital Asset Businesses (Summary) which amended by the notification of the Office of the Securities and Exchange Commission No. GorThor. 29/2563 (No.7) stated that the digital assets business operator that providing custody of customers' asset shall maintain the capital by NC-1 method as following rules:
 - Not less than Baht 15 million;
 - Not less than 5% of customers' asset, except for the customers' asset has been kept in digital asset business operator's system and connected with network when transacting only (cold wallet), the Company shall maintain not less than 1% of customers' asset.
- The Notification of the Office of the Securities and Exchange Commission No. SorThor 73/2563 (cancelled the notification No. SorThor 34/2562) Re: Calculation and Preparation Reports of Capital, the Company shall explicate to SEC in case of the capital level equal to or less than 1.5 times of the required net capital level.
- The Notification of the Office of the Securities and Exchange Commission No. GorThor. 32/2563 (cancelled the notification No. GorThor. 20/2561) Re: Prescription of Paid-up Registered Capital of a License Applicant in Undertaking Digital Asset Businesses by SEC stated that the Company shall remain the authorised and paid-up capital not less than Baht 50 million for exchange center of digital token.

As at December 31, 2021, the Company is able to maintain capital which is in accordance with the SEC's regulations.

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Significant financial instruments risk

As at December 31, 2021 and 2020, the Company has not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2021 and 2020 are as follows:

(Unit: in Million Baht)

As at December 31, 2021						
Outstanding balances of net financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Total
Financial assets						
Cash and cash equivalents	56.65	-	-	-	-	56.65
Other receivables	-	6.20	-	-	-	6.20
Other non-current financial assets	-	-	0.67	-	-	0.67
Total	56.65	6.20	0.67	-	-	63.52
Financial liabilities						
Custodial funds due to customers	17.08	-	-	-	-	17.08
Other payables	-	3.59	-	-	-	3.59
Long-term loan from related parties	-	-	31.53	-	-	31.53
Total	17.08	3.59	31.53	-	-	52.20

(Unit: in Million Baht)

As at December 31, 2020						
Outstanding balances of net financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Total
Financial assets						
Cash and cash equivalents	25.44	-	-	-	-	25.44
Other receivables	-	2.32	-	-	-	2.32
Short-term loan to related parties	16.60	-	-	-	-	16.60
Other non-current assets	-	-	0.20	-	-	0.20
Total	42.04	2.32	0.20	-	-	44.56
Financial liabilities						
Custodial funds due to customers	0.01	-	-	-	-	0.01
Other payables	2.64	-	-	-	-	2.64
Long-term loan from related parties	-	-	20.00	-	-	20.00
Total	2.65	-	20.00	-	-	22.65

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Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because financial assets and liabilities debt securities is primarily exposed to interest rate referencing to the market interest rate.

(Unit : in Million Baht)

As at December 31, 2021								
Outstanding balances of net financial instruments								
reprising or maturity dates								
	Floating	At call	Within	1-5	Over	No	Total	Interest rate (%)
	interest		1 year	years	5	interest		Floating Fixed
	rate				years			rate rate
Financial assets								
Cash and cash equivalents	-	56.65	-	-	-	-	56.65	- 0.05 - 0.25
Other receivables	-	-	-	-	-	6.20	6.20	- -
Other non-current financial assets	-	-	-	-	-	0.67	0.67	- -
Total	-	56.65	-	-	-	6.87	63.52	
Financial liabilities								
Custodial funds due to customers	-	-	-	-	-	17.08	17.08	- -
Other payables	-	-	-	-	-	3.59	3.59	- -
Long-term loan from related parties	-	-	-	-	-	31.53	31.53	- -
Total	-	-	-	-	-	52.20	52.20	

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(Unit : in Million Baht)

As at December 31, 2020									
Outstanding balances of net financial instruments									
reprising or maturity dates									
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	No interest	Total	Interest rate (%)	
								Floating rate	Fixed rate
Financial assets									
Cash and cash equivalents	-	25.43	-	-	-	0.01	25.44	-	0.05 - 0.375
Other receivables	-	-	-	-	-	2.32	2.32	-	-
Short-term loan to related parties	-	-	-	-	-	16.60	16.60	-	-
Other non-current financial assets	-	-	-	-	-	0.20	0.20	-	-
Total	-	25.43	-	-	-	19.13	44.56		
Financial liabilities									
Other payables	-	-	-	-	-	2.64	2.64	-	-
Long-term loan from related parties	-	-	-	-	-	20.00	20.00	-	-
Total	-	-	-	-	-	22.64	22.64		

