NAWARAT

Annual Report 2020

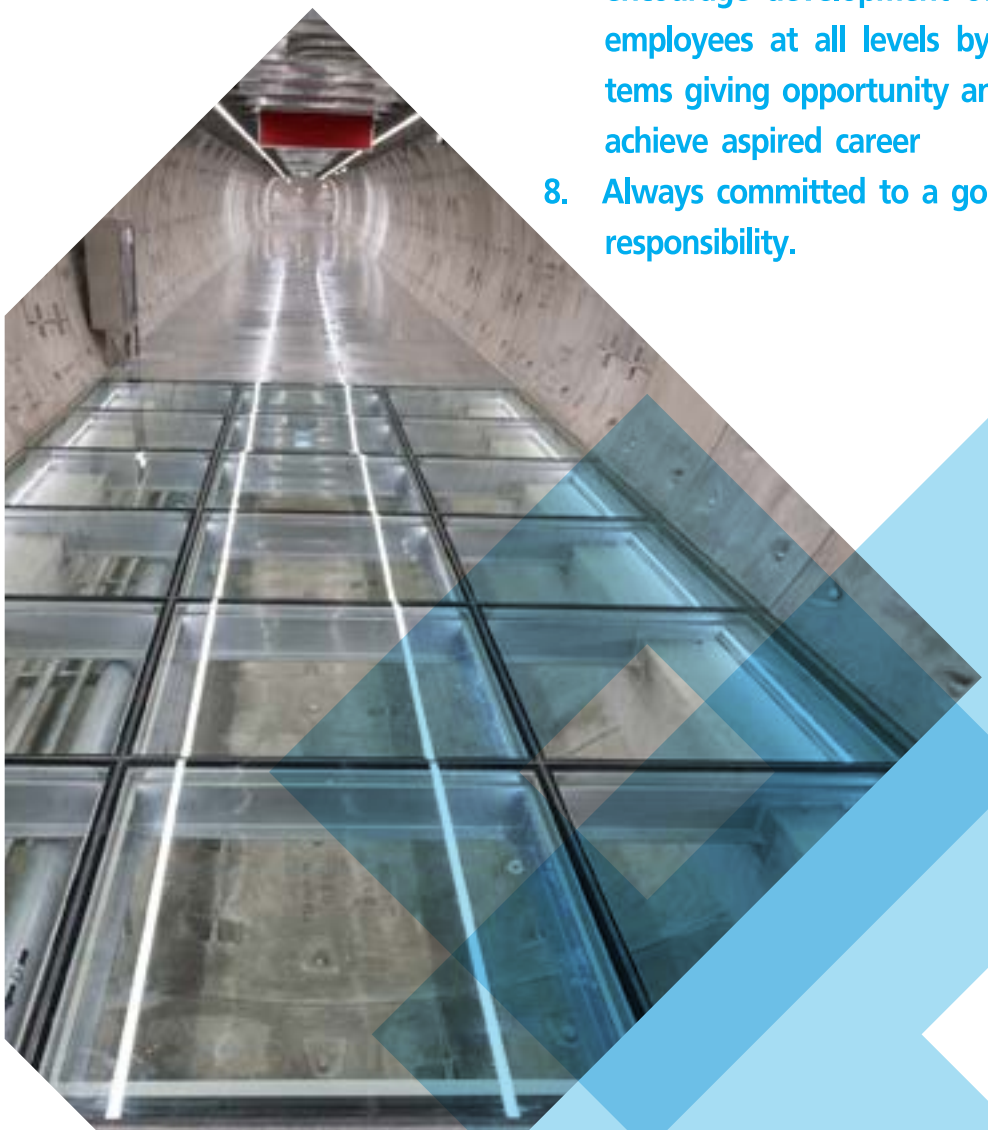
Nawarat Patanakarn Public Company Limited

Vision

"A corporate with passion to grow as a leader in construction and diversied promising business base on valuable contribution to the prosperity and social responsibility of all"

Mission

1. Perform S.M.A.R.T. Specic; Measurable; Applicable; Realistic; Timely
2. Comprehensively conduct construction and other business with integrated values and have stable protability
3. Manage business professionally with modern technology for sustainable growth
4. Operate with perseverance and with high competency under international standards and timely delivery
5. Manage business under the corporate governance principle and operate with integrity under the code of conduct to all stakeholders
6. Health and safety are fundamental values of our organization on which we remain dedicated to further raise awareness and commitment at all levels
7. Recognize the importance of the employees as human capital, encourage development of competency and cooperation among employees at all levels by establishing tangible motivation systems giving opportunity and empowering young professionals to achieve aspired career
8. Always committed to a good corporate social and environmental responsibility.



Goal

We will be a continually protable and sustainable company which is one of the dependable leaders of the industry

Core Value

- Change: Knowing the needed Changes. Leading the Changes. Willing to Change.
- Collaboration: Contributing, Coordinating & Cooperating Professionally with Trust and Respect
- Can do: Everything is Possible. Creating, Encouraging, and Inspiring to Fulll the Goals.
- Commitment: Passion for Preseverance in Achieving Objectives.
- Champion: Striving to Achieve Beyond Expectation Performance for Excellence.

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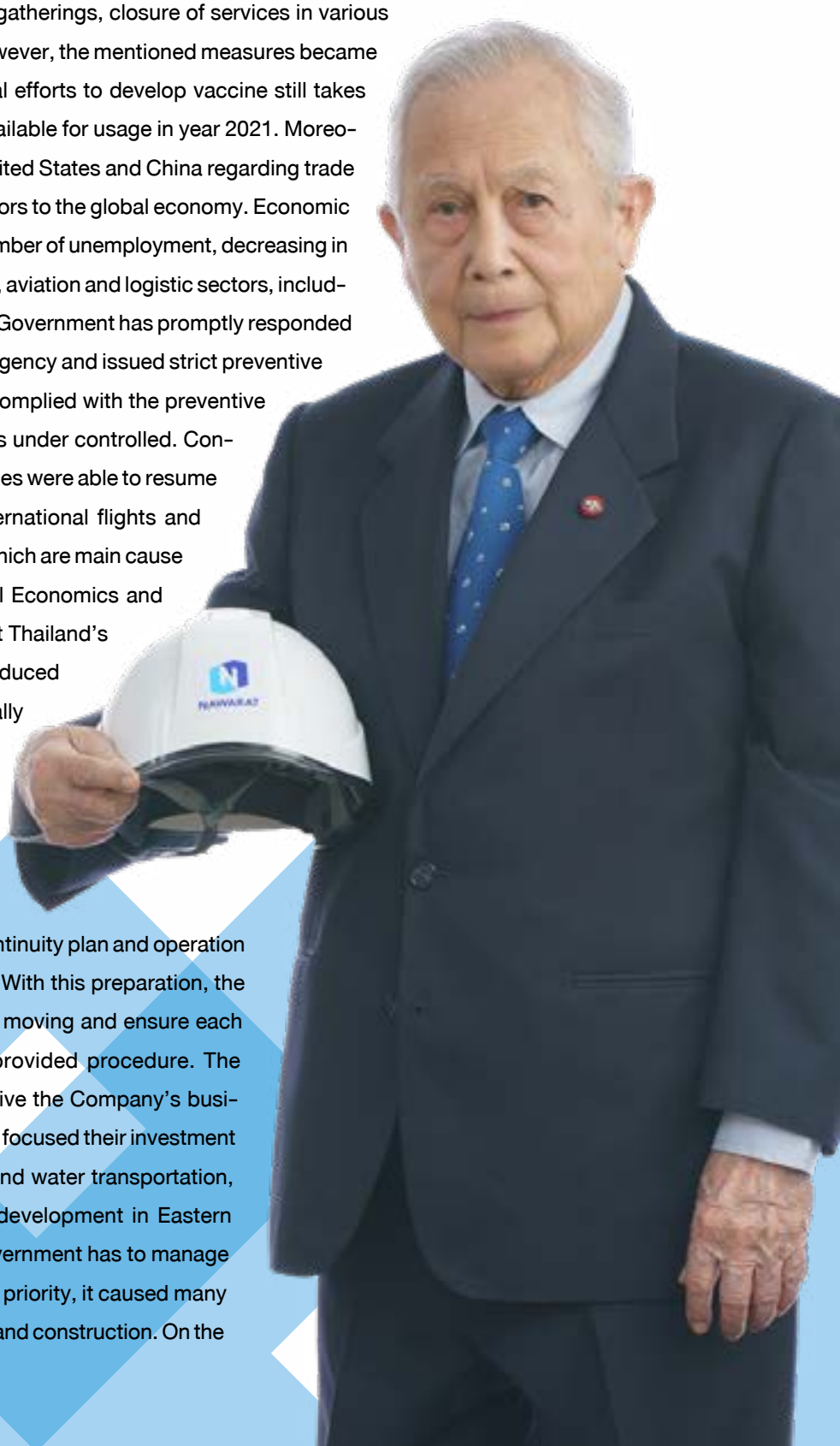
Message from the Chairman

In 2020, Global has severely faced the outbreak of novel Coronavirus (COVID19), which has never happened since the disease outbreaks of SARS and MERS. The previous outbreaks were under controlled and widespread only in the short period, while controlling COVID-19 pandemic across the globe has not been done yet. From the end of 2019 to the end of 2020, it has now infected more than 64 million people and more than 1.5 million people have died. COVID-19 caused the enforcement of preventive health measures and restrictions to limit the spread of cases such as international flights ban, prohibition of travel between cities, ban on gatherings, closure of services in various locations, quarantine, and disinfections. However, the mentioned measures became successful only in some country. The global efforts to develop vaccine still takes times on testing process and tends to be available for usage in year 2021. Moreover, the intense competition between the United States and China regarding trade and politics issues became the negative factors to the global economy. Economic slowdown in many countries caused high number of unemployment, decreasing in international trade, highly impacted on travel, aviation and logistic sectors, including corporate bankruptcies. In Thailand, the Government has promptly responded to the situation by declared the state of emergency and issued strict preventive measures. Thanks to Thai population who complied with the preventive measures, thus the spread of pandemic was under controlled. Consequently, the economic activities and services were able to resume in the New Normal way. Nevertheless, international flights and borders are still suspended for prevention, which are main cause for economic impact. Office of the National Economics and Social Development Council forecasted that Thailand's GDP will be shrank 6 percent in 2020 and produced its outlook for 2021 that the GDP will gradually grow 3.5- 4.5 percent.



According to the above situation, the Company has assessed risks and implemented various measures in accordance with the Government's measurement and publication, including prepared business continuity plan and operation procedure for construction sites and office. With this preparation, the Company will be able to keep the business moving and ensure each Company's unit strictly comply with the provided procedure. The Government policy is another factor that drive the Company's business to move forwards. The Government has focused their investment in infrastructure projects such as land, air and water transportation, including the investment in infrastructure development in Eastern Economic Corridor (EEC). However, the Government has to manage the critical situation of pandemic as the first priority, it caused many projects to be delayed in bidding, signing off and construction. On the

other hand, the Government's mega projects especially on transportation which already awarded the biding, for instance, high-speed train, sky train, double-track railway, motorway, sea port and airport are expected to grow higher this year comparing with the private sector's construction. The construction by private sectors have slowed down significantly due to postponement of projects or financial problems, which reflected on residential, economic building and manufacturing industries.

Thailand's construction industry in the third quarter has slightly expanded with the contribution of Government sector. The residential construction started to slow down due to the smaller number of new residential projects in Bangkok and suburban area, compared to the previous year. The massive projects of economic buildings' construction in Bangkok have begun, but the expansion rate in suburban area was slower. Materials' price decreased 1.7 percent in relation to decreasing of price of steel (decreased 8.1 percent) and concrete (decreased 2.2 percent).

The Company still strives "to be one of Thailand's top five largest construction contractors with international standard, stability and sustainability together with responsibility to society and the environment". In this year, the Company was successfully awarded in the bidding of the new projects, thus the Company has the highest number of backlogs ever since the Company's establishment which its revenue will be continuously recognized in the next three years. The Board of Directors commits to create the growth of the organization continuously and the stability in long-term period, generate satisfactory returns to shareholders, stakeholders and all related parties, and to create value on the overall economy of the country. The Board also committed to conduct the business in accordance with the guideline of sustainable development in terms of economy, society and environment under the good corporate governance principle. The Company has the vision and mission to operate its business sustainability and prosperously by harmonizing with current situation and environment, including in line with other businesses trend in terms of operating and managing. In 2020, the Company earned 4-star Corporate Governance Rating and the certification from Thailand's Private Sector Collective Action against Corruption coalition (CAC). The Board regularly oversees and monitors the Management to perform their duties with carefulness, prudence and responsibilities to all stakeholders as well as provides them from time to time with recommendation on management of surrounding factors which have challenged the business operation in order to minimize risk to an acceptable level.

For the direction of the Company, the Company remains its operation in construction business, focusing on large-scale projects of the Government and private sectors which suit the Company's expertise. At the same time, the Company will continue to seek for works from the private sectors both in Thailand and in neighboring countries, namely Cambodia, Laos, Myanmar, and Vietnam (CLMV), which are enjoying their economic growth and are supported by financial institution such as World Bank, ADB, JICA and NEDA. Furthermore, the Company has conducted the business of pre-cast concrete products manufactured with the technologies from Europe and is also expanding its manufacturing capacity to meet the increased market demand in the Eastern Economic Corridor, which will be the hub for the country's economic growth. For the real estate business, the Company's strategy will focus on the demand in possible markets with a favorable growth rate. In 2021, the Company will make its paces in becoming an organization that has the potential at the international level to strengthen its foundation, prepare for the economic recovery and more intensive competition. In this regard, the Company shall improve its operation in all aspects, managing risks more efficiently and effectively, controlling construction and labor cost together with the quality of materials and equipment, enhancing the efficiency and effectiveness of work execution to acquire the quality and standard that meet the customers' highest satisfaction while optimizing the return on profits. Moreover, the Company shall develop its personnel in both technical and management aspects on a continuous basis which shall include encouraging awareness of social and environmental responsibility, since they are valuable resources and key essential of sustainable growth.

The Board of Directors, executives, employees and subsidiary companies of Nawarat Patanakarn Public Company Limited would like to show our gratitude to all shareholders, bondholders, business partners, customers, all related parties, public and society for your support and trust in the Company as always. We do hope that we will continue to receive such honor, trust and good support. Kindly believe that we will keep on our commitment and dedication to conduct business with prudence, caution, transparency and in compliance with the principle of good corporate governance, the framework of sustainable development for the utmost benefits of all parties concerned and for becoming an organization with stable and sustainable growth in Thailand as defined in the Company's vision.

Mr. Prasertphand Pipatanakul
Chairman

Message from the Chief Executive Officer

In 2020, the overall investment in Thailand has highly impacted by the outbreak of novel coronavirus (COVID-19). The construction industry has slightly expanded with the contribution of investment in infrastructure projects by the Government. The majority of the Government's projects were infrastructure projects especially in transportation segment such as rail system, motorway, public road, airport and port. On the other hand, the construction projects by private sectors have slowed down particularly in residential, manufacturing industries and economic building. The private sectors have impacted by the postponement and cancellation of the projects due to the decreasing of international and domestic demand, including financial problem. In addition, the private sectors also faced the negative impact from global economic situation, travel business, aviation, logistic and manufacturing export sector which result in bankruptcies or company closure in some cases. Thus, the investment in construction from private sectors was increased in a small number. Nowadays, major contractors who focus on construction projects from private sectors started to compete more on Government's construction projects which literally has a higher budget than private sectors' mega projects, but still have lower gross margin. At the same time, Chinese contractors became competitive players in Thailand's market. Despite domestic construction, Thai contractors also expand their business across country and focus on acquiring construction projects in boarder areas, however, they are facing borders closure for pandemic prevention. Moreover, the workers from Cambodia, Lao, Myanmar and Vietnam (CLMV) cannot access through the borders due to the border closure and those countries currently are facing the outbreak circumstance as well.

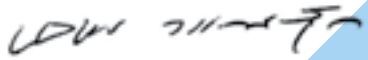
In 2020, the Company's revenue has increased from the previous year. The total revenue of the Company was 9,929 Million Baht which increased yy percent compared with the year 2019, and the Company's net loss was 241 Million Baht due to the adjustment of construction budget of some projects that exceeded the estimated cost. The cost overrun was due to the delay from project owner such as postponement of contract execution and the delay in handing over of the construction site. Nevertheless, the Company foresees revenue growth from the Company's backlogs and new projects obtained in 2021, supported by the materials' price which remain unchanged and the lower level of

labor cost. In addition, the operational expenses, such as fuel cost, are steady while interests rate tends to be declined. These resulted in a better cost control. During the pandemic, the Company will strictly manage migrant workers, comply with the prevention measures as well as manage the liquidity to be ready for future operation and investment.

In 2021, the Company foresees exponential growth in turnover due to the drive from the Government sector for large-scale investment projects, including private sectors' projects and Thailand's public-private partnership projects (PPP projects). These would initiate chances for the Company to be responsible for several projects in the near future. Furthermore, the Company has currently been handling the highest number of backlogs ever since the Company establishment for about 32,131 Billion Baht which its revenue will be continuously recognized in the next three years and there are project during the follow-up approximately 61,396 million baht. The Company's goal for the next year is to be awarded for new projects approximately 16,000 Million Baht as the situation of COVID-19 outbreaks would be mitigated and be under controlled by vaccine. Moreover, Thailand has signed in the Regional Comprehensive Economic Partnership (RCEP) which enhanced regional investment. On the other hand, the inauguration of the ASEAN Economic Community (AEC) at the end of the year 2016 provided an opportunity to expand the business to other countries in South East Asia that would create the advantages for the country and the Company not only in the infrastructure segment but also in the industrial sphere, tourism, as well as the increase in the need for more accommodations.

The Company aims to continuity enhance the sustainable growth by focusing on efficient management and operation in strict compliance with the best practice of good corporate governance and the supervision in accordance with the policy. And to work hand in hand with the Board of Directors. In 2020, the Company earned 4-star Corporate Governance Rating and the CAC certification from Thailand's Private Sector Collective Action against Corruption coalition. These awards reflected transparent and accountable operations, anti-fraud and corruption, while encouraging fair treatment, respect of human rights, environmental conservation and responsibility to all stakeholders, including taking part in the development of the community and society on a continuous basis.

On behalf of the Management of Nawarat Patanakarn Public Company Limited, I would like to sincerely thank all concerned parties namely employees, shareholders, business partners, customers, Government agencies, private partners, stakeholders and financial institutes for your kind help and good support for the Company's operations in various aspects for over 40 years. We ensure that the Company will professionally continue our business, adhere to the good corporate governance principles together with social responsibility and environmental protection, create works that meet the customers' highest satisfaction, focus on the benefits of all the stakeholders and bring more value to all parties concerned in order to make the Company become one of the best construction and engineering companies and to drive all sectors to firmly and sustainably grow together.



Mr. Polpat Karnasuta
Chief Executive Officer

Board of Directors

Mr. Prasertphand Pipatanakul

Independent Director, Chairman,
Member of the Audit Committee, Chairman of the Corporate Governance Committee, and Chairman of the Code of Conduct Committee

Age: 86 years

Shareholding proportion: None

Meeting attendance:
- 13 of 13 Board of Directors Meetings in 2020
- 12 of 12 Audit Committee Meetings in 2020

Education / Training course
- Master of Business Administration, Sasin Graduate of Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering in Electrical, Chulalongkorn University
- BMD class of 5/2017
- NDC class of 1/2017
- R-CF class of 1/2017
- RCL class of 5/2016
- RCP class of 39/2016
- DCP class of 227/2016

- Finance for Non-Finance Director class of 30/2006
- DAP class of 55/2006

Experience

Present:
- Independent Director, Chairman, and Member of the Audit Committee of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies: None
(non-listed companies)

Mr. Aphichart Dharmasaroja

Independent Director, Chairman of the Audit Committee, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Chairman of the Risk Management Committee, Chairman of the Nomination and Remuneration Committee, and the Chairman of the Corporate Social Responsibility Committee

Age: 69 years

Shareholding proportion: None

Meeting attendance:
- 13 of 13 Board of Directors Meetings in 2020
- 12 of 12 Audit Committee Meetings in 2020

Education / Training course
- MBA in Marketing, Finance and International Business, Northwestern University, U.S.A.
- Master of Engineering in Soil Engineering, Asian Institution of Technology
- Master of Engineering in Civil Engineering, Chiang Mai University
- AACP class of 34/2019
- Director Forum class of 1/2009
- DAP class of 64/2007
- DCP class of 93/2007

Experience

Present:
- Independent Director and Chairman of the Audit Committee of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies: None
(non-listed companies)

Mr. Nattaphorn Bhromsuthi

Independent Director, Member of the Audit Committee, Member of the Corporate Governance Committee, Member of the Risk Management Committee, Member of the Corporate Social Responsibility Committee

Age: 62 years

Shareholding proportion: None

Meeting attendance:
- 12 of 13 Board of Directors Meetings in 2020
- 12 of 12 Audit Committee Meetings in 2020

Education / Training course
- Master of Engineering in Architectural, Chulalongkorn University
- Master of Science in Civil Engineering, Illinois Institute of Technology, Chicago, Illinois, U.S.A.
- Master of Engineering in Civil Engineering, Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University
- DCP class of 228/ 2016

Experience

2016 - Present:
- Independent Director and Member of the Audit Committee of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies):

2015 - Present:
- Director of Contain architecture (Thailand) Company Limited

2014 - Present:
- Director of ACE Design and Construction Company Limited

Mr. Polapat Karnasuta

Director, Member of the Corporate Governance Committee, Memer of the Nomination and Remuneration Committee, Chairman of the Executive Committee, and Chief Executive Officer

Age: 60 years

Shareholding proportion: 264,910,285 shares as of December 30, 2020

Meeting attendance: 13 of 13 Board of Directors Meetings in 2020

Education / Training course
- Bachelor of Business Administration, Oregon University, U.S.A
- Advance Master of Management Program (AMM) class of 5/2020
- BNCP class of 3/2018
- DCP class of 229/2016
- DAP class of 7/2004

Experience

Present:
- Director and Chief Executive Officer of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies : (non-listed companies)
- Director of Advance Prefab Company Limited
- Director of Mana Patanakarn Company Limited
- Director of Banpulom Company Limited

- Director of C.I.N Estate Company Limited
- Director of VSPN Property Company Limited
- Director of Bua Company Limited
- Director of Tanina Company Limited
- Director of E.G.G. Enterprise Company Limited

Miss Pakatip Lopandhsri

Director, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Member of the Risk Management Committee, Member of the Executive Committee, and the Company's Secretary

Age: 64 years

Shareholding proportion: 109,177 shares as of December 30, 2020

Meeting attendance: 13 of 13 Board of Directors Meetings in 2020

Education / Training course
- Master of Business Administration, Saint Louis University, U.S.A.
- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- BFI class of 7/2019
- R-CSF class of 1/2019
- DCP class of 238/2017
- Advance for Corporate Secretaries class of 1/2017
- R-RA class of 1/2016
- Mini MBA/2012
- Fundamental Practice for Corporate Secretary (FPCS26)/2012
- Annaul Accounting Training and other related topics as a Chie Financial Officer ("CFO") (12 hours/year)

Experience

Present:
- Director, Senior Vice President of Finance and Administration Department, and Company's Secretary of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies: None
(non-listed companies)

Mr. Sook Sueyanyongsiri

Director, Member of the Corporate Governance Committee, Member of the Code of Conduct, Member of the Risk Management Committee, Member of the Corporate Social Responsibility Committee, and Consultant to Chief Executive Officer

Age: 67 years

Shareholding proportion: None

Meeting attendance: 13 of 13 Board of Directors Meetings in 2020

Education / Training course	• Master of Engineering, Asian Institute of Technology • Bachelor of Engineering in Civil Engineering, Chulalongkorn University • DAP class of 35/2005 • DCP class of 228/2016
Experience	
Present:	• Director and Consultant to Chief Executive Officer of Nawarat Patanakarn Public Company Limited
Other listed companies:	None
Other companies : (non-listed companies)	• Director of Advance Prefab Company Limited • Director of Mana Patanakarn Company Limited

Mr. Mongkol Peerasarntikula

Director, Member of the Corporate Governance Committee, Member of the Risk Management Committee, Member of the Executive Committee, and President

Age:	66 years
Shareholding proportion:	None
Meeting attendance:	13 of 13 Board of Directors Meetings in 2020
Education / Training course	• Bachelor of Engineering in Civil Engineering, Chiangmai University • DCP class of 249/2017
Experience	
Present:	• Director and President of Nawarat Patanakarn Public Company Limited
Other listed companies:	None
Other companies: (non-listed companies)	None

General Information

Business Operation

Nawarat Patanakarn Public Company Limited has conducted construction business and produced pre-stressed concrete piles since 1976. Currently, the Company principally operates as a construction contractor providing all types of civil engineering construction services and manufacturing pre-stressed concrete piles, other kinds of concrete products and processed steel used in its construction businesses and for sale.

- Nawarat Patanakarn Public Company Limited was registered on May 31, 1976 with the initial registered capital of 4 Million Baht and gradually increased its capital.
- In 1995, the capital increase registration was made from 400 Million Baht to 500 Million Baht by way of shares held by domestic and overseas investors.
- On September 27, 1995, the Company was incorporated as a listed company on the Stock Exchange of Thailand. The Company changed its registered capital during the previous 5 years as follows:

  In 2012, the Company has its registered capital of 2,217,950,679 Baht with paid-up capital of 1,552,901,243 Baht.

  In 2013, the Company has its registered capital of 2,221,587,311 Baht with paid-up capital of 1,974,801,416 Baht.

  In 2014, the Company has its registered capital of 2,812,221,856 Baht with paid-up capital of 2,585,481,515 Baht.
- As at December 31, 2020, the Company has its registered capital of 2,585,481,515 Baht with paid-up capital of 2,585,481,515 Baht divided into 2,585,481,515 ordinary shares at the par value of 1 Baht per share.
- The Company assigned TRIS Rating Co., Ltd. ("TRIS") to affirm the rating of the Company and the Company's senior unsecured debentures. Announced on February 25, 2021, the Company rating remains at "BB+", with a "Stable" outlook. The rating reflects the Company's track record of undertaking a broad range of construction projects for the public and private sectors, its sizable backlog, as well as a promising outlook of public sector' construction in the upcoming term. However, the rating is held back by the Company's weak profitability, and low cash flow against financial leverage.

Head office Location	Bangna Towers A, 18th -19th Floor, No. 2/3 Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Company Registration Number	0107538000096
Website	www.nawarat.co.th
Telephone	(662) 730-2100
Fax	(662) 751-9484 Ext. 90
Company's Secretary	Miss Pakatip Lophansri Tel. (662) 730-2197

Investor Relations Division	Mr. Wisut Suwanwitwet Tel. (662) 730-2187

Branch offices

Location	1796 Bangna-Trad Road, Bangna, Bangkok
Location	329 Moo 5, Srisa Chorakhe Yhai, Bang Sao Thong, Samutprakarn

Pre-stressed concrete piles, pre-cast concrete products and processed steel plant

Location	1796 Bangna-Trad Road, Bangna, Bangkok
Location	53/4 Moo 9, Prong Akat, Bang Nampreaw, Chachoengsao

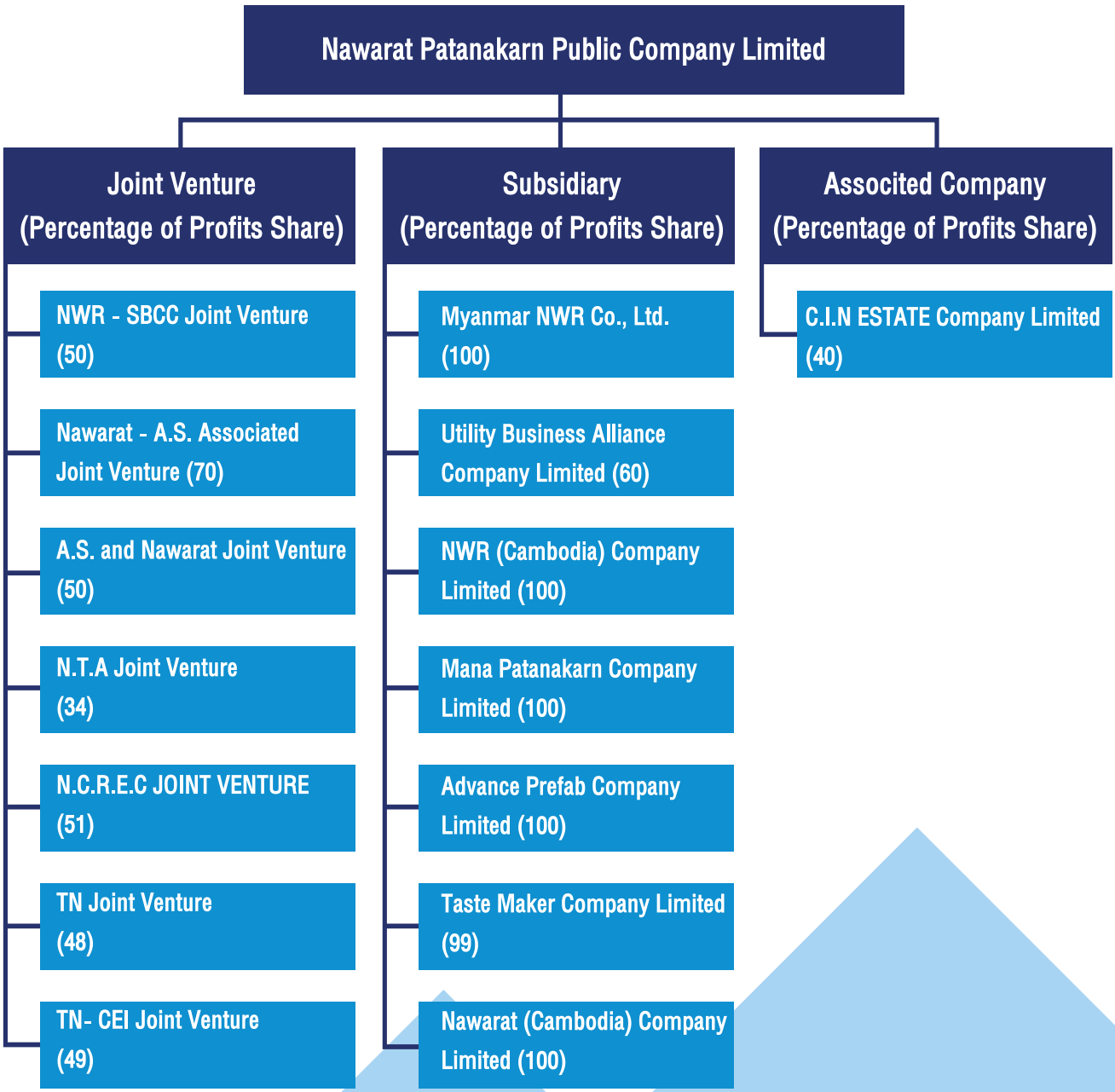
Pre-cast concrete jacking pipes and pre-cast concrete shaft plant

Location	31/13 Rama II Road Km. 33.5, Bang Krachao, Muang District, Samutsakhon

Shell petrol station by Nawarat Patanakarn Public Company Limited

Location	329 Moo 5, Srisa Chorakhe Yhai, Bang Sao Thong, Samutprakarn

The Company's shareholding structure as of December 31, 2020



Joint venture, subsidiary companies, associated companies and related parties (still operating as of December 31, 2020)

Joint venture	Address	Type of business	Share of profit (percentage)
Nawarat – A.S. Associated Joint Venture	8/24-25 SoiLadprao 8, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900	Construction	70
A.S. – Nawarat Joint Venture	230 Soi Yasoob 1, Viphavadi-Rangsit Road.,ChomPhon, Chatuchak, Bangkok 10900	Construction	50
NTA Joint Venture	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	34
NCREC Joint Venture	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	51
TN Joint Venture	118/1 Tipco Tower, Rama 6 Road, Phayathai, Phayathai, Bangkok 10400, Thailand	Construction	48
TN- CEI Joint Venture	118/1 Tipco Tower, Rama 6 Road, Phayathai, Phayathai, Bangkok 10400, Thailand	Construction	49

Joint venture, subsidiary companies, associated companies and related parties (still operating as of December 31, 2020)

Subsidiary company	Address	Type of business	Share of profit (percentage)
Myanmar NWR Co., Ltd.	32, Hlaing Myint Moh Street 4, Ward 10, Hlaing Township, Yangon, Myanmar.	Construction	100
Utility Business Alliance Company Limited	21 Viphavadi-Rangsit Road, Chomthong, Chatuchak, Bangkok 10900	Wastewater treatment	60
NWR (Cambodia) Company Limited (Dissolved)	217, Group 1, Smach Meanchey Commune, Smach Meanchey District, Kohkong Province, Cambodia	Project management and construction control	100
Mana Patanakarn Company Limited	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Real estate and residential development	100
Advance Prefab Company Limited	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Pre-cast concrete production and distribution	100
Taste Maker Company Limited	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Restaurant, food business-fresh food, dried food, instant food, canned food, seasoning, all types of beverages	99
Nawarat (Cambodia) Company Limited	Cham Yeam Village, Bak Khlang Commune, Mondol Seima District, Koh Kong Province, Cambodia.	Construction (building)	100

Joint venture, subsidiary companies, associated companies and related parties (still operating as of December 31, 2020)

บริษัทที่เกี่ยวข้อง/ (ความสัมพันธ์)	ที่อยู่	ประเภทกิจการ	ส่วนแบ่งกำไร (ร้อยละ)
New Decade Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/7 Chaloem Phra Kiat Ratchakan Thi 9 Soi 38, Dok Mai, Prawet, Bangkok 10250	Construction	0.00
Ruen Rapee Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/7 Chaloem Phra Kiat Ratchakan Thi 9 Soi 38, Dok Mai, Prawet, Bangkok 10250	Real estate development	0.00
East Bangkok Assets Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/7 Chaloem Phra Kiat Ratchakan Thi 9 Soi 38, Dok Mai, Prawet, Bangkok 10250	Real estate development	0.00
K Alliance Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	1111 Moo 6, Samrongnua, Muang District, Samutprakarn 10270	Mining business	0.00
Kao Chamao Hilly Resort Company Limited (with Mr. Apathorn Karnasuta and Mrs. Suthasanee Karnasuta, a younger brother and a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/3 Moo 3, Khaowongkot, Kaenghangmaeo, Chantaburi 22160	Agricultural	0.00

บริษัทที่เกี่ยวข้อง/ (ความสัมพันธ์)	ที่อยู่	ประเภทกิจการ	ส่วนแบ่งกำไร (ร้อยละ)
E.G.G. Enterprise Company Limited (with Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	1786 Bangna-Trat, KM. 4.7. . Bangna, Bangkok 10260	Furniture business	0.00

Subsidiary companies

1. Myanmar NWR Company Limited

In 2000, the Company invested in Myanmar NWR Company Limited, which is located at 32, Hlaing Myint Moh Street 4, Ward 10, Hlaing Township, Yangon, Myanmar. The Company holds 100 percent of the shares for the purpose of supporting expansion of its construction business in the Republic of the Union of Myanmar. The Company has its registered capital of 1,000,000 Kyat, with paid-up capital of 500,000 Kyat or approximately Three Million Baht. The subsidiary has not started operating yet because the overall economy of the Republic of the Union of Myanmar and its legal system which is not feasible.

2. Utility Business Alliance Company Limited

In 2001, the Company invested in Utility Business Alliance Co., Ltd. to conduct the business of wastewater treatment plant management with investment portion of 50 percent. On November 11, 2003, the Company sold some of its investment to other investors causing the proportion of the investment to reduce to 33.33 percent. However, in the third quarter of 2006, the Company repurchased the investment from the outsider resulting in the Company's current investment in the proportion of 60 percent of the total registered capital of 40 Million Baht. The paid-up capital of this subsidiary is 40 Million Baht. The other shareholders, who hold 40 percent of the shares, are juristic persons which are not associated with the Company, neither in terms of directors nor shareholders.

3. Mana Patanakarn Company Limited

Mana Patanakarn Company Limited was founded on April 5, 2013 with registered capital of 200 Million Baht (2,000,000 ordinary shares at a par value of 100 Baht per share). The current registered capital and paid-up capital is 1,100 Million Baht. The Company holds 100 percent of shares in this subsidiary and completely paid all the shares' price.

At present, Mana Patanakarn Company Limited is operating three residential development projects for sale, comprising of two landed housing projects and one residential condominium project as described below.

1. The first project is 2-storey detached house on Romkloa Road under project named Baranee Park Romklao. The project consists of 86 units of 2-story detached house in a total area of 22-2-01 rai with a project value of 1,004 Million Baht. The project started in October 2013 and is scheduled to complete in March 2016. The project is now 100 percent completed.

2. The second project is 140 units of 2-storey detached house under project named Baranee Resident. The project is located at Rangsit Klong 3, having the total area of 34-1-34 rai with the project value of 848 Million Baht. The construction is divided into 5 phrases. Four phases, having a total 126 units, are 100 percent completed, and the remaining phase, 14 units, is now at 90 percent completed.
3. The latest project having 1,448 units of residential condominium named "Aspen Condo". The project is located on Soi Sukhumvit 105 Road (Lasalle), 7 buildings, having the total area of 15-1-40 rai with the project value of 2,773 Million Baht. The project construction was divided into 4 phases, starting in February 2016 and being scheduled to complete in October 2022.Currently, the first phase (425 units) and the second phase (398 units) are 100 percent completed. The third phase (425 units) is now 99 percent completed (final process). However, the fourth phase (200 units) has not started presale and construction process.

4. Advance Prefab Company Limited

Advance Prefab Company Limited was founded on December 12, 2013 with the initial registered capital of 1 Million Baht (10,000 ordinary shares at a par value of 100 Baht per share). The current registered capital is 400 Million Baht. The Company holds 100 percent shares in this subsidiary and completely paid all the shares' price.

Advance Prefab Company Limited operates its business as manufacturer and distributor of various kinds of pre-cast concrete products such as concrete piles, concrete beams, concrete roof structure, concrete slabs, etc., as well as provides construction of office buildings and factories.

Revenue	2020 (Million Baht)	2019 (Million Baht)	2018 (Million Baht)
Sales of pre-cast concrete products	1,544	835	73
Construction of buildings and factories	283	283	83
Other revenue	11	10	6
Total revenue	1,838	1,128	162

5. Taste Maker Company Limited

On November 17, 2016, Taste Maker Company Limited ("Taste Maker") was registered as a juristic person with the Ministry of Commerce, with its registered capital of 5 Million Baht divided into 50,000 shares at a par value of 100 Baht per share. The Company holds 99 percent shares in Taste Maker. Taste Maker increase the registered capital in multiple times to expand its business. As at December 31, 2020, the registered capital of Taste Maker is 80 Million Baht, completely paid up.

Taste Maker operates it business as restaurants and food business in relation to fresh food, dried food, instant food, canned food, seasoning and all kinds of beverages. At present, Taste Maker operates 2 registered branches of its restaurants as follows:

1. By Bua, Lasalle Branch
2. L'oliva, Sukhumvit soi 36

6. Nawarat (Cambodia) Company Limited

In 2017, the Company established Nawarat (Cambodia) Company Limited in Cambodia which the Company holds 100 percent of its shares to facilitate construction works in Cambodia. The registered capital is 5,000 USD or approximately 170,600 Baht, completely paid up. The subsidiary started its construction work of 150 MW Coal Power Plant at Stung Hav, Sihanoukville, Kingdom of Cambodia, awarded by the private enterprise named Branch of TPSC (Thailand) Co., Ltd. with the project value of 24.72 Million USD. As at December 31, 2020, the 97.73 percent of the project has completed which was equal to 24.15 Million USD.

Indirect Subsidiary

In the year 2016, Advance Prefab Company Limited, the Company's subsidiary, invested in Nawarat Advance Prefab Myanmar Co., Ltd. located in Yangon, the Union of Myanmar to manufacture and distribute pre-cast concrete products such as concrete piles, concrete slabs and concrete fences, and being construction contractor. The subsidiary has its initial registered capital of 500,000 USD or approximately 15 Million Baht in which Advance Prefab holds 70 percent of its shares. The subsidiary completed the construction of factory and machinery installation with the capacity of 15,000 cubic meters per year. Nawarat Advance Prefab Myanmar Co., Ltd. recognized its revenues from construction in year 2018 with the following details.

Revenue	2020 (Million Baht)	2019 (Million Baht)	2018 (Million Baht)
Sales of concrete products	11	16	9
Construction of buildings and factories	1	24	15
Total revenue	12	40	24

Associated Companies

1. C.I.N. Estate Company Limited

In September 2006, the Company invested in C.I.N Estate Company Limited ("C.I.N. Estate") to procure land and develop it into a 47-storey condominium for residential located on Ladprao Road, between Soi 12 and 14. The project is named "The Issara Ladprao" with the project value of 2,808 Million Baht. The construction of the project commenced in January 2007 and completed in September 2011 with the total 560 units. Currently, C.I.N. Estate is developing another residential condominium project under the name "Issi Condo" which located adjacent to the entrance and exit of Suksawat expressway, with the project value of 1,802 Million Baht for 894 units. The construction of the project commenced in June 2013 and completed in February 2016. At the present, C.I.N. Estate launched its new residential project called "Baan Issara Bangna", which is a detached house of 44 units with the value of 60 Million Baht per unit, located on Kanchanaphisek Outer Ring Road East with the total area of 24- 3-74 rai. The project value is 2,485 Million Baht. The construction of the project commenced in November 2016 and expected to be completed in August 2020. The project is now 43 percent completion. The Company invests in C.I.N. Estate by holding 40 percent of its registered capital which equals to 100 Million Baht.

The Company received dividends from C.I.N. Estate and recorded shares of profit in "Investment in Associated Companies" in the amount of 32.00 Million Baht in year 2018, (9), 0.224 Million Baht in year 2019, (13) and 18 Million Baht in year 2020.

In September 2015, the Company sold the entire investment in C.I.N. Estate, totaling 999,997 shares in the amount of 161 Million Baht to Mana Patanakarn Company Limited, the Company's subsidiary. Since the Company still has the significant influence in the proportion of investments in the associated company, such investments are still categorized as an investment in the Associated Companies in the consolidated financial statements.

Joint ventures

In addition to construction as a contractor or as a subcontractor, the Company also operates its construction business in cooperation with other companies in the form of joint ventures in order to participate in bidding projects which required an advanced technology or projects that the Company has never experienced before. The joint venture enables the parties to meet the project owners' requirements and utilize machinery, equipment and personnel of each party in order to save construction cost of the project.

As at December 31, 2020 in preparing the Company's financial statements, the Company recognized the list of assets, liabilities, revenues and expenses of the joint ventures with the co-investment rate of more than 30 percent according to the investment proportions in such joint ventures.

1. NTA Joint Venture

On February 8, 2019, NTA Joint Venture was established among the following parties;

Co-venturers	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	34
Therdthai and Co. Co., Ltd.	33
A.S. Associated Engineering (1994) Co., Ltd.	33

The purpose of this joint venture is to participate in Department of Highways (DOH) bidding for Elevated Highway construction on Route No.35: Thon Buri – Pak Tho (Rama II Road) Bang Khun Tien Conjunction – Ekkachai, Phase 1 Bangkok, with the project value of 3,733 Million Baht (excluding VAT). The construction period will be 1,080 days (commenced on August 28, 2019 and ending on August 11,2022).
As at 31 December 2020, NTA Joint Venture partially completed the project equal to 15.63 percent with a backlog of 3,141 Million Baht.

2. NCREC Joint Ventureย

On July15, 2019, NCREC Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	51
China Railway Number 10 (Thailand) Co., Ltd.	49

The purpose of this joint venture is to participate in the Office of the National Water Resources bidding for the construction office building at Bang Talat, Pakkred, Nonthaburi, with the project value of 670 Million Baht (excluding VAT). The construction period will be 540 days (commenced on October 1, 2019 and ending on March 24, 2021).
As at 31 December 2020, NCREC Joint Venture partially completed the project equal to 41.15 percent with a backlog of 394 Million Baht.

3. TN Joint Venture

On April 13, 2020, TN Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Thanomwong Service Co., Ltd.	52
Nawarat Patanakarn Public Company Limited	48

The purpose of this joint venture is to participate in the Airport of Thailand Public Company Limited bidding for the structure construction of 3rd Runway for Suvarnabhumi International Airport at Samut Prakan, with the project value of 9,078 Million Baht (excluding VAT). The construction period will be 1,050 days (commenced on September 28, 2020 and ending on August 13, 2023).
As at 31 December 2020, NT Joint Venture partially completed the project equal to 1.28 percent with a backlog of 8,962 Million Baht.

4. TN - CEI Joint Venture

On September 17, 2020, TN- CEI Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Thanomwongse Service Co., Ltd.	51
Nawarat Patanakarn Public Company Limited	49

The purpose of this joint venture is to participate in the Airport of Thailand Public Company Limited bidding for the construction of parallel taxiway system at the north side and maintenance taxiway at the end of apron, including taxiway A and B for Mae Fa Luang Airport at Chiang Rai, with the project value of 630 Million Baht (excluding VAT). The construction period will be 660 days (waiting for the notice to proceed),
As at 31 December 2020, the joint venture has not started the construction process yet, with a backlog of 630 Million Baht.

5. NWR – SBCC Joint Ventur (Notice of termination of business in 2020)

In 2008, the Company cooperated with Saraburi Coal Co., Ltd. and formed a joint venture called NWR – SBCC Joint Venture with the investment proportion of 50 percent to undertake the project of soil and coal excavation at Mae Moh Mine of the Electricity Generating Authority of Thailand in Mae Moh District, Lampang. The project value is 16,674.56 Million Baht (excluding the electrical charge) with the contract term of 9 years from February 18, 2009 to March 5, 2018. Currently, the joint venture has notified and requested for dissolution.
According to the Financial Reporting Standard No. 11 on Joint Works, it stipulated that any company performing investment in any business must consider whether or not it has performed Joint Control with other investors

in such business. Thereafter, by its sole discretion, such business is required to determine whether it is Joint Operation or Joint Venture, then record the interests from the investment to suit the type of the joint work. Hence, the Company has changed the recording method of the investment accounts of NWR – SBCC Joint Venture from the method of proportional consolidation to the equity method. With this, the Company has also retrospectively adjusted the financial statements for the year 2014 to reflect the outcome of the change. At present, other joint ventures which have already delivered works but still have had some financial movements, such as borrowings, loans are as follows:

Joint Ventures	Shareholding (percentage)
- Nawarat - A.S. Associates Joint Venture	70
- A.S. - Nawarat Joint Venture	50

Reference

ตำแหน่ง	ชื่อ / ที่อยู่
Share registrar	The Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 93 Rachadapisek Road, Dindaeng, Bangkok 10400 Tel. 0-2009-9000
Auditor	EY Office Limited By Ms. Kosum Cha-em Certified Public Accountant (Thailand) No. 6011 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. 0-2264-9090, Fax. 0-2264-0789-90
Legal Advisor	Weerawong, Chinnavat & Partners Ltd. 22nd Floor, Mercury Tower, No. 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330 Tel. 0-2264-8000 Enlighten Corporation Co., Ltd. 41 Museum of Sustainable Buddhism Bldg., 3rd Fl., Soi Pattanakarn 64, Pattanakarn Road, Prawet, Bangkok 10520 Tel. 0-2049-1095 Business Law Office Chingchai & Associate 2nd Floor, Room 19, Saladaeng Executive Building, Saladaeng Road, Soi Yommarat, Silom, Bangrak, Bangkok 10500 Tel. 0-2637-5599, Fax. 0-2636-3862

Summarized Corporate Financial Highlights

Summarized Corporate Financial Highlights

(Unit: Million Baht)

	31 December 2020	31 December 2019	31 December 2018
Financial Statements			
Total assets	14,685.71	13,353.65	13,043.05
Total liabilities	11,604.89	10,029.54	9,086.40
Shareholders' equity	2,997.57	3,256.02	3,956.64
Fully paid common shares	2,585.48	2,585.48	2,585.48
Profit and loss statement			
Total revenues	9,933.74	7,871.06	10,444.45
Total expenses	9,904.39	8,161.04	9,779.39
Net profit (loss) attributable to the equity holders	(240.93)	(515.22)	418.04
Earnings per share (Baht)	(0.09)	(0.20)	0.16
Cash flow statement			
Cash flows from operating activi-ties	516.49	(621.60)	902.97
Cash flows from investing activi-ties	(81.35)	(182.23)	14.54
Cash flows from financing activi-ties	133.50	146.84	(270.32)
Net increase (decrease) in cash	573.36	(650.29)	647.19
Financial Ratios			
Net profit (loss) margin (%)	(2.43)	(6.59)	4.17
Return on equity (%)	(7.71)	(14.41)	11.17
Return on assets (%)	(1.72)	(3.90)	3.31
Return on fixed assets (%)	8.88	(4.47)	31.22
Liquidity ratio (Times)	0.05	(0.08)	0.14
Debt to equity ratio (Times)	3.77	3.02	2.30
Dividend yield (%)	-	-	4.88

Nature of Business

Nature of business

Nawarat Patanakarn Public Company Limited has provided construction services and manufactured pre-stressed concrete piles since 1976. In 1995, it was changed to a public company limited and changed its name from Nawarat Patanakarn Company Limited to Nawarat Patanakarn Public Company Limited. On February 17, 1995, the Company increased its capital and registered its paid-up capital to the amount of 500 Million Baht by offering its shares to the public and proposed to be listed on the Stock Exchange of Thailand on August 31, 1995. On September 27, 1995, the Company was incorporated as a listed company in the Stock Exchange of Thailand. As of December 31, 2020, the Company had the registered capital of 2,585,481,515 Baht and the paid-up capital of 2,585,481,515 Baht.

Construction contracting business

Nawarat Patanakarn Public Company Limited is involved in the construction contracting business providing construction services to the government sectors, state enterprises, as well as private sectors. It undertakes works of construction as a main contractor, a sub-contractor, or through a joint venture business. The Company is considered a leading contractor by several entities; for example, it has been designated a Category 1 A contractor by Department of Highways having the right to make bids in all sorts of road construction for the Department regardless of the distance and price. Also, the Company has already registered with various government agencies such as Royal Irrigation Department, Public Works Department, Communication Authority of Thailand, Metropolitan Waterworks Authority, and Provincial Waterworks Authority. The Company acquires construction projects by way of bidding and direct contact with the project owners, with its reputation and impressive track record being the main factors of building its customers' trust. At present, it is able to undertake various types of works including:

- Buildings, warehouses and industrial Plants
- Utilities and civil works
- Ports, berths and jetties
- Power plants, electricity generating dam
- Wastewater treatment system and wastewater treatment plants
- Tunneling and pipe jacking works
- Construction of electrical railway transportation system

Pre-stressed concrete piles and precast concrete products business

The Company established its pre-stressed concrete product factories to supply its construction projects and also sell to the public by bidding and direct employment. The Company's products include pre-stressed concrete piles, pre-stressed concrete girders and precast concrete pipes for construction of wastewater treatment projects, parapets, concrete pre-cast slabs and sheet pile to protect from land subsidence, with the ratio of production for supplying its own projects to that for selling to the others being 67: 33 in year 2018, 22: 78 in year 2019, and 23: 77 in year 2020.

Steel structure fabrication business

The Company has manufactured fabricated steel product for supplying its construction projects and selling to the others, with the ratio of production for supplying its own projects to that for selling to the others being 77: 23 in year 2018, 80: 20 in year 2019, and 90: 10 in year 2020.

Petrol station

The Company established a Shell Petrol Station on an area of 4-0-1 rai and applying for the permission for sales of oil under the Shell brand on behalf of Nawarat Patanakarn Public Company Limited on November 8, 2016. The station have started its services on December 15, 2016. This is an oil retail business taking the form of manual retail supply agreement known as “Pump Dow” selling both fuel oil and lubricating oil products. The station registered the business at Samutprakarn Provincial Administration Organization on February 1, 2017 and registered with Department of Energy Business as a Petrol Service Station Type A in compliance with Section 17(3) of the Fuel Control ACT B.E. 2542.

Revenues divided in operation categories as per the consolidated nancial statements of the Company

Revenue type	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Construction business	7,729	77.80	6,318	80.58	8,676	86.44
Sale of real estate and ser-vices	475	4.78	451	5.75	841	8.38
Concrete products business	1,582	15.93	858	10.94	275	2.74
Petrol station business	73	0.73	113	1.44	144	1.43
Interest income	5	0.05	19	0.24	44	0.44
Other revenues	70	0.71	82	1.05	57	0.57
Total	9,934	100.00	7,841	100.00	10,037	100.00

Separation of income in 2020

1. Income from construction business in total amount of 7,729 Million Baht. This consists of the Company's own income in amount of 6,792 Million Baht, income of Utility Business Alliance Company Limited in amount of 522 Million Baht, income of Advance Prefab Company Limited in the amount of 283 Million Baht, and income of Nawarat (Cambodia) Company Limited in the amount of 132 Million Baht.
2. Income from sale of real estate and services in total amount of 475 Million Baht consisting of the portion from sale of the Company's real estate in amount of 4 Million Baht, the portion of Mana Patanakarn Company Limited in the amount of 395 Million Baht, and the portion of Taste Maker Company Limited from sale of instant food and restaurant business in the amount of 76 Million Baht.
3. Income from concrete products manufacturing business which totals 1,582 Million Baht. The Company's own income is in amount of 569 Million Baht, and the rest portion of 1,013 Million Baht belongs to Advance Prefab Company Limited.
4. Income from the petrol station business which is the Company's own for the whole amount of 73 Million Baht.
5. Income from gained interests, such as the gained interest from financial institutions, joint ventures and other companies.
6. Others incomes, i.e. profits from sale of assets, project management cost and profits from exchange rates of the Company.

Marketing and competition

1. Marketing strategies

Important competitive strategies: Nawarat Patanakarn Public Company Limited has conducted its business for many years. The Company has enjoyed its experiences and expertise in many different types of construction works with its experienced and qualified personnel and plenty of equipment and machinery. These enable the Company to be able to fully support various types of works both from the government and private sectors.

Strength: Nawarat Patanakarn Public Company Limited has the capacity to execute multiple types of work. The Company has experience and expertise in civil engineering works, such as roads, bridges, expressways, power plants, buildings, industrial plants, ports, hydroelectric dams and underground tunnels, etc. which enable the Company to continuously execute works. In case any types of construction work have dropped, the Company can maintain its business by undertaking other types of works. In addition, the Company possesses equipment, machinery and personnel thus ready to execute mega-projects and has good relationship with customers and sub-contractors; which make the Company create great opportunities to get new projects from them.

At present, the Company has an expertise in construction of large-scale utilities, such as roads, express ways, bridges, large-scale wastewater treatment systems, hydroelectric dams, ports, large-scale tunnels, with many projects being in progress of execution utilizing lots of machinery and equipment.

Weakness: Nawarat Patanakarn Public Company Limited has invested in machinery and equipment which are appropriate for executing large-scale projects. These make the Company bear higher costs and operational expenses than small contractors, if the Company obtained small-sized projects (This is not the current policy of the Company). Moreover, the mega-projects generally specified the requirement of the contractors' qualifications, especially experiences and sources of fund. For example, when awarded with large-scale utilities that domestic contractors have never had experience before, the Company may have to cooperate with foreign companies or specialists in execution

of such projects which causing the Company to have higher costs and expenses on operation and management.

Target customers: The customers of the Company are from the Government and private sectors. The target groups of customer of the Company are those from the Government sector including state enterprises both domestic and international, especially governmental works receiving financial support from Bank of Economic Development or World Bank for construction of utilities such as roads, expressways, power plants, wastewater treatment systems, etc.

Pricing policy: When quoting price for each construction project and for precast concrete piles, calculation will be based on cost and expenses of the project and will have to secure gross profit of 10-15 percent according to the project type and the competitive condition.

Investment: The Company expands its investments in businesses related to the Company's current business and other construction projects generating good outcomes in order to optimize the Company's growth and returns on investment both in short and long terms. However, the Company always seek for an opportunity to invest and expand its business. The Company would carefully study before investing such as investing in Taste Maker Company Limited, the company which involved in food and restaurant business

Human resources development: Develop knowledge and ability of employees to have competitive potential as well as ethics to conduct business and improve management structure to suit and facilitate future development and expansion.

Marketing aspect: Encourage potential of proactive marketing by using the Company's network and information system. Create good relationship with customers by treating them with high responsibility and good planning to deliver on-time and good quality work. Expand scope of business to work in overseas, especially in Asia and the Middle East. For domestic works, still focus on works from the Government sectors such as construction of roads, bridges, water transmission tunnels, power plants, wastewater collection and treatment system. In addition, the Company operates the manufacturing plants for concrete products and processed steel; this helps the Company to reduce construction cost and to be able to control the quality of the product to be used.

Production and services: Nawarat Patanakarn Public Company Limited manufactures and provides quality products and services with the concern of maintaining leadership of quality with no environmental and social impact. The Company also keeps seeking for new technologies to facilitate construction works and for systematic management, to prevent any negative impact on the environment, and to comply with the law on environmental protection as stated in the Company's policy.

Use of technologies: Use modern technologies for construction and manufacture concrete products to be used as materials for construction and to reduce cost in long term.

2. Sale and distribution channels:

In acquiring construction works, the Company will directly contact with the employers either through tendering or negotiation whereas the Company would buy the bidding documents and make a calculation for price proposal in accordance with the requirements. Sometimes, the Company would get a contact from an employer, a designer, or a work supervisor due to its experience, apparent reputation in experience, potential to operate works, and quality of the preceding works that allows the employer to trust in the Company and let the Company offer more services.

Distribution of concrete piles: The Company would directly contact the employer either through tendering or negotiation, in the same practice as acquiring construction works. The deal may be limited only to supplying and driving piles or performing partial work of the project. In addition, the Company also conducts direct sales to purchasers and contractors in accordance with their required specifications. By this way, the Company would start manufacturing

the products upon receiving the purchase order and the specifications from customers, since their required products may need to be manufactured in specific size and weight tolerance.

Distribution of processed steel: The Company mainly manufactures processed steel for use in its own construction works, for example, the steel structure of beams for bridge or the structure work for large buildings in order to reduce the construction cost. Normally, in the past five years, the proportion of manufacturing for its own usage and for sale was 82:18. However, in case there is sufficient capacity, the Company would manufacture the products as per the order, requirement, and standard of customers.

3. Nature of customers:

Nature of customers and relationship between customers and the Company or its subsidiaries can be divided as follows:

Construction services: the group of customers consists of:

1. Private sectors consist of the following types of work: office buildings, industrial plants, shopping malls, real estate projects, etc.
2. Public sectors consist of Government agencies and state enterprises such as Department of Highway, the Electricity Generator Authority of Thailand (EGAT), Bangkok Metropolitan Administration (BMA) etc.

The revenue proportion between the private and Government sectors is as described below:

Year 2018	
Private Sectors	15 percent of total revenues
Government Sectors	85 percent of total revenues
Year 2019	
Private Sectors	15 percent of total revenues
Government Sectors	85 percent of total revenues
Year 2020	
Private Sectors	11 percent of total revenues
Government Sectors	89 percent of total revenues

The Company believes that the income from the Government sectors will be increased since the Government is focusing on more construction of various projects of utilities and infrastructure. Customers from the government sectors are The Bangkok Metropolitan Administration (BMA), Department of Highway, the Electricity Generator Authority (EGAT), public universities, public hospitals, state enterprises, etc. Customers from the private sectors consist of industrial factories, hotels, real estate development projects, etc.

Sales of pre-stressed concrete piles and concrete products: The Company's customers for the sale of pre-stressed concrete piles and concrete products can be divided to both private and public sectors, just as the construction services. For example, our main customer in the government sectors is the Electricity Generator Authority of Thailand (EGAT). In addition, some concrete products are produced for using in construction projects executed by the Company itself.

Sale of processed steel: Like the construction services, the Company's customers for the sale of processed steel are both the private and the Government sectors, Customers from the Government sectors are Department of Highway, Department of Public Work, the Electricity Generator Authority of Thailand (EGAT), etc. In addition, the processed steel is also mainly used for projects executed by the Company itself.

Debt Collection Policy: In case any customer does not make payment in a timely manner, the Company shall calculate the interest for the delayed payment based on the payment due date. This standard is obliged to be applied for accounts receivable of both normal accounts receivable and the Company's related parties. However, due to the current economic circumstance, the Company conceded not to charge the interest from some accounts receivable with a trivial late payment, excluding those receivables who have been under prosecutions litigation process for debt repayment.

When considering of accounts receivable for unrelated parties, the Company has 12-month overdue accounts receivable before deduction of doubtful debts as at December 31, 2020 in the amount of 130 Million Baht, decreased by 22 Million Baht from the amount as of December 31, 2019.

The Company recorded the doubtful debts of all accounts receivable who have overdue payment for more than one year according to the Company's criteria and policy.

Summary of reserves recordings for doubtful debts

Unit: Million Baht

Transactions	Year 2020	Year 2019	Year 2018
Payment receipt from account receivables who were recorded for doubtful debts (reversed bad debts)	19.53	39.80	329.50
Additional record of periodic doubtful debts	47.57	(76.22)	8.29

The first three accounts receivable with the highest balances as of December 31, 2020 namely:

1) The balance amount of Sino-Thai Engineering & Construction Public Company as of December 31, 2020 was 429.25 Million Baht which consists of:
   - The construction project of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project (Khae Rai- Min Buri), the pro-ject of Pattanakarn Underground Tunnel in conjunction with MRT Yellow Line Project.
2) The balance amount of Marubeni Corporation as of December 31, 2020 was 144 Million Baht which consists of:
   - South Bangkok Power Plant Replacement Project Phase 1
3) The balance amount of A.S. Associated Engineering (1964) Co., Ltd. as of De-cember 31, 2020 was 138 Million Baht which consists of:
   - Double Track Railway Project (Nakhon Pathom - Hua Hin), 1st contract and AS Bangkhem Bridge.

Duration of debt collection: For governmental sectors, payments will be made in accordance with the criteria stipulated by each Government agency, approximately 45 - 60 days. For the private sectors, the Company established the condition for payment to be made within 30 days. Currently, the Company's customers arrange payments in accordance with the defined terms of payment or sometimes a little bit delay with an acceptable rationale. However, for the debtors from the private sectors, some of them have not made an overdue payment for some construction projects which the work already been delivered, due to the lack of their liquidity, the Company has still continued following up their payment. In case such overdue payments have not been made for a certain period of time, the Company will file lawsuits against the debtors to recover such debts.

4. Competitive condition within the industry:

The construction industry is viewed as highly competitive market. The competition is both among Thai contractors and also among Thai and foreign contractors. Due to the economic downturn in recent years, a lot of small-scale contractors have had to quit operating their businesses while at the same time the amount of domestic construction is starting to increase. In addition, there are unfavorable factors for conducting the business. For example, the rigidity of financial institution in granting loans has made contractors face the problem of financial liquidity and the prices of construction materials has a tendency to increase as a result construction cost will increase as well.

For acquiring of the construction works from both the Government and private sectors, the Company usually uses the method of tendering in which a suitable contractor who make the lowest price proposal and has the qualifications as required would be selected. Provided there are more than one contractors participating in the price proposal session, the owner would have more chances to select the most favorable contractor. On the other hand, contractors themselves also have chances to select their desirable project and make the price proposal. Since it is a free market, the employers and the contractors have their rights to negotiate. However, the project owner would be the one who defined the qualifications of the contractors qualified to participate in the bidding session and has his discretion to select any contractor that meet the required criteria.

From the competitive condition, the Company which is able to accept various kinds of works and has experiences and expertise in several working areas would be considered as having more advantages than any other companies. Moreover, if the amount of construction work of any type is decreased, then the Company may be able to acquire any other type of work instead. The important factor is to carry out work within the limitation of timeline.

Procurement of Products or Services

Production: For construction business, a construction site will be located at the project area in which the Company is performing works. For the production business of pre-stressed concrete products and processed steel, the Company has three supporting plants, one located on Bangna-Trad K.M. 4, one located in Bangnampriew District, Chachoengsao (the plants for manufacturing of processed steel and pre-stressed concrete steel are located in the same area) and another one located on Rama 2 Road, Muang District, Samutsakorn for manufacturing concrete pipes.

1. Manufacturing capacity and production volume

Construction contracting business: The Company's productivity is limited by

1. Number of personnel who specialized in specific working areas such as skilled labor, especially construction laborers of special types/architectural workers
2. Amount of investment funds
3. Number of equipment and machinery

At present, Nawarat Patanakarn Public Company Limited is able to be responsible for 50 projects at the same time, with the average project value of 800 Million Baht. However, it depends on the type of work, personnel, equipment, machinery and investment funds to support the projects.

Manufacture of pre-stressed concrete piles and concrete products:

Productivity	2020 cu.m/year	2019 cu.m/year	2018 cu.m/year
-Bangna-Trad Plant, KM 4	30,000	30,000	30,000
-Bangnampriew Plant, Chachouengsao	48,000	48,000	48,000
-The manufacturing plant for concrete pipe and precast concrete products (Maha-chai)	20,000	20,000	20,000
Total	98,000	98,000	98,000
Actual production			
-Bangna-Trad Plant, KM 4	19,513	26,035	13,772
-Bangnampriew Plant, Chachouengsao	30,724	35,995	29,755
-The manufacturing plant for concrete pipe and precast concrete products (Mahachai)	17,797	15,650	13,445
Total	68,034	77,680	56,972
Percent of productivity	69.42	79.27	58.13
Percent of increase(decrease) of production	(12.42)	36.35	12.81

Remark: *

Productivity means the highest capacity or ability to manufacture concrete piles in standard size. However, normally, piles are manufactured in various sizes which, comparing to the standard manufacturing capacity, make the manufactured quantity decreased.

* The Company manufactures concrete pipes to supply the wastewater treatment project at the Work Site on Rama 2 Road established for the manufacture of concrete pipes to supply the nearby project; this is to save transportation costs.

Manufacture of processed steel: Previously, Nawarat Patanakarn Public Company Limited has productivity of processed steel of approximately 8,000 tons per year. In the year 2017, the Company has expanded its productivity to 12,000 tons per year to cover the increasing works.

	(2020 tons)	2019(tons)	2018 (tons)
Capacity	12,000	12,000	12,000
Quantity	7,286	7,049	6,272
Percent of productivity	60.72	58.74	56.06
Percent of increase (decrease) of pro-duction	3.36	4.79	(27.69)

เนื่องจากลักษณะการประกอบธุรกิจของบริษัท ทั้งในงานก่อสร้าง ผลิตเสาเข็มและผลิตภัณฑ์คอนกรีต และเหล็กแปรรูป มีการดำเนินการเพื่อให้เป็นไปตามแผนงานก่อสร้าง และลักษณะการก่อสร้างในแต่ละช่วงของโครงการ ไม่ได้มีการกำหนดการทำงานเป็นจำนวนกะที่แน่นอน เช่นการผลิตในโรงงานอุตสาหกรรม จึงแสดงกำลังการผลิตและปริมาณการผลิตตามผลงานที่ทำได้จริงเปรียบเทียบกับกำลังการผลิต สำหรับในปี 2560 ทางโรงงานผลิตเหล็กแปรรูป มีการขยายกำลังการผลิต โดยการก่อสร้างโรงงานผลิตเหล็กเพิ่มอีก 1 หลัง จึงทำให้กำลังการผลิตเดิม เพิ่มขึ้นจากประมาณ 8,000 ตันต่อปี เป็น 12,000 ตันต่อปี

2. Construction materials and suppliers

The main types of construction materials: The construction materials used for the Company's business operation comprise of cement, steel, concrete, sand, stone, wood and others.

The source of construction materials: The construction materials are ordered from domestic manufacturers or suppliers. In some cases, the Company may order them from aboard if conditions are considered to be better than purchasing from the domestic suppliers or sellers. At present, almost all of the Company's construction materials are provided by domestic sources.

The use of equivalent materials: In executing construction projects, some construction materials may be specified, for example concrete with compressive strength of 350 kilograms per square centimeter or equivalent, which can be available from several domestic manufacturers. By this way, the Company would forward the specifications of the equivalent construction materials to be approved by the project owner. Or in case there are no specifications required, the Company would give the first priority to domestic manufacture with qualified standard and reasonable prices.

Technological change and use of construction materials: Since the execution of works must be in compliance with the contract. In spite of using differing construction technologies, the materials as specified in the contract still needed to be used.

Problems related to construction materials: Sometime, there are some shortages or price adjustment of construction materials. In case there is a high demand of quantity, the Company would probably consider purchasing directly from the manufacturer or importing such from aboard. Since the Company has been in the business for such a long time and has had strong relationship with groups of construction materials' suppliers and manufacturers thus we are confident that quality, prices and quantity will be sufficient for continuously usage in each project. In case there are fluctuations in price of materials, the Company would get into a contract and make the order in advance, including making a fixed-price contract in case there is no information on the specific number of materials.

The number of construction material suppliers: The construction material suppliers such as cement, steel, concrete and other materials are plenty and available according to specific material types such as SCG Cement-Building Materials Co., Ltd., Paisarn Metal Co., Ltd., Siamchai Steel Co., Ltd. and The Concrete Products and Aggregate Co., Ltd., etc. The Company has conducted the construction business for a long time and has had strong relationship with plenty of suppliers and manufacturers who have consistently maintained good business contact with the Company. Thus, there is no problem in supplying construction materials.

Proportion of material purchased in and outside of the country: The construction materials that the Company use are mainly provided by domestic suppliers. The quantity and type of materials used each year depends on types of construction specified in each project. For example, road construction requires the use of a large amount of sand, gravel, asphalt while building construction may require plenty of concrete and steel rods. Notwithstanding, no construction materials were used more than 50 percent of the overall production cost. The main construction materials such as cement, concrete, steel rods, stone, and sand are provided by domestic suppliers accord-

ing to their material types. The purchase balance for each supplier is not higher than 30 percent of the overall purchasing value for each year. Also, there is no binding agreement in purchasing construction materials from any specific manufacturers or suppliers. Therefore, change in price of construction materials in a given period of time is in accordance with market mechanism and condition during that time. Price of some materials was under the Government's control.

3. Environmental impact

The construction process normally initiates an environmental impact either in the type of sound, dust or vibration which the Company has prevented the impact on local community and also the people in the nearest area with the following schemes:

3.1 Preventing the dust by covering the building which is under construction or regularly watering the road which is under construction.

3.2 Using the qualified machine which would not create loud noise. In any cases in which the Company required a noisy machine, we would avoid conducting such activity at night.

3.3 Announcement to the local community in the nearest area to make the mutual understanding about the construction process and developing a positive relationship with them.

For the past 3 years until now, the Company and subsidiary companies have never had any issue regarding an environmental impact. Though, in order to minimize the uncertainty, the Company has managed its insurance in every construction project to deal with any charge of environmental impact.

Backlogs

The Company will be able to handover the construction works of the whole project to the employers only when the whole project has been completed. Therefore, the ongoing construction projects to be counted as backlogs as of December 31, 2020 are as below:

Project	Employer	Detail	Commencement date	Completion date the contract	Project value according to	Revenue recognition	Value of back-log completion	Percentage of project
N.451D	TOT Public Company Limited	Ratchapruek Road Extension Project Phase 2 (Section 2) -Metropolitan Electricity Authority	5 Aug 2016	18 Jun 2017	40.81	40.68	0.13	99.68
N.464	Metropolitan Electricity Authority	Underground Power Transmission Project, Khlong Prakanong, Sukhumvit Road	16 Dec 2015	19 Jun 2018	369.31	366.94	2.37	99.36
N.473	Department of Rural Roads	Construction Project of Highway 7 Intersection (Km 107 + 200) - Laem Chabang Port, Chonburi province	7 May 2016	12 Feb 2021	279.16	249.52	29.64	89.38
N.484	Airports of Thailand Public Company Limited	Construction of Runway, Taxiway and Apron, etc. at Betong Air-port, Yala province	29 Oct 2016	12 Nov 2019	1,234.99	1,234.99	0.00	100.00
N.488	Marubeni Corporation	South Bangkok Power Plant 1 Replacement Project Phase	24 Jul 2017	25 Dec 2019	2,960.00	2,960.00	0.00	100.00
N.505	Sino-Thai Engineering & Construction Public Company	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Yellow Line project (Project owner: Metropolitan Electricity Authority)	12 Dec 2017	17 Apr 2022	295.00	136.77	158.23	46.36

Project	Employer	Detail	Commencement date	Completion date the contract	Project value according to	Revenue recognition	Value of back-log completion	Percentage of project
N.506A	Sino-Thai Engineering & Construction Public Company Limited	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project - Khae Rai Intersection (Project owner: Metropolitan Electricity Authority)	26 Feb 2018	23 Nov 2022	1,436.91	476.16	960.75	33.14
N.506B	Sino-Thai Engineering & Construction Public Company Limited	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project – Canal Part (Project owner: Metropolitan Electricity Authority)	12 Dec 2017	23 Nov 2022	1,516.02	770.09	745.93	50.80
N.507	CKST Joint Venture(CKST)	The MRT Orange Line (East Section) Project (Project owner: Mass Rapid Transit Authority of Thailand)	15 Mar 2018	31 May 2021	1,593.56	1,413.91	179.65	88.73
N.515	Magnolia Quality Development Corp. Ltd.	Civil work of Forestias	1 Jul 2018	31 May 2021	659.46	625.57	33.89	94.86
N.516	Department of Public Work, Bangkok	Construction of Underground Tunnel through Ratchada- Ratchapruek	28 Sep 2018	22 Nov 2022	864.44	304.21	560.23	35.19
N.517	Sino-Thai Engineering & Construction Public Company	Construction of Structure and Architecture of the MRT Pink Line Monorail (Khae Rai- Min Buri), 18 stations (Project owner : Eastern Bangkok Monorail Company Limited)	30 Nov 2018	31 Mar 2022	2,996.76	2,178.20	818.56	72.69

Project	Employer	Detail	Commencement date	Completion date the contract	Project value according to	Revenue recognition	Value of back-log completion	Percentage of project
N.518A	Sino-Thai Engineering & Construction Public Company Limited	Construction of Structure and Architecture of the MRT Yellow Line Monorail (Lat Phrao - Samrong), 16 stations (Project owner : Eastern Bangkok Monorail Company Limited)	30 Nov 2018	14 Jun 2021	2,883.79	2,107.53	776.26	73.08
N.520	Metropolitan Electricity Authority	Construction of Manhole and Underground Duct Bank in conjunction with the Construction of Underground Tunnel through Ratcha-da- Ratchapruek by Bangkok Metropolitan Administration	26 Dec 2018	12 Aug 2021	267.76	74.28	193.48	27.74
N.521	Metropolitan Electricity Authority	The Changing of Aerial Electrical Cable System to Underground Electricity Cable, Ratchada- Rama 9 Project	16 Jan 2019	7 Jul 2023	1,867.55	94.86	1,722.69	5.08
N.522	Bangkok Metropolitan Administration	Construction of Sewerage System for Khlong Tan Tanode	23 Mar 2019	26 Apr 2021	280.37	248.78	31.59	88.73
N.524	Marine Department	Infrastructure Development of Ports in order to Evaluate Transportation around Chao Praya River (Bangkok and Nonthaburi), 8 locations	26 Feb 2019	13 Sep 2021	37.37	35.23	2.14	94.27
N.525	CAT Telecom Public Company Limited	Construction of Ratchada-Ratchapruek Underground Cable Project, Manhole and Riser Wall (1 systems)	6 Apr 2019	21 Sep 2021	19.21	2.79	16.42	14.52
N.526	Marine Department	Infrastructure Development of Tha Chang Port, Bangkok, 1 location	21 Mar 2019	1 May 2021	54.78	19.84	34.94	36.22

Project	Employer	Detail	Commencement date	Completion date the contract	Project value according to	Revenue recognition	Value of back-log completion	Percentage of project
N.527	Department of Public Works and Town and Country Planning	Construction of Flood Control System Phrase 3 in Phong Pheng Community, Pa Mok, Ang Thong province	15 May 2019	10 Sep 2021	204.94	190.39	14.55	92.90
N.528	Marine Department	Reconstruction of Pattani Port, Bana, Mueang District, Pattani province (e-bidding)	30 May 2019	18 May 2021	74.74	58.84	15.90	78.73
N.529	Bangkok Metropolitan Administration	Construction of Kaemling at Benjakitti Park (e-bidding)	19 Sep 2019	31 Mar 2021	128.97	116.83	12.14	90.59
N.530	Bangkok Metropolitan Administration	Construction of Underground Water Tank under Srinakarin- Krung Thep Kritha Bridge	24 Aug 2019	10 Oct 2021	167.67	139.13	28.54	82.98
N.531	A.S. Associated Engineering (1964) Co., Ltd.	AS Bangkhem Bridge	20 Aug 2019	28 Feb 2021	343.35	264.40	78.95	77.01
N.533	Metropolitan Electricity Authority	The Changing of Aerial Electrical Cable System to Underground Electricity Cable along the MRT Green Line (Bearing- Samut Prakan)	15 Sep 2019	30 Aug 2023	2,171.41	15.96	2,155.45	0.74
N.536	One Bangkok Co., Ltd.	MRT Connection Works - One Bangkok Mixed - Use Development	1 Mar 2020	31 Aug 2021	255.00	72.11	182.89	28.28
N.537	Bangkok Metropolitan Administration	Construction of Wastewater Collection System and Wastewater Treatment System at Min Buri, Phrase 1	18 Nov 2019	6 Nov 2021	559.77	119.18	440.59	21.29
N.538	Sino-Thai Engineering & Construction Public Company Limited	Project of Pattanakarn Underground Tunnel in conjunction with MRT Yellow Line Project 2	1 Oct 2019	21 Oct 2020	173.00	12.71	160.29	7.35

Project	Employer	Detail	Commencement date	Completion date the contract	Project value according to	Revenue recognition	Value of back-log completion	Percentage of project
N.539	Legacy Ventures Co., Ltd.	JW Marriott Khaolak	15 Nov 2019	14 May 2021	475.00	232.01	242.99	48.84
N.540	Asia Industrial Estate	Construction of Asia Industrial Estate's Office Building, 2 levels	1 Mar 2020	14 Dec 2020	25.31	25.17	0.14	99.45
N.541	Sino-Thai Engineering & Construction Public Company	Providing construction materials and workers for the constriction of D05 Bulk Substation Building, MRT Yellow Line Monorail	20 Mar 2020	6 Feb 2021	21.36	4.79	16.57	22.43
N.542	Metropolitan Electricity Authority	Underground Power Cable Project under the Chao Phraya River, from Pranakorn Tai Station to Suksawat Station	30 Apr 2020	19 Jul 2022	341.96	1.13	340.83	0.33
N.543	TN Joint Venture	Construction of 3rd Runway, Taxiway D Extension, and Perimeter Taxiway at Suvarnabhumi International Airport, Bangkok	28 Sep 2020	13 Aug 2023	1,030.00	31.10	998.90	3.02
N.544	A.S. Associated Engineering (1964) Co., Ltd.	AS Bangkhem Bridge	1 Jul 2020	30 Dec 2021	249.72	19.36	230.36	7.75
N.545	State Railway of Thailand	Cooperation Project between Thailand and Republic of China for Development of High- Speed Rail System to Connect Regions Bangkok- Non Khai, Contract 3-2 Civil Works for Tunnel (Muak Lek and Lan Takhong)	21 Nov 2020	11 Nov 2023	3,999.35	5.66	3,993.69	0.14
N.546	Bangkok Metropolitan Administration	Construction of the Underground Walkway Tunnels through Naphra Lan Road	27 Aug 2020	17 Feb 2022	715.89	64.37	651.52	8.99
N.547	Bangkok Metropolitan Administration	Construction of the Underground Walkway Tunnels through Maharaj Road	27 Aug 2020	21 Aug 2021	162.62	15.18	147.44	9.33

Project	Employer	Detail	Commencement date	Completion date the contract	Project value according to	Revenue recognition	Value of back-log completion	Percentage of project
N.548	Metropolitan Waterworks Authority	Construction of the pipeline project and related works in accord-ance with Ror Tor Por. 133 Contract	19 Aug 2020	9 Feb 2022	121.36	17.53	108.83	14.44
N.549	China Rail # 10	Construction of the National Water Resources' Office Building	1 Oct 2019	27 Jun 2021	10.00	3.21	6.79	32.10
N.550	TPSC (Thailand) Co., Ltd.	B.Grimm Power (Laem Chabang) : BPLC1R	16 May 2020	16 Jul 2022	351.99	69.98	282.01	19.88
N.551	TPSC (Thailand) Co., Ltd.	Amata B.Grimm Power 1 & 2 : ABP1R & ABP2R	17 Sep 2020	28 Sep 2022	673.94	43.22	630.72	6.41
N.552	TPSC (Thailand) Co., Ltd.	Glow SPP1 Limited : GSPP1R	30 Oct 2020	30 Dec 2022	622.63	38.36	584.27	6.16
N.554	Department of Highways	Construction of South Chachoengsao Bypass Road, Chachoengsao province	4 Sep 2020	19 Aug 2023	969.63	50.93	918.70	5.25
N.555	Airports of Thailand Public Company Limited	Construction of Taxiway C and the Installation of Lighting System at Krabi Airport	29 Oct 2020	16 Apr 2023	880.28	1.54	878.74	0.17
N.556	Marine Department	Construction of the Retaining Wall of Pasak River Phase 2, Section 1, Ayutthaya province	19 Sep 2020	7 Mar 2023	463.08	9.43	453.65	2.04
N.560	Department of Public Works and Town and Country Planning	Construction of Flood Control System Phrase 2 in Omyai Commu-nity at Nakhon Pathom province	13 Nov 2020	2 May 2023	305.26	0.98	304.28	0.32
N.561	Metropolitan Electricity Authority	The Changing of Aerial Electrical Cable System to Underground Electricity Cable in conjunction with the MRT Green Line, Su-khumvit Road, Sukhumvit 81- Soi Bearing	24 Nov 2020	9 Nov 2023	1,461.75	1.56	1,460.19	0.11
Total					36,617.24	14,965.41	21,621.83	

Risk factors

Risk factors

Internal and external risk factors affecting the Company's operation are summarized as follows:

1. Economic situation and growth rate: The construction business directly relates to the country's economic situation and economic growth rate. The Company's operation has been inevitably affected by the recession. However, the Company has the ability to acquire various types of project which help diversified risks and minimized potential damage that might occurred. The economic situation has improved over a short period resulting in a little increase in the Company's expansion rate. However, the downturn had finally made a comeback. Thus, the Company has focusing to acquire works in the field it exceptionally expertized with having fewer competitors in order to survive in the industry. That includes works such as Jacking Pipes, Underground Tunnel and Sewage System. In addition, the Company has become interested in tendering for more foreign projects either in the form of the Company individually or in from of a joint venture company. However, dealing with those in private sectors is risky in terms of the employers' liquidity such as a delay in payment; as a result, more precaution must be taken in execution of various projects either domestic level or international level. At present, domestic works make up 86 percent and another 4 percent goes to those from overseas which is the construction of a thermal power plant awarded by Electrical Authority of Cambodia, the project named Onshore Civil Work of 150MW Coal Fired Power Plant at Stung Hav, Sihanoukville, Kingdom of Cambodia, with the project value of 24.72 Million USD (approximately 800 Million Baht), 98 percent of the construction has now completed.