The average yield on average financial asset and liabilities asset balances for interests bearing financial instruments are presented in the following table:

As at December 31, 2021			
(Unit : in Baht)			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (%)
Financial assets			
Cash and cash equivalents	41,049,299.67	30,840.75	0.08

As at December 31, 2020			
(Unit : in Baht)			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (%)
Financial assets			
Cash and cash equivalents	18,906,741.17	20,199.90	0.11

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Digital assets risk

Digital assets as at reporting date are measured at cost for the digital assets prepayment. The Company's performance is relating to the risk of fluctuation of digital assets price from various factors; including global supply and demand, interest rates, exchange rates, inflation and the political and economic conditions. Some digital assets have no underlying backing or contracts to enforce recovery of invested amounts. Regulatory changes and governance of digital assets business may affect to the Company's operation.

Foreign currency risk

The Company is exposed to foreign currency risk relating to translation digital assets which are denominated in foreign currencies. The Company had unhedged foreign currency refer to Note 8.

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 Company as and when they fall due.

Management 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 or counterparty. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Fair value of financial assets and financial liabilities

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented here in is not necessarily indicative of the amount that could be realised in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

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Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification is summarised as follows:

	As at 31 December 2021		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount (in Baht)	Fair Value (in Baht)		
Financial assets				
Cash and cash equivalents	56,653,237.78	56,653,237.78	3	Net present value of expected cash inflow
Other receivables	6,201,114.56	6,201,114.56	3	Net present value of expected cash inflow
Other non-current financial assets	668,595.39	668,595.39	3	Net present value of expected cash inflow
Financial liabilities				
Custodial funds due to customers	17,079,886.58	17,079,886.58	3	Net present value of expected cash outflow
Other payables	3,592,245.54	3,592,245.54	3	Net present value of expected cash outflow
Long term loan from related parties	31,527,187.35	31,527,187.35	3	Net present value of expected cash outflow

	As at 31 December 2020		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount (in Baht)	Fair Value (in Baht)		
Financial assets				
Cash and cash equivalents	25,445,361.56	25,445,361.56	3	Net present value of expected cash inflow
Other receivables	2,324,474.28	2,324,474.28	3	Net present value of expected cash inflow
Short-term loan to related parties	16,600,000.00	16,600,000.00	3	Net present value of expected cash inflow
Other non-current assets	204,368.00	204,368.00	3	Net present value of expected cash inflow
Financial liabilities				
Custodial funds due to customers	5,888.00	5,888.00	3	Net present value of expected cash outflow
Other payables	2,642,002.15	2,642,002.15	3	Net present value of expected cash outflow
Long term loan from related parties	20,000,000.00	20,000,000.00	3	Net present value of expected cash outflow

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20 Commitments with non-related parties

As of 31 December 2021, the Company has digital asset of the customer in amounting to Baht 2,401.56 million (2020: 0.18 million) and the Company entered into leases and services agreement for the year ended 31 December 2021 and 2020. The commitments for leases and services in Thai Baht and U.S. Dollar are as follows:

	2021	2020
	(in Baht)	
<i>Future minimum lease payments under non-cancellable leases</i>		
Within one year	810,640.00	2,565,254.00
After one year but within five years	599,497.50	1,329,070.00
Total	1,410,137.50	3,894,324.00

	2021	2020
	(in U.S. Dollar)	
<i>Future minimum lease payments under non-cancellable leases</i>		
Within one year	249,356.05	203,148.00
After one year but within five years	-	12,000.00
Total	249,356.05	215,148.00

21 Events after the reporting period

At the extraordinary general meeting of the shareholders of the Company held on 23 February 2022, the shareholders had the resolution to approve the increase of registered capital amounting to Baht 41.30 million by issuing 413,000 shares with a Baht 100 par value.

22 Reclassification of accounts

The Company has reclassification the certain accounts in the comparative financial statement to conform the presentation of financial statements of this period, which has not effect on profit or loss for the period or shareholders equity as already reported, the detail are as follow;

	Before reclass	Reclass (in Baht)	After reclass
<i>Statement of financial position</i>			
<i>As at 31 December 2020</i>			
<i>Assets</i>			
Cash and cash equivalents	25,199,473.56	245,888.00	25,445,361.56
Restricted cash at financial institutions	240,000.00	(240,000.00)	-
		5,888.00	
<i>Liabilities</i>			
Custodial funds due to customers	-	5,888.00	5,888.00
Lease liabilities	1,766,001.38	(125,773.61)	1,640,227.77
Provision for decommissioning	-	125,773.61	125,773.61
		5,888.00	