2. Changes in materials' prices: The cost from materials is considered the most important when it comes to calculating costs for tendering. A change in materials' price, especially fuel price, has a direct effect to the Company's profit. For instance, fuel price is considered as 20 percent of the overall construction cost for road construction project, thus the increase in fuel price would affect directly to the project cost and will also effect the transportation cost for other materials. Even though the prices of fuel and main material such as steel have at some level gone down in the past year, but it could not be assured that they will not bounce back to the same level. Thus, this raises the risk of bidding for construction in this situation. In addition, the costs of imported materials will also be depended on the adjustment of exchanging rates. Therefore, the Company will purchase materials with a price assurance and purchase materials at once to cope with materials' price fluctuation. For instance, purchasing steels in an amount that is enough for the whole project. With this practice, the Company will be able to know the exact project cost. In addition, the Company provides its employees with the training on stock controlling and auditing, including provides computer programs for effectively listing and recording inventories. The Company has saved costs for maintaining unnecessary inventory. The auditing team works regularly at every project in every month.

In terms of works selection to serve the need of managing price adjustment risk, the Company divided the customers into:

1. Private sectors which comprise of works such as office buildings, factories, shopping centers and various real estate development projects, etc.
2. Government sectors which comprise of government agencies, state enterprises such as Department of Highways, EGAT, BMA.

The Company has tried to increase the proportion of Government works since some of its contracts provide a clause for price adjustment.

The proportion of income from the private and Government sectors are as follows:

Year 2018

Private sectors	15 percent of total revenue
Government sectors	85 percent of total revenue

Year 2019

Private sectors	15 percent of total revenue
Government sectors	85 percent of total revenue

Year 2020

Private sectors	11 percent of total revenue
Government sectors	89 percent of total revenue

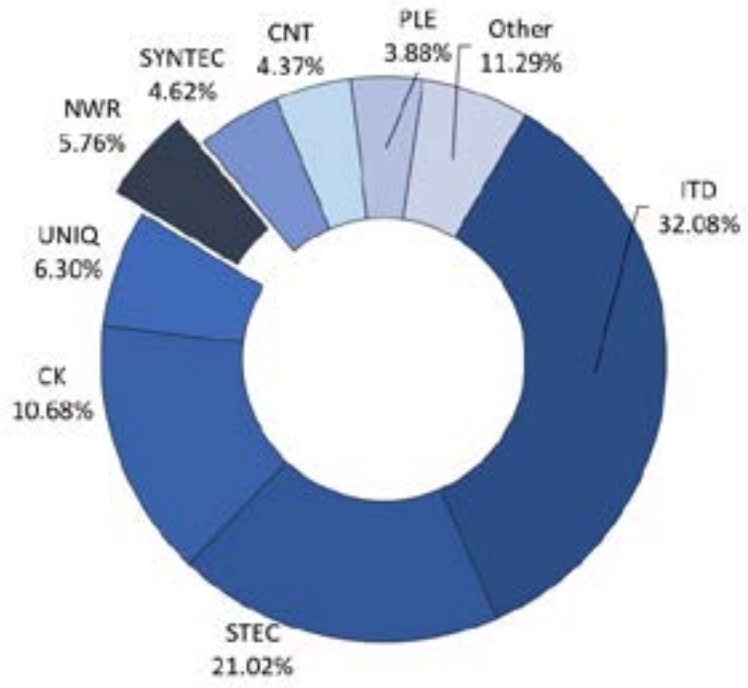
3. Lack of the construction workforce: The recovering of real estate segment results in competitions among contractors over labors. Generally, there are no sufficient labors during national holidays such as New Year and Songkran holidays. Thus, the Company has increased an incentive in the form of increasing overtime wage rate. The operation cost consequently increases in certain times of the year. In general, the Company barely faces a problem with normal labors; on the other hand, when it comes to more skilled labors it becomes more problematic. Some construction projects such as high-priced housing estates are always in need of those highly skilled labors at the same time resulting in competing for such labors among contractors. Therefore, in case the Company is awarded with this kind of project, a good planning needed to be done together with the negotiation in advance with the highly skilled labors. However, the Company has currently recruited foreign labors to supplement its workforce and help easing the problem of labor shortage, by doing so the Company has complied with the Department of Labor's regulations. Normally, the labor cost including the Company's contractors shall not be higher than 15 percent of the overall cost. Although foreign labors, which has been inevitably increased, are heightening the labor cost, the Company has its ways of effectively managing the risk of labors. For example, the Company hires an agent who takes responsibilities for supplying, immigration and training foreign labors to be skilled and in line with regulations, while providing them with welfare. All these together with the effectively imposed punishment system make the foreign labors' management highly efficient and worth investing. Now there are approximately 200 foreign labors with the rate of 1: 5.315 in proportion to the Thai labors (There are around 1,063 Thai labors).

4. Uncertain events : Although contingency costs are explicitly part of the total cost estimation, limitations in terms of time or unpredictable event such as floods or other natural catastrophes still adversely affect projects and no compensation can be sought from customers. This can cause the delay in construction and incur more construction cost than estimated.

5. Free trade in service sector : The policy of opening a Free-Trade Zone in the service sector that covers works of construction leads to the increase in the number of foreign competitors. The Company realizes the need to develop its manpower, construction equipment and techniques to be able to compete with other companies in the long term.

   From the ranking of construction companies listed on the Stock Exchange of Thailand in the year 2020 which having revenue more than 5,000 Million Baht per year, the Company is ranked in 5th out of 8 companies with 5.76 percent market share.

Market share of construction companies listed on the Stock Exchange of Thailand in the year 2020



6. Capital and interest rates : The construction business requires high working capital, especially for projects with high investment in machinery. Therefore, if the Company faces the difficulty in finding sources of financial support, the project operation can be obstructed. Thus, the Company has obtaining more loans from commercial banks and other financial institutions in order to sufficiently support each project and to reserve for the expansion of the Company's works. Also, to acquire more liquidity, the Company has issued the three-year debentures for using in investments and as its working capital. The issuance of debentures and offering them for sale with a fixed interest rate enables the Company to explicitly realize its financial cost. However, the risk from other types of loan interest rates with potential fluctuation may affect the Company's operation and cash flow, the Company does not use derivative financial instruments to hedge such risks.

There are two interest rates for loans granted from financial institutions to the Company, divided as follows:

1. Fixed interest rate, the loans from financial institutions under lease agreements with 36 and 48 months period, with the average flat interest rate of 3.56 percent per year. As of December 31, 2020, the Company's total debt was equal to 176 Million Baht and the total debt of the Company's group was equal to 317 Million Baht.
2. Adjustable interest rate based on the Minimum Loan Rate (MLR) or Minimum Overdraft Rate (MOR) of commercial banks as the lenders, which MLR is currently equal to 5.323 percent per year and MOR is 5.835 per year. As of December 31, 2020, the loan amount of the Company itself was equal to 4,293 Million Baht and the total loan amount of the Company's group was equal to 4,966 Million Baht.

   As of December 31, 2020, the Company has no outstanding on debentures or bill of exchange because the Company has redeemed the debenture in the amount of 1,720.10 Million Baht on August 28, 2020. The mentioned debenture has been paid in full amount. At the present, the Company does not issue any debenture.

7. The risk of being unable to meet the needs of the real estate customers : For the past 5 years, the Company has expanded its business in the field of real estate development investment through joint venture with other developers in three projects. However, at present the Company is, by itself, operating 2 projects namely Neo De Siam and Villa Baranee which are low-rise housing projects. The Company has at all times received good response from customers. Nevertheless, if the market is fluctuated, the Company would engage a marketing researcher to help in decision making before investment in any project, in order to reduce the risk of such investments.

(Unite: Million Baht)

	2020	2019	2018
Revenue from construction	7,729	6,318.22	8,676.42
Revenue from real estate development	399	450.95	840.81
Revenue from real estate develop-ment compared with revenue from construction (percentage)	5.16	7.14	9.69

8. Joint Ventures' ability or inability to comply with Joint Venture agreements : In some cases, the Company is obliged to get into bidding under the name of "Joint Venture", working hand in hand with other Joint Venture companies. However, whether working in such form will become successful or not depends on both the abilities of the Company itself and those of other Joint Venture companies. If the other parties happen to face problems whether in term of financial or operational or in other words if they could not perform their duties in accordance with the Joint Venture contracts, all parties involved will be suffered bad effects from such situation. However, if they are able to tackle the problem well enough and continue working together, there will not be much effect to the Company. On the other hand, in case their problems could not be solved, the Company may have to help them solving their problem by putting more investment money into the Project to sustain the operation if their problem is related to financial issue, or by sending an expert to help if they are facing operation difficulty. Previously, the Company has never faced any problems in working with any other parties on behalf of "Joint Venture".

However, the Company has set up the Risk Management Committee to set up the risk management policy and a risk management manual, thus, risk management system has been established and minimize the number of potential causes which may cause damage to the business.

The purpose of establishing the risk management manual is to let all employees to acknowledge the importance of risk management and to get them informed of the Company's policy, including the approach to risk management in accordance with the international standard. Employees will also be informed of their duties and the methods for accurately dealing with risks in order to minimize the number of problems in different sections of work and produce good results in different aspects to all stakeholders, all employees, the Company and to the society as a whole.

The Risk Management Committee regularly holds meetings to set up the risk management policy. Moreover, the Committee helps direct, oversee, follow up and support the implementation of the risk management system to effectively get it across the organization. Its responsibility also includes the consideration of different budgets and expenses for training the employees to continuously have them gain knowledge for running the system.

The Company's risk management manual contains the policy on risk management as follows:

1. Risk management will be practiced as an organizational culture in which all employees have to learn, understand, recognize its importance, and continually adopt it.
2. Risk management will be a single-standard process for the whole company.
3. Risk management will be regarded as a tool for assisting the Company's business operation to achieve the goals according to its objectives.

9. Compliance with the Conditions of the Long-Term Loan Agreement : Agreements between the Company and the Bank in amount of 500 Million Baht and 800 Million Baht respectively

In accordance with the Conditions of the Long-Term Loan Agreements between the Company and the Bank in amount of 500 Million Baht and 800 Million Baht respectively, the Company is required to maintain its Net Debt to Equity ratio at the end of each fiscal quarter and fiscal year according to its consolidated financial statements reviewed or audited by the auditor at the rate not more than 2.25:1 (Two point Two Five: One).

Net Debt to Equity ratio (Net D/E ratio) as defined in the Long-Term Loan Agreements between the Company and the Bank in amount of 500 Million Baht and 800 Million Baht respectively, is as follows:

"Net Debt" refers to the total liabilities only with the interest-bearing debt shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents

"Equity" refers to the share equity of the debenture issuer/loaner as shown in the consolidated financial statement.

"cash and cash equivalents" refer to the total amount of cash and cash equivalents as shown in the consolidated financial statement of the debenture issuer/loaner.

10. Risk from ability to repay interests and obligations : In the year 2020, the Company has interest coverage ratio of 3.51 and debt service coverage ratio of 0.21, while the interest coverage ratio was -1.39 and debt service coverage ratio was -0.71 in the year 2019. The ratio reflected that the Company has received higher cash flows from business operation. As a result, the Company was able to pay for the interest and other obligations, although the ability was considered at a very low level. Therefore, the Company needs to accelerate the work to complete within the schedule, receive the due payment from account receivables without delay, and accelerate the concrete production in order to be completed and be delivered on time.

The Company needs to maintain the liquidity at the level that is not impact its business operation. However, there were conditions in the contracts of some construction projects specifying type and proportion of works to be delivered. This makes the Company unable to deliver work every month and has to wait until the works stated in the contract are completed. The completed works which is unable to be delivered are recorded as unbilled revenue. Likewise, for the construction projects awarded by the Government sectors, if there are any revision of construction designs or any changes affecting the contract, the amendment of contract must be completed and the Company then can claim for the payment. The amendment takes time, thus, works waiting for claim of payment are recorded as unbilled revenue as well.

1. In 2018, the Company signed the loan agreement with the Bank in Thailand in the amount of 500 Million Baht. The said loan has monthly interest rate at the Minimum Lending Rate (MLR) of – 0.25 percent per annum. The repayment installment of long-term loan is every 6 months or 8 batches starting from January 2020. However, the Company together with the Bank have signed the amendment to the loan agreement in order to suspend the repayment of principal starting from July 2020 to January 2021. The Company will resume the repayment July 2021 and complete the repayment within July 2024.
2. In 2020, the Company signed the loan agreement with the Bank in Thailand in the amount of 800 Million Baht. The said loan has monthly interest rate at the Minimum Lending Rate (MLR) of – 0.50 percent per annum. The repayment installment of long-term loan is every 6 months or 10 batches starting from August 2021 to February 2026.

However, the above loan agreements have indicated some conditions and limitations such as maintaining Net Debt to Equity ratio (Net D/E ratio) at the rate of not more than 2.25:1 at the end of the quarter and year end period, dividend payment shall not be allowed unless the bank deemed the dividend payment will not affect the Company's ability to make the repayment.

4. Business asset (The following information only displays the details of Company's asset.)

Types of asset	Rights of asset	Utilization	Area	Purchase price(Baht)	Book value (Baht) As at December 31, 2020
1. Land					
Title Deed No.10646 located at Paktho district, Ratchaburi province	Owner	Sand field	18-2-76 rai	1,214,850.00	1,214,850.00
NS-3K or Confirmed Certificate of Use No. 730 located at Paktho district, Ratchaburi province	Owner	Sand field	6-2-93 rai	302,962.50	302,962.50
NS-3 or Certificate of Use No.126 located at Paktho district, Ratchaburi province	Owner	Sand field	16-0-5 rai	1,601,250.00	1,601,250.00
NS-3K or Confirmed Certificate of Use No. 946 located at Paktho dis-trict, Ratchaburi province	Owner	Sand field	0-3-98 rai	99,500.20	99,500.20

Types of asset	Rights of asset	Utilization	Area	Purchase price(Baht)	Book value (Baht) As at December 31, 2020
NS-3K or Confirmed Certificate of Use No. 948 located at Paktho district, Ratchaburi province (Title Deed No. 32126)	Mortgage	Sand field	16-0-49 rai	1,612,250.00	1,612,250.00
Title Deed No.35236 located at Bang Nam Priao district, Chachoengsao province	Mortgage	Residence/ location of document storage	24-1-38 rai	3,212,009.00	3,212,009.00
camp/Place for document storage				8,520,750.00	8,520,750.00
Cost of land filling and land improvement					
Title Deed No. 27604 located at Mueang district, Chachoengsao proince	Mortgage	Factory		958,893.45	958,893.45
Title Deed No. 490 located at Mueang district, Chachoengsao province	Mortgage	Factory	37-3-99 rai	11,104,164.05	11,104,164.05
Cost of land filling and land improvement				8,901,100.80	8,901,100.80
7Title Deed No. 7807 located at Mueang district, Chachoengsao province	Mortgage	Factory	10-3-38 rai		
Title Deed No. 7808 located at Mueang district, Chachoengsao province	Mortgage	Factory	11-2-07 rai	104,400,000.00	104,400,000.00
Title Deed No. 15050 located at Mueang district, Chachoengsao province	Mortgage	Factory	26-2-69 rai		
Title Deed No. 2497 located at Bang Sao Thong district, Samut Prakan province	Owner	Petrol station	4-0-1 rai	22,187,087.95	22,187,087.95
Title Deed No. 23004 located at Dok-mai sub-district, Prawet district, Bangkok Title Deed No. 23007 located at Dok-mai sub-district, Prawet district, Bangkok Title Deed No. 23027 located at Dok-mai sub-district, Prawet district, Bangkok	Owner	Construction model office	26.8 square wah 24.2/ square wah 25.1 square wah	1,996,181.39	1,996,181.39
Title Deed No. 22247,22248 located at Betong district, Yala province	Owner	Place for construction material	2-0-147.3 square wah	450,000.00	450,000.00
Total				166,560,999.34	166,560,999.34
Cost of Land Improvement				35,489,897.57	35,489,897.57
Less Accumulated depreciation of land improvement				(33,737,685.49)	(33,737,685.49)

Types of asset	Rights of asset	Utilization	Area	Purchase price(Baht)	Book value (Baht) As at December 31, 2020
2. Building					
- Office – Pile plant KM.4	On leased land	Office		3,443,805.79	
- Showroom - EGG	On leased and	Showroom		22,194,947.01	
- Document storage building	Owner	Document storage		3,820,024.74	
- Workers' camp	Owner	Residential		1,886,601.37	
- Wat Sri Petrol station, restaurant and coffee shop	Owner	Petrol station, convenient store		40,746,336.82	
- Headquarter Improvement Part	Leased Building	Office		3,408,259.00	
- Plant Improvement Part	Owner	Production plant		89,300,878.56	
Total				171,045,684.23	
Less Accumulated depreciation				(76,058,266.62)	94,987,417.61
3. Temporary building	On leased land	Office		100,469,387.37	
Less Accumulated depreciation				(67,275,303.97)	33,194,083.40
4. Construction machinery	Owner and equipment	Using in construction process		3,511,969,330.44	
Less Accumulated depreciation				(2,907,354,208.20)	
Less Allowance for impairment				(42,646,040.56)	561,969,081.68
5.Vehical	Owner	Using in construction process and operation		813,145,527.09	
Less Depreciation				(617,158,593.27)	195,986,933.82
6.Office equipment	Owner	Using in construction process and operation		253,122,053.79	
Less Accumulated depreciation				(173,035,519.80)	80,086,533.99
Total net asset value					1,134,537,261.92
7. Leasehold with lease term of 26 years and 10 months		Pre-stressed concrete piles plant		69,417,942.63	1,134,537,261.92
Less Amortization (ended in October, 2020)				(69,417,972.63)	0.00

- As at December 31, 2020, an asset's book value excluding leasehold as indicated in item no. 7 was equal to 1,134.54 Million Baht.
- The value of Construction-In-Process Asset was 31.41 Million Baht, which consists of drill head improvement and steel template for casting concrete pipe.
- The net asset value of land, building and equipment according to the Company financial statement was 1,165.95 Million Baht as at December 31, 2020.
- Building, machinery and vehicle of the Company's subsidiaries and joint ventures have net asset value in the amount of 741.39 Million Baht.
- The net asset value of land, building and equipment according to the Company consolidated financial statement was 1,907.34 Million Baht as at December 31, 2020.

Types of asset	Rights of asset	Counter Parties	Area	Rental tern (Years)	Rental fee per month As at December 31, 2020	Contract end date
Land 1. No. 1796 Bangna- Trad road, Bangna sub-district, Bangna district, Bangkok	Pile plant	Miss Chongmart Anurat is an external party which does not have any relationship with the Company	20-1-53 rai	30	260,896.00	October 28, 2020
2. Title Deed No. 3514, 3572 Rama 2 Road, Bangkrachao sub-district, Muang Samut Sakhon district, Samut Sakhon province	Concrete products plant .	Samut Sakhon Land Group of people which consists of Wacin Buddhari, brother in law of Mr. Polpat Karnasuta, Chief Executive Officer of the Company	37-1-17 rai	3	60,691.67	June 30, 2023
Building 2/3 Moo 14,5th, 18th-19th Floor, Bangna Towers A, Bangna -Trad Road Km. 6.5, Bangkaew sub-district, Bangplee district, Samutprakarn province	Headquarter	Teo Hong Silom Co., Ltd. which does not have any relationship with the Company	1,935.56 rai	3	791,293.59	December 31, 2020

Remark

(1) Rental rate will be raised as indicated below.

Detail of land lease according to the first item on land lease topic which belongs to Miss Chongmart Anurat.

Period		Rental rate that the Company have to pay per month (Baht)
From	To	
December 31, 1995	December 28, 1996	16,306
December 29, 1996	December 28, 2001	97,836
December 29, 2001	December 28, 2006	138,601
December 29, 2006	December 28, 2011	179,366
December 29, 2011	December 28, 2016	220,131
December 29, 2016	December 28, 2020	260,896

This land has ownership transfer fee in the amount of 74,277,198.61 Baht which was fully paid in the year 1994. The ownership transfer fee occurred because the first lessee was unable to utilize the land. Thus, the Company acquired the ownership transfer from the first lessee in order to construct pile plant. (Land lease will be ceased in October 28, 2021)

Mana Patanakarn Company Limited, with year-to-year term and the lease fee shall inclusive of withholding tax.

Period		Rental rate that the Company have to pay per month (Baht)
From	to	
29 October 2020	28 October 2021	770,000

Investment property

Investment property as at December 31, 2020 in the amount of 179,780,829.11Baht, which consists of the following properties:

1. Land located at Pa Mok District, Ang Thong province consists of 9 title deeds with the area of 53-1-37 rai of. The net asset value was 31,768,500 Baht.
2. Land located at Pathumthani provice, Title Deed No. 72747 with the area of 0-1-50 rai. The asset value was 750,000 Baht
3. One plot of land located at Bangplee district, Samutprakarn province, Title Deed No. 93754 with the area of 0-1-17 rai. The asset value was 1,404,000 Baht
4. Land located at Bo Phut sub-district, Koh Samui district, Surat Thani province with the area of 44-0-83.7 rai. The asset value was 115,919,156 Baht with the cost of Land Improvements (in the year 2015) of 9,581,627.00 Baht. Thus, the net asset value was 125,500,783 Baht.
5. Land located at Mae Rim district, Chiang Mai province, Title Deed No. 20662 and 20663 with the area of 12-0- 61 rai. The asset value was 16,000,000 Baht with the cost of land improvement of 156,794 Baht. Thus, the net asset value was 16,156,794 Baht.
6. Land located at Wang Chik sub- district, Phichit district, Title Deed No. 6406 6407 with the area of 16-3-15 rai. The asset value was 841,800 Baht.
7. Land located at Manorom district, Chainat province, Title Deed No. 3607 2378 with the area of 12-1- 68 rai. The asset value was 563,625 Baht.
8. Land located at Pak Chong district, Nakhon Ratchasima province, Title Deed No. 32126 with the area of 0-3-13 rai. The asset value was 1,895,327.11 Baht.

Legal Disputes

Legal disputes which the Company is one of the party in the case or dispute, focusing on the cases that may have an effect on the Company's assets more than 5% of the shareholders' equity as at December 31, 2019 (2,998 Million Baht), or equal to 198 Million Baht are as follows;

1. Civil case: Black Case No.Por Kor. 6/2558 and Red Case No. Por Kor. 14/2560, the Central Bankruptcy Court

Between:

Nawarat Patanakarn Public Company Limited (Plaintiff), and

Premier Enterprise Public Company Limited (the First Defendant),

Premier Infrastructure Development Co., Ltd. (the Second Defendant)

Ground:

Breach of contract (Claim for compensation)

Claim value:

478,774,424.87 Baht with interest rate at 7.5 percent per annum (compensation as per the decision of the court of first instance)

Status of the case:

The Company applied for confiscation of 15,660,129 shares of Premier Inter Leasing Company Limited, with the share value in amount of 5 Baht per share which equal to the total amount of 78,300,654 Baht (the remaining shares have been previously confiscated by the Revenue Department). The Civil Case Enforcement Bangkok Office 5 has announced an auction for three times, but there was no bidder. The Civil Case Enforcement Bangkok Office will announce for the fourth auction in June 2020, the selling price will be 70 percent of the estimated price. Moreover, on February 26, 2020, the lawyer has applied for the motion to the court to inquiry the assets of the Defendants.

2. Civil case: Black Case No.Phor Bor. 912/2561, the Civil Court of Southern Bangkok

Between:

Nawarat Patanakarn Public Company Limited (Plaintiff), and

Tilleke & Gibbins International Ltd. (the First Defendant) and et al. defendant, in total 2 defendants

Ground:

Wrongful acts and claim for compensation

The Company claimed that the defendants indicated a wrong interest rate in the arbitration case between the Company and Vichitbhan Construction Company Limited and et al. defendant, in total 5 defendants.

Claim value:

519,025,730 Baht with interest rate at 7.5 percent per annum from the date of filing onwards, until the date that payment is complete.

Status of the case: The court of first instance dismissed the case, the Company is in process of drafting an appeal. The appeal will be submitted in March 2020.

3. Civil case: Black Case No. 1870/2543 and Red Case No. 5875/2545, the Civil Court of Southern Bangkok

Between:

Nawarat Patanakarn Public Company Limited (Plaintiff), and

LPCB Company Limited (Defendant)

Ground:

Breach of contract, plead guilty

Claim value:

18,703,183.91 Baht

The court of first instance rendered a ruling on June 21, 2002, ordered the Defendant to pay the outstanding with interest in amount of 18,464,218.31 Baht and the interest at the rate of 7.5 percent per annum of the principal 13,029,992 Baht, calculating from the date of filing onwards until the payment is complete. The court also ordered the defendant to pay for fee on behalf of the Plaintiff, by determining a lawyer fee in amount of 10,000 Baht.

The Court of Appeal issued a ruling on December 19, 2005 in favor of the Company (Plaintiff) while the Defendant did not appeal the ruling to the supreme court. Therefore, the ruling is final.

However, the Defendant has been sued (as the second defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company submitted an application for debt repayment as to be mentioned in item 6 hereof.

4. Civil case: Black Case No. 23/2549 and Red Case No.953/2549, the Samutprakan Provincial Court

Nawarat Patanakarn Public Company Limited by Miss Pakatip Lopandhsri, authorized representative, filed an application to the court for an enforcement of the arbitration award.

In this case, the Company filed an application to the court to enforce LPCG Company Limited to follow the final award of the arbitration tribunal in Black Case No. 16/2544 and Red Case No. 38/2546 between Nawarat Patanakarn Public Company Limited (Claimant) and LPCG Company Limited or The Seri Center Co., Ltd. (Opponent). This case is final on July 24, 2006 where the court rendered a ruling ordered LPCG Company Limited to perform required actions as awarded by the arbitration tribunal.

However, LPCG Company Limited has been sued (as the first defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company submitted an application for debt repayment as to be mentioned in item 6 hereof.

5. Civil case: Black Case No. 4818/2544, Red Case No. 14954/2545, the Civil Court of Southern Bangkok

Between:

Nawarat Patanakarn Public Company Limited (Plaintiff), and

LPCG Company Limited or The Seri Center Co., Ltd. (Defendant)

The court of first instance appointed and announced the court ruling on December 27, 2002, ordered the Defendant to pay 49,379,542.57 Baht together with (i) interest rate 15 percent per annum of the principal amount of 4,207,532 Baht in accordance with the construction of pedestrian bridge contract (ii) interest rate 7.5 percent per annum of the principal amount of 33,021,398.32 Baht in accordance with the project management and construction control (including cost of additional works) calculating from the date of filing onwards until the payment is complete. The court also ordered the Defendant to pay for fee on behalf of the Plaintiff, by determining a lawyer fee in amount of 30,000 Baht. The Defendant did not appeal the ruling, thus, the ruling is final.

However, LPCG Company Limited has been sued (as the first defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company submitted an application for debt repayment as to be mentioned in item 6 hereof.

6. The Central Bankruptcy Court: Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550

Between:

Phethai Asset Management Co., Ltd. (Creditor as a Plaintiff), and

LPCG Company Limited or The Seri Center Co., Ltd. (Debtor as the First Defendant),

LPCB Company Limited or Suvit and Seri Co., Ltd. (Debtor as the Second Defendant)

Nawarat Patanakarn Public Company Limited (Creditor No. 17)

The Central Bankruptcy Court rendered a ruling on August 17, 2009, ordered that LPCG Company Limited or The Seri Center Co., Ltd. (the first debtor) and LPCB Company Limited or Suvit and Seri Co., Ltd. (the second debtor) are insolvent.

The Central Bankruptcy Court issued a court order, ordering that Nawarat Patanakarn Public Company Limited (Creditor No. 17) shall be reimbursed for the three portions of debts as per of court decisions in the total amount of 137,361,799.49 Baht (One Hundred Thirty Seven Million Three Hundred Sixty One Thousand Seven Hundred Ninety Nine point Four Nine Thai Baht). The court ordered that the Company shall be reimbursed (i) the first portion from the assets of LPCG Company Limited or The Seri Center Co., Ltd. (the First Defendant) in amount of 69,516,582.91 Baht, (ii) the second portion from the assets of LPCG Company Limited or The Seri Center Co., Ltd. (the First Defendant) in amount of 41,806,391.67 Baht and (iii) the third portion from the assets of LPCB Company Limited or Suvit and Seri Co., Ltd. (the Second Defendant)in amount of 26,038,824.91 Baht as an unsecured creditor under Section 94 of Bankruptcy Act. B.E. 2483 by distributing the assets among creditors as stated in Section 130 (7) of Bankruptcy Act. B.E. 2483 (as amended by the Bankruptcy Act. (No.5) B.E. 2542).

The Company followed up the case with the Official Receiver, the case is under the process of proposing the application for debt repayment to each creditor. However, since Thai Asset Management Corporation (Creditor No. 25) has filed for debt repayment in the highest debt amount, the Official Receiver need to apply a statement to the court for further consideration.

Currently, the case is during the process of collection of the debtors' assets in order to enforce the court order.

7. The Central Bankruptcy Court: Black Case No. For.236/2545 and Red Case No. For.352/2545

Between:

LPCA Company Limited (Premier Estate Development Co., Ltd.) (Debtor)

Nawarat Patanakarn Public Company Limited (Creditor No. 22)

In this case, Nawarat Patanakarn Public Company Limited submitted an application for debt repayment in amount of 11,967,453.32 Baht to the Civil Case Enforcement on May 18, 2009. The application is pending for the court order on the amount of the payment that will be made to the Company.

On August 4, 2016, the Official Receiver announced the first auction for the assets of LPCA Company Limited which consist of 27 plots of land located Saphan Sung sub-district, Saphan Sung district (Bueng Kum), Bangkok, but there was no bidder. Thus, the auction was dismissed.

On August 25, 2016, the Official Receiver announced the second auction where Pruksa Real Estate Public Company Limited proposed for buying all 27 plots of land with the highest price in amount of 576,790,000 Baht. However, the Creditor (Plaintiff) and Premier Products Co., Ltd. (Creditor No. 18) opposed as they considered that the offered price was too low. Therefore, the Official Receiver postponed the action with the conditions that the opponents shall find other bidders who will offer the satisfied price, otherwise the objection will be rejected, and the offerer who proposed the highest price shall be bound by their offer for a period of 30 days from today onwards.

On September 15, 2016, the Official Receiver announced the third auction where Pruksa Real Estate Public Company Limited proposed for the land with the title deed No. 6324, 1798, 2413-2415, 3447, 3449, 3888, 165075-165082, 167467, 167468, 172218-172223, 79, 460and461 located Saphan Sung sub-district, Saphan Sung district (Bueng Kum), Bangkok, in total 27 lands, in mount of 710,000,000 Baht (Seven Hundred Ten Million Thai Baht). The buyer put 20,000,000 Baht (Twenty Million Thai Baht) as a deposit and executed a contract by agreeing that they will pay for the remaining amount of 690,000,000 Baht (Six Hundred Ninety Million Thai Baht). Afterwards, Pruksa Real Estate Public Company Limited applied for a payment extension and the Official Receiver allowed the extension and the payment shall be made on December 30, 2016.

Premier Estate Development Co., Ltd. (Claimant) filed an objection to the Central Bankruptcy Court that the action price was too low. The court considered and ordered to dismiss the objection. Subsequently, the Claimant appealed the order but the supreme court rejected the appeal.

On April 24, 2019, the Official Receiver appointed for the 1st checking of assets of LPCA Company Limited (Debtor) for distributing to creditors at the Asset Tracing and Distribution of Dividends Division. The Official Receiver ordered that Nawarat Patanakarn Public Company Limited shall get the 0.252 percent distribution as per Section 103 (70) which is 19,572.92 Baht.

Currently, the case is during the process of collection of the Debtor's assets in order to enforce the court order.

8. Dispute under the Ofce of the Arbitration Tribunal, the Board of Trade of Thailand: Black Case No. 5/2553

Between:

Nawarat Patanakarn Public Company Limited (Claimant)

Metropolitan Waterworks Authority (Defendant)

Ground:

Breach of service agreement, claim for compensation

Claim value:

145,274,300.25 Baht

Status of the case:

On June 22, 2010, the Claimant referred a dispute to the Board of Trade of Thailand regarding the claim for compensation from Metropolitan Waterworks Authority (Defendant) due to additional works in relation to the construction of water transmission tunnel and related works on the Eastern Outer Ring Road between Royal Road Intersection No. 351 and Tubchang Intersection in accordance with the agreement no. G-MC-7D/2 dated March 6, 2007. The additional work was incurred due to the quality of soil which is different from the quality defined in the agreement, which is not caused by the default of the Claimant. The additional works incur additional expenses to the Claimant in amount of 137,960,503.79 Baht together with the interest at a rate of 7.5 percent per annum, calculating from October 6, 2009 which is the date that the Defendant declined to pay the additional cost. The interest calculated 258 days equal to 7,313,796.56 Baht, therefore, the total claim until the date of dispute is 145,274,300.25 Baht.

On May 13, 2016, the Office of the Arbitration Tribunal awarded that the Claimant shall be reimbursed in amount of 8,000,000 Baht as a compensation for the additional costs of rubber sealing material and the payment shall be made to the Claimant within 60 days after received of this award. If the payment has not been made within the due date, then the Defendant shall pay for the interest at the rate of 7.5 percent per annum calculating from the due date until the payment is complete. Other than the award amount, it shall be vested with the Claimant.

Currently, the award by the Office of the Arbitration Tribunal is being enforced. However, Metropolitan Waterworks Authority applied a motion to the Central Administrative Court, requesting the court to revoke the award of the Office of the Arbitration Tribunal as to be mentioned in item 9 below.

9. Case under the Central Administrative Court: Black Case No. 162/2560

Between:

Metropolitan Waterworks Authority (Claimant)

Nawarat Patanakarn Public Company Limited (Opponent)

On January 2017, Metropolitan Waterworks Authority (Claimant) applied a motion to the Central Administrative Court, requesting the court to revoke the award of the Office of the Arbitration Tribunal. The Claimant requested the court to revoke and reject the enforcement of the Office of the Arbitration Tribunal award as mentioned in item 8 above in which awarded that the Claimant shall pay 8,000,000 Baht as a compensation for the additional costs of rubber sealing material and the payment shall be made within 60 days after received of the award (November 3, 2016). If the payment has not been made within the due date, then the Claimant shall pay an interest at the rate of 7.5 percent per annum calculating from the due date until the payment is complete, according to Section 40(1) (d) (e), (2) (b), Section43 (4)(5) and Section44 of the Arbitration Act. B.E. 2545.

On August 29, 2017, the Claimant opposed the defense and the defense to amend the counterclaim submitted to the Central Administrative Court by Nawarat Patanakarn Public Company Limited. On November 6, 2017, Nawarat Patanakarn Public Company Limited, as Defendant, submitted an additional defense to counter the opposition made by the Claimant. After that, on January 3, 2018, the Claimant submit additional defense. The Central Administrative Court gave a notice appointing the final date for inquire fact shall be June 21, 2018.

The Central Administrative Court appointed and announced the court ruling on April 23, 2020, ordered that the petition is dismissed and the Claimer shall perform required actions as awarded by the Office of the Arbitration Tribunal. Black Case No. 5/2553, Red Case No. 1/2559, dated October 31, 2016 shall complete the required action within 60 days from the ruling date, and to refund the court fee to the Claimer and the Opponent.

The Claimant appealed to the Supreme Administrative Court on May 18, 2020 and the Opponent filed against the appeal on October 5, 2020.

Currently, the case is under consideration of the Supreme Administrative Court.

For the trade receivables that the Company filed a lawsuit as mentioned above, while recording those as allowance for doubtful account. If the payment has been made, the Company shall record the received amount as other revenues.

Shareholding Structure and Management

Shareholding Structure and Management

Securities of the Company and shareholders

(1) Securities of the Company

Nawarat Patanakarn Public Company Limited was registered on May 31, 1976 with the registered capital of 4 Million Baht. The capital has been gradually increased. In 1995, the capital was increased from 400 Million Baht to 500 Million Baht by way of shares distribution to domestic and overseas investors. On September 1995, the Company was incorporated as a listed company on the Stock Exchange of Thailand. As at December 31, 2020, the Company has its registered capital of Baht 2,585,481,515 and paid-up capital of Baht 2,585,481,515 divided to 2,585,481,515 ordinary shares at the par value of 1 Baht per share.

(2) Shareholding structureu

The top ten shareholders as of December 30, 2020 are as follows:

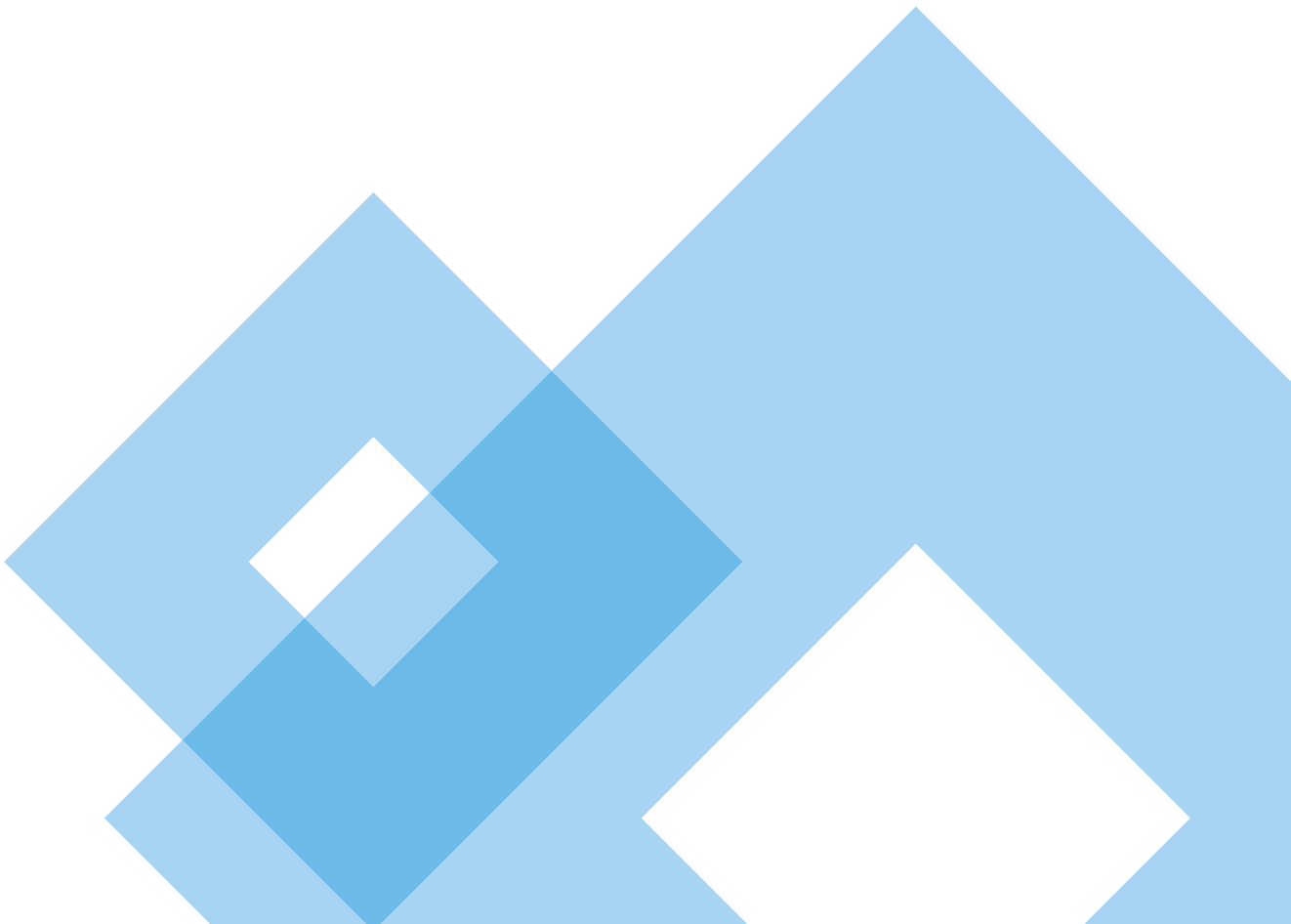
Rank	List of shareholders	Nationality	As of December 30, 2020	
			Number of shares	%
1.	Mr. Polpat Karnasuta	Thai	264,910,285	10.246
2.	Thai NVDR Company Limited	Thai	119,454,763	4.620
3.	Mr. Pravit Poonphetkul	Thai	94,000,000	3.635
4.	Mr. Suphot Srimahachota	Thai	54,000,000	2.089
5.	Mr. Tasharin Osathanugrah	Thai	30,510,000	1.180
6.	Mr. Suwat Lertpanyarot	Thai	26,396,382	1.021
7.	Mr.Ratchaphon Napanopparat-kaew	Thai	26,197,735	1.013
8.	Mr. Ruthai Rukrachakarn	Thai	23,000,000	0.890
9.	Mr. Wason Tanteerapan	Thai	22,000,000	0.851
10.	Mr. Suthep Setboonsarng	Thai	21,840,057	0.845
11.	Other Shareholders		1,903,172,293	73.610
	Total		2,585,481,515	100.000

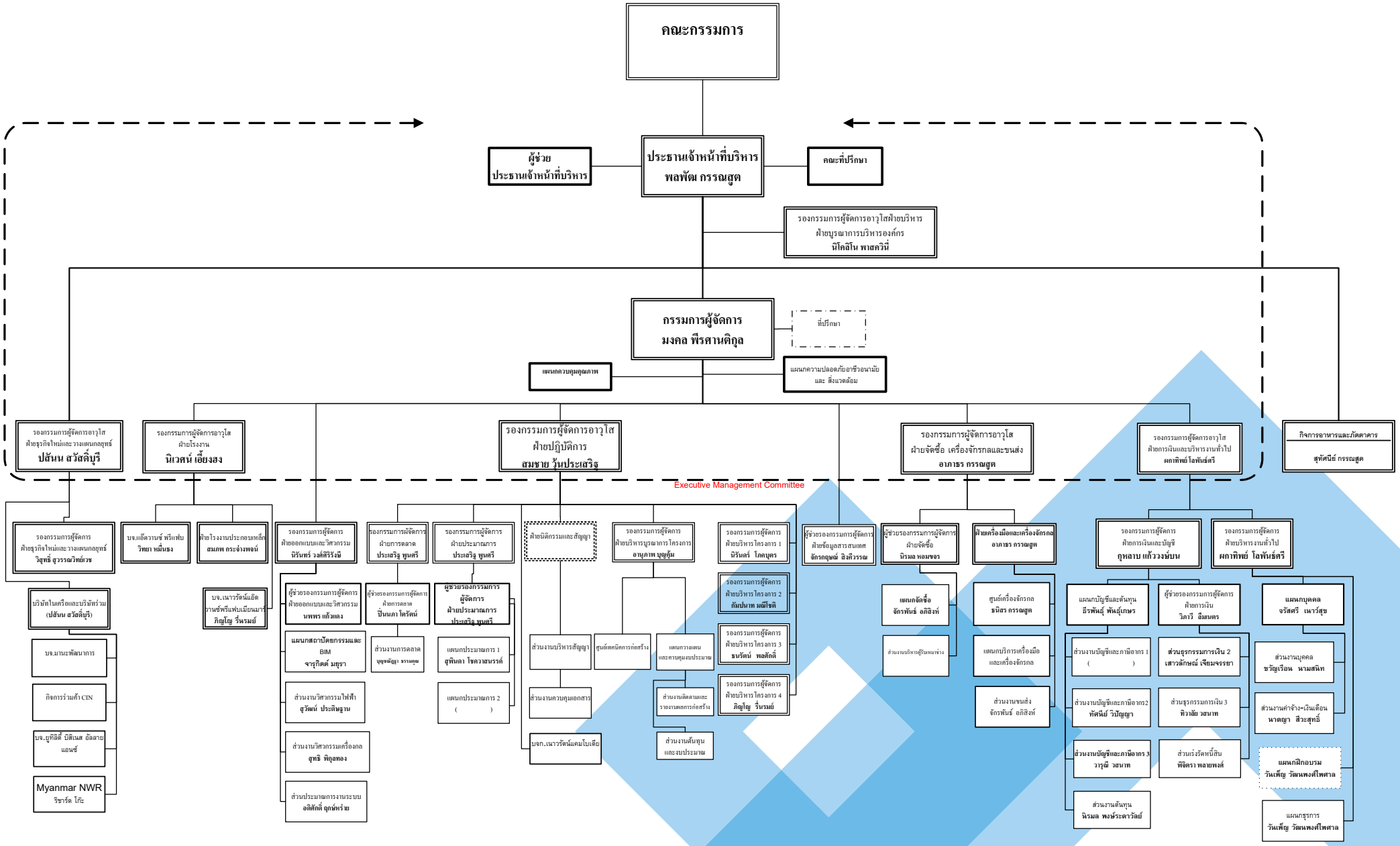
(3) Dividend Payment Policy

1. The Company has the policy to pay dividends of not less than 50 percent of the net profit, except in the case that the Company requires the money for a working capital, business expansion or other factors relating to its management.
2. The dividend payment policies of the subsidiaries and associated companies have not been set up yet.
3. Profit sharing in joint ventures are allocated year by year or upon completion of work or in accordance with the determination of the joint ventures.

(4) Debentures and bill of exchangeu

As of December 31, 2020, the Company has no outstanding debts on debentures or bill of exchange.





Notes and Remarks:
1) Special Project such as Non Operative JV managed by CIM

Organization structure

The Management structure of the Company consists of the Board of Directors, the Audit Committee, the Executive Committee and the executives.

Board of Directors

The Annual General Meeting of Shareholders in the year 2020 held on February 14, 2021 resolved to approve the composition of the Board of Directors consisting of 7 Directors as follows:

1.	Mr. Prasertphand Pipatanakul	Chairman, Independent Director, and Member of the Audit Committee
2.	Mr. Apichart Dharmasaroja	Independent Director and Chairman of the Audit Committee
3.	Mr Nattaphorn Bhromsuthi	Independent Director and Member of the Audit Committee
4.	Mr. Polpat Karnasuta	Director, Chief Executive Officer
5.	Mr. Mongkol Peerasantikul	Director, President
6.	Mr. Sook Sueyanyongsiri	Director
7.	Ms. Pakatip Lopandhsri	Director, Senior Vice President and the Company's Secretary

Responsibilities of the Board of Directors

According to the Articles of Association, the Directors are responsible for managing the Company in line with objectives, Articles of Association, and resolutions of the Shareholders' Meetings with integrity as well as maintain the Company's benefits. The Board may assign a Director or Directors or any other persons to undertake any works on behalf of the Board, except for matters required by law which required to obtain an adoption of the resolutions before working such as the sale or transfer of the entire business or significant part of it to others, increase or decrease of the Company's capital.

Signing and binding by Directors

Two Directors sign and affix the corporate seal with no exception. However, Independent Directors or member of Audit Committee are prohibited to be a signatory.

Composition and appointment of the Board of Directors

The Board of Directors consists of not less than five persons appointed by the Meeting of Shareholders. Not less than half of all Directors shall have residence in the Kingdom of Thailand.

In the election of Directors, a shareholder has one vote for each share held. Each shareholder is required to exercise all their votes to elect one or several persons as Director(s), but he/she may not allot his/her votes to any person in any number. The persons receiving the highest votes shall be elected as a Director in respective order of the votes for the number of Directors of the Company, or for the number of Directors which should be elected at such election. In case of tie votes causing the number of person elected to be in excess of the number to be elected in such meeting, the chairman shall have a casting vote.

At every Annual General Meeting of Shareholders, one-third (1/3) of the Directors of the Company shall retire from the position. If the number of Directors cannot be divided into a multiple of three, the number of Directors nearest to one-third (1/3) shall be retired. The Directors to be retired from his/her position in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the Director who has held the position longest shall be retired. The retiring Directors shall be entitled to be re-elected.

Executive Committee

The Executive Committee consisting of 8 Directors as follows:

1.	Mr. Polpat Karnasuta	Chief Executive Officer
2.	Mr. Mongkol Peerasantikul	President
3.	Miss. Pakatip Lopandhsri	Director
4.	Mr. Pasan Swasdiburi	Director
5.	Mr. Apathorn Karnasuta	Director
6.	Mr. Nicolino Pasquini	Director
7.	Mr. Somchai Chaithaniyachart	Director
8.	Mr. Nivate Lenghong	Director

Duties and responsibilities of the Executive Committee

The Executive Committee has duties and responsibilities as follows:

1. Formulate the Company's business strategies and business operation plan; oversee and monitor the compliance of the corporate governance principles and the operating results of the Company to be the most effective and efficient.
2. Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
3. Review and endorse on annual budgets and large scale of investment projects of the Company before submitting to the Board of Directors for approval.
4. Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment and compensation of high-level executives, executives and employees.
5. Provide advice to the Board of Directors for making any decisions on important issues.
6. Be the Company's representative and act on behalf of the Company with the third parties.
7. Consider and approve investment expenditures on behalf of the Company within 200 Million Baht per transaction.

The quorum of the Executive Committee meeting shall consist of the Directors of not less than a half of the total number of Directors.

Audit Committee

Audit Committee has 3 years office term. Names of the Audit Committee's members who are independent directors are as follows:

1. Mr. Apichart Dharmasaroja	Chairman of the Audit committee Office term ending in April 2023
2. Mr. Prasertphand Pipatanakul	Member of the Audit Committee Office term ending in April 2021
3. Mr. Nattaphorn Bhromsuthi	Member of the Audit committee Office term ending in April 2023

Duties and responsibilities of the Audit Committee

1. Ensure the accuracy, completeness, reliability and timely information disclosure of the financial statements report.
2. Ensure that the Company has sufficient, appropriate and effective internal control and internal audit system.
3. Ensure that the Company has duly complied with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other regulations and laws related to the Company's businesses.
4. Consider, select and nominate independent person to be the Company's auditor and propose such person's remuneration, purpose to remove the Company's auditor in case the auditors cannot perform their duties or perform duties improperly, including attend non-management meeting with the auditor at least once a year.
5. Consider the Company's disclosure on the related transactions or the transactions which may lead to conflicts of interests with accuracy and completeness.
6. Prepare the Audit Committee's annual performance report and disclose it in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee.
7. Review the related transactions or the transactions that may lead to conflicts of interests of the Company and its subsidiaries to make sure that they are in compliance with the law and regulations stipulated by the Stock Exchange of Thailand.
8. Ensure that the Company has sufficient, appropriate and effective risk management system.
9. Review and provide opinions to the Internal Audit plan, performance of the Audit Division and cooperation with the external auditors.
10. Approve the appointment, transfer, and dismissal and evaluate performance of the General Manager of the Internal Audit Division.
11. Report performance of the Audit Committee to the Board at least 4 times per year.
12. Execute other duties as assigned by the Board of Directors.

If the audited items concern an Audit Committee member or persons who gain or lose any interest or have conflict of interests with the Company and/or subsidiary companies, the committee member who is involved with the said matters is deemed to have no rights to approve the items.

Scope of duties of Chairman of the Executive Committee

The meeting of the Board of Directors No.6/2006 on July 3, 2006 resolved to authorize the Chief Executive Officer to manage and oversee the Company's business operation in accordance with the Company's policy and the requirements stipulated in the Memorandum of Association covering but not limited to the following authorities:

1. To open/close and deposit/withdraw from saving accounts with financial institutes both domestic and international.
2. To undertake or cancel transactions and to bid in tendering sessions, enter into joint venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not exceeding 2,000 Million Baht per transaction for contingent liability) whether in domestic or international, based on the consideration of the Company's liability values as follows:

   Direct Liabilities, and

   Contingent Liabilities
3. To apply for a credit, mortgage or put-up other securities (with the scope of liability not exceeding 1,000 Million Baht per transaction for direct liabilities and not exceeding 2,000 Million Baht per transaction for contingent liabilities) whether in domestic or international.

4. To invest and buy/sell investment units (not exceeding 200 Million Baht per one time) both domestic and international.
5. To invest and sell investments in other companies (not exceeding 200 Million Baht) both domestic and international.
6. To buy/sell fixed assets such as land and machinery (not exceeding 200 Million Baht of the book value per transaction) both domestic and international.
7. To perform any matter as assigned by the Board of Directors which shall not in breach of the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that he or any persons who may have conflict or indirectly get involved in the conflict of interests with the Company and/or subsidiary companies according to the regulation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such transactions are required to be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting for consideration and approval as specified by the Company's regulations or applicable laws.

Scope of duties of the President

The Board of Directors' Meeting No. 6/2006 held on July 3, 2006 resolved the approval to authorize the President to manage and oversee the Company's business operation in accordance with the Company's policy and the requirements stipulated in the Memorandum of Association which covering but not limited to the following authorities:

1 To govern/ manage the day-to-day operation of the Company. Monitor and evaluate the Company's operation regularly to prevent risks from internal and external factors and to report to the Board of Directors the operation results including the cooperation with external agencies in compliance with the law. Including arrange any procurement associated with the Company's normal operation activities.
2. To have the authority to consider the employment of the personnel, appoint, transfer, change the employee's field of work/section/department or dismiss the employee from his/her job. Including determination of salaries, remunerations, bonus payments and welfare for all corporate employees.
3. To have the authority to take legal actions, withdraw charges, defense against any lawsuit, request the execution of court decision, proceed the process of arbitration, report or withdraw complaints on criminal cases, file petitions and appeal to the bureaucracy, take any action to maintain the Company's proper rights.
4. To open/close and deposit/withdraw from saving accounts with financial institutes both domestic and international.
5. To undertake or cancel transactions and to bid in tendering sessions, enter into joint venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not exceeding 1,000 Million Baht per transaction for contingent liability) whether domestic or international based on the consideration of the Company's liability values as follows:

   Direct Liabilities, and

   Contingent Liabilities
6. To apply for a credit, mortgage or put up other securities (with the scope of liability not exceeding 500 Million Baht per transaction for direct liabilities and not exceeding 1,000 Million Baht per transaction for contingent liabilities) whether domestic or international.

7. To invest and buy/sell investment units (not exceeding 100 Million Baht per one time) both domestic and international.
8. To invest and sell investments in other companies (not exceeding 100 Million Baht per one time) both domestic and international.
9. To buy/sell fixed assets such as land and machinery (not exceeding 100 Million Baht of the book value per transaction) both domestic and international.
10. To perform any matter as assigned by the Board of Directors, which is not in conflict with the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that he or any persons who may have conflict or indirectly get involved in the conflict of interests with the Company and/or subsidiary companies according to the regulation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such transactions are required to be proposed to the Board of Directors' meeting and/or the Shareholders' Meeting for consideration and approval as specified by the Company's regulations or applicable laws.

The Company's executives as of December 31, 2020 are as follows:

Name	Position
1. Mr. Polpat Karnasuta	Chief Executive Officer
2. Mr. Mongkol Peerasantikul	President
3. Mr. Apathorn Karnasuta	Senior Vice President of Procurement & Transportation Department
4. Mr. Pasan Swasdiburi	Senior Vice President of New Business & Strategic Planning Department
5. Mr. Nicolino Pasquini	Senior Vice President of Corporate Integral Management Department
6. Mr. Nivate Ienghong	Senior Vice President of Factory Department
7. Mr. Somchai Woonprasert	Senior Vice President of Operation Department
8. Miss. Pakatip Lopandhsri	Senior Vice President of Finance & Accounting Department
9. Mr. Visut Suwanwitwaj	Vice President of New Business & Strategic Planning Department
10. Mr. Anupab Boonkum	Vice President of Integral Operation Management Department
11. Mr. Nirun Pokkabut	Vice President of Project Management Department 1
12. Mr. Kumpanart Maneechot	Vice President of Project Management Department 2
13. Mr. Thanarat Parasak	Vice President of Project Management Department 3
14. Mr. Pinyo Ruenrom	Vice President of Project Management Department 4
15. Mr. Nirun Wongsirirungsri	Vice President of Design and Engineering Department
16. Mr. Prasert Poonsri	Vice President of Estimate Department
17. Mr. Prasert Poonsri	Vice President of Finance & Accounting Department

The first eight names are executives according to the definition of the Securities and Exchange Commission. (SEC)

The Nomination and Remuneration Committee

The Meeting of the Board of Directors No.3/2015 on March 13, 2015 resolved to appoint the Nomination and Remuneration Committee which consists of:

1. Mr. Apichart Dharmasaroja — Chairman of the Nomination and Remuneration Committee
2. Mr. Nattaphorn Bhromsuthi — Member of the Nomination and Remuneration Committee
3. Mr. Polpat Karnasuta — Member of the Nomination and Remuneration Committee
4 Ms. Pakatip Lopandhsri — Member of the Nomination and Remuneration Committee

Personnel	Year 2020	Year2019	Year2018
- Monthly Employees, Engineer	453	363	361 Person
- Monthly Employees. Other	828	670	668 Person
- Daily Employees	1,263	1,385	1,577 Person
Total Employees	2,544	2,418	2,606 Person
*Employees Remuneration	769.18	802.10	780.18 Million Baht

*Employees Remuneration comprises of salaries wages, overtime payment, allowances and bonus.

The Company has a policy to develop employees by providing them both academic seminars and on-the-job training which relating to their work responsibilities and sponsor a scholarship for the fields that enhancing their work effectiveness

Related Party Transactions

Related party transactions

Nawarat Patanakarn Public Company Limited has signicant business transactions between its subsidiary companies, associated-companies, joint ventures, related party and executives as follows:

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
1. Nawarat - A.S. Associated Joint Venture		-	-	-	Accrued revenues	8	The Company jointly invested with A.S. Associated Engineering (1964) Co., Ltd. in the joint venture in proportion of 70:30 to construct the water tunnel from Taksin-Petchkasem Ring Road to Rama 2 Road for the Metropolitan Water Authority at 661 Million Baht. The project was completed in January 2007 and the construction warranty period ended in August 2009.
					Less Allowance for doubtful accounts	(8)	
						0	
2. A.S. - Nawarat Joint Venture					Joint-venture investment	2	The Company jointly invested with A.S. Associated Engineering (1964) Co., Ltd. in the joint venture in proportion of 50:50 to jointly undertake the construction of UaArthorn Project of the National Housing Authority.
					Less impairment	(2)	
						0	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
3. Nawarat (Cambodia) Company Limited		-	-	-	Advance payment	134	1.In the year 2017, the Company established Nawarat (Cambodia) Company Limited in Cambodia, in which the Company holds 100 percent of its shares, with the registered capital of 5,000 USD or approxi mately 150,000 Baht. 2. The company conducts construction business. Currently, the company is constructing 150 Million Megawatt thermal power plant.
					Less Allowance for doubtful accounts	(134)	
						0	
4. Myanmar NWR Company Limited	Interest income	4	3	3	Short-term loans	71	1.The Company invested in Myanmar NWR Company Limited by holding 100% of its shares. 2.The loan interest rate is at 5.0% per year.
					Accrued interest income	24	
					Less Allowance on doubtful accounts	(95)	
						0	
					Investment in subsidiary companies	3	
					Less impairment	(3)	
						0	
5. Utility Business Alliance Co., Ltd.	Interest income	-	1	2	Investment in subsidiary companies	28	The Company invested in Utility Business Alliance Co., Ltd. by holding 60% of its shares.
	Construction revenue	6	-	-	Accured expense		
	Construction cost	1	-	-			
	Divident income	3	-	-			

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
6. C.I.N. Estate Co., Ltd.	Interest income	1	1	1	Long-term loans	12	1. This company is a former joint investment between Nawarat Patanakarn Public Company Limited and CharnIssara Development Public Co., Ltd. in proportion of 40:60 to undertake the construction of a condominium on Ladprao Road between Soi12-14 called “The Issara Ladprao” and another projecton Suksawat Road called “ISSI”. Later in September 2015, the Company sold its total investment in amount of 999,997 shares which equals to161 Million Baht to Mana Patanakarn Company Limited, subsidiary, which conducts real estate business. 2. The loan interest rate is referred to MLR of Krungthai Bank PCL.
7. E.G.G. Enterprise Co., Ltd	Revenue from sale, rentals and services Other revenues Cost of sales services	6 <0.5 1	1 <0.5 -	1 <0.5 1	Accounts receivable Advance payment	<0.5 <0.5	1. Mr. Polpat Karnasuta, the Chief Executive Officer is the authorized director and shareholder of E.G.G. Enterprise Co., Ltd. 2. The company has gained rental revenues from letting its office building, land and warehouses.

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Balance as at December 31, 2020 Amount	Remark
8. K Alliance Co., Ltd.	Revenue from sale, rentals and services	- 2	9	8	Accounts receivable	8	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the younger sisters of Mr. Polpat Karnasuta, are the authorized directors and the shareholders of K Alliance Co., Ltd. while Mr. Polpat Karnasuta holds the position of Chief Executive Officer. 2. The main business of K Alliance Co., Ltd. is mining business. 3. The accounts receivables have been incurred since the company had repaired the machine, including wages and service expenses from the mine of K Alliance Co., Ltd.

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
9. Ruen Rapee Co., Ltd.					Accounts receivable	41	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the younger sisters of Mr. Polpat Karnasuta, are the authorized directors and the shareholders of Ruen Rapee Co., Ltd, while Mr. Polpat Karnasuta holds the position of Chief Executive Officer. 2. The main business of Ruen Rapee Co., Ltd. is real estate development business. The company handled and constructed “Barn Baranee” project, located at Klong 3, Rangsit. 3. By the third quarter of 2008, Ruen Rapee Co., Ltd. transferred part of the houses and lands in “Barn Baranee” project in amount of 24.51 Million Baht as a partial repayment of its debt to the Company. And in the second quarter of 2009, more houses and lands in the Project in amount of 57.48 Million Baht were transferred to the Company as another repayment of such debt. 4. As of December 31, 2020, the shareholders of Ruen Rapee Co., Ltd. consisted of: Mrs. Sutasanee Karnasuta 590,998 shares, Mrs. Sutheera Phuttharee 1 share, Miss Benja Yiemphu 1 shar e(Please see additional notes at end of the table)
					Less Allowance for doubtful accounts	(41)	
						0	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
10. East Bangkok Assets Co., Ltd.	Reversal of e allowance for doubtful accounts	<0.5	<0.5	<0.5	Accounts receivable Less Allowance for doubtful accounts	25 (25) 0	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the younger sisters of Mr. Polpat Karnasuta, are the authorized directors and the shareholders of East Bangkok Assets Co., Ltd., while Mr. Polpat Karnasuta holds the position of Chief Executive Officer. 2. The main business of East Bangkok Assets Co., Ltd. is real estate development business. There are two projects handled and constructed by the company. The first one is “De Ville” project located at Soi Pattana Chumchon, Sri Nakharin Road and the other project called “De Siam” located at Soi Chaloemphrakiat Ror 9, Intersection No. 38. 3. The fourth quarter of 2009, East Bangkok Assets Co., Ltd. transferred the land of “De Siam” project in amount of 34.5 Million Baht as a partial repayment of its debt to the Company. 4. As of December 31, 2020, shareholders of East Bangkok Assets Co., Ltd. consisted of: Mrs. Sutasanee Karnasuta 399,998 shares, Mrs. Sutheera Phuttharee 1 share, Mrs. Benja Yiemphu 1 share (Please see additional notes at end of the table)

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
11. New Decade Co., Ltd.	Revenue from sales, rentals and services	<0.5	1	1	Accounts receivable	89	1. Mrs. Sutasanee Karnasuta, the younger sister of Mr. Polpat Karnasuta, is an authorized di-rector of New Decade Co., Ltd., while Mr. Polpat Karnasuta holds the position of Chief Executive Officer.
					Less Allowance for doubtful accounts	(88)	
	Cost of construction and services	2	1	2		1	
	Other revenues	4	1	<0.5	Accounts payable	1	2. Mrs. Sutheera Phuttharee, the younger sister of Mr. Polpat Karnasuta, is an authorized di-rector and the shareholder of New Decade Co., Ltd.
	Reversal of allowance for doubtful accounts	-	-	4			3. The main business of New Decade Co., Ltd. is construction business, with works subcon-tracted from the Company for construction of a bridge at KohYor and construction of road, Chonburi- Pattaya Route, Section 3. Since some construction materials for executing those projects could not be purchased under good conditions and at reasonable prices, they were purchased from the Company in-stead.
							4. As of December 31, 2020, shareholders of New Decade Co., Ltd. comprised of: Mrs. Sutheera Phuttharee 220,000 shares, Mr. Wasin Phutthree 10,000 shares, Mr. Satta Chavarit 10,000 shares, Mr. Kantarit Tamanruksat 20,000 shares, Mr. Rangsan Boontaem 10,000 shares, Mr. Kasemsuk Paisansrisin 20,000 shares, Ms. Aurathip Muangchareon 10,000 shares (Please see additional notes at end of the ta-ble)

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
12. Mana Patanakarn Co., Ltd.	Construction revenue	-	1	-	Accounts receivable	74	1. Mana Patanakarn Company Limited was established as a registered company on April 5, 2013, with a registered capital of 200 Million Baht. As at December 31, 2020, the paid-up capital was equal to 1,100 Million Baht. The Company made 100% investment in this company. 2. The main businesses of Mana Patanakarn Co., Ltd. are real estate business and construction of condominiums. The projects handled are: A. "Baranee Park Romklao" on Romklao Road, Bangkok B. "Baranee Residence" on RangsitKlong3 Road, Pratumthani C. "ASPEN CONDO" Condominium in Soi Lasalle, Sukhumvit Road (Soi 105)
	Interest income	-	1	2	Less Allowance for	(7)	
	Management expenses	-	-	1	doubtful accounts	67	
	Gain from disposal of assets	-	<0.5	-			
	Revenue from sales, rentals and services	<0.5	1	1	Investment in subsidiary	1,100	
	Other revenues	1	-	<0.5	companies		
	Cost of sales and services	2	-	-	Other payable	<0.5	
13. Advance Prefab Co., Ltd.	Interest income	13	15	16	Accounts receivable	777	1. Advance Prefab Co., Ltd. was established as a registered company on December 12, 2013, with the registered capital of 1 Million Baht. As at December 31, 2020, the paid-up capital was equal to 400 Million Baht. The Company made 100% investment in this company. 2. The main business of Advance Prefab Co., Ltd. is manufacture of concrete products. 3. The loan interest rate is referred to MLR of Siam Commercial Bank PLC.
	Construction revenue	560	-	<0.5	Less Allowance for	(23)	
	Revenue from sales, rentals and services	23	575	117	doubtful accounts	754	
	Gain from disposal of assets	-	<0.5	-	Investment in subsidiary companies	450	
	Other revenues	12	<0.5	3	Accrued interest	45	
	Construction costs	11	15	84	income		
					Accounts payables and other payable	5	
					Short-term loans	208	
					Retentions payable	<0.5	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
14 . Bua Co., Ltd.	Cost of sales and services Other revenues	1 -	2 <0.5	2 <0.5	Other payable	<0.5	1. Mr. Polpat Karnasuta who holds the position of Chief Executive Officer, is an authorized director and the shareholder of Bua Co., Ltd. 2. The main business of Bua Co., Ltd. is restaurant business. 3. This transaction initiates from the employment in aboard.
15.Taste Maker Co., Ltd.	Cost of sales and services Interest income Revenue from sales, rentals and services	<0.5 <0.5 <0.5	1 <0.5 <0.5	3 <0.5 <0.5	Accounts payable Investment in subsidiary companies Accounts receivable Short-term loans and Accrued interest income Longterm loan Director lone	<0.5 80 1 2.5 3 1	1. Taste Maker Co., Ltd. was established as a registered company on November 17, 2016, with the registered capital of 5 Million Baht. As at December 31, 2020, the company had paid-up capital of 79 Million Baht. The Company made 99% investment in this company. 2. The main businesses of Taste Maker Co., Ltd. are restaurant business and sale of processed food.
16. ND Joint Venture	Other revenues	<0.5					ND Joint Venture Company Limited was established on January 7, 2019 with the registered capital of 1 Million Baht. As at December 31, 2019, the paid-up capital of the company is 250,000 Baht. The Company holds 80 percent of the shares in this company to participate in bidding project for a new locomotive maintenance depot in KaengKhoiJunction, Saraburi Province. However, the company has not won the bid, thus thiscompany was dissolved and completed the liquidation on August 19, 2019.

(Unit: Million Baht)n

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
17. NTA Joint Venture	Revenue from sales, rentals and services	1	3		Accounts receivable	0.5	The Company in cooperation with Therdthai and Co. Co., Ltd. and A.S. Associated Engineering (1994) Co., Ltd. formed a joint venture with investment proportion of 34, 33 and 33 percent respectively. The purpose of this joint venture is to participate in Department of Highways (DOH) bidding for Elevated Highway construction on Route No.35: Thon Buri – Pak Tho (Rama II road) Bang Khun Tien Conjunction – Baan Paew, Phase 1 Bangkok, with the value of 3,733.08 Million Baht (excluding VAT). The construction period will be 1,080 days (commenced on August 28, 2019 and ending on August 11, 2022).
	Revenue from project management	-	15				
	Other Revenue	6					
18. NCREC Joint Venture	Revenue from sales, rentals and services	2	<0.5	-	Accounts receivable	2	The Company in cooperation with China Railway Number 10 (Thailand) Co., Ltd. formed a joint venture with investment proportion of 51 and 49 percent re spectively. This purpose of this joint venture is to participate in the Office of the National Water Resources bidding for the construction of office building at Bang Talat, Pakkred, Nonthaburi, with the project value of 669.58 Million Baht (excluding VAT). The construction period will be 540 days (commenced on October 1, 2019 and ending on March 24, 2021).
					Accrued revenues	1	
	Revenue from project management	-	6	-			
	Construction revenue						
	Other revenue	1					

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2020	Amount in 2019	Amount in 2018	Balance as at December 31, 2020 Transaction in the balance sheet	Amount	Remark
19. TN Joint Venture	Construction revenue	31			Accrued revenues Advance payment	31 155	The Company in cooperation with Thanomwongse Service Co., Ltd. formed a joint venture with investment proportion of 48 and 52 percent respectively. The purpose of this joint venture is to participate in the Air port of Thailand Public Company Limited bidding for construction of 3rd runway, taxiway D extension, and perimeter taxiway at Suvarnabhumi International Air port, with the project value of 9,713.30 Million Baht (excluding VAT). The construction period will be 1,050 days (commenced on September 28, 2020 and ending on August 13, 2023).

Summary of related party loans and advances (Unit: Million Baht)

Person / Juristic person (receivable)	Balances of loans, advances and accrued interest income as of the final date					
	As at December 31, 2020		As at December 31, 2019		As at December 31, 2018	
	Loan principal	Accrued interest income	Loan principal	Accrued interest income	Loan principal	Accrued interest income
1. Myanmar NWR Company Limited	72	24	68	20	66	18
2. C.I.N. Estate Co., Ltd.	12	-	12	-	12	-
3. VSPN Property Co., Ltd.	-	-	-	-	-	-
4. Advance Prefab Co., Ltd.	208	50	258	47	258	31
5. Utility Business Alliance Co., Ltd.	-	-	-	-	19	-
6. Mana Patanakarn Co., Ltd.	-	-	-	-	38	-
7. Taste Maker Co., Ltd.	6	<0.5	3	-	-	-

Movement of related party loans and advances (Unit: Million Baht) (only principal)

Person / Juristic person (receivable)	Balance as at December31, 2018	Increased amount during 2019	Decreased amount during 2019	Balance as at December 31, 2019	Increased amount during 2020	Decreased amount during 2020	Balance as at December 31, during 2020
1. Myanmar NWR Company Limited	66	2	-	68	4	-	72
2. C.I.N. Estate Co., Ltd.	12	-	-	12	-	-	12
3. VSPN Property Co., Ltd.	-	-	-	-	-	-	-
4. Advance Prefab Co., Ltd.	258	-	-	258	1	51	208
5. Utility Business Alliance Co., Ltd.	19	-	19	-	-	-	-
6. Mana Patanakarn Co., Ltd.	38	-	38	-	-	-	-
7.Taste Maker Co., Ltd.	-	-	3	3	4	1	6

Summary of related party loans (Unit: Million Baht)

Person / Juristic person (receivable)	Balances of loans, advances and accrued interest income as of the final date					
	As at December 31, 2020		As at December 31, 2019		As at December 31, 2018	
	Loan principal	Accrued interest income	Loan principal	Accrued interest income	Loan principal	Accrued interest income
A.S. – NawaratJoint Venture	-	-	-	-	-	-

Additional notes concerning related parties

1. Ruen Rapee Co., Ltd. (“Ruen Rapee”)

Ruen Rapee Co., Ltd. was established on February 6, 2003. Currently, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee are directors and shareholders; they are younger sisters of Mr. Polpat Karnasuta, Chief Executive Officer of Nawarat Patanakarn Public Company Limited.

Ruen Rapee conducts the real estate business and the project called “Barn Baranee” Project located at Klong3, Rangsit. The project consists of 205 units of detached houses on the area approximately 56 rai with the selling price range between 2.5 and 3.5 Million Baht. The Company has undertaken the construction of the buildings and the utility systems for Ruen Rapee.

Summary of related transactions between Nawarat Patanakarn Public Company Limited and Ruen Rapee Company Limited (Unit: Million Baht)

Transactions	As of 31-12-20	As of 31-12-19	As of 31-12-18	As of 31-12-17	As of 31-12-16	As of 31-12-15	As of 31-12-14	As of 31-12-13	As of 31-12-12	As of 31-12-11
Accounts Receivable	41	41	41	41	41	41	45	67	77	78
Less Allowance for doubtful accounts	(41)	(41)	(41)	(41)	(41)	(41)	(45)	(67)	(77)	(76)
Accounts payable	-	-	-	-	-	-	-	-	<0.5	1

Guidelines for tackling unpaid debts

In the third quarter of 2008, Ruen Rapee transferred its assets comprising of 12 houses and title deeds of "Barn Baranee" project which equal to 24.505 Million Baht in order to partially repay its debt to the Company and also, during the second quarter of 2009, it transferred another 24 houses together with title deeds and 22 deeds of vacant plots which equalto 57.480 Million Baht for repayment of its outstanding debts. Thus, the totalamount of the transferred houses and 58 title deeds were transferred for debt repayment to equal to 81.985 Million Baht.

(Note: In the third quarter of 2008, the amount of assets transferred is 39.073 Million Baht; however, after value reappraisal it was found that the forced sale value was only 24.505 Million Baht. Thus, the difference price of 14.568 Million Baht was deducted out of the second assets transfer. Therefore, the amount of second assets transfer equaled to 57.480 Million Baht deducted by the difference price resulting in the asset value of 42.912 Million Baht for the second quarter of 2009.)

Ruen Rapee will repay the total outstanding debts by installment repayment, according to its business's net cash flow.

2. East Bangkok Assets Co., Ltd. ("East Bangkok")

East Bangkok was established on May 12, 2003. Currently, the younger sisters of Mr. Polpat Karnasuta, the Chief Executive Officer of NawaratPatanakarn Public Company Limited, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee are directors and shareholders of the company.

East Bangkok has operated the business of real estate with its 2 projects in progress as follows:

1. The project called "De Ville" located at Soi Patana Chumchon, Srinakarin Road.The project consist of 50 units of detached houses inwhich the Company is undertaking utility system works for East Bangkok.
2. The project called "De Siam" located at Soi Chalermprakiet Ror Kao, Soi 38, the project consists of 80 townhomes in which the Company is constructing the buildings and the utility system works.

Summary of transactions between Nawarat Patanakarn Public Company Limited and East Bangkok Assets Co., Ltd. (Unit: Million Baht

Person / Juristic person (receivable)	Balances of loans, advances and accrued interest income as of the final date									
	As at December 31, 2020				As at December 31, 2019				As at December 31, 2018	
	Loan principal		Accrued interest income		Loan principal		Accrued interest income		Loan principal	Accrued interest income
Accounts receivable	25	26	26	26	26	26	26	25	24	25
Less Allowance for doubtful accounts	(25)	(26)	(26)	(26)	(26)	(26)	(26)	(25)	(24)	(23)
Revenue not yet billed	-	-	-	-	-	-	-	-	-	1
Less Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Account payable	<0.5	<0.5	-	<0.5	-	-	-	-	-	1

Guidelines for tackling outstanding debts

In the fourth quarter of 2009, East Bangkok transfer its assets to repay the debts, by transferring 50 plots of land at “De Siam” which equal to 34.500 Million Baht. (Note: The Company was responsible for the transfer fee of 1.203 Million Baht; thus, the value of land recorded by the Company was equal to 35.703 Million Baht) East Bangkok will repay the outstanding debts by installment payment, according to its business’s net cash flow.

3. New Decade Co., Ltd. (“New Decade”)

New Decade was established on May 6, 2003. Currently, the younger sisters of Mr. Polpat Karnasuta, the Chief Executive Officer of Nawarat Patanakarn Public Company Limited, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phutharee are directors. Mrs. Sutheera Phuttaree is also a shareholder of New Decade.

In 2003, New Decade undertook the construction of the bridge at KohYoh in Songkhla province, as a subcontractor. During that time, the Company was in its third year of operation under the rehabilitation plan (during the end of 2000 until 2005) in which it became so tough for the Company to apply for financial supportand supply itself with enough working capital for various operations; this also includes 50% personnel reduction. However, in order to maintain the Company’s market share, it was necessary to subcontract the then- awarded works such as the above mentioned work. This is under the agreement that the purchase of main materials had to be made with the Company for the sake of quality control. However, in early 2004, prices of construction materials rapidly went up, especially steel and cement which became highly expensive. The rising of oil prices in the world market was as high resulting in much higher construction costs. This made New Decade face loss and put a hold on its payments for materials and machine rentals, which was supposed to be made to the Company.

Summary of related transactions between Nawarat Patanakarn Public Company Limited and New Decade Co., Ltd. (Unit: Million Baht)

Person / Juristic person (receivable)	Balances of loans, advances and accrued interest income as of the final date									
	As at December 31, 2020				As at December 31, 2019				As at December 31, 2018	
	Loan principal		Accrued interest income		Loan principal		Accrued interest income		Loan principal	Accrued interest income
Accounts receivable	89	92	92	95	101	98	109	90	92	100
Less Allowance for doubtful accounts	(88)	(90)	(90)	(90)	(95)	(95)	(90)	(90)	(93)	(97)
Revenue not yet billed	-	-	-	-	-	-	-	-	-	<0.5
Advance payment for subcontractors	-	-	-	-	-	-	-	-	-	-
Accounts payable	1	3	1	4	8	2	8	<0.5	<0.5	5

Guidelines for tackling unpaid debts

After estimating New Decade's expenses and incomes to further estimate its debt repayment to the Company, it can be concluded as follows:

1. New Decade would attend bidding sessions held by both Government and private sectors; however, if its qualifications were considered not met with requirements of any session then the bidding would take in a form of a joint venture instead in order to earn enough income for debt repayment. In November, 2016, a joint venture between New Decade and Nawarat Patanakarn Public Company Limited was registered in order to increase a chance of bidding. Moreover, New Decade had joined Samcon Company Limited and worked onthe purchase-sale and installation of equipment and machinery at Waste Transfer Station (new system) at Saimai Waste Disposal Center, with the project value of 735 Million Baht.The project was run under the name "Samcon-New Decade Joint Venture" and completed in March, 2011. During the project operation, New Decade agreed to repay the debt by installment repayment in accordance with the net cash flow (not less than 200,000 Baht per month).
2. New Decade would contact renowned contractors with a solid financial status to seek for subcontracted works of construction, which is also technically beneficial, and is regarded as enhancing the competency of New Decade for future work opportunities.
3. New Decade is going to take on the role of a consultant for construction projects both locally and internationally.

Loan policy for Joint Ventures to be implemented in the future

The Company will grant loans only when deemed necessary and will base the loan interest rate on the market rate. In this regard, the shareholders' meeting No. 1/1997 held on April 29, 1997 considered approving related-party transactions with regard to the practice of granting and receiving financial support, which is the Company's practice as shown in the details below:

Since the Company's and the related parties' financial management is collectively as one for the utmost benefit and effectiveness in terms of liquidity and for more ability to negotiate with financial institutions, the Company has set up guidelines for providing financial support to related parties which are divided into 3 groups as follows:

1. The group of Joint-Venture companies in which Nawarat Patanakarn Public Company Limited co-invests at the rate of less than 90%.
2. The group of co-invested companies in which Nawarat Patanakarn Public Company Limited invests at the rate of less than 90%.
3. The group of companies falling into Group 1 and 2 above which will make an investment in the future.

The granting of loans takes forms of promissory notes, loan guarantees as well as other financial burdens with returns disbursed at the interest rate close to that offered to premier customers at leading commercial banks, but only for the transaction size which is not higher than 25% of the overall assets according to the consolidated financial statement figures in each quarter starting from April 1997 until there is any change.

Future construction policy established for related parties

If employed to perform works of another company in the same group whether it be construction of factories, office buildings, or construction for the company that operates on the real estate development project, the project price must be asat an appropriate market price with reasonable profits and not incurringtoo much cost to the employer.

Operation policy in case of tendering with the company's afliate and related parties

The Company's Independent Director would appoint an independent engineer for verifying the drawing and the construction value in order to report it to the Company's Board of Directors (including Independent Directors) immediately after the bidding and also make his comments on the annual report.

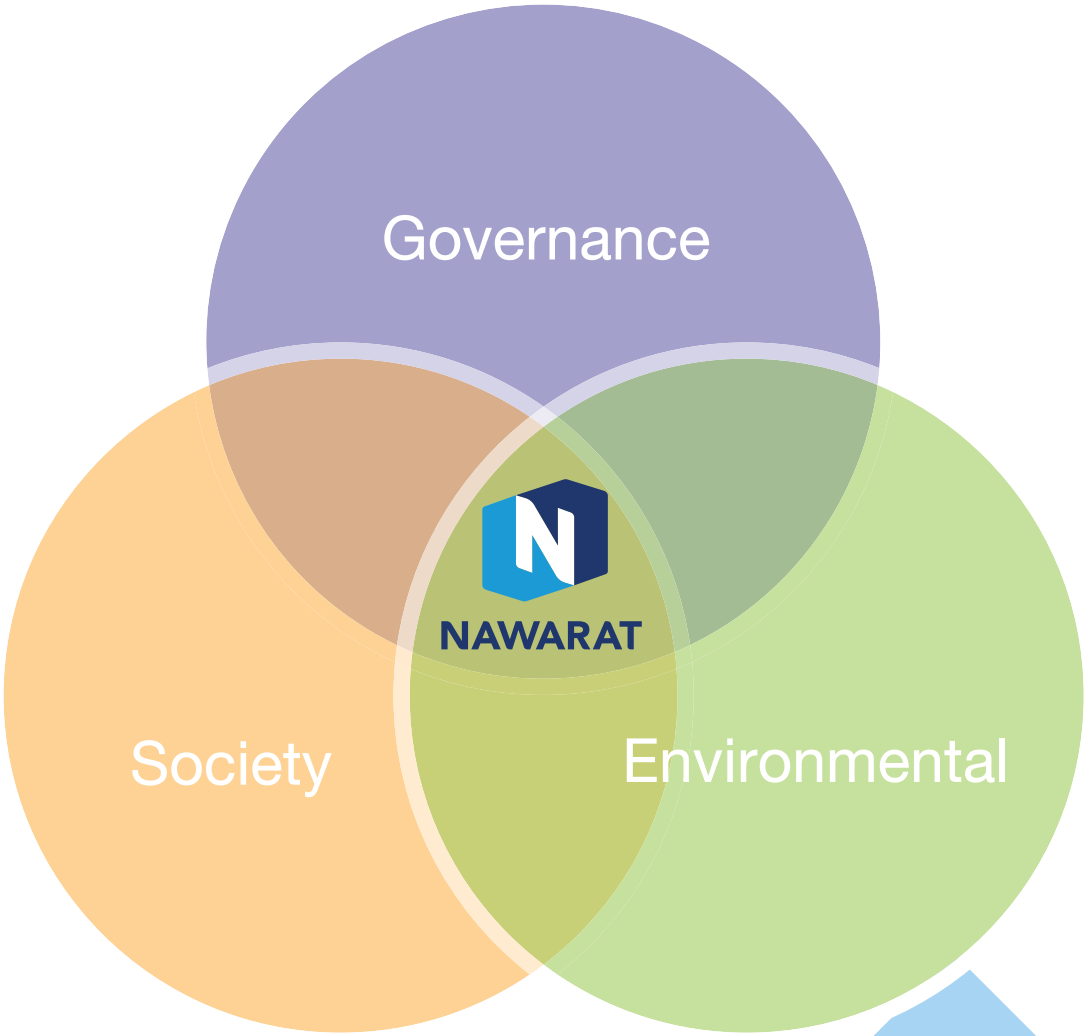
Summary of related party transactions

1. In case of trading transactions, the price of employment shallbe that of the market price equaling to the one offered to the external third party as a general trading business practice. For the sale of products, the price shall be the same price as one offered to the outside customers. As for the related party Transactions, there shallbe contracts with all details similar to those entered into with the third party in an ordinary business.
2. In case of related party loan, the interest rate charged shallbe in accordance with the cost of fundor as determined in the contract. The interest rate charged shallnot be in accordance with the market rate because the cost of fund should be firstly considered, without consideration of the rate used in any general businesses. In this regard, the Company considers that if the loan interest rate is defined according to the market rate it is not fair and unreasonable. Because it is possible that the cost of loan may be higher than the market rate; thus, it is more appropriate consider the cost of fund. Likewise, if the cost of fundis low, the Company would compare it with MLR (Minimum Loan Rate) and MOR (Minimum Overdraft Rate) of commercial banks and consider granting loan with the interest rate at MLR or MOR. In addition, the Company would grant loan to other businesses in the form of related party transaction only if such businesses have shown their reasons and necessities for taking such loan. The Company would not consider granting any loan if it is not for operating the business, and the loan needs to produce utmost benefit to the Company as well.
3. The collection of debts from accounts receivable in subsidiary companies, joint venture companies and related parties would be performed in the same way as same as general accounts receivable.

The Audit Committee has stated its opinion that the Company has properly complied with the regulations of the Stock Exchange of Thailand, by disclosing the related party transaction in financial statement and following the principle of Stock Exchange of Thailand since the transactions occurred.

Sustainability Development

Sustainability Development



In relation to the sustainability development

Sustainability policy

The Company shall conduct the business in accordance with the Principles of good corporate governance and business ethics in order to drive the Company's growth in a stable and sustainable way. The Board of Directors' Meeting No. 12/2020 held on November 10, 2020 approved the sustainability policy to determine sustainable framework in relation to economy, society and environment. The made of this policy also takes shareholders, investors and stakeholders into consideration. The Company has communicated the policy towards committee, executives, employees and stakeholders through email and company website.

Reporting guidelines

The Company recognizes and emphasizes its goal to operate sustainable business through sustainable practice and simultaneously develops the business in relation to economy, environment, society, by complying with the good corporate governance principle. The Company aims to communicate towards internal and external stakeholders, for instance, employees, shareholders, investors, customers and subcontractors, to constantly deliver sustainability management framework in order to achieve the objective of information disclosure in accordance with accuracy, transparency, and meet the stakeholders' expectation.

The Company has constantly prepared an annual sustainability development report for the fifth year in a row, with an intended to disclose significant information including policy, strategy, sustainable development guideline, and the overall operation regarding the corporate governance, economic, social, and environmental aspects. The content and framework of the sustainability development report for the period during January 1, 2020 – December 31, 2020 shall cover the material issues which affect the sustainable business operation of the Company.

Reporting Guidelines

This Sustainability Development Report shall reveal the sustainable practice including the material issues in relation to economy, environment and society by referring to the Global Reporting Initiatives (GRI Standard). The disclosure shall be on 'In accordance criteria' and on 'Core Option' basis which are accepted by international standard, as it completely provides all aspects relevant to sustainability.

Reporting Scope

The Company organizes the annual sustainability report by scoping the content from business relevance, information availability and impact on the main business which is construction and real estate. Therefore, the content and framework of this report will be related to sustainability regarding economic, social and environmental aspects which having an impact on business operation and related stakeholders. The Company shall prepare the sustainability report annually and constantly store data in order to sustainably develop itself further.

Apart from the information disclosed in this report, the stakeholders could follow the business performance via www.nawarat.co.th which available in both Thai and English versions. The GRI indicator also been attached at the end of this report for your convenience.

Information enquiry

For any enquiries or further information, please contact:

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Nawarat Patanakarn Public Company Limited
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Stakeholder engagement

The Company defines stakeholders into 7 groups as follows; 1) shareholders 2) customers 3) business partners/contractors 4) creditors 5) employees 6) Government agencies 7) communities, society and environment. The Company analyzes and assesses all groups of stakeholders to recognize their expectation and initiate the operation framework for each group of stakeholders. To encourage more engagement and response to their needs, the Company has determined framework as below:

Stakeholder engagement

Stakeholders	Performance Framework	Expectation	Response	Outcome
Employees	1. Organizing discuss session with CEO and executives 2. Providing coaching session/ seminar 3. Constantly communicating news through internal channel 4. Accepting sug-gestion/criticism 5. Creating a safe working environment 6. Focusing on de-velopment of liv-ing skills to en-hance living quality	1. Reasonable remuneration and welfare 2. Safety working environment 3. Appropriate welfare and pleas-ant workplace atmosphere 4. Employees' knowledge and competency development and enhancement 5. Equitable and fair treatment 6. Freedom of expression and suggestion 7. Confidential channel for petition	1. Reasonably manage remunera-tion and welfare 2. Initiate effective Human Re-source management system 3. Promote and enhance employ-ee's competency 4. Continuously improve coaching skills and competency program for each position 5. Provide and training employees in relation to safety working environment 6. Create organizational chart in order to clarify position hierarchy and to enhance promotion opportunity	1. Pleasant workplace 2. Employees bound with the organization 3. Happy workplace 4. Employees are able to enhance their abilities and be able to achieve the Company's goal

Stakeholders	Performance Framework	Expectation	Response	Outcome
Shareholders/Investors /Analysts	1. Annual General Meeting of Shareholders 2. Annual report 3. Opportunities Day with SET in each quarter 4. Meeting with shareholders, investors, and analysts 5. Having communication channel such as, website, e-mail, telephone, mail, etc. 6. Receiving suggestion and criticism through Company's petition system 7. Information disclosure via Company's website in the investor relations section	1. High operational performance and significant return which generate dividends 2. Executives' vision 3. Equitable treatment with shareholders 4. Management in compliance with the principle of good corporate governance which are verifiable 5. Sustainable business growth 6. Accurately disclosure information in a timely manner 7. Approachable and convenience communication channel	1. Operating business in compliance with the principle of good corporate governance, which are verifiable 2. High operational performance and significant return on investment 3. Ensure the accurately, completely, transparency and timely information disclosure 4. Generating trustworthiness towards shareholders and investors 5. Equitable treatment of all shareholders, including minority shareholders 6. Apply good corporate governance and risk management	1. Shareholders secured with their investment 2. Gain higher operating
Customers	1. Visiting custom-ers constantly 2. Identifying and standardize work-ing procedure 3. Communication through various channels 4. Annually survey-ing customers' satisfaction	1. Delivering projects which meet standard and regulations 2. Delivering projects in a timely manner 3. Providing quality assurance and after service	1. Delivering projects which meet standard and in a timely manner 2. Treating customer policy 3. Committing to develop product and serving customers with quality service	1. Customers satisfy with Company's services 2. Sustainable operating results 3. Obtaining customers' trustworthy and reliability towards Company's products and services

Stakeholders	Performance Framework	Expectation	Response	Outcome
	5. Company's peti-tion system for customer's feed-back	4. Safety during construction pro-cess 5. Environmental impact assess-ment in compliance with envi-ronmental law 6. Collaborate with customers' representative 7. Corporate governance		
Business partners/ Contractors/ Vendors	1. Equitable treatment of all busi-ness partners/ contractors/ vendors 2. Standardize transparent and auditable procurement including assessment procedure 3. Constant meeting/ discussion/ conversation 4. Hosting and participating in various activities 5. Communication through various channels 6. Receiving suggestion and criti-cism	1. Equitable treat-ment of all busi-ness partners/ contractors/ ven-dors 2. Compliance with trade terms 3. Financial stability and business growth 4. Solving problem mutually 5. Corporate gov-ernance	1. Strictly compliance with con-tracts' terms and conditions 2. Business partner assessment in relation to effectiveness 3. Reasonable returns and punc-tual payment 4. Code of conduct for business partners/ contractors/ vendors 5. Constant and equitable opera-tional collaboration	1. Specialize and qualified con-tractors 2. Special bond with business partners 3. Constant operational collaboration 4. Mutual business growth

Stakeholders	Performance Framework	Expectation	Response	Outcome
Creditors	1. Annual report 2. Meeting 3. Receiving suggestion and criti-cism	1. Punctual Payment 2. Compliance with terms and conditions 3. Steadiness of revenue and source of fund 4. Management in compliance with the principle of good corporate governance 5. Customers' base	1. Compliance with loan covenants and conditions 2. Strictly compli-ance with finan-cial institution terms 3. Punctual Payment	1. Generating confident regarding Company's operating results and strengthen relationship with financial institutions 2. Providing constant financial support to the Company
Government Agencies	1. General discussion 2. Meeting 3. Constantly participating in Gov-ernment activities and projects 4. Reporting operational perfor-mance to related Government agencies	1. Compliance with regulations and laws 2. Collaboration with Government agencies 3. Preventing cor-ruption 4. Political neutrality	1. Compliance with regulations and rules 2. Participating and supporting Government activities 3. Business operation without cor-ruption	1. Gain trustworthiness among Government agencies 2. Being a trustworthy entrepreneur

Stakeholders	Performance Framework	Expectation	Response	Outcome
Communities, Society, and Environment	1. Hosting activities for communities and society 2. Having regular meeting with local communities in person, including indirect stakeholders 3. Providing communication channel for petition	1. Safety construction 2. Managing impacts on community and environment 3. Legal Compliance 4. Supporting and improving communities	1. Business operation in compliance with standard and safety regulations 2. Constantly monitoring and managing environmental quality 3. Managing and curing towards stakeholders who affected from operational construction 4. Environmental Policy 5. Code of conduct for communities and society 6. Promoting and supporting community activities in terms of education, religion, and charity	1. Gain acceptance among communities and society 2. Positive record regarding employees' health and safety 3. Effective business operation

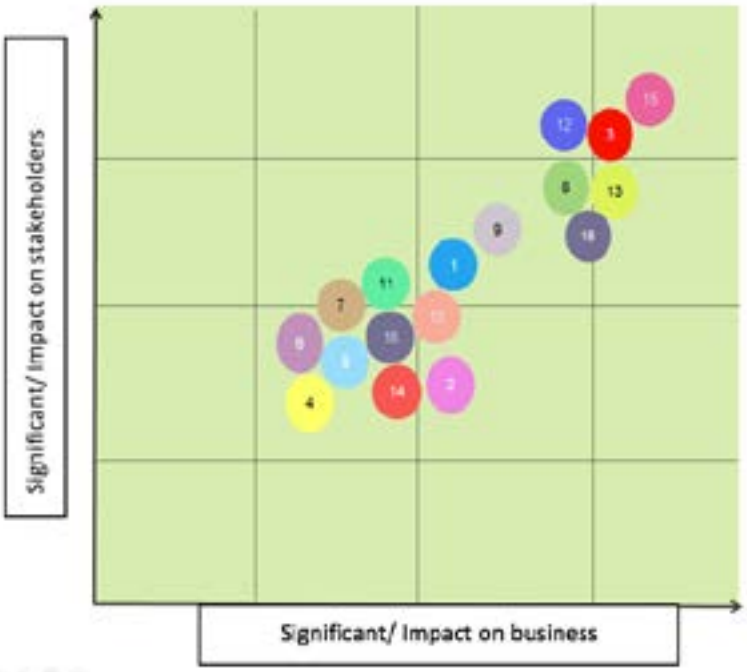
Materiality and stakeholder assessment

Materiality assessment process

∩The materiality assessment process for the year 2020, the Company organized the meeting of functional committee to identify and prioritize the sustainability issues. The outcome has been analyzed and assessed with consideration of the impact on the Company's sustainable development and the expectation level of stakeholders, both inside and outside the organization. The assessment was developed based on the procedure of Global Reporting Initiatives Guideline as follow:

Material issues evaluation result

The Company identified the material issues which are essential for sustainable development by organized the functional committee meeting, which consist of relevant departments in the organization. The information of the stakeholders' participation has been gathered and prioritized. The prioritization was done by considering the issue that have a high level of influence on the assessment and decision-making of the stakeholders, and the significant level of impact on economy, society and environment as follows;



1. Business management in accordance with the good corporate governance
2. Anti- corruption
3. Procurement practice
4. Equitable treatment of all business partners/contractors
5. Employees' knowledge and competency development and enhancement
6. Social responsibility
7. Employment
8. Human rights
9. Customers' health and safety
10. Legal compliance
11. Environmental management
12. Occupational Health and Safety
13. Efficiency resource management
14. Waste and pollution management
15. Operating result
16. Development of technology and innovation

Material sustainability issues according to GRI aspect	Reporting framework		Aspect GRI G4
	Internal	External	
Economic 1. Business operation in compliance with the principle of Good corporate governance 2. Quality and safety of works 3. Anti-corruption 4. Responsibility on products and services 5. Procurement procedure 6. Equitable treatment of business partners and contractors	- Employees	- Shareholders - Investors - Creditors - Business partners/ contractors - Customers - Government agencies	- Good corporate governance - Corporate governance policy - Respecting others' properties, intellectual properties and copyrights - Information disclosure and transparency - Anti-corruption - Customers' relationship management and performance contribute to customers' satisfaction
Social 1. Capacity enhancement for employees (LA9 LA10 LA11) 2. Community develop-ment and engagement 3. Employment (LA1 LA2 LA3) 4. Concerning the im-pacts on communities and society 5. Human rights 6. Customers' health and safety 7. Legal Compliance	- Employees	- Community	- Employees' development - Internal process in relation to conducting business with social and environmental responsibility - External process in relation to conducting business with social and environmental responsibility - Equitably treatment to works - Preventing and mitigating negative impact on society which resulting from the construction process

Material sustainability issues according to GRI aspect	Reporting framework		Aspect GRI G4
	Internal	External	
Environmental 1. Environmental man-agement 2. Occupational envi-ronment, health and safety 3. Resources' consump-tion 4. Air pollution 5. Wastewater and waste 6. Complaint mechanism for environ-mental im-pact	- Employees	- Community	- Occupational health and safety management - Environmental management - Monitoring occupational health and safety - Environmental operation

Good corporate governance

The Company strives to manage and operate its business in compliance with the relevant principle of good corporate governance, laws, regulations, and related rules. Moreover, the Company, as shareholders' representative, is well aware of its responsibility to strengthen confidence among investors, stakeholders as well as all parties concerned, which will bring about growth in term of sustainability and quality.

The Company has established the Good Corporate Governance Policy Handbook in writing to ensure that the business operations of the Company are efficient, transparent and auditable which will create business growth and sustainability. Furthermore, the Corporate Governance Policy would reinforce the confidence across all parties concerned. The Company has also set out the Business Code of Conduct as a practical guideline for all directors, executives and employees.

The Business Code of Conduct and the Corporate Governance Policy of the Company have been reviewed and updated annually in order to be up to date, appropriate for current circumstance and the change of environment. Thus, the code and policy will be in compliance with the national and international best practical guideline, such as the requirement of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), Thai Institute of Directors (IOD), and the corporate governance policy of the Organization for Economic Co-operation and Development (OECD) which consists of 5 sections as follows;

1. Rights of shareholders
2. Equitable treatment to shareholders
3. Roles of stakeholders
4. Information disclosure and transparency
5. Responsibilities of the Board

All directors, executives and employees of the Company have been informed about the Corporate Governance Policy and the Business Code of Conduct and are required to make efforts to study, understand and take it as part of discipline to correctly and strictly adhere to. In this regard, the Company has disseminated and communicated the Corporate Governance Policy Handbook and the Business Code of Conduct to every person in the Company via email and the Company's Intranet system (Lotus Note) and includes them in the orientation program of new staff to cultivate their awareness at the beginning.

In addition, the Company has publicized the "Corporate Governance Policy Handbook" and the "Business Code of Conduct Manual" on the Company's website (www.nawarat.co.th) to inform shareholders, stakeholders, related parties and the outsider.

Corporate Governance Policy

The Board of Directors understands its duties, roles and responsibilities towards shareholders including stakeholders and related parties and is committed to operate business under the good corporate governance principle in conformity with best practices or regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission including other related regulations.

The Company's Corporate Governance Policy is in compliance with the requirements of the Stock Exchange of Thailand and the Thailand Institute of Directors (IOD) and the Good Corporate Governance policy of the Organization for Economic Cooperation and Development (OECD) consists five sections as follows:

1. Rights of shareholders
2. Equitable treatment to shareholders
3. Roles of stakeholders
4. Information disclosure and transparency
5. Responsibilities of the Board

The details are as follow;

Section 1 – Rights of Shareholders

The Company recognizes and emphasizes the rights of shareholders by implementing the related principles and not performing any actions which may violate or diminish their rights. The Company equally provides basic rights to individual shareholders. In 2020, the Company executed the actions as follows:

Annual General Meeting of Shareholders (AGM) has been noticed to all shareholders fourteen days in advance in order to provide the shareholders time to prepare their schedule for the meeting attendance.

- The Company delivered the invitation letter of the Annual General Meeting of Shareholders to all shareholders seven days in advance and enclosed all related documents such as a copy of the minute of the Annual General Meetings of Shareholders of the year 2019, annual report of the year 2019, profiles of proposed directors who will be elected in replacement of those retired by rotation, profiles of independent directors who were assigned to be proxy of shareholders who are unable to attend the meeting, proxy form A-C, the Company's regulations concerning the shareholders' meeting, guidelines for registration, and a map of the meeting venue. The Company also posted the abovementioned documents on the Company's website to facilitate shareholders who may receive the documents by delayed mail.
- The Company organized the Annual General Meeting of Shareholders for the year 2020 on Thursday, May 14, 2020 through Electronic Media (E- AGM) and arranged live broadcast at 10 a.m. from the meeting room of the Company's headquarter, Bangna Towers A, No 2/3, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540. The shareholders personally attended or were represented by their proxies are 31 persons who represent 321,991,650 shares, out of the total paid-up 2,585,481,515 shares, which are equal to 12.45 percent of all paid-up shares forming a quorum under the clause no. 33 of the Articles of Association. The clause specified that this Annual General Meeting is re-arranged meeting since the AGM on April 9, 2020 could not be proceed because the shareholders attended the meeting did not constitute the quorum in accordance with the clause no. 103 of the Public Limited Companies Act.
- On the date of the Annual General Meeting of Shareholders, 7 directors out of 7 directors of the Company attended the meeting (equal to 100 percent) namely as follows:

Name	Position
1. Mr. Prasertphand Pipatanakul	Independent Director / Chairman / Audit Committee / Chairman of Corporate Gov-ernance Committee / Chairman of the Business Code of Conduct
2. Mr. Apichart Dharmasaroja	Independent Director / Chairman of Audit Committee / Corporate Governance Committee/ Business Code of Conduct Committee/ Chairman of Risk Management Committee/ Nomination and Remuneration Committee / Chairman of Corpo-rate Social and Environmental Responsi-bility Committee
3. . Mr. Nattaphorn Bhromsuthi	Independent Director / Audit Committee / Risk Management Committee / Corporate Social and Environmental Responsibility Committee
4. Mr. Polpat Karnasuta	Director / Corporate Governance Com-mittee/ Nomination and Remuneration Committee/ Chairman of Executive Committee / Chief Executive Officer
5. Miss Pakatip Lopandhsri	Director / Corporate Governance Com-mittee / Business Code of Conduct Committee/ Risk Management Committee / Nomination and Remuneration Committee / Executive Committee / Senior Vice President/ Company's secretary
6. . Mr. Sook Sueyanyongsiri	Director / Corporate Governance Com-mittee / Business Code of Conduct Committee / Risk Management Committee / Corporate Social and Environmental Responsibility Committee / Consultant to Chief Executive Officer and President
7. Mr. Mongkol Peerasantikul	Director / Corporate Governance Committee / Risk Management Committee / Executive Committee / President

Moreover, senior vice presidents and vice presidents in amount of 3 persons participated in the meeting to report the operating results of the Company to shareholders as well as to answer inquiries and receive suggestions/comments in various subjects raised by the shareholders. The Company requested independent legal advisors from Angkoon Pimpakorn Law Office Co., Ltd. to ensure that the meeting was transparent and in compliance with the law and the Articles of Association. The Company also invited an external auditor from EY Company Limited to attend the meeting since the beginning of the meeting to listen to the opinions and answer questions raised by shareholders.

Section 2 – Equitable Treatment to Shareholders

The Company adheres to the principle of equitable treatment to all shareholders without discrimination, whether major or minor ones, institutional or foreign investors. The Company treats all shareholders equally, emphasizes the protection of their basic rights, and encourages them to exercise their rights as defined by law. Shareholders shall equally obtain the completed information. Any shareholder who is unable to attend the meeting in person because of any inconvenient may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. The best practices implemented by the Company related to equitable treatment of shareholders are as follows:

- The Company facilitates foreign shareholders by preparing documents, such as meeting invitation letter, proxy forms, minute of the shareholders' meeting and the Company's annual report in both Thai and English languages. The Company website (www.nawarat.co.th) is also available in bilingual as well to serve all shareholders and any interested person.

- The Company indicated the guideline and criteria for proposing the agenda items, directors nomination, and submitting questions ahead of the AGM in order to enable minor shareholders to be part of company governance and be able to select a qualified director who will effectively perform their obligations. The Company announced a clear guideline and steps through the Company's website (www.nawarat.co.th). However, for the AGM 2020, none shareholder had proposed any agenda or nominated any person as directors nomination.
- The Company facilitated those shareholders who are unable to participate in the meeting by allowing them to give a proxy to their representatives or the independent directors. The Company sent out proxy forms and guideline for proxy appointment together with the meeting invitation letter to the shareholders at least seven days prior to the meeting and disseminates proxy form both in Thai and English languages with details and procedures through the Company's website (www.nawarat. co.th) more than fourteen days ahead of the meeting date.

In addition, the Company has established the following policy on the protection of use of internal information. And having a measure to ensure that such policy is informed and strictly complied:

1. Directors, executives and employees must not use an internal information of the Company or of business partners, obtained due to their duties, to buy/sell or offer to buy/sell or persuade others to buy/sell or offer to buy/sell the securities of the Company or of the business partners either for personal or others' benefits and they must strictly comply with the relevant laws.
2. Directors, executives, and employees must keep confidentiality of the internal information in which they are responsible, and not to disclose the information to other persons or unrelated personnel of the Company.
3. The Company prevents the misuse of internal information by restricted an access of undisclosed information, allowing only the involved persons to access and provide only necessary information, and provided a security system for internal information which the owner of information must instruct the involved personnel to strictly comply with the confidential obligation thereof.
4. Disclosure of information shall be made by the Company's authorized person only. Personnel having no duty to disclose information when being asked to disclose the information which they have no authority to disclose, shall suggest the inquired person to contact the authorized person in order to get accurate information.
5. Apart from information disclosed to the public, the Company considers that remaining information considered as confidential information for internal used only. Directors, executives, and employees must use the information under the framework of assigned duties and responsibilities.
6. Directors, executives, and employees shall protect information and shall not seek benefit from internal information, even though the status as employees has been terminated.
7. Directors and senior executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer.
8. Any person who disclosed information without permission, incurred damages to the Company, customers, and stakeholders shall be legally liable for such damages
9. The Directors are required to report to the Company's Secretary on any direct and indirect sell or purchase of the Company's securities at least 1 day prior to the selling or purchasing date.

In 2020, the Company did not receive any complaints on the misuse of the Company's internal information by the Directors or executives.

Section 3 – Roles of Stakeholders

The Company recognizes the importance of being responsible to all stakeholders. All groups of stakeholders are important to the Company's constant business operation and play important role in promoting the Company's business growth and sustainability. The Company commits to do its business in compliance with the "Corporate Governance Policy" and the "Business Code of Conduct Manual" as detailed below

Stakeholders	Principle	Guidelines
Shareholders	The Company encourages shareholders to exercise their basic rights and is committed to create sustainable growth, adds value and continuously provide appropriate returns to shareholders, respect shareholders' rights to equally receive necessary information and to be disclosed with an accurate information, including conduct its business with honesty, transparency and incompliance with the relevant rules, regulations and laws.	1. Perform its duties with honesty, good faith, and transparency for the benefits of the Company and share-holders. Manage the business to ensure prosperity and stability of the Company and provide appro-priate returns to shareholders. 2. Perform its duties to the maximum potential and capabilities for the benefits of the Company and the shareholders. 3. Respect the rights of shareholders; to dis-close and report operating results, financial position, and supportive information of the Company accurately and completely. 4. Equitably and equally treat every share-holder.
Customers	The Company is committed to ensure the satisfaction and confidence of customers and public with qualified products and services under safety to their heath, life, and properties with appropriate and fair price, continuously develop and upgrade standard of its product and services, treat all customers with fairness, provide a complete and accurate information about services and make a customers' satisfaction survey which reflect an actual satisfaction level in order to constantly improve the services and maintain and continue its good relationship with customers.	1. Treat all customers politely. 2. Strictly keep customers' information confidential. 3. Be trustworthy to customers. 4. Refrain from acceptance of assets or other benefits which having an excessive value from customers. If Directors, executives or employees receive such assets or benefits and later known that such assets having an excessive value, then the Directors, executives or employees must report to its supervisor without delay in order to proceed as appropriate on a case-by-case basis. 5. Avoid situation that may leads to conflict of interests with customers.

Stakeholders	Principle	Guidelines
Business Partners	The Company treats all business partners with equality and integrity, recognizes mutual benefits, develops, and maintain long relationship with business partners, builds mutual trust and creates economic, social and environmental cooperation.	1. Maintain mutual benefits with business partners by strict adhere to the laws, agreements and conditions based on a mutual and fair return. 2. Refrain from demanding, receiving or offer-ing any illicit benefits from/to business partners. 3. Operate procurement processes transparently.
Trade Competitors	The Company manages its business under a fair competition framework, does not seek confidential information about its competitors' trade secrets through dishonest and improper means and does not violate any intellectual properties of the business competitors or others.	1. Compete under a fair competition framework. 2. Do not seek business competitors' secrets through dishonest or illegal means. 3. Do not discredit competitors by way of defamation or other improper and unfair manner.
Creditors	Strictly honors all contractual conditions and obligations with the creditors, manage loan according to its objective, do not use loan in the way that will create damages to the Company and completely comply with conditions as mutually agreed. Including operate its business with fairness in order to create creditors' confident and maintain repayment capability.	1. Repay the loan and its interests on time. 2. Promptly negotiate with the creditors in advance, if any term and condition or agreement made with creditors could not be fulfilled, in order to mutually solve the issue.
Independent auditors	The Company recognizes the importance of an independent auditor, who is considered by shareholders as an important mechanism for auditing the executives' performance and ensuring that the financial report is accurate and adequate, by giving full cooperation to the auditor.	Provide accurate and complete information as well as facilitate the auditors when conducting the audit of the Company's financial report.

Stakeholders	Principle	Guidelines
Employees	The Company realizes that employees are valuable assets, having good, capable, diligent, and honest employees will efficient the Company's operation, contribute success, and sustainable growth to the Company	1. Develop organization into a learning organization. Foster working culture, ambience and enhance teamwork. 2. Pay proper remunerations which reflect knowledge, ability, responsibility, and performance of the employees. 3. Monitor working environment to be safe for health, life, and properties of employees. 4. Enhance employees' competency to advance and secure their careers by focusing on their knowledge and ability development. 5. Inform key information, e.g. rights and duties to employees on orientation day. 6. Ensure that the provision of rewarding and punishment is determined on righteousness and fairness basis. 7. Comply with all laws and regulations in relation to labors and welfare of employees. 8. Listen to opinions and suggestions of employees at all levels fairly and equally. 9. Treat all employees base on the basic of human dignity, respect the human rights, fair treatment and do not crate discrimination. 10. Provide the employees an opportunity to define guideline of welfare management to meet the employees' requirement, provide appropriate welfare, hygienic working area, working conditions, and well-being of the employees. 11. Provide protective equipment to protect employees from any threaten at work and provide first aid kit.
Government Sector	Set a practical guideline for dealing with the government in order to comply with laws and regulations	1. Comply with rules and regulations relevant to the operation and comply with the practical guideline for dealing with the government in order to comply with laws and regulations. 2. Provide cooperation and support to the government policies for the benefits of the country under relevant laws and regulations.

Stakeholders	Principle	Guidelines
		3. Intent to pursue projects for public beneficial. 4. Co-operate with government agencies with transparency, honesty, fairly hospitality, and refrain from bribery the government agencies to facilities the business operation.
Communities, Society, and Environment	The Company aims to conduct its business based on responsibility to communities, society, and environment, in terms of safety, quality of life, preservation of natural resources, recognition the importance of community, society quality of life and the surrounding area of construction sites and plants.	1. Provide support to community and societies in any beneficial aspects. 2. Allocate a proportion of profits to contribute for community and social development. 3. Take into account on environmental impacts from the beginning stage of project construction, selection of technology, including production procedures, waste elimination procedures as well as innovative research and development for efficient usage of energy. 4. Support any activities that are beneficial to communities and society as a whole. 5. Respond rapidly and efficiently to any incidents that may cause harms to communities, society and environment resulted from the Company's business operation and provide good cooperation to officers and related government authorities. 6. Do not provide cooperation or support to any person or entity who does illegal business or business that is detrimental to the society and national security. 7. Do not do anything that may destroy the reputation of the country. 8. Continuously cultivate employees a sense of responsibility towards community and social.

Policy and practical guidelines on others' properties, intellectual property rights and copyrights

The Company conducts its business and encourages its employees to perform their duties in compliance with the laws and regulations in relation to intellectual property rights, whether in trademark, patent, copyright, classified commercial information, and other stipulated categories of intellectual property rights such as usage of computer software or licensed computer programs. The Company prohibits any actions violating software copyrights and any installation of pirate software in the office. Any employee who violates this regulation shall be considered intentionally commit a criminal offence and having intention to damage the Company and shall be dismissed. Any employee who installs any pirate computer software in the office must delete such software. The Company shall verify software installed in all computers currently in use in the office.

Anti-corruption and practical guidelines against fraud

The Company advocates and encourages its directors, executives, and employees at all levels to recognize and having awareness of resistance from all types of fraud and corruption, whether internal or external the Company. Since fraud and corruption could damage not only business but also society and the country, the Company adheres to perform its business with transparency and auditability processes. Moreover, the Company has set up internal control systems to prevent all types of fraud and corruption.

The Business Code of Conduct Committee has clearly formulated in written a policy and practical guideline for anti-corruption which cover duties and responsibilities of directors, executives and employees called the "Business Code of Conduct Manual" and the committee defined disciplinary punishment measures in accordance with the Company's rules and regulations for corruption or violation of rules and regulations by employees. The policy and practical guideline have been approved by the Board of Directors' Meeting and was communicated to every person in the Company to acknowledge, study and understand.

The Company declared the intention to be a part of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) of Thailand and Institute of Directors (IOD) for anti-corruption. At the present, the Company is certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since February 7, 2020, which last for three years from the date of certification.

In 2020, the Company has made declaration to refrain from giving and receiving gifts during new year season in order to support and promote the practice of Corporate Governance, Business Code of Conduct and Anti-Corruption Policy.

Practical guideline for Anti-Corruption

1. Nawarat Patanakarn Public Company Limited supports and encourages employees at all levels to be aware of anti-fraud and anti-corruption and puts in place the internal control to prevent the Company from fraud and corruption, offering and acceptance of bribe in all forms, in all countries where the Company has invested in.
2. Directors, executives and employees at all levels must comply with the guideline as per the below detailed:
    - Offering and acceptance of bribe

      Offering and acceptance of all forms of bribe in exchange of business benefits is prohibited. This includes delegating other persons to commit such actions.
    - Gifts, hospitality and other benefits

      Offering and acceptance of gifts, assets, hospitality or other benefits to/from customers, business partners, or related parties must be in compliance with the regulation of the "offering and acceptance of gifts, assets or other benefits" prescribed in the "Business Code of Conduct Handbook"

- Political contributions
  1.1. The Company has a policy to remain neutral with respect to political, whereas the Company shall not directly or indirectly contribute and engage in any actions affiliated with political parties or groups.
  1.2. Directors, executives and employees have rights and freedom under the constitution to exercise their political activities but must not claim the status of being a director, an executive and an employee or must not utilize the Company's assets in supporting of political activities. If directors, executives, and employees engage in any political activities, they must take particular care not to imply or mislead that the Company is supporting any political parties.
- Charity donation, public benefit contribution and sponsorship

  As a part of society contribution, the Company has a policy for charity donation and public benefit contribution either in form of money or by other means such as stuff donation, activities participation, etc. and the Company has formulated a guideline for making charity donation, public contribution or sponsorship as follows:
  1.1. Charity donation, public benefit contribution or sponsorship must be transparent, lawful, and ethical; does not expect any business benefit returns and does not cause any damage to the public.
  1.2. Charity donation, public benefit contribution or sponsorship shall not be used as an excuse for bribery.
  1.3. Use of the Company's money or assets for charity donation, public benefit contribution or sponsor must be done under the name of the Company and having a purpose to projecting a positive corporate image and reputation to the Company.
  1.4. Any actions taken must be in compliance with procedures of reviewing and approving charity donation, public benefit contribution or sponsorship as stipulated in the Company's regulations.

3. The Company commits to create and sustain the organizational culture of zero tolerance of corruption when dealing with both Government and private sectors.
4. Directors, executives, and employees at all levels must not ignore or negligent when witness any actions of possible corruption and shall report the matter to his/her supervisor or the responsible person and give full cooperation in an investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the Company's regulations.
5. The Company must be fair and protect any employees who refuse to associate with or provide information about corruption. Accordingly, the Company shall not demote, punish, or cause any negative consequence to such employee, although his/her action may lead to the Company's loss of business opportunity. The Company shall also be fair and protect employees or other parties who provide information or evidence about fraud and corruption concerned with the Company and its subsidiaries by applying protective measures for informants or person who cooperates in reporting fraud and corruption as specified in the Whistle Blowing Policy.
6. Directors and executives at all levels must demonstrate integrity and must be a role model in accordance with the anti–corruption policy. The Human Resources department was assigned to educate, promote understanding, and encourage employees at all levels to strictly and continuously adhere to the anti–corruption policy.

7. The anti–corruption policy includes human resources management procedures from recruitment, selection, promotion, training, and performance appraisal. Supervisors at all levels are responsible for communicating to their teams and creating understanding and enabling all employees to apply the policy to business activities within their scope of work as well as monitoring to ensure effective application of the policy.
8. Any person conducting fraud and corruption shall be considered disciplinary violation of personnel management's rules and regulations for employees and shall subjected to disciplinary punishment as defined by the Company, as well as liable for their actions under the relevant law if such action considered as an illegal action.
9. Any action taken under the anti-corruption policy shall be in accordance with guidelines prescribed in the "Corporate Governance Policy", "Business Conduct of Conduct Handbook" as well as related working manuals and any additional guidelines to be formulated in the future.
10. The Company will regularly review the practical guideline and operating measures to be up to date and in compliance with the change in law and business operation condition.
11. The Company stipulates that communication and public relation activities of anti-corruption policy will be carried out via both internal and external media e.g. intranet, the Company's website and annual report.

Conict of interest

The Company considers that it is important to conduct its business with integrity, all Directors, executives, and employees shall not seek personal benefits from the information or anything acquired from their duties and responsibilities. Thus, the Company has defined policy and a clear framework to avoid any conflict of interest by concerning the utmost benefit for the Company and shareholders. Furthermore, stakeholders shall not involve in decision making process related to this policy and framework. The Board of Directors must strictly oversee the compliance with the criteria and methods of disclosure of related transactions according to the policy. In case it is necessary to enter into related transaction or ones involved with conflict of interest, the transaction must be approved by the Board of Directors in accordance with the requirements stipulated by laws and the Company regulation before taking such action.

Policy on acknowledgement of incidence, grievance, suggestions channels for informants and protection of the rights of informants (Whistle Blowing Policy)

The Company has systematically imposed the practical guideline for systematic, transparent, and accountable of grievance and complaints.

The Company established a department to acknowledge incident, grievance or suggestion from stakeholders resulting from the Company's operation on 24 hours basis. Grievance or suggestion can be done verbally, via telephone, facsimile, electronic mail and postal mail. The Company will provide initial explanation of facts and measures to manage such matters to the party submitting grievance or involved person as soon as possible, within 1 day.

In case of doubts or discovering any acts of possible violation or against laws, regulations, rules, Code of Conduct or Corporate Governance Policy, stakeholders can ask, undertake whistle blowing or file complaints with detailed evidence to relevant person or department through the following channels:

1. For internal grievance, suggestions and complaints by employees

Contact: Mrs. Charutsri Naosuk
General Manager of Human Resources Department
Tel.: 02 7302100 ext. 2147
E-mail: n_charutsri@nawarat.co.th
Or contact through the employees' suggestion box which provided in each workplace.

2. For external grievance, suggestions, and complaints from external or outsider

Contact: Mr. Kridchai Suthiluck
Manager of Environmental Business Unit
Tel.: 02 7302100 ext. 2312
E-mail: s_kridchai@nawarat.co.th

The Company will keep such information confidential to prevent the informants from encountering any impact. For employees, customers, or persons, who work for the Company, who reports clue or complaints, will be protected under relevant law. Details are as defined in the Company's Business Code of Conduct and the Corporate Governance Policy.

The Company has conducted an assessment and monitoring on the results of such operations. In 2020, the Company did not receive any incidence or grievance in relation to violation against law, Corporate Governance Policy, Anti-Corruption Policy, Business Code of Conduct, restriction, announcement, or related regulations. Moreover, the Company has no significant dispute occurred with its stakeholders.

Policy and practical guideline for occupational health and safety management

Since the construction business is considered having high risks, the Company realizes the importance of occupational health and safety. Thus, the Company defined the policy and practical guideline for occupational health and safety management as follows:

1. Continuously operate and develop an occupational health and safety management system in accordance with TIS 18001 & OHSAS 18001 standards and compliance with other legal requirements and other standard specifications.
2. Control and improve working sites and prevent employees and related parties from health hazard associated with fire, chemicals, electrical, machinery, emergency incidents, occupational diseases, and other dangers within acceptable risk level.
3. Provide sufficient resources such as personnel, operation time, budget and suitably and adequately training.
4. Encourage all employees to join activities and express their opinions on occupational health and safety.
5. Review the effectiveness of occupational health and safety management standard procedure at least once a year.
6. Risk factors for any occupational diseases must be zero.

Policy and practical guideline for environmental management

Since the construction business highly affects the environment, the Company recognizes the importance of the environmental responsibilities in conducting the business and defined the environmental policy which covers three principles as follows:

1. Pollution prevention
2. Regulations and law adherence
3. Constant improvement

The Company reviewed and improved the environmental policy to be in line with the Environmental Management System ISO 14001:2015 and to cover the social and environmental responsibility issues, the Company developed an environmental management system to minimize the impact on the environment to be within an acceptable level as details below:

1. Promote and comply with the related laws in relation to the environment and strictly follow the regulations on the environmental management system ISO 14001.
2. Commit to promote energy preservation and efficiently use of resources.
3. Prevent and control the disposal of trash, wastewater and air pollution caused by the Company's business activities.
4. Ensure that the preventive and controlling measures are continuously be implemented and reviewed.
5. Educate and cultivate social and environmental awareness to the employees at all levels, contractors and persons involved in order to create mutual agreement to develop and responsible for society and environment.
6. Constantly support activities to fulfil the environmental policy framework and communicate with employees and relevant persons as well as disseminate to the public.

In 2020, the Company has established sustainability policy to determine sustainable framework in relation to economy, society, and environment. The Company has communicated the policy towards committee, executives, employees and stakeholders through email and the Company's website.

Section 4 – Information disclosure and transparency

Disclosure of information is an important indicator of transparency of the operation and is a key factor in building confidence towards investors and all stakeholders. The Company recognizes the importance of information disclosure and has a policy to equitably, completely, adequately, reliably, timely and transparently disclose the Company's important financial and non-financial information, in both Thai and English languages, to all related parties and in compliance with the requirements regulated by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand on the websites of Stock Exchange of Thailand and the Company's website. In 2020, the Company carried out the below practices;

1. The Board of Directors established the policy that the Company shall disclose both financial and non-financial information such as financial statements, operation results, the Company's information, nature of business, organization structure, shareholding structure, business group structure and shareholding proportion, information relating to directors, sub-committees, executives, investors' relation information, related transactions, the Company's Articles of Association, the Business Code of Conduct and the Corporate Governance Policy with accuracy and completeness through three main channels below:

1) Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) by providing detailed information on important topics including business overview, nature of business, risk factors, securities shareholders' information, management structure, corporate governance, social responsibility, internal control and risk management, related transactions, operation results, future projects and financial status.
2) The quarterly and annually Management Discussion and Analysis (MD&A), which provides detail regarding operation, financial, analysis and explanations of factors causing changes in performance results, progress report of projects under construction, key factors or influences that may affect future results and financial status. This report provides shareholders and investors with enough accurate information for their decision making on investment and monitoring the Company's performance.
3) Disclosure of information via the www.nawarat.co.th under "Investor Relations" in both Thai and English languages to facilitate investors and the interested person to study the information. The website has been regularly updated. Disclosed information includes annual report, annual registration statement (Form 56-1), Corporate Governance Policy, Business Code of Conduct, anti-corruption policy, company's profile, nature of business, financial statements, shareholding structure, dividend payment policy, organizational structure, business structure, profile of directors, sub-committees and executives, investors' relations information, the Company's important documents, meeting invitation, operation results and financial ratios, etc.

2. The Company set up an Investor Relation Section under the New Business and Strategic Planning Department to serve as a center for disclosing and communicating the information, whether financial or non-financial, to shareholders, investors, and securities analysts, through various channels and media of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including mass media, telephone, and the Company's website www.nawarat.co.th, in both Thai and English versions. The Company expected the Investor Relation Section to be a significant intermediary that provide information, clarification, answering question, as well as listening and exchanging opinions with shareholders. In the case investors, securities analysts and those who are interested would like to receive the Company's information to consider before investing, please contact through the below channel.

Mr. Visut Suwanwitwaj
Investor Relations Section
Nawarat Patanakarn Public Company Limited
18th–19th Floor, Bangna Tower A, 2/3 Moo 14
Bangna – Trad Road, K.M. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Tel.: +66 (0) 2730 - 2182
Fax: +66 (0) 2751 - 9484
E-mail: ir@nawarat.co.th

In 2020, the Company has arranged the following investor relations activities:

- Three Analyst Meetings
- Two Fund Manager Meetings
- Three Opportunity Days

3. The Company has joined the Stock Exchange of Thailand (SET) in organizing quarterly "Opportunity Day" activity so that the senior executives may present the Company's quarterly reports on performance results and explain business progress such as expansion projects, new projects, business trends and how to deal with positive and negative impacts caused by internal and external factors. Which is a good opportunity for executives to meet and answer the questions enquired by analysts, investors, shareholders, and mass media in person. In addition, SET provides a live broadcast via SET's website and set up computer monitor in front of the Company's executives so that the viewers can post their questions and get real time responses from the executives during the Q&A session.
4. The Company disclosed its financial information and reported the responsibility of the Board towards the financial report together with the auditor's report, the explanation of financial status, the Management Discussion and Analysis (MD&A) and report on important information and major decisions to the Securities and Exchange Commission and the Stock Exchange of Thailand with accuracy, completeness, punctuality and in compliance with the requirements.
5. The Company's financial statements have been certified by the auditors without the qualified opinion and without any amendment which complied with an external governing requirement.
6. The Company disclosed roles and responsibilities of the Board and the sub-committees, number of meetings and number of attendances of each Director in 2020.
7. The Company has stipulated measures and procedures for related transaction approval. Any Director, executive or related person will be able to conduct business with the Company or its subsidiaries after such transaction has been approved by the Shareholders' meeting. Whereas such transaction is considered as a trade agreement without any influence, in which a reasonable person would properly make with a general business partner under the same circumstance, while the negotiation absented of any influence due to their status of being a director, an executive or related person, as the case may be. And such transaction must be approved by the Board of Directors or is in compliance with the guideline approved by the Board.
8. The Company has established measures on the protection and the verification of the use of internal information for personal benefits, by requiring Directors and senior executives to submit the list of their holding securities and report on every change of the list in compliance with requirements stipulated by the Securities and Exchange Commission. Including, issuance a policy that Directors and executives must report the sale/purchase of the Company's shares or securities to the Meeting of the Board of Directors every time when there is any change. In addition, the Company prohibits Directors, executives and employees involved with any internal information from disclosing such information to the outsider or those who are not involved. And forbids Directors, executives and employees involved with the preparation of the Company's financial statement or any other related information are forbidden to purchase or sell the Company's securities prior to disclosure of financial statements to the public.
9. The Company established a policy on reporting interests of Directors and senior executives and set requirements that the Directors and executives must report the Company their own or their related persons which related to the business management of the Company or its subsidiaries, pursuant to the requirements stipulated and announced by the Capital Market Commission. The Company discloses information about the Directors and executives' interests in the annual report (Form 52-6) and the annual registration statement (Form 56-1).

Section 5 – Responsibilities of the Board

The Board of Directors realizes their responsibilities and roles in determining the direction of the Company's business operation to be in accordance with laws, objectives, the Articles of Association, and shareholders' resolutions. Including, regulating the policies, vision, mission, and strategic plans every five years and reviewing them annually to make them suitable for the changes in business environment; as well as monitoring the management to efficiently and effectively conduct the business in accordance with the established policies under the Good Corporate Governance principle for the utmost benefits of the Company, adding the economic value and the highest wealth to shareholders

The Board has performed its duties in accordance with the Stock Exchange of Thailand's best practices as follows:

Board Structure

The Company's Board of Directors consists of qualified persons with knowledge, abilities, skills and experiences which useful to the Company. As at December 31, 2020, the existing Board of Directors consists of seven directors comprise of four executive directors and three independent directors. The Chairman of the Board is an independent director according to the definition regulated by the Stock Exchange of Thailand, has no relationship with the executives, and is a different person from the President in order to completely separate their responsibilities as well as a balance the operating power.

Names and positions of the members of the Board of Directors are as follows:

Name	Position
1. Mr. Prasertphand Pipatanakul	Independent Director (Chairman)
2. Mr. Apichart Dharmasaroja	Independent Director
3. Mr. Nattaphorn Bhromsuthi	Independent Director
4. Mr. Mongkol Peerasantikul	Director
5. Mr. Polpat Karnasuta	Director
6. Mr. Sook Sueyanyongsiri	Director
7. Miss Pakatip Lopandhsri	Director

The Company set a policy on the diversification of the Board's structure whereas the Board shall have a range of diversified structure which comprise of gender, age, educational level, knowledge, professional skill, work experience and expertise. The Company believes that the diversification of the Board's structure is a crucial factor in creating a balance of ideas, work quality and efficient decision making by the Board, which will be useful to the Company's business operation. This practice is also adopted and applied by the Company's subsidiaries and associated companies.

For utmost benefit of the Company to gain the effective dedication of the Directors' time, the Board of Directors established the policy to take a position of Director in other companies as follows:

1. Director can take a position in Nawarat Patanakarn Public Company Limited and its subsidiaries and associated companies.
2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for obtaining an opinion from the Audit Committee prior to proposal for approval by the Board of Directors and the Shareholders respectively, before being appointed to such position.
3. The holding of position of director in any organizations other than specified in clause 1 which when combined must not exceed 5 places and must inform and be approved by the Board of Directors' Meeting before being appointed to such position.

At present, each Director of Nawarat Patanakarn Public Company Limited takes a directorship on the listed companies not exceeding five places in total.

Independence of Director

The Company's Directors have a duty to consider, provide opinions, make decisions, and cast a vote to protect the interests of shareholders. Hence, independence of director is definitely recognized. The Company allows the Independent Directors to access financial and business information adequately in order to freely provide recommendations. The Directors required to maintain the interests of related persons, to attend the meeting regularly and to have a meeting among each other at least twice a year.

The Company defined the qualifications of the Independent Directors in accordance with the requirements prescribed by the Capital Market Supervisory, the Securities and Exchange Commission and the Stock Exchange of Thailand. Including the additional qualifications as defined by the Company, so that the independent directors could protect the interests of all shareholders equally, prevent conflict of interest and freely express their opinions in the meeting.

Roles, duties and responsibilities of the Chairman

1. Call for the meeting of the Board of Directors, being a chairman of the meeting and schedule the meeting agenda with the President.
2. Control the meeting to be effective, in compliance with the Articles of Associations, and support the directors to independently express their opinion.
3. Be a chairman in the Shareholders' Meeting.
4. Support and encourage the directors to perform their duties in a full capacity under the scope, responsibility and the Corporate Governance Policy
5. Supervise the management of the Board of Directors, the Management Committee, and sub-committees to achieve the objectives
6. Have a casting vote in case the meeting of the Board of Directors encounter the equal vote in both sides.

Roles, duties and responsibilities of Directors

The Board of Directors shall perform their duties by concerning integrity, transparency, fairness, and duty of care. The Board's duties and responsibilities are separated into two parts as follows:

1) Define directions, policies and business strategies

- Control and supervise business operation of the Company to strictly adhere to applicable laws, objectives, rules, articles of association and resolutions of the meeting of shareholders, maintain the interests of the Company and its shareholders in accordance with the good corporate governance principles.
- Define vision, mission, direction and strategies of the Company; review such vision and mission regularly at least every five years to ensure that vision and mission are in line with the change of business.
- Supervise the Company's business conduct in compliance with the rules and regulations of the related agencies; disclose information adequately, correctly, completely, transparently and with proper standard to shareholders and all related parties.
- Approve key strategies, policies, financial goals and business plan and monitor compliance with the defined work plans.
- Consider and approve annual budgets for investment and operation as well as the utilization of the Company's resources.
- Ensure that the Company has a suitable compensation system or mechanism for senior executives to induce short term and long term motivation.
- Arrange an Annual General Meeting of Shareholders with in 4 (four) months from the last day of the fiscal year of the Company and arrange an Extraordinary Meeting of Shareholders, if necessary.
- Hold the Board of Directors' monthly meeting.
- Provide consultation, discuss problems in a thorough and extensive manner and discreetly make a decision to the matters according to the meeting agenda.
- Authorize the CEO to operate the Company's business as well as employees to coherence with the business situation.

2) Monitor the operation of the management for balancing by the following ways:

- Disclosure of the Company's information
    - Set up efficient and effective accounting system, financial report, auditing, internal control, and internal audit system.
    - Ensure that the Company having proper systems to communicate with each group of shareholders and stakeholders.
    - Ensure that information disclosed is accurate, clear, transparent, reliable and in line with the high standard.
    - Prepare a balance sheet, cash flow statement and profit and loss statement at the last day of fiscal year of the Company and propose to the Meeting of Shareholders at the Annual General Meeting for consideration and approval. The Board of Directors shall arrange for the auditors to complete the auditing before propose to the Meeting of Shareholders.
    - Arrange a report on important financial and general information in a correct, complete and sufficient manner to shareholders and confirm the verification of information reported.
    - Monitor, supervise and solve problems arising from transactions which may lead to conflict of interest and related transactions.

- Internal control and risk management
  - Establish proper risk management and ensure that the management has effective systems or procedures for risk management.
  - Ensure that the Company has proper internal control, internal audit, financial control system, operation, operating compliance, risk management and risk management control.

Nomination, appointment, dismissal and retirement of Directorss

Nomination and appointment

The Nomination and Remuneration Committee shall propose the nomination of director to the Board of Directors and the Board shall present it to the Shareholders' Meeting for appointment as per the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:

1. Nomination of Independent Directors

The Nomination and Remuneration Committee will nominate directors who are qualified in terms of skills and experiences which are useful to the Company and meet the qualifications of Independent Director according to the requirements stipulated by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other qualifications as stipulated by the Company.

Qualifications of Independent Directors as follows:

- Holding not more than 1 percent of the total paid-up shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners, advisors who regularly receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. being customers, business partners, creditor and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.
- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor have been an auditor of the Company, subsidiary, associated company, or other entity that might have conflict of interest. And not being a major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended not less than three years from the date of appointment.

2. Nomination of Directors

Criteria

The Nomination and Remuneration Committee will nominate and select persons to be appointed as directors to replace those Directors who vacate office, both resignation prior to the end of term and retirement by rotation by considering the proper proportion, number and composition of the Board. The Nomination and Remuneration has systematically determined the criteria of director's nomination as follows:

- Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, the Stock Exchange of Thailand and the Company's regulations.
- Having knowledge, ability and experience in a variety of fields. The Company has defined four necessary skills for director nomination as follows:
    1. Engineering
    2. Accounting, financial and banking
    3. Marketing strategy and competition
    4. Legal skill relating to business
- Having characteristics supporting and promoting the corporate governance to create value to the Company such as
    1. having a leadership competency
    2. having a broad vision
    3. having ethics and morality
    4. having transparent work experience without malfeasance
    5. must not possess any prohibited characteristics pursuant to the law
    6. having an ability to express opinions independently

Nomination Procedures

The Board of Directors set out the procedures for directors' nomination. The Nomination and Remuneration Committee proceeds in accordance with the following procedures:

1. Nominate qualified candidates to fill the vacancy. The Nomination and Remuneration Committee may propose the Board to set up ad hoc committee comprise of the Board or third party to nominate person, or in some cases using director pool of Thai Institute of Directors (IOD) as a tool to seek for candidates to be nominated.
2. Consider qualifications of the candidates. The Company allows shareholders to nominate candidates in advance for electing as directors by the Annual General Meeting of the Shareholders.
3. Propose the nomination to the Board for consideration and appointment (in case of interim vacancy).
4. Propose the nomination to the Board for consideration and approval for submission to the Annual General Meeting of Shareholders for an appointment.

In addition, the Company has implemented Board Skill Matrix to guide the selection of suitable and qualify directors and executives that would be necessary for the Company's current and future operation.

Position/ qualification	Engineer	Financial and accounting	Business Administration and Marketing	Architecture
Chairman / Independent Director	•		•	
Chairman of Audit Committee / Independence Director		•	•	
Independence Director	•			•
Director / Chief Executive Officer			•	
Director / President	•			
Director	•			
Director		•	•	

Pursuant to the Articles of Association, the criteria and procedure for appointment of directors by shareholders are as follows:

1. Each shareholder shall have one vote for each share held.
2. Each shareholder shall exercise all of his/her voting rights that he/she has under clause (1) to elect one or several persons as director (s), but he/she may not allot his/her votes.

Dismissal and retirement of Director

Dismissal of Director

The Meeting of Shareholders may pass a resolution to dismiss any Director from his/her position prior to the expiration of the Director's term, by voting. The number of votes shall not be less than three out of four, considered from the number of shareholders who attended the meeting and having a voting right. In addition, the number of shares counted from the votes shall not be less than a half of the shares held by the attended shareholders who have the right to vote.

Retirement of Director

1. Term expired

   Pursuant to the Articles of Association, in every Annual General Meeting of Shareholders, at least one-third of the Directors shall be vacated. If the number of Directors cannot be divided into a multiple of three, the number of Directors nearest to one-third (1/3) shall be retired. The directors to be retired in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the Director who has held office longest shall be retired.
2. Resignation

   The Charter of the Board determines that a Director who desires to resign from the position shall submit a resignation letter to the Company at least 30 (thirty) days in advance. The resignation shall be effective on the date that the Company received the resignation letter.

Authorities of the Board of Directors

The Board of Directors must perform its duties in compliance with laws, objectives, the Articles of Association, and the resolutions of Shareholders' Meeting with integrity, prudence and in the best interests of shareholders in both short term and long term. As well as, adhering to the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Commission. The authorities of the Board of Directors are as follows:

- The Board of Directors is empowered to appoint a Director as a Chairman and could appoint a Vice Chairman, as it deemed appropriate.
- The Board of Directors is empowered to appoint a Director as a Chief Executive Officer, and could appoint any person to be a Company's Secretary, as it deemed appropriate.
- The Board of Directors has a right to attend trainings or to participate in activities in order to increase their knowledge on concerning work by using the Company's resources.
- The Board of Directors has an authority to consider the endorsement of acquisition or distribution of assets except such transactions required a resolution from the Shareholders' Meeting. However, such endorsement would be complied with the announcements, regulations, and/or requirements related to the Office of Securities and Exchange Commission.
- The Board of Directors has an authority to consider endorsement of related transactions except such transactions required a resolution from the Shareholders' Meeting. However, such endorsement would be complied with the announcements, regulations, and/or requirements related to the Office of Securities and Exchange Commission.
- The Board of Directors has an authority to consider the endorsement for loans or any credit applications from financial institutions or the setting up of the new revolving credit line (O/D) as well as any investment or land procurement, within a budget of more than 200 Million Baht per transaction.

Delegation of authorities by the Board of Directors

The Company defines that the two authorized Directors, by their joint signatories, may authorize other persons to perform the business on behalf of the Company within a certain period. However, the delegation of authority and responsibility of the Board of Directors will not be considered as delegation or sub-delegation which in any manner enables the Board or its attorneys to be able to approve any transactions for themselves or for any potential person having a conflict of interest against the Company and its subsidiaries.

Meeting of the Board of Directors

The Company holds the Board of Directors' Meeting once a month and may convene an extraordinary session, if necessary. The meeting will be prescheduled with an exact date, time and agenda details all year round. The meeting invitations specifying agenda details together with the supporting documents shall be sent to all Directors at least seven days ahead of the meeting to allow them with enough time to prepare before the meeting, except in an urgent case to protect the Company's interest. The Company shall prepare and complete the minute of the Board of Directors' meeting within 14 days from the meeting date. All Directors can check the minute of the meeting anytime by making request to the Company's Secretary. The Company retains the minutes which certified by the Board of Directors along with relevant documents.

The Company defines criteria and quorum for the Meeting of the Board of Directors as follows:

- To form a quorum in the meeting, at least a half of the Directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substitute chairman of the meeting. However, if the vice chairman has been appointed earlier, the vice chairman shall substitute the Chairman in that meeting.
- The resolution of the meeting will take into account the majority of votes, each Director has one vote, except Director with vested interest in any agenda must abstain from voting on that item. If the number of votes is equal, the Chairman will cast the decisive vote.
- To call for the meeting, the Chairman or the assigned persons shall send the meeting invitations to all Directors at least seven days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given by other means and the meeting can be convened earlier.

In 2020, the Company held a total of 13 Board of Director's meetings and the summary of Directors' attendance is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	13	13	100
2. Mr. Apichart Dharmasaroja	13	13	100
3. Mr. Nattaphorn Bhromsuthi	13	12	92
4. Mr. Polpat Karnasuta	13	13	100
5. Miss Pakatip Lopandhsri	13	13	100
6. Mr. Sook Sueyanyongsiri	13	13	100
7. Mr. Mongkol Peerasantikul	13	13	100

Furthermore, the Board of Directors' Meeting No. 12/2020 held on November 10, 2020 has considered the amendment of Committee Charter to align with the good corporate governance regarding the Meeting of Independent Directors, report of Directors and executives' securities trading and performance evaluation of individual Board member.

The Company has arranged Independence Directors' Meeting No. 1/2020 on Tuesday, December 15, 2020, without any management personnel in such meeting, to consider the Company's operating result and discuss on management matters as well as any related topics.

Sub - Committees

1. The Audit Committee

The Board of Directors has appointed the Audit Committee which comprises of Directors who have the qualifications as required by the Securities and Exchange Law. The Audit Committee consists of 3 Independent Directors, namely:

Name	Position in the Audit Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Commit-tee	Independent Director
2. Mr. Prasertphand Pipatanakul	Committee	Independent Director
3. Mr. Nattaphorn Bhormsuthi	Committee	Independent Director

Duties and Responsibilities of the Audit Committee

- Ensure the accuracy and sufficiency of information disclosure, including a reliability of the financial statements report in accordance with general accounting standard.
- Ensure that the Company has duly complied with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other regulations and laws related to the Company's businesses.
- Consider, select and nominate an independent person to be the Company's auditor and propose such person's remuneration. In addition, propose to remove the Company's auditors in case the auditors cannot perform their duties or perform duties improperly, including attend non-management meeting with the auditors at least once a year.
- Ensure that the Company has an internal control and internal audit system which are sufficient, appropriate and effective. Including, determine an independency of the internal audit unit as well as approve the appointment, transfer or dismissal of the head of the internal audit office or related parties.
- Review the related transactions or any transactions that may lead to conflicts of interests to make sure that they are in compliance with the laws and regulations stipulated by the Stock Exchange of Thailand, reasonable and for the highest benefit of the Company.
- Ensure that the Company has sufficient, appropriate and effective risk management system.
- Review and give comment on an internal audit plan and performance of the internal audit office.
- Prepare the Audit Committee's annual performance report, which shall be signed by the Chairman of the Audit Committee, consists of at least the following information:
    a) opinion on an accuracy, completeness and credibility of the Company's financial report;
    b) opinion on an adequacy of the Company's internal control system;
    c) opinion on a compliance with the Securities and Exchanges laws, the Stock of Thailand regulations or the laws relating to the Company's business;
    d) opinion on a suitability of the external auditors;
    e) opinion on transactions which may lead to conflicts of interest;
    f) number of the Audit Committee's meeting and attendance of each committee member in such meeting;

g) opinion or overview of comments received by the Audit Committee from its performance due to the duties in accordance with the charter; and

h) other transactions which, according to the Audit Committee's opinion, should be known by the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.

- Request or invite the management, executives or relevant parties to give statements or useful information, join meeting or deliver documents as deemed relevant and necessary.
- Review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities, propose any required amendments if necessary.
- Oversee that there is an effective whistle blowing system in place so that the whistleblower, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing as well as a non-compliance to any laws, regulations, business code of conduct or to any corporate governance policies, has a confidence that the Company has an appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.
- Execute other duties as assigned by the Board of Directors.

The Audit Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. However, the re-appointment shall be in accordance with the Audit Committee Charter.
The Audit Committee must hold meetings at least 4 times per year, together with the external auditors, the internal auditor, the executives, and the executives who responsible for accounting and finance in order to review the financial statements and report to the Board of Directors. In 2020, the Audit Committee convened a total of 12 meetings and had meetings with the external auditors in every quarter. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	12	12	100
2. Mr. Prasertphand Pipatanakul	12	12	100
3. Mr. Nattaphorn Bhormsuthi	12	12	100

Furthermore, the Board of Directors' Meeting No. 12/2020 held on November 10, 2020 has considered the amendment of Audit Committee Charter to align with the good corporate governance regarding the removal of auditors who cannot perform their duties or perform duties improperly.

2. The Corporate Governance Committee

The Corporate Governance Committee consists of 7 Directors from the Board and 3 of which are Independent Directors, namely:

Name	Position in the Corporate Governance Committee	Position in the Board
1. Mr. Prasertphand Pipatanakul	Chairman of the Commit-tee	Independent Director
2. Mr. Apichart Dharmasaroja	Committee	Independent Director
3. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director
4. Mr. Polpat Karnasuta	Committee	Director
5. Mr. Sook Sueyanyongsiri	Committee	Director
6. Mr. Mongkol Peerasantikul	Committee	Director
7. Miss Pakatip Lopandhsri	Committee	Director

Duties and responsibilities of the Corporate Governance Committee

- Establish the Corporate Governance Policy under current legal framework, the cabinet's resolutions, principles, rules and regulations stipulated by the governing organizations such as the Stock Exchange of Thailand, the Securities and Exchange Commission and relevant agencies as well as international standards of corporate governance. Propose the drafted policy to the Board of Directors for approval and announce the approved policy to be used as the best practice of the Directors, the executives and employees at all levels.
- Oversee and give advice to the Directors, the executives and employees of the Company on how to perform their duties and fulfill their responsibilities in accordance with frameworks and criteria of the Corporate Governance Policy.
- Set a guideline for reporting the corporate governance compliance in the Company's annual report.
- Consider and approve the announcement of the Company's corporate governance issues to public as well as amend a circulation of corporate governance information on the Company's website.
- Consider, review and revise the corporate governance policy continually at least once a year to keep the Company's Corporate Governance Policy up-to-date and well-adjusted to the international standards.
- Review the Corporate Governance Charter to be up-to-date and well-adjusted to the international standards.
- Execute other duties as assigned by the Board of Directors.

The Corporate Governance Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. However, the re-appointment shall be in compliance with the Charter of the Corporate Governance Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.
The Corporate Governance Committee must hold meetings at least twice a year. In 2020, the Corporate Governance Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	2	2	100
2. Mr. Apichart Dharmasaroja	2	2	100
3. Mr. Nattaphorn Bhromsuthi	2	2	100
4. Mr. Polpat Karnasuta	2	2	100
5. Mr. Sook Sueyanyongsiri	2	2	100
6. Mr. Mongkol Peerasantikul	2	2	100
7. Miss Pakatip Lopandhsri	2	2	100

3. The Business Code of Conduct Committee

The Business Code of Conduct Committee consists of 5 Directors of the Board and at least half of the total members must be Independent Directors, namely:

Name	Position in the Business Code of Conduct Committee	Position in the Board
1. Mr. Prasertphand Pipatanakul	Chairman of the Committee	Independent Director
2. Mr. Apichart Dharmasaroja	Committee	Independent Director
3. Mr. Sook Sueyanyongsiri	Committee	Director
4. Miss Pakatip Lopandhsri	Committee	Director
5. Mr. Nicolino Pasquini	Committee	-

Duties and responsibilities of the Business Code of Conduct Committee

- Consider, define and approve the Business Code of Conduct, the Anti-Corruption Policy and the Code of Ethics to be used as the practical guideline for the Directors, the executives and employees towards shareholders, communities and society, and propose to the Board of Directors for approval.
- Consider and review the Business Code of Conduct and the Anti–Corruption Policy to be efficient and appropriate for the situation.
- Oversee, supervise and monitor to ensure a compliance of the Business Code of Conduct, the Anti–Corruption Policy and the Code of Ethics have been strictly and continuously followed by all units in the Company.
- Execute other duties as assigned by the Board of Directors.

The Business Code of Conduct Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Business Code of Conduct Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

The Business Code of Conduct Committee must hold meetings at least twice a year. In 2020, the Business Code of Conduct Committee convened a total of 1 meeting and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	1	1	100
2. Mr. Apichart Dharmasaroja	1	1	100
3. Mr. Sook Sueyanyongsiri	1	1	100
4. Miss Pakatip Lopandhsri	1	1	100
5. Mr. Nicolino Pasquini	1	1	100

4. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 4 directors and at least a half of them must be Independent Directors, namely:

Name	Position in the Nomination and Remuneration Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Commit-tee	Independent Director
2. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director
3. Mr. Polpat Karnasuta	Committee	Director
4. Miss Pakatip Lopandhsri	Committee	Director

Duties and responsibilities of the Nomination and Remuneration Committee

- Consider the appropriate structure, size and composition of the Board of Directors to suit the organization and the change of situation.
- Ensure that the structure of Board of Directors comprises of ethical and honest experts who are knowledgeable, experienced and skillful in diverse fields relevant to the business. Furthermore, a selection of directors shall be done without discrimination of gender, race, religion, age, professional skill, or other qualifications.
- Consider the criteria for selecting Directors, as well as select and nominate qualified persons to be considered by the Board of Directors before further submission to the Meeting of Shareholders for appointment as Directors.
- Consider qualifications of the Independent Directors to be in line with the criteria defined by the Securities and Exchange Commission and by the Company.
- Allow minority shareholders, with an appropriate time prior to the meeting of shareholders, the opportunity to propose qualified persons for Directors' selection.
- Set criteria for selecting CEO/ President.
- Select and nominate qualified persons to be considered by the Board of Directors for appointment as CEO/ President.
- Formulate succession plans for Chairman of the Board, CEO/ President and senior executive positions and submit to the Board of Directors for consideration.
- Consider compensation method and standard for directors, members of the sub-committees (except for the Nomination and Remuneration Committee itself) as well as for the CEO and President, so that they are equitable and appropriately corresponds to the respective assigned duties, responsibilities, achievement of their perfor-

mance in terms of the Company's profits, and current business environment. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and take into account the increase of value to the shareholders equity in the long term.

- Consider the compensation for Directors and sub-committees in order to propose it to the Board of Directors for endorsement and further propose for the approval of the Meeting of Shareholders.
- Define goals and evaluate the performance of the CEO/President to determine reasonable compensation.
- Consider knowledge development plans and training programs for existing and newly appointed directors to be suitable and in line with roles and responsibilities of their position and their role as the Board of Directors as well as other development which is critical to the business operations of the Company.
- The Nomination and Remuneration Committee has a right to attend trainings or to participate in activities to enhance knowledge and expertise by using resource of the Company.
- Invite executives or any related persons to attend the meeting in order to provide relevant information.
- Execute other duties as assigned by the Board of Directors.

The Nomination and Remuneration Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Nomination and Remuneration Committee approved by the Board of Directors' Meeting No. 9/2015 on September17, 2015.
In 2020, the Nomination and Remuneration Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member was as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	2	2	100
2. Mr. Nattaphorn Bhromsuthi	2	2	100
3. Mr. Polpat Karnasuta	2	2	100
4. Miss Pakatip Lopandhsri	2	2	100

5. The Executive Committee

The Executive Committee consists of 8 members who hold, at least, the position of Senior Vice President, namely:

Name	Position in the Executive Committee	Position in the Board
1. Mr. Polpat Karnasuta	Chairman of Executive Com-mittee	Director
2. Mr. Mongkol Peerasanti-kul	President	Director
3. Miss Pakatip Lopandhsri	Committee	Director
4. Mr. Somchai Woonpresert	Committee	-
5. Mr. Nivate Lenghong	Committee	-
6. Mr. Apathorn Karnasuta	Committee	-
7. Mr. Pasan Swasdiburi	Committee	-
8. Mr. Nicolino Pasquini	Committee	-

Duties and responsibilities of the Executive Committee

- Formulate the Company's business strategies, business operation plan and the operating results of the Company to be the most effective and efficient.
- Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
- Review and endorse annual budgets and large scale of investment projects of the Company before submitting to the Board of Directors for approval.
- Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment and compensation of executives and employees.
- Provide advice to the Board of Directors for making decisions on important issues and execute other duties as assigned by the Board of Directors.
- Act as a Company's representative and execute other duties on behalf of the Company with outsider.
- The Executive Committee has the authority to consider the expenditures on investments within the amount of 200 Million Baht per transaction.

Duties and responsibilities of the Chairman of Executive Committee

- Manage and operate the Company's business in accordance with the policies and authorities defined by the Board of Directors.
- Set up business targets, either long or short term, on the annual business plan including expenses budgets and long-term strategic plan and submit to the Board of Directors for approval; also report progress of the approved plan and budgets to the Board every 3 months.
- Manage work operation through the chain of command to achieve the objectives set on the Business plan by creating competitive competency and providing proper returns to shareholders.
- Allocate resources and recruit potential work force, then utilize them for the utmost benefit.
- Assign, appoint, remove, transfer, change the staff or employees' position; reduce or cuts salary or wages; conduct disciplinary punishment; and dismiss employees according to the Human Resources Management regulations.
- Promote and build up strong corporate culture to support the vision and the business growth.
- Closely monitor the Company's business operation, evaluate operating results and report matter undertaken by the management to the Board of Directors in a timely manner.
- Consider and screen the Company's policies, business directions and undertaken matters that may affect the Company's business and matters relating to applicable laws and regulations of the Stock Exchange of Thailand; and present to the Board of Directors for approval.
- Prepare the documents detailing the operating authority for decentralization to employees in order to enable them to perform their duties efficiently and flexibly without losing control and submit to the Board of Directors for approval.
- Prepare report of financial status and financial statements, submit them to the Board of Directors for consideration and approval quarterly.
- Has an authority to approve any procurement in an amount which exceeding 500,000 Baht per transaction.

The Executive Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Executive Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

6. The Risk Management Committee

Name	Position in the Risk Management Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director
3. Mr. Sook Sueyanyongsiri	Committee	Director
4. Mr. Mongkol Peerasantikul	Committee	Director
5. Miss Pakatip Lopandhsri	Committee	Director
6. Mr. Visut Suwanwitwaj	Committee	-
7. Mr. Warawut Nakpairat	Committee	-

Duties and responsibilities of the Risk Management Committee

- Define, review and approve Risk Management Policy and risk management masterplan. Set and regulate the Company's risk management system as well as consider and review risk management plans to be efficient and appropriate for each situation.
- Evaluate, monitor and oversee risks to ensure that they are at appropriate levels.
- Oversee, supervise and monitor to ensure that all departments within the Company continuously comply with the Risk Management Policy.
- Consider and approve budgets and expenses for operation regarding risk management and monitor sufficiency of resource to be used for risk management.
- Monitor risks status of the Company and report to the Board of Directors and the Audit Committee.
- Form working team as deemed appropriate.
- Execute other duties as assigned by the Board of Directors.

The Risk Management Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Risk Management Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.
In 2020, the Risk Management Committee convened a total of 3 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	3	3	100
2. Mr. Nattaphorn Bhromsuthi	3	3	100
3. Mr. Sook Sueyanyongsiri	3	3	100
4. Mr. Mongkol Peerasantikul	3	3	100
5. Mr. Visut Suwanwitwaj	3	3	100
6. Miss Pakatip Lopandhsri	3	3	100
7. Mr. Warawut Nakpairat	3	3	100

7. The Corporate Social and Environmental Responsibility Committee

The Corporate Social and Environmental Responsibility Committee consists of 6 members, namely:

Name	Position in the Corporate Social and Environmental Responsibility Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Commit-tee	Independent Director
2. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director
3. Mr. Sook Sueyanyongsiri	Committee	Director
4. Mr. Somchai Woonpresert	Committee	-
5. Mr. Mitporn Tansrisuk	Committee	-
6. Mr. Kridchai Suthiluck	Committee	-

Duties and responsibilities of the Corporate Social and Environmental Responsibility Committee

- Set out the Company's Corporate Social Responsibility (CSR) Policy framework and activity plan, propose to the Board of Directors for approval. The Committee may invite the executives, employees or concerned persons to give opinions, join meeting or submit relevant information.
- Appoint working team to perform corporate social responsibility (CSR) activities as deemed appropriate; monitor its performance by assigning to prepare performance report on CSR activities and present to the Corporate Social and Environmental Responsibility Committee.
- Review performance outcome of CSR activities and report to the Board of Directors.
- Monitor and report the current and emerging sustainable development, CSR issues and trend to the Board of Directors.
- Review and approve disclosure of corporate social responsibility report in the Company's annual report.
- Consider and approve budget and expenses for exercising CSR activities.
- Execute other duties as assigned by the Board of Directors.

The Corporate Social and Environmental Responsibility Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Corporate Social and Environmental Responsibility Committee approved by the Board of Directors' Meeting

No. 9/2015 on September 17, 2015.

In 2020, the Corporate Social and Environmental Responsibility Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	2	2	100
2. Mr. Nattaphorn Bhromsuthi	2	2	100
3. Mr. Sook Sueyanyongsiri	2	2	100
4. Mr. Somchai Woonpresert	2	2	100
5. Mr. Mitporn Tansrisuk	2	2	100
6. Mr. Kridchai Suthiluck	2	2	100

Succession Plan

The Board of Directors sets out the succession plan for the positions of Chairman of the Executive Committee and President by assigning the Nomination and Remuneration Committee to prepare the succession plan and propose to the Board of Directors for consideration.

For senior executives, the Human Resource Department shall prepare the succession plan and propose to the Executive Committee, with CEO as Chairman, for consideration.

The designated person in the succession plan shall possess suitable qualifications as prescribed by the Company, as well as other qualities such as having business vision, knowledge, proficiency and experience, that well suit the Company's corporate culture.

Orientation for New Director

The Company recognizes the importance of the duty of Directors and has therefore defined a practical guideline on preparation for Directors' performance. To enable new Directors to perceive the Company's expectations of their roles, duties and responsibilities, including the Company's policies, business and corporate governance practices. The guideline will enable them to understand about the Company's business and operation, as well as to visit the business units in order to be prepared to perform their duty promptly, the guideline has details as follows:

1. Coordinate in providing the Company's details to new Directors.
2. Provide "Directors Guidebook" to new Directors, the guidebook contains the Company's information and relevant crucial laws. The guidebook consists of Articles of Association of the Company, objectives of the Company, affidavit of the Company, Public Company Limited Act, Securities and Exchange Act, guidebook for Directors of a listed company, Charter of the Board of Directors and the sub–committees, Business Code of Conduct, Good Corporate Governance Policy Handbook and the other policies of the Company.
3. Arrange meetings with the Chairman, Board of Directors, sub-committees and executives to make them informed of the Company's business operation. The presentation should present a whole picture and in details under the topics namely, the Company's history, vision, mission, strategies, management structure, operating data and business activities.

Performance evaluation of the Board of Directors, individual Board member and the sub-committees

In 2020, the Company organized a performance evaluation of the Board of Directors, individual Board member and the sub-committees, collectively at least once a year, in order to use the evaluation results as a framework to verify the Board of Directors' performance during the year. To consider whether the performance is complete and appropriate according to the scope of authorities and in accordance with the good corporate governance principle.

Performance evaluation of the Board of Directors

Criteria

The performance evaluation of the Board of Directors was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of Directors' performance and related duties. The evaluation form divided into 6 items which consists of

1) Structure and qualifications of the Board of Directors
2) Role, duties and responsibilities of the Board of Directors
3) The Board of Directors' Meetings and Directors' performance
4) Directors' performance
5) Relationship with the management
6) Director's self- improvement and executive development

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the follow meanings:

0 = Absolutely disagree or no action was taken on that matter
1 = Disagree or few actions were taken on that matter
2 = Agree or fair actions were taken on that matter
3 = Rather agree or adequate actions were taken on that matter
4 = Absolutely agree or excellent actions were on that matter

Then all the scores will be evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90% = Excellent
Equivalent or over	80% = Very Good
Equivalent or over	70% = Good
Equivalent or over	60% = Average
Below	60% = Improvement needed

Procedures

The secretary to the Nomination and Remuneration Committee will deliver the evaluation form to each Director at the end of each year. After each Director completed the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting, in order to set a measure to further improve the efficiency of the Board of Directors' performance.

Performance evaluation of individual Board member

Criteria

The performance evaluation of individual Board member was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of Directors' performance and related duties. The evaluation form divided into 3 items which consists of

1) Structure and qualifications of the Board of Directors
2) The Board of Directors' Meeting
3) Role, duties and responsibilities of the Board of Directors

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the follow meanings:

0 = Absolutely disagree or no action was taken on that matter

1 = Disagree or few actions were taken on that matter

2 = Agree or fair actions were taken on that matter

3 = Rather agree or adequate actions were taken on that matter

4 = Absolutely agree or excellent actions were taken on that matter

Then all the scores are evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90% = Excellent
Equivalent or over	80% = Very Good
Equivalent or over	70% = Good
Equivalent or over	60% = Average
Below	60% = Improvement needed

Procedures

The secretary to the Nomination and Remuneration Committee will deliver the self-evaluation form to each Director at the end of each year. After each Director completed the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting, in order to set a measure to further improve the efficiency of the Board of Directors' performance.

Performance evaluation of the sub-committees

The Audit Committee shall conduct self-evaluation at least once a year in order to improve its performance on supporting the Board of Directors' and the Company's business operation.

Criteria

The performance evaluation of the sub-committees was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the sub-committees. The results are key factors for the enhancement of sub-committees' performance and related duties. The evaluation form divided into 3 items which consists of

1) Structure and qualifications of the sub-committees
2) Roles, duties and responsibilities of the sub-committees
3) The sub-committees' meeting and its performance

Rating shall be identified by each member's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the follow meanings:

0 = Absolutely disagree or no action was taken on that matter

1 = Disagree or few actions were taken on that matter

2 = Agree or fair actions were taken on that matter

3 = Rather agree or adequate actions were taken on that matter

4 = Absolutely agree or excellent actions were taken on that matter

Then all the scores are evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90% = Excellent
Equivalent or over	80% = Very Good
Equivalent or over	70% = Good
Equivalent or over	60% = Average
Below	60% = Improvement needed

Procedures

The secretary to the Nomination and Remuneration Committee will deliver the evaluation form to each sub-committees' member at the end of the year. After each member completed the evaluation, the evaluation form shall be returned to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting in order to set a measure to further improve the efficiency of each sub-committee.

In 2020, the Board of Directors determined to make the performance evaluation of the Board of Directors, individual of Board member and one of the sub-committees, which is the Audit Committee. The summarized of evaluation results are as follows:

1. Evaluation result of the Board of Directors' performance

   The evaluation result of the Board of Directors' performance consists of 6 areas as follows; structure and qualifications the Board of Directors/ roles, duties and responsibilities of the Board of Directors/ the Board of Directors' meeting/ Directors' performance/ relationship with the management/ Director's self- improvement and executive development.

   In 2020, the average of evaluation result is ranked in a very good rating or equivalent to 84.27 percent.

2. Evaluation result of the individual Board member's performance

   The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Board of Directors /the Board of Directors' meeting / role, duties and responsibilities of the Board of Directors.

   In 2020, the average of evaluation result is ranked in a very good rating or equivalent to 83.45 percent.

3. Evaluation result of the Audit Committee's performance

   The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Audit Committee/the Audit Committee's meeting/ roles, duties and responsibilities of the Audit Committee.

   In 2020, the average of evaluation result is ranked in a good rating or equivalent to 79.91 percent.

Performance evaluation of the CEO and President

For evaluation of the CEO and President's performance, who are senior executives, the Company has required other Directors excluding the Directors who hold the positions of CEO and President, to conduct the evaluation and submit the results to the Nomination and Remuneration Committee to consider the remuneration in terms of money and propose to the Board of Directors for approval. The performance assessment of the CEO and President must be held once a year by using the assessment criteria and procedures as follows:

Criteria

The evaluation form of the CEO and President is separated into two key components based on the SET's evaluation approach as follows:

Component 1 Evaluation of 10 following aspects of CEO and President's performance:

1) Leadership skill
2) Strategic planning skill
3) Adherence to the strategic plan
4) Financial planning and financial outcome
5) Relationship with the Board of Directors
6) Relationship with external parties
7) Management and relationship with employees
8) Succession plan
9) Products and services knowledge
10) Personal qualifications

Component 2 CEO and President's Development should consist of development on the strengths including other aspects that should be further developed, the Board of Directors shall provide additional opinions in relation to the aspects.

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0– 4 only 1 slot in the evaluation form with the follow meanings:

0 = Absolutely disagree or no action was taken on that matter
1 = Disagree or few actions were taken on that matter
2 = Agree or fair actions were taken on that matter
3 = Rather agree or adequate actions were taken on that matter
4 = Absolutely agree or excellent actions were taken on that matter

Then all the scores are evaluated by mean of percentage calculation from full score. The criteria of scores are as follows:

Equivalent or over	90% = Excellent
Equivalent or over	80% = Very Good
Equivalent or over	70% = Good
Equivalent or over	60% = Average
Below	60% = Improvement needed

Evaluation result of CEO and President's performance

The evaluation result of CEO's performance consists of 2 key components based on the SET's evaluation approach as follows; performance evaluation/ strength enhancement and area for development. In 2020, the average of evaluation result is ranked in a very good rating or equivalent to 84.91 percent.

The evaluation result of President's performance consists of 2 key components based on the SET's evaluation approach as follows; performance evaluation/ strength enhancement and area for development. In 2020, the average of evaluation result is ranked in a very good rating or equivalent to 85.04 percent.

Procedures

The CEO and President shall involve in determining the targets for their own performance and acknowledging the approved target in each year. Afterwards, at the end of each year, the secretary to the Nomination and Remuneration Committee will distribute a CEO and President's evaluation form to all Directors for evaluation. The results acquired from the evaluation will be used for the CEO and President's further career development. The secretary to the Nomination and Remuneration Committee will collect all information, prepare summary report and submit to the Nomination and Remuneration Committee and the Board of Directors for consideration of the CEO and President's compensation respectively.

Remuneration of Directors

The Company has established a clear and transparent policy on remuneration for Directors and sub-committees, their duties also take into an account on policy establishment. The Nomination and Remuneration Committee shall consider and scrutinize remuneration of the Directors and the sub–committees by taking into account a fairness and appropriateness, including consideration of the same nature of business before presenting to the Board of Directors. The Board of Directors shall approve the remuneration of the sub-committees and the shareholders shall approve the remuneration of the Board of Directors.

In 2020, the Board of Directors considered and reviewed the remuneration for the Directors and the sub-committees and presented to the Annual General Meeting of Shareholders on May 14, 2020 for consideration and approval of the remunerations of Directors and the sub-committees for the year 2020. The remuneration structure is as follows:

Position	Amount (Baht/person/year)
Chairman of the Board	624,000
Directors	408,000
Chairman of Audit Committee	130,000
Audit Committee members	229,200

In 2020, the Company paid remunerations to the Directors and the sub-committees as follows:

Name of Director	The Board of Directors			The Audit Committee			
	Position	Remuneration per month (Baht)	Number of months	Position	Remuneration per month (Baht)	Number of months	Amount paid in Year 2020 (Baht)
1. Mr. Prasertphand Pipatanakul	Chairman	52,000.00	12	Member	19,100.00	12	853,200.00
2. Mr. Apichart Dharmasaroja	Director	34,000.00	12	*Chairman Member	26,600.00 19,100.00	5 7	674,700.00
3. Mr. Nattaphorn Bhromsuthi	Director	34,000.00	12	Member	19,100.00	5	503,500.00
4. Mr. Polpat Karnasuta	Director	34,000.00	12				408,000.00
5. Mr. Sook Sueyanyongsiri	Director	34,000.00	12				408,000.00
6. Miss Pakatip Lopandhsri	Director	34,000.00	12				408,000.00
7. Mr. Mongkol Peerasantikul	Director	34,000.00	12				408,000.00
Total							3,663,400.00

Remark: Apart from the monthly remunerations, the Company does not provide the Directors with any other benefits.

Remuneration of President

The Company has established a policy on remuneration for President. The Board of Directors without the Director who holds the President position, shall evaluate President's performance at least once a year and report the evaluation result to the Nomination and Remuneration Committee to consider the appropriate remuneration for President, which consistence with President's performance. The Nomination and Remuneration Committee shall propose to the Board of Directors for further approval. The proposal shall consist of salary, bonus, social security, provident fund and the Company's contribution.

Development and knowledge accumulation for directors and executives

The Board of Directors seriously supports and encourages the knowledge development of all Directors and executives and has a policy on promoting all Directors, executives and the Company's Secretary including all employees who support the works of the Directors and the Company's Secretary to attend seminars and training courses.

In 2020, the outbreak of novel Coronavirus (COVID19) has limited Directors and executives to attend training sessions and seminars as restrictions raised from safety measure. However, the Board of Director has strived to continue supporting Directors and executives to attend various training sessions and seminars in order to enhance their management skill and knowledge. Therefore, Directors and executives have attended in Management Science Course for Executives and Independent Director Forum 2020.

Appointment of Company's Secretary

The Company's Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in compliance with laws, rules, regulations, and corporate governance principles. The Board of Directors shall appoint a qualified person to perform this position based on his/her knowledge, ability and suitability and defined the roles and responsibilities of the Company's Secretary as follows:

- Prepare and file documents concerning the list of Directors, the Company's annual report, invitation letters for Directors' meeting, minute of the Board of Directors' meeting, invitation letters for Shareholders' Meeting and minutes of Shareholders' Meeting.
- File a report of vested interests of the Directors or executives.
- Send the copy of report of vested interests of the Directors and executives or related person to the Chairman of the Audit Committee within 7 days after receiving of the report.
- Arrange the Meeting of the Board of Directors and of the Shareholders under related rules, regulations and laws.
- Provide advice for the operation of the Company and of the Board under the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act and other related laws.
- Act as a focal point for exchanging of news and information among Directors, executives, and shareholders.
- Coordinate and follow up operation under the resolutions of Directors and shareholders.
- Oversee the disclosure of information and reports under relevant responsibilities to the monitoring agency as specified by the rules and regulations of the Government agency.
- Perform other duties as announced by the Capital Market Supervisory Board or as assigned by the Board of Directors.

In addition, the Company's Secretary also required accounting and legal knowledge in order to be qualified for this position. The Board of Directors has supported the Company's Secretary to attend various training sessions in accordance with their performance.

Currently, the Company's Secretary is Miss Pakatip Lopandhsri.

Prole of Company Secretary

Miss Pakatip Lopandhsri.

Age: 64 Years

Date of Appointment: January 1, 2017

Percentage of shareholding: 109,177 shares

Education:

- Master of Business Administration from Saint Louis University, U.S.A.
- Bachelor of Accounting, Faculty of Commerce and Accountancy Chulalongkorn University
- DCP Program 2016
- Mini MBA/2012
- Fundamental Practice for Corporate Secretary (FPCS26)/2012
- Advance for Corporate Secretaries No. 1/2016

Experience:

- Director, Vice President of Accounting and Finance Department, General Management

Internal Control and Risk Management

The Board of Directors recognizes the importance to an internal control of all work processes and determines the internal control to be line with the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which consists of the following 5 components:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The operation of an internal control divided duties of each department and each position, decentralization by clearly and suitably defined authorities of executives and employees in order to counterbalance the protection of shareholders' capitals and the Company's assets. The internal control system of the Company covers report of financial statement and non-financial, policy and personnel management, protection on the high-rick assets, control of information system, including monitoring and evaluation during the operation. The evaluation will be continuously made on a regular basis.

Moreover, the Company applies ISO 9001:2015 as a tool to establish practice handbook, regulations, rules, create internal control system and communicate internally with the employees of the Company for implementation.

Internal Audit

The Board of Directors assigned the Audit Committee which comprises of Independent Director who shall examine outcome of the internal control assessment to ensure efficiency, effectiveness, sufficiency, suitability and applicable for business. Including maintain assets and efficient usage of resources in order to prevent damage or fraud which may occurred.

The Audit Committee will appoint the Head of Internal Audit Department by selecting qualified person, who are able to efficiently evaluate the internal control system and work performance and provide recommendation for improvement.

Prole of General Manager of Internal Audit Department

Mr. Warawut Nakpairat

Age: 47 years

Number of shares held: None

Education:

- Master of Business Administration (Accounting), Thai Chamber of Commerce University
- Bachelor of Accounting, Thai Chamber of Commerce University

Experiences:

- 2015 – Present: General Manager, Internal Audit at Nawarat Patanakarn Public Company Limited
- 2013 – 2015: Senior Section Manager, Internal Audit at Nawarat Patanakarn Public Company Limited
- 2006 – 2013: Section Manager, Internal Audit at Nawarat Patanakarn Public Company Limited
- 2004 – 2006: Assistant Manager, Internal Audit at Nawarat Patanakarn Public Company Limited
- 2002 – 2004: Internal Audit Officer at Siam Pharmaceutical Co., Ltd.
- 1998 – 2002: Head of Performance Monitoring at Government Permanent Employee Registered Provident Fund.
- 1995 – 1998: Assistance to the Head of Internal Audit at Siam Cement Public Company Limited

Internal Audit Training:

- Certified Professional Internal Auditors of Thailand (CPIAT)
- Internal Auditing Certificate Program (IACP)
- ISO9001:2008 Series Auditor / Lead Auditor BUREAU VERITAS Certification
- ISO 9001:2015 Internal Auditor BUREAU VERITAS Certification
- Advanced Risk Management, Thailand Federation of Accounting Professions (TFAC)

Compliance

The Company recognizes the importance of compliance which is a key mechanism to improve correctness and prudence of every operational procedures and steps, enhance the Company to operates in accordance with strategic plan, and achieve the goals. The Board of Directors, therefore, assigns the Internal Audit Department and the Quality System Department to supervise and monitor the compliance with the relevant laws and regulations.

In 2020, the Company aims to operate business in accordance with a good corporate governance, including operating the business with accuracy and efficiency. Therefore, the Board of Directors No. 12/2020 held on November 10, 2020, has approved the appointment of Miss Pakatip Lopandhsri to be the Head of Compliance Unit with the following duties; coaching, monitoring Directors, executives, and employee to comply with the laws, regulations, policies, announcements and related restrictions, including communicate related information to employees through email.

Risk Management

The Company recognized the importance of risk management which is a key mechanism and management tool in making an organization achieve its goals and objectives, reduce loss, increase competitiveness and it is the key element of the corporate governance. The Board of Directors, therefore, sets up the system of Risk Management Policy, details as defined below:

1. Risk management is a part of organizational culture. Every employee is required to learn, understand, realize its importance and constantly adopt it with effectiveness and efficiency.
2. Risk management is an important operation of the Company. It must cover all aspects of mission and must be in the same standard throughout the Company.
3. Risks which may affect the achievement of the Company's objectives must be managed in a timely manner.

The Company communicated the Risk Management Policy to all executives and employees via e-mail and the Company's website.

For the risk at the corporate level, the Risk Management Committee has been set up. The committee consists of the Directors, as appointed by the Meeting of the Board of Directors, Independent Directors, and related executive. The committee shall supervise and support the effective implementation of the Risk Management Policy by coordinate with the enterprise risk plan working group, who shall review and follow up on the risk management of the Company. The committee will review the risk factor, annual corporate risk management plan, the tracking index indicators on the Corporate Risk Key (KRI) every quarter and further propose to the Board of Directors' Meeting and the Annual Strategy Meeting in order to acknowledge the level of risk that affecting the Company.

For the operation risk, the Company has applied ISO 9001:2015 as a tool to provide the manual for the risk management system for all work units to understand the principles and procedures. And to use it as a guideline for risk management by applying the international risk management standard of COSO Enterprise Risk Management, which covers the organization's risks namely strategic risk, operation risk, financial risk and compliance risk. The Company also required all working units

to identify and assess risks associated with their operations, including required them to review and improve risk issues when there are changes of situation or environment. In order to evaluate opportunities and impacts on operations, prioritize risks and develop risk management plan under systematical controlling and monitoring, and report to the meeting of the Risk Management Committee.

In 2020, the Company conducted the risk management as follows:

- Set up the corporate risk management plan.
- Required each working unit to assess and review its risk management plan.

Establishment of the Corporate Risk Management Plan

The Company has a policy to conduct its business with integrity, transparency, and fairness. Thus, the Company defined that all Directors, executives and employees shall not conduct or involve in any business which is competitive to the Company's business and has to avoid making any transactions with persons/juristic persons who may have a conflict of interest with the Company. And shall not seek benefits from the information or anything acquired from their duties and responsibilities for personal interest or compete with the Company's business. The Board of Directors has to strictly oversee the compliance with the criteria, methods and the disclosure of related transactions according the requirements stipulated by laws and the governing agency.

In case it is necessary to make related transactions or ones involved with conflict of interest, such transactions must be under the conditions required by the Company and must be approved by the Board of Directors before taking the action. However, the interested parties must not involve in consideration of the transactions they have a conflict of interest. The Audit Committee members must involve in the meeting to keep the related transactions equitable and reasonable by concerning about the Company's utmost benefit. In addition, the details on transactions, transaction values and reasons or necessity must be revealed in the 56 – 1 form and the annual report according to the requirement of the Stock Exchange of Thailand and of the Office of Securities and Exchange Commission.

Conict of Interest

The Company has a policy to conduct its business with integrity, transparency, and fairness. Thus, the Company defined that all Directors, executives and employees shall not conduct or involve in any business which is competitive to the Company's business and has to avoid making any transactions with persons/juristic persons who may have a conflict of interest with the Company. And shall not seek benefits from the information or anything acquired from their duties and responsibilities for personal interest or compete with the Company's business. The Board of Directors has to strictly oversee the compliance with the criteria, methods and the disclosure of related transactions according the requirements stipulated by laws and the governing agency.

In case it is necessary to make related transactions or ones involved with conflict of interest, such transactions must be under the conditions required by the Company and must be approved by the Board of Directors before taking the action. However, the interested parties must not involve in consideration of the transactions they have a conflict of interest. The Audit Committee members must involve in the meeting to keep the related transactions equitable and reasonable by concerning about the Company's utmost benefit. In addition, the details on transactions, transaction values and reasons or necessity must be revealed in the 56 – 1 form and the annual report according to the requirement of the Stock Exchange of Thailand and of the Office of Securities and Exchange Commission.

Compliance with Corporate Governance in other areas.

The Company has reviewed and revised business operation in accordance with the Stock Exchange of Thailand Principles of Good Corporate Governance 2012 by proposed on the Board of Directors' Meeting No.12/2020 on November 10, 2020, including adopted GC Code 2017 of Securities and Exchange Commission (SEC) in order to grow the Company's business sustainably. The adoptions are described as follows.

Compliance with Business Code of Conduct

The Company expects Directors and executives to show their intention to operate business with transparency, morality, honesty, including perform duties in accordance with the standards of Business Code of Conduct and take shareholder benefits into an account. The Company also encourages employees to perform their duties with responsibility, honesty, transparency, morality as well as behave appropriately, and keep developing skill and knowledge.

Therefore, the Company has established a working team to monitor and promote Business Code of Conduct. To encourage related personnel to strictly comply and create awareness at the same time, the working team has created "White Journal" which was communicate directly to related parties through the Company's email. For the performance of the year 2020, please refer to the topic called Policy on acknowledgement of incidence, grievance, suggestions channels for informants and protection of the rights of informants (Whistle Blowing Policy).

Head of Compliance Unit

The Company has assigned Head of Compliance Unit to coaching, monitoring Directors, executives, and employee to comply with the laws, regulations, policies, announcements and related restrictions. For the previous year information, please refer to Compliance topic.

Sustainability Policy

The Company has established Sustainability Policy to determine sustainable framework in relation to economy, society and environment, which could drive the Company to grow further in a stable and sustainable way. Please refer to Sustainability development topic for more information.

Audit fee for the year 20203

EY Office Limited has been appointed to be the Company and its subsidiaries' auditor with the following audit fee.

1. Audit fee consists of audit fee for the Company and its subsidiaries in the amount of 3,500,000 Baht.
2. Non-audit fee: none

Report on securities holding by Directors and Executives

The Company required Directors and executives to prepare and disclose securities holding report of themselves, their spouse and underage children, as well as reporting on every change in securities holding such as purchasing, selling and transferring. The Directors and executives shall report the mentioned activities to the Company, thus the Company shall properly disclose to the Stock Exchange of Thailand in accordance with the intention of Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and the Notification of the Office of Securities and Exchange Commission ("SEC"), SorJor 12/2009, concerning the preparation and disclosure of the report on securities holdings by Directors, executives, and auditors.

The list of direct and indirect securities holding by Directors and executives as of December 31, 2020.

Directors/ executives	Balance as of January 1, 2020	Change		Balance as of December 31, 2020
		Gain	Trade	
Mr. Prasertphand Pipatanakul	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Apichart Dharmasaroja	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Nattaphorn Bhromsuthi	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Polpat Karnasuta	263,910,285	1,000,000	-	264,910,285
Spouse and underage children	-	-	-	-
Miss Pakatip Lopandhsri	109,177	-	-	109,177
Spouse and underage children	-	-	-	-
Mr. Sook Sueyanyongsiri	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Mongkol Peerasantikul	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Apathorn Karnasuta	13,253,573	500,000	-	13,753,573
Spouse and underage children	-	-	-	-
Mr. Pasan Swasdiburi	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Nicolino Pasquini	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Nivate Lenghong	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Somchai Woonpresert	-	-	-	-
Spouse and underage children	-	-	-	-

The Company has not yet complied with the principles of good corporate governance in the following matters

Directorship in other listed company held by the Company's Chief Executive Ofcer and determinants of Chief Executive Ofcer compensation

The Company has not determined the exact period for the Company's Chief Executive Officer to hold a directorship position in other listed company yet. At present, Chief Executive Officer does not hold a directorship position in any other listed companies. The Company shall conduct performance evaluation at least once a year in order to determine Chief Executive Officer compensation and disclose the information in various forms, including determine Chief Executive Officer duties. Please refer to executives' remuneration topic.

The Board of Directors shall consist of more than 50 percent of Independent Directors and at least having 1 female Independent Director, including the matter of tenure

The Company has defined diverse Board's structure, covering gender, age, educational level, knowledge, competency, professional skills, working experiences and specialization. The Directors who hold the position at the moment having knowledge, expertise and hold engineering and construction experiences which is beneficial to the Company's operation. The Board consists of 3 Independent Directors out of 7 Directors or equivalent to 43 percent.

Moreover, the Nomination and Remuneration Committee is responsible for considering Board's structure that suitable for the organization regardless of gender, race, religion, age, professional skills and other qualifications, including the change in environmental context.

The tenure of Independent Directors shall not exceed 9 consecutive years. As the Board of Directors considered that continuing to hold the position of Independent Directors would utmost support the Company's operations since they have working experience, specialization and they could freely comment on management performance.

Operation of the Corporate Environmental and Social Responsibility (CSR)

The construction business has direct impacts to the society and environment. The Company recognizes on the business operation that is socially and environmentally responsible in order to lead the Company to the true sustainability. The Company has established a policy on social and environmental responsibility with commitment to be equitably responsible for all stakeholders. The Company does not only focus on CSR in process, but also focus on CSR after process in form of various activities.

The Company's operation of the social and environmental responsibility is separated into 2 parts as follows:

1. CSR in process
   means a responsibility towards the impacts and creation of value from the Company's operation towards the stakeholders, society and environment.
2. CSR after process
   means a participation in and support for social and environmental activities that are not related to the operation of the Company.

Operation of CSR in process

The Company is committed to operate its business with responsibility towards society and environment, by focusing on equitable and fair treatment to all stakeholders namely, shareholders, employees, customers, business partners, creditors, business competitors, communities, society and environment. Including realizes and cautions on the impacts that may arise to all stakeholders in all processes of the Company's operation in various aspects such as economic, society and environment.

1. Growth and acquisition of higher work proportion

Based on the Company's vision, mission, value and strategy to grow sustainably and steadily, the Company commits to select the construction projects with good contribution to the society and the country's development and with fair business returns. In 2020, the Company participated in the projects bidding for government agencies and private sectors, and was successful in the bidding of the new projects with the amount of approximately 13,152 Million Baht. At the same time, the Company has studied several projects which are beneficial in the neighboring countries in order to expand the business opportunities to generate good returns for the shareholders and employees, as well as to strengthen the organization's security and overall economy of the country.

2. Financial management and nancial statement preparation

In terms of financial management for sustainability, the Company has seriously conducted the management for financial sustainability, in aspects of transparency and verifiability. The financial statement must be accurate and reliable. The Company's financial management and the financial statement preparation were based on the Accountability Financial Statement principal as follows:

1. Transparency

   The Company has a policy to provide a transparent financial management under the principle of good corporate governance by setting up the appropriate and efficient internal control system. The Board of Directors has appointed the Audit Committee comprises of 3 Independent Directors, one of whom is knowledgeable in finance and accounting, to review the accounting policy and audit the quality of the financial statement as well as the internal control system. The comments of the Audit Committee appeared in the Report of the Audit Committee.

2. Auditability

   The Audit Committee has duties to oversee and monitor the operation as well as review both the annual audit plan and the accuracy, sufficiency of information disclosure and reliability of the financial statement. The items in the financial statement shall be audited and the outcome of the revision will be considered on a quarterly basis. Any issues found will be addressed in a timely manner.

3. Disclosure

   The Company discloses sufficiently significant information in the notes to financial statement along with the explanation and analysis to ensure the accuracy and completion of the financial information record, for the utmost benefits of the shareholders and investors who use the financial statement.

4. Measurable

   In order to ensure transparency of the audit standard which will entail the sustainability of the Company, the financial statement of the Company is prepared in accordance with the financial reporting standard as prescribed by the Accounting Profession Act B.E. 2547. And the items in the financial statement were prepared in compliance with the announcement of the Department of Business Development, the Ministry of Commerce dated September 28, 2011 regarding the requirement for the brief items to be shown in the financial statements year 2011, and in compliance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial statement under the Securities and Exchange Act B.E. 2535.

5. Discipline

   The Company's financial management has been ensured with discipline and auditability all the time. The investment is controlled so that the capital of the Company is not invested in the business that is outside of the area of expertise or in the activities that have conflict of interest with the Company. The Company's circulating capital is also sustained to be sufficient for the payment of the remuneration for employees and all stakeholders.

3. Equitable treatment to employees

The Company recognizes the equitable treatment to all employees in accordance with Business Code of Conduct and realizes that they are the most valuable resources that will drive the organization towards sustainability. For treatment of employees, the Company applies the principles of equality without discrimination and adheres to ethics. The Company treats all employees in compliance with laws, respects their rights, duties and responsibilities, having a fair and equal employment. The Company has no policy to employ child labors; but promotes development of employees' capabilities and potentials, opens to opinions and suggestions from employees at all level, provides good benefits and other privileges as well as creates good working environment in order to provide them with better quality of life, trust and continue to work with the Company in a long-term basis.

1. Fair and equal employment

The Company has a standard system of recruitment and employment, which provides opportunity to knowledgeable, competent and experienced personnel to work with the Company in order to support the Company's growth. The Company prevents discrimination by ensuring an equal treatment to all gender, nationality, religion, complexion, educational institution and property. And fairly pay compensation and wages according to responsibilities, capabilities, and takes operating results both long and short term into an account. Therefore, the employees would receive a good remuneration and has a better quality of life that is competitive in the labor market.

Employees' information in 2020

In 2020, the Company has a total of 2,533 employees, classified as 267 full-time engineers, 997 non-engineer employees, 1,296 daily workers combined with foreign workers which could divided into 200 foreign workers and 1,096 Thai workers. Remuneration for employees in the year 2020 is xxx Million Baht.

2. Allocation and management of employees' benefits

The Company determines to create happiness in workplace by allocating good welfares beyond the standards required by laws. The Company also promotes good environment and atmosphere to be suitable for work, provide facilities and improves surrounding for the safety of life, health and properties of employees.

The Company gives employees opportunities to define guideline on benefits contribution to meet the employees' requirement by appointing the Welfare Committee consists of 5 employees who are elected as committee members and 2 appointed Directors. The Welfare Committee has authorities and duties as follows:

1. Discuss with executives (the employer) on welfare contribution to the employees;
2. Give recommendations and provide opinions to executives (the employer) about welfare contribution to the employees;
3. Monitor and control welfare contributed to the employees by the employer; and
4. Provide opinions and guidelines on benefits contribution to the Welfare Committee.

สวัสดิการที่จัดหาให้พนักงาน

Welfare	Full-time Employees		Contracted Employee	
	Monthly Paid	Daily Paid	Monthly Paid	Daily Paid
1. Insurance				
• Group Insurance				
– Life Insurance	*	*	*	*
– Accident Insurance	*	*	*	*
2. Healthcare				
• Medical Care Compensation	*	*		
• Annual Medical Check-up	*	*	*	*
• Dental Care Compensation	*	*		
• Social Securities	*	*	*	*
• Compensation Fund	*	*	*	*
3. Others				
• Uniform for Office Staff	*	*		
• Uniform for Workers	*	*	*	*
• Professional Skill Training	*	*	*	*
• New Year Party	*	*	*	*
• Drinking Water	*	*	*	*
• Workers Camps	*	*	*	*
• Transportation	*	*	*	*
• Allowances				
– Upcountry Allowance	*	*		
– Overseas Allowance	*	*	*	*
– Food Allowance	*	*		
• Savings Cooperative	*	*	*	*
• Loans				– –
– Residential	*	*	*	*
– Consumption	*	*		
• Financial Aids				
– Sickness (only for operation case)	*			
– Marriage	*			
– Death of staff's parents	*			
– Death of staff	*	*	*	*
• Provident Fund	*	*		
• Retirement Fund	*	*		

3. Employees Development

The Company considered its employees as the heart of the organization because the Company realizes that employees are valuable resources and key factor in driving the organization to be successful. The Company, therefore, determines the development of employees' competencies as one of the Company's missions by focusing on the development of personnel to be efficient and suitable for their positions and responsibilities, in order to enable the employees to efficiently perform their duties and support the Company's growth that will bring the sustainability to the Company.

The Company organizes a grand orientation to new employees in order to provide them knowledge and understanding about the organization and allocated budgets for employees' development by analyzing the need for training to develop the employees' competency as appropriate, setting up the training plan systematically, both basic training necessary for working and on the job training.

The development of employees' knowledge, capabilities and competencies can be divided into 3 aspects as follows:

1. Core competency is a basic knowledge and ability that the organization would like its employees to have; e.g. Quality, Occupational Health and Safety.
2. Function competency is a necessary knowledge and ability needed for each position. Each job title has an expected level of competency. The Company will provide training to the employees, both in-house training and external training. For employees who are beyond their capabilities, the Company will consider promoting them in order to give the employees opportunity to use their potential and develop themselves for professional growth.
3. Management competency is a managerial knowledge and ability for employees of management level.

   Moreover, the Company enhances its employees to share their knowledge and experiences among themselves in order to increase efficiency, receive equitable remuneration, gain competitive advantages and obtain further job promotion.

   For career opportunity, especially for the managerial positions, the Company has a policy to consider promoting internal employees, so that the employees will have opportunity to use their knowledge and abilities to improve themselves to a higher position. In addition, the Company provides the opportunity to transfer to work cross functions.

   The Company has defined the target for developing employees' competency and training hours as follows:

Training hours Information of staff's training	Year 2020
Average number of training hours (hour / person / year)	8 / person / year

Summary of Training Programs According to the Training Plan for the Year 2020

Details	Training courses			
	Quality, Occupational Health and Safety	5C Driving Efficiency and Success	Development of Professional Capability	Leadership and Management
Persons	212	636	135	285
Hours	1,696	5,088	1,080	2,280

4. Employee Code of Conduct

The Company has determined Employee Code of Conduct to outline employee behavior in accordance with restrictions, regulations, orders and the Company's announcement. The Company aims to develop, support and implement a standard practice that could be internationally accepted such as ISO 9001, OSAS 15001 and ISO 14001. The Employee Code of Conduct would create working as a team culture, beneficial to stakeholders, serve equal treatment, generate honesty in business operation as well as build transparency operation. The results were shown in the certification that the Company's has received previously from Thailand's Private Sector Collective Action against Corruption coalition (CAC).

4. Respect for human rights

The Company conducts the business in accordance with the human right by respecting the rights that all human beings deserve as a part of the society. The Company respects equality under laws and regulations of the organization and in line with international human rights principles regards to Business Code of Conduct which is applied to the Company and business partners. The Company provides equal opportunity and respects diversity of labors without discrimination, regardless of gender, age, race, religion and educational background.

For business partners namely vendors, contractors, sub-contractors and workers, the Company supports business partners that respect human rights and are socially responsible. The Company will select the business partners which engage in business in compliance with laws, rules and regulations of the Government, comply with labor law and safety laws, treat their employees based on ethics and with respect for human rights and refrain from child labors. The Company treats all partners fairly and equally without discrimination of any kind, regardless of skin color, gender, nationality, political opinion or social background. The Company allows all business partners to submit price proposal on the same standards conditions.

The Company conducts the construction business and always facing the problem of labor shortage. In order to deliver the construction work according to scheduled, it is necessary to employ foreign labors to supplement the domestic ones.

Table of foreign labors as of 31st December 2020

Nationality	Number of Person	%
Cambodian	102	51.00
Burmese	98	49.00
Total	200	100

The Company hires foreign labors by applying for work permits according to the laws and the requirements of the Department of Labor, treats them with the human rights principles and provides them with fundamental welfares as required by the labor, law including other benefits as same as those provided to Thai labors. The welfares provided to alien employees are as follows:

- Social securities (out of work injury/on-the-job injury)
- Group accident insurance
- Complimentary accommodation
- Complimentary electricity and water supply not exceeding the amount limited by the Company
- Minimum daily wages at Baht 308-330.- or more, depending on work performance
- Worker uniform
- Occupational health system & safety such as protective equipment
- Trainings
- Rights to give opinions and suggestions on work
- Position promotion

The Company continually monitoring that all workers are treated in accordance with human rights. In 2020, there were no report and complaint on violation of human rights.

5. Occupational Health and Safety Management

The Company accomplished each project along with safety of employees, workers and stakeholders. The Company ensures that awareness of safety is a matter of morality and ethics, not only a compliance of laws and regulations. All stakeholders will receive the same safety standard regardless of their job positions. This is the practice that we always do and will carry on. Safety management will be assigned for everyone related to each function with specify role and order. To avoid any negative impact that might happen, the Company ensure that everyone aware of safety as the first priority and it is not an additional part of their jobs.

The Company has enhanced the standard in occupational health and safety management to elevate safety in workplace. The most accidents were caused by an error from workers, equipment and tools deterioration and inappropriate work environment. Therefore, the related function has set the strategy to manage occupational health and safety issue specifically.

Operations related to occupational safety and health

The Company has arranged training for occupational health and safety, thus workers will gain more knowledge and be able to avoid improper behavior that could lead to accident. The safety culture was imposed and training specifically for supervisor and foreman levels has been organized. Moreover, training related to suitable work environment has been arranged for the Safety, Occupational Health and Environment Committee.

In addition, the training required by law has been organized such as crane operation safety training, working and protection in confined space course and other occupational safety course hosted by the Company.

Training for employees and contractors

The Company has set the goal for occupational and safety training of the year 2020 as follows:

Number of safety training hours for employees and contractors

Training	Person	Time (hours)	Hours per person (hours/person/year)
Employees	2,450	25,815	10.53

Safety training for employees and contractors

Training Subject	Training Agency
Occupational Safety, Health and Environment for Employees /New Employees	Occupational Health and Safety Section, Headquarter and the Company's working unit
Safety Officer for Supervisor Level Course	Perfect Safety Training & Consulting Co., Ltd.
Safety for Occupational Health and Environment Committee Course	Perfect Safety Training & Consulting Co., Ltd.
Working and Protection in Confined Space Course	Occupational Health and Safety Section, Headquarter and the Company's working unit
OHSAS18001:2007 Regulation regarding Potential Hazards and Risk Assessment for Safety Office	Occupational Health and Safety Section, Headquarter
OHSAS45001:2018 Regulation regarding Potential Hazards and Risk Assessment for Safety Office	Occupational Health and Safety Section, Headquarter
Crane Operator, Signaler, Rigger and Supervisor (4 Personnel) for Tower Crane, Truck Crane and offshore Crane	Perfect Safety Training & Consulting Co., Ltd.
Crane Operator, Signaler, Rigger and Supervisor (4 Personnel) for Overhead Crane, Gantry Crane and Others Stationary Crane	Perfect Safety Training & Consulting Co., Ltd.
Basic Fire Fighting	Annually in each working unit
Annual Fire Evacuation Drill, Fire Safety First Aid	Annually in each working unit

The Company's occupational safety training

Occupational safety training for safety ofcers

Apart from training for employees and contractors, the Company also supported the training for safety officers at professional level and high-technical level such as Occupational Health and Environment (OSH&E) Committee course, Basic First Aid and CPR course, ISO 45001:2018 Regulation course and Basic Fire Fighting course.

Training	Person	Time (hours)	Hours per person (hours/person/year)
Safety officers at professional level and high- technical level	83	3,958	48

Projects and activities

The Company organized safety session called “Toolbox Talk” or “Safety Talk” on everyday basis by engineers, supervisors, foremen and safety officers, to discuss various issues related to the detail of construction process and risk issues in order to build understanding among workers and provide them with knowledge about safety at work. This is an important tool to emphasis on specific risk issues so that workers will have more awareness of safe practices while working to achieve their daily goals. The activity also aimed to build occupational safety awareness in long term.

Occupational safety training for safety officers

COVID-19 preventive measures

Working unit has issued COVID-19 preventive measures to be implemented in construction site, workers' camp area and before entering the workplace both day and night times. Boards and signs related to COVID-19 preventive measures and guideline have been executed as well.

Cooperation with officers from Ministry of Health to conduct proactive COVID-19 testing at workers' camp

The Company also conducted employees' annual health checkup and health checkup in relation to occupational risk factor.

The Company focused on the inspecting and monitoring safety management system to be able to evaluate and record the result of safety management. Thus, the record of the safety management system can be used for evaluating safety management result in each working unit such as factory and construction site.

Occupational safety, health and environment performance

To achieve the objectives of the Quality Management System ISO 9001/2015, the Company set the goal for safety operation by lowering accident rates not to exceed 2 times/per 100 persons/per year. To align with the Company's goal for safety operation mentioned previously, the Company has monitored and summarized accidents in the below table.

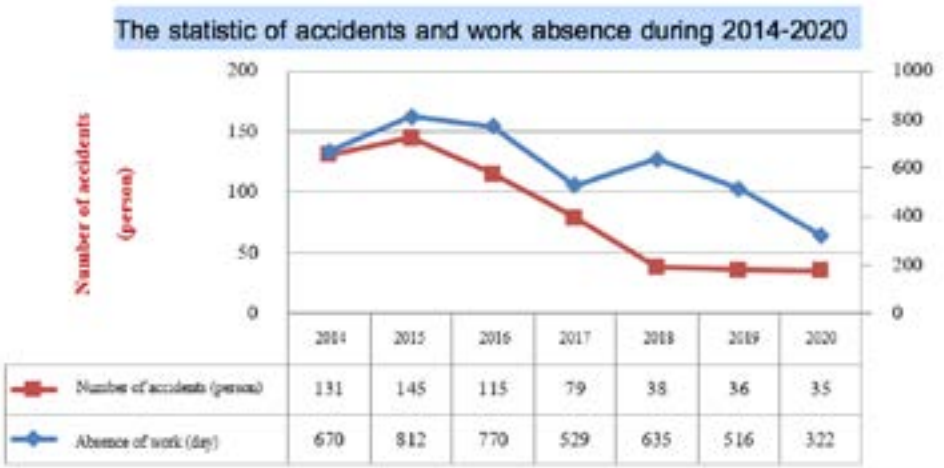
Accident rate/data

Month	Total Employees (person)	Total accidents from every unit Accident (time)	Average (Times) 100 persons / month	Accumulated Averag 100 persons / year	Accumulated (not exceeding)
January	2,417	3	0.12	0.12	0.17
February	2,395	6	0.25	0.37	0.34
March	2,408	4	0.17	0.54	0.51
April	2,395	4	0.17	0.71	0.68
MAy	2,401	1	0.04	0.75	0.85
June	2,428	2	0.08	0.83	1.02
July	2,452	1	0.04	0.87	1.19
August	2,469	2	0.08	0.95	1.36
Septembwe	2,470	6	0.24	1.19	1.53

Month	Total Employees (person)	Total accidents from every unit Accident (time)	Average (Times) 100 persons / month	Accumulated Averag 100 persons / year	Accumulated (not exceeding)
October	2,491	2	0.08	1.27	1.7
November	2,528	2	0.08	1.35	1.87
December	2,544	2	0.08	1.43	2
Total	2,450 (Average)	35	1.43	1.43	2

The Company regularly monitors and reports the statistic of accidents to the meeting of executives. There was a steady declined in the accident rates over the past 6 years. The Company planned to support and promote safety campaign in order to reduce accident from work down to zero and to achieve the goal for safety operation.

The statistic of accidents and work absence during 2014-2020



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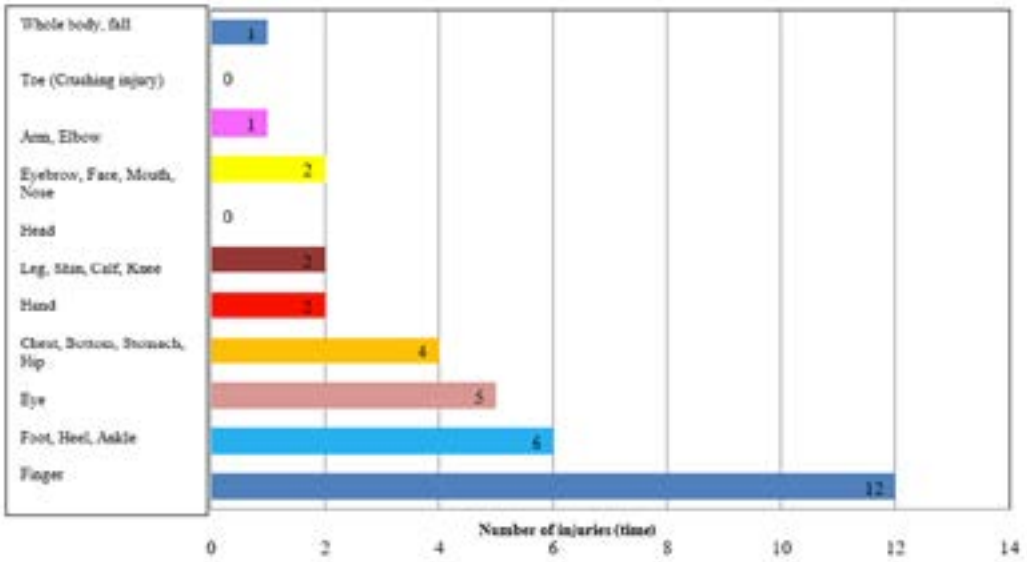


Occupational safety activity

The Company has organized the activities to promote safety at work in order to campaign the reduction of accident rate. Any working unit that has 250,000 consecutive working hours with zero accident rate will be rewarded with a prize in an amount of 250 Baht multiply by number of staff working in that working unit.

Working units which have been rewarded in the Year 2020		Amount (Baht)
N.011	Concrete production factory at Mahachai	9,250
N.033	Machine and equipment center	59,000
N.507	Construction project for reinforced concrete building of MRT Orange Line	40,750
N.515	Construction project for the Forestias	24,500
N.517A	Construction project for structure and architecture of the pink monorail line	182,000
N.518A	Construction project for structure and architecture of the yellow monorail line	167,500

Occupational safety and health standard

Apart from OHSAS 18001: 2007 that the Company has been awarded earlier, the Company currently elevate its standard in occupational safety and health in order to achieve ISO 45001: 2018. The Company will develop employees' knowledge and skill in accordance with the restriction and purpose of the occupational safety and health management accordingly.

The Committee, Executives and working team are committed to improve the efficiency of the Company's management system. The purpose of the improvement is to build trust among international, partners and all stakeholders, thus, the Company would be able to gain more international acceptance and more competitive advantage at the present as well as in the future.

The Company is trusted by stakeholders and received the award of safety management in construction from project owners, employers and consulting company such as Electricity Generating Authority of Thailand, Cambodian Energy II Co., Ltd. and TPSC (Thailand) Co., Ltd.

7. Customers relations management and customer's satisfaction practical guideline

The Company's customers in construction business can be divided into 2 groups, namely Government agencies, state enterprises and private sectors within the country.

Ratio of the Company's customers in the year 2020

The Company gives top priority to the satisfaction of customers or project owners in terms of quality and punctuality. For 40 years of experience in the construction business, the Company never abandoning any project. The Company has been able to execute works and deliver them within schedule, with quality and standard that meets requirement of customers or project owners.

The Company has set the direction for every construction site and plant to conduct customers' satisfaction survey at least twice a year, at 6-month intervals. Both qualitative and quantitative methods will be used. The survey's questions need to cover 4 aspects which are quality, time, safety, and coordination. To be in consistent with the Quality Management System, ISO 9001/2015, the Company determines that the survey result of customers' satisfaction must not lower than 90%.

Survey result of customers' satisfaction in the year 2020

No.	Construction sites	Factories	Average
1	94.34 %	94.75 %	94.55%
2	93.28%	95.42%	94.85%
Total			94.70%

The survey results from project owners and customers will be collected and presented to the Company's Executives and will be used for the future operation. However, if there are any suggestions or recommendations, the Company will consider and analyze in order to improve the Company's operation accordingly.

In 2020, the Company did not receive any complaints from customers, neither from the construction sites nor factories.

8. Effective project management

Project Management is the heart of construction business. The successful operation requires good framework setting. The Company managed its construction projects under the principles of effective costs management, both direct and indirect costs such as materials cost, labors cost, construction and operation expenses without reduction in quality of the materials and workmanship, in order to maintain quality and standard, and control speed of construction process, including align work procedures with the operation plan. With this practice, the Company will be able to reduce construct costs while delivering the work in timely manner.

9. Protection and reduction of negative impacts on communities caused by the Company's construction process

The Company commits to responsible for all people and constantly building a strong relationship between the Company and people in communities nearby the construction sites. The Company has arranged community relations activity in order to reach out for communities' suggestion as well as to find the relief measure that could help communities resume to their daily routine.

Each working unit of the Company's construction project will determine the relief measure, take action to mitigate any negative impact on community, set working team who will be responsible for publication. The working team need to communicate the details of construction project by providing the sign in front of the construction site. This is to let everyone acknowledges about the period, responsible person, number of workers and others information related to the construction plan, including provide the number for any suggestions and complaints. In case of receiving any complaint, the working unit needs to make an action promptly. Moreover, the solid fences have to be installed around the construction site to prevent falling objects and to cover the improper scenario from the construction process.

Transportation of materials and equipment to the construction site is significant process for the Company business. The Company will take the matter of environment, communities and commuters on road in to an account. The construction materials will be carried after 11.00 p.m. and finish before 05.00 a.m. in accordance with the laws. To transport during the mentioned period, the Company will be able to avoid traffic congestion in the rush hours. In addition, the transportation will be traveling though the route that far from buildings and communities, including control the speed in accordance with the laws. In case of transportation of massive construction materials or equipment, canvas will be used to cover the materials in order to prevent accident and air pollution.

10. Environmental Operation

The Company operates its business by taking into account the environmental responsibility and commits to strictly comply with applicable laws, regulations, standards, requirement and related policies of the Government regarding environmental. The Company seriously carry out the development of the environmental management within the organization to maximize the resources utilization and minimize the amount of waste from the Company's activities. The Company continuously develops and improves the environmental management system in all activities in order to reduce pollution and minimize impact on the environment. The Company also provides knowledge and training regarding to environmental issues to its employees, and raising employees' awareness and responsibility in relation to environment under the environmental management system as well as holds the environment preservation and the efficient utilization of energy and resources campaign.

In 2020, the Company took actions on the environmental operations as follows:

1. Procurement

   For the procurement of key materials for construction such as steel, cement, concrete and fuel, the Company has tried to select key materials with having minimum impacts on the environment while maintaining its highest construction standard and quality. To be in consistence with the environmental friendly construction operation, the Company set up the procurement procedure with manufacturers/suppliers who have standardized production process that is environmental friendly in order to encourage them to pay attention to the products that reduce impacts on the environment.

2. Energy Management

   At present, energy is necessary for living. People's lifestyle nowadays requires more energy consumption. Hence, cooperation from all of us is essential to efficiently manage the utilization of energy.

   In 2020, the Company carried out the operation of energy management as follows:

   Electricity

   The Company recognizes the importance of the efficient utilization and electricity saving and has determined the guideline for electricity utilization as follows:

   - To switch off electronic appliances such as air-conditioner, computer screen, ventilating fan, light bulbs, etc. during lunch break or at any time when there is no work operation in the area.
   - To maintain the temperature of air-conditioner at 24- 25 degrees Celsius in office and every working unit. And switch off air-conditioner 15-20 minutes before leaving the office.
   - To turn off all electricity devices within the manufacturing area of factories when there is no production or other activities, except the electronic device that needs to be available at all the time. This method would reduce energy loss.
   - To utilize the electricity in the construction area in compliance with rules and regulations of the Metropolitan Electricity Authority / the Provincial Electricity Authority.
   - To install electrical equipment within the construction sites in accordance with the standard.
   - To turn off all electrical switches in order to prevent damages to the electrical equipment, in case of power outage during working hours.
   - To clean lighting devices and bulbs installed in office and factories at least once a year. This method would increase the brightness of bulbs.
   - To cultivate employees' awareness in electricity saving by using various methods such as public relations stickers, exhibition board or training.

Image: public relations stickers

Image: exhibition boards

Water Supply

The Company recognizes an efficient utilization of water supply, therefore, the water saving campaign has been launched according to the energy conservation policy as follows:

- To provide adequate water supply by applying for permission to install temporary water meter from the Metropolitan Waterworks Authority / Provincial Waterworks Authority to avoid using water from neighboring communities.
- To install proper water-supply equipment such as toilet floating balls.
- To completely turn off the taps and utilized water sparingly.
- To monitor water pipe or other equipment. If leaks are found, inform the maintenance section for reparation.

Fuel

The Company has set up the fuel consumption guideline as follows;

- To manage transportation's trip and minimize commuting distances, in order to limit the number of trip and distance of the transportation for goods delivery.
- To turn off the engine when parking vehicles in order to reduce air pollution and save the fuel.
- To regularly ensure that the engine is in good condition as required by laws.
- To limit the amount of goods and not overload the goods, in order to prevent engine overloaded and promote fuel saving.
- To inspect that fuel tank is in a good condition in order to prevent possible leakage.

Papers

The Company has set up the papers' consumption guideline as follows:

- To use both sides of papers in order to maximize the use of papers and maximize the utilization of natural resources.
- To keep one-side used papers for reuse. When both sides are completely used, compile it at the place provided so that it can be taken and be eliminated according to the procedure of waste management. (garbage)

Image: paper recycling in the office

- To check accuracy, page set-up, number of pages, printing status and paper input before printing in order to prevent wasting of paper and printing ink.
- To use a recycled paper when printing general documents for internal use in order to reduce usage of new papers.
- To photocopy documents only when necessary in order to reduce usage of papers.
- When photocopying, check the placement of the original, paper setting and number of copies to avoid wasting papers.
- To use electronic document in order to reduce usage of papers.

General Materials

The Company has set up a guidance for using general materials as follows:

- To use materials efficiently and suitably for works.
- To eliminate the used materials in accordance with the procedure of waste management. (garbage)

Production Materials

The Company has set up a guidance for using production materials as follows:

- To make an appropriate calculation of materials for production i.e. cutting, lathing and steel welding.
- To sort out the material residues for reuse.
- To improve management of materials storage such as stones, cements, steel rods and chemicals to minimize waste of materials.

3. Environmental Management

The Company recognizes an importance of environmental management for all operation processes according to the Company's environmental policy, strictly adheres to the applicable laws to control and mitigate the environmental impact caused by the operation. The Company applied a high standard and modernized technology and technique which complies with the quality management standard according to the international standardized system, to create satisfaction of customers on the organization's products and services, and other related requirement and standardized international practices. The Company requires the management and project managers of every project to prepare a management system and work plan with regard to safety and occupational health in workplace as well as monitoring plan in order to mitigate the impact to community and environment. The Company also requires its employees at all levels to pass training process and having a regularly, continuously and seriously audit system in order to create safety and ensure least impact to the employees, people and nearby community due to efficient measures and management plan. In 2020, the Company has set up the Corporate Social and Environmental Responsibility Committee in accordance with the international standard (ISO: 14001:2015) in order to manage and develop environmental management system. This is to ensure all stakeholders that the Company has a right environmental management system. The committee has to report performance of environmental management to the executives. In the case of negative issue found, the committee has to monitor and control until the issue has been fixed in accordance with the procedures. In addition, the committee is responsible for verification on environmental management system, assessing, training and conduct public relation to raise environmental awareness for the entire of organization.

Environmental operations management

In all working areas, whether in offices, construction sites, factories, storage spaces, workers' camp and surrounding areas are strictly complied with the environmental management.

Headquarter	Construction sites / Factories	Workers' Camps	Surrounding Areas
Ensure efficiently usage of resources and conduct environmental management	Focus on keeping the area of con-struction and factory clean and free of dust, noises, vibra-tion, wastewater, bad vision or other impacts.	Maintain the quality of environment and sanitation in work-ers' camps; plan the layout for tidi-ness according to occupational health principles in order to ensure quality of the work-ers' life.	Regularly inspect environmental condition around the construction sites. If any environmental issue occurred, difficulties may affect the neighboring area or communities. Therefore, problem solving shall be executed immediately.

Environmental management performance

Efficiently usage of resources

Electricity usage

The Company has managed electricity usage at headquarter by targeting the electricity usage to be reduced by 3 percent (this is a long term goal for more than 3 years /or short term goal for 1 year). The Company has successfully achieved the goal with the lower electricity usage rate which could reduce the Company expenditure as follows:

Detail	2018	2019	2020
Electricity usage(Kw/h)	506,415.49	530,781.01	459,901.01
Electricity cost (Baht)	2,800,255.14	3,123,646.24	2,706,517.44

Air pollution management

The Company's operation may generate air pollution, therefore, the Company determined measures to mitigate the impact on air quality as follows:

1 To monitor and measure air quality on a regular basis in order to reduce or control air pollution caused by machines, production process or construction.

2 To control pollution caused by vehicles in the construction area. For example, limiting vehicles' speed, inspecting the engine conditions for completely combustion and stopping the engine every time when parking, including other activities such as covering construction materials and material residues with canvas.

Image: speed limiting of vehicles

Image: covering construction materials and material residues with canvas

3 To provide personal protection equipment for workers who work in air pollution generating areas.

Image: personal protection equipment for workers who work in air pollution generating areas

4. To install a fall protection or safety nets to catch construction materials that may fall from overhead construction activities in order to prevent such materials from spreading and for safety reason.

Image: installation of safety net to catch construction materials from high-level work

5. To wash truck wheels every time before leaving from the construction sites to prevent soil from falling and becoming dust particles which may diffuse.

Image: washing vehicle wheels

6. To make sure every truck will be covered by canvas before leaving the construction site to prevent construction materials from falling onto the roads, for the safety of the road users.

Image: the truck is covered by canvas.

7. To cover canvas over construction materials and material residues in construction area in order to prevent air pollution.

Image: construction materials and material residues are covered by canvas.

8. To ensure that construction activities must be carried out within construction site which required at least two meters height fences to be installed around the construction site.

Image: installation solid fences around construction site

9. To regularly clean up soil and sand particles outside the fences. And wash surrounded roads which connecting to the construction areas.

Image: cleaning up public area around construction site

10. To regularly damp down surface in construction sites, with open-cut excavation, with water at least twice a day in order to prevent dust from spreading.

Image: damping down surface with water in construction area

11. To provide dust proof fences for construction site with concreate mix activities or using materials that may cause the spread of dust.

Image: dust proof fences

Noise pollution management

There are two types of noise pollution from construction which are noise from construction vehicles and noise from construction machines. Therefore, the Company determined measures to mitigate the impact from noises as follows:

1. To carry out noise generating construction activities during 06.00 a.m.– 10.00 p.m. And give advance notice to nearby communities, if the activities shall continue after 10.00 p.m.
2. To impose measures in order to prevent noise impact, such as installation of solid fences or temporary sound proof wall around construction area.

Image: installation of the solid fences around construction area

3. To regularly monitor and test noise quality to mitigate or control noise pollution caused by the machines, production process or construction.
4. To maintain the engine conditions to ensure the completed combustion and stop the engine when parking the vehicles.

Image: inspection of engine conditions

5. To provide a noise protection for workers who are working in a noise-generating area.

Image: personal protection (ear plugs) for workers who are working in a noise-generating area.

Wastewater management

The Company recognized the important of wastewater management and determined measures for wastewater management as follows. The measures are applicable for construction sites and factories where the operation such as construction activities, employee activities and material residues may generate wastewater.

1. Provided a ready-to-install wastewater treatment tanks or wastewater treatment pond systems at the construction site in order to purify the wastewater properly before discharging to public water resources.
   In the case of using septic systems or anaerobic septic tank, the installation must be complied with various regulations, for instance, installing the system at least 30 meters away from public water resources, and the overflowing of wastewater is required to seep in construction area only so that the project gutters or public water resources will be protected from the overflowing.

Image: installation of wastewater treatment tanks or concrete pond systems for wastewater treatment

Sources of the wastewater can be categorized as follows:

1.1 Wastewater from kitchens and containers washing shall be treated primarily in grease trap tanks before releasing into the ready-to-install wastewater treatment tank.

1.2 Wastewater from toilets shall be treated with microorganism in the ready-to-install wastewater treatment tank before releasing into the public water resources.

1.3 Wastewater, tap water or rain, contaminated with oil, trash, or other chemical residues from washing of hands, feet, road surface or washing water of worker's vehicles shall be treated properly before releasing into the public water resources.

1.4 Other wasted water within the Company's construction sites.

2. Installation of sludge scraper or sedimentation tanks to hold sludge from the treated water before such water is being released into public drainage.

Image: sludge scraper or sedimentation tanks

3. Water that can be released into the public drainage must meet the quality according to the criteria stipulated by the laws. The environmental officer or the authorized person shall contact the external officer (third party) in order to take sample of the Company's released water to test and analyze the quality. Quality of the released water must be tested at least twice a year.

Image: testing and analyzing the quality of the released water by third party

4. Regularly inspect and maintenance the equipment in wastewater treatment system such as grease trap tanks, wastewater treatment tanks and aerator pump. If there is any defect found, maintenance shall be performed immediately.

Image: inspecting the equipment in wastewater treatment system

5. Clean the grease trap tanks, sludge scraper/ sedimentation tanks and drainage pipe on a regular basis according to the cleaning plan as follows:

No.	Activity	Frequency
1	Remove waste food and dirt from the grease trap	Once a week
2	Clean the grease trap tanks	Once a year
3	Pump the water from sludge scraper or sedimentation tanks	Once in 1-3 months
4	Clean the treatment tanks	Once a year
5	Clean the drainage pipe	Once in 1-3 months
6	Empty septic tanks	Once in 6-12 months

Vibration

The vibration from the construction site may affect the stability of the nearby structures, the Company has managed the vibration according to the Notification of the National Environment Board No. 37 B.E. 2553 regarding the Prescription of Standard of Vibration for Avoidance of Impact on Buildings.

Waste/ garbage management

The Company stresses the significance of efficient waste/ garbage management to promote great environment and minimize environmental impacts. The Company determined the measures for waste / garbage management as follows.

1. Implementation of 3 R approach within the Company, namely:
   - 1.1 Reduce: reduce materials and products utilization to reduce the amount of waste.
   - 1.2 Reuse: reuse materials and products which are reusable.
   - 1.3 Recycle: bring back and process materials and products which already been used to make them useable again, including having a right method of trash disposal.
2. Waste separation has been advertised through awareness and education campaign which described the types of waste as follows:
   - 1.1 General waste means the leftovers or unwanted stuff arising from general activities of the Company, which are possible for bury in landfill without any damage to the environment such as paper scraps, cloth residues, food, product, plastic bags, food packages, and foam boxes for containing food.
   - 1.2 Recyclable waste means the waste that is still usable such as papers, paper boxes, cans, glass residues, metal residues.
   - 1.3 Dangerous waste means poisonous garbage or chemical containers such as light bulbs, batteries, oil-stained clothes, used oil tanks, paint cans, plastic chemical cans.
   - 1.4 Hard-degradable waste means unwanted garbage left from the Company's operation such as cement residues, concrete waste, steel scraps.

The Company provides different colors of garbage for separating the different types of waste within the offices, factories, and construction sites in as follows:

Color	Category	Type of Waste
Green	General Waste	paper scraps, cloth residues, food, product, plastic bags, food packages, foam boxes for food containing
Yellow	Recyclable Waste	papers, paper boxes, soda cans, glass residues, metal residues
Red	Dangerous Waste	light bulbs, batteries, oil-stained cloth, used oil tanks, paint cans, plastic chemical cans
Blue	Hard-degradable waste or unwanted garbage from operation	cement residues, concrete waste, steel scraps

Image: waste management by separating the type of waste

3. Removal material residues and garbage from the construction sites once a week. In case the removal of the material residues from construction activities is not ready, those residues must be securely covered.

Image: collecting material residues and garbage from the construction sites

4. Collecting the leftover construction materials and material residues separately to process those waste properly.

Image: collecting the leftover construction materials at construction sites

At the present, the Company has been certified by Bureau Veritas Certification (Thailand) Ltd. that the environmental management system of the Company's headquarter has been audited and found to be in accordance with the requirements of the environmental management system standard (ISO 14001: 2015). In addition, the factory and construction projects are in the process of applying for certification as well.

ISO 14001 is an environmental management system developed in September 1996 to enable an organization to implement a system for maintain, control, and improve quality of environment. As well as, protecting hygiene of human beings. The system includes planning and setting the guideline with objectives, to protect and reduce pollution from its origin. Emphasized on impacts or possible impacts on the environment originated from the organization's activities, production process, and services by carefully considering materials acquisition, design, research and development, delivery, application according to its purpose, reusing, efficient resources utilization, avoidance of dangerous chemicals which is proper and provide an effective environmental management system.

In addition, the Company established the Environment Department to supervise and manage on environment matters exclusively, including raise awareness, promote and encourage participation in the environmental management activities with all employees. The environment management activities are as follows:

Green activities

Apart from the environment management activities, the Company aims to raise awareness and foster environmental awareness among executives and employees. Therefore, the Company organized green activities such as:

- Issued internal journal called “Green Way” on a monthly basis to communicate environmental information and disseminate it via Lotus Notes to all employees.
- Issued “The Environmental Operation Manual” brochure with various topics.
- Issued “The Environmental Management System ISO14001:20015” and environmental operation procedure brochure.
- Issued signboard campaign regarding an energy saving and resources utilization.

Image: “Green Way” journal

Image: brochures

Environmental Awareness Training

In 2020, the Company has supported the arrangement of environmental awareness training for employees at the headquarter and the Company's site as follows:

- Introduction and requirements of the environmental management (ISO 14001: 2015);
- Internal audit for the environmental management system. (ISO 14001: 2015 Internal Audit); and
- Environmental awareness.

Compliance with environmental laws and regulations

The Company and the relevant units strictly comply with environmental laws and regulations to control and minimize the environmental impacts that might take place. The relevant units also comply with the terms and conditions in the contracts with counterparties, conduct the environment impact assessment (EIA) and execute environmental assessment by external agencies in relation to quality of air, noise, vibration and water surface.

Image: noise assessment

Image: vibration assessment

Image: water surface quality assessment

Managing the impacts of water release

The Company strictly comply with environmental laws and regulations, including recognized the environmental impact that might happen. The Company determined measures for construction sites and factories to install ready-to-install wastewater treatment tanks to purify the wastewater properly. Wastewater needs to go through testing and analyzing process related to the quality before discharging to public water resources.

For the headquarter, the Company has requested the document of water quality assessment from Bangna Tower building, which reflected that the released water has passed the standard. The Company targeted to inspect wastewater management once a year.

Image: installation of ready-to-install wastewater treatment tanks

Analysis/Test Report

Image: analysis results regarding quality of the released water from Bangna Tower A building

Image: inspection of wastewater treatment system

Water release management and water consumption

Advance Prefab Company Limited has collected the data of water release and water consumption, and further submit the data and required documents (TorSor.1 and TorSor.2) to related Government agency. While working units collect data of water consumption from the working units' meter.

Operation relating to corporate social and environmental responsibility

In 2020, the Company organized activities in relation to creation of good relationship with communities as well as developing communities and societies, the Company aims to improve quality of lives in the communities. The Company also provided medical support and helped employees during pandemic outbreak. As a result, the Company would be able to grow simultaneously with societies and communities.

According to the resolution of the meeting, the Company agreed to support projects and activities in relation to social and environmental responsibility in the year 2020 as follows:

In-Process: corporate social responsibility

1. "Go Green with NAWARAT" project

   The Corporate Social and Environmental Responsibility Committee recognized the environmental problem and agree to arranged "Go Green with NAWARAT" project for the Company's employees and its subsidiaries' employee. Objective of this project is to minimize waste problem and reduce global warming in accordance with the Company's social and environmental responsibility policy.

Go Green with NAWARAT

The objectives of project

- To raise social and environmental responsibility awareness towards employees at all levels
- To support the Company's social and environmental responsibility policy
- To encourage employees' participation in helping society reducing plastic waste in daily life and adapting waste management at home
- To prepare for the future assessment regarding social and environmental responsibility issues
- To reduce global warming and build awareness of environmental protection towards the Company's employees
- To be consistent with the Company's future sustainability development report in the GHG Emissions category

The project contents and activities will be communicated through Line official account and Facebook fan page named “Go Green with NAWARAT.

2. “NWR collectively share fabric bags” activity
   To reduce resources consumption and raise awareness regarding proper use of resources which could reduce global warming. The activity is welcome for executives, employees, partners and anyone who would like to join. There are provided areas for employees to drop fabric bags, while anyone who would like to use the donated bags can take it for their personal use. This is to reduce the use of plastic bags in the Company. Moreover, QR code to participate in “Go Green with AWARAT” via Line official account is provided for everyone’s convenience.

And QR code to like the Facebook fan page: Go Green with NAWARAT

Image: employees donated their bags for “NWR collectively share fabric bags” activity

3. “Go Green with NAWARAT inspired from everyone” activity
   The Company has invited executives, employees and subsidiaries to share knowledge and experiences across organization such as story, article, activities related to resources conservation, reduction of resources consumption and awareness in the use of resources.

4. “Supporting instant food to employees” activity

   Due to the COVID- 19 outbreak, the Company and its subsidiaries (Taste Maker Co., Ltd.) provided instant food to employees and partners on December 23, 2020.

Image: providing instant food to employees and partners

After Process: corporate social responsibility

1. The second year of unused calendars donation project.

   The Company’s headquarter has encouraged employees of the Company and its subsidiaries to collect their old desk calendar for donation, the message has been communicated via Lotus Notes. On February 3, 2020, the CSR working team traveled to donate those old desk calendars for the Blind Professional Development Center. The project is expected to be arranged annually and this is the second round.

Image: donation of old desk calendars to the Blind Professional Development Center in year 2020

2. Support the construction of positive pressure room for Police Hospital project

   On May 20, 2020, Mr. Polpat Karnasuta, Chief of Executive, acted as the Company's representative to support the construction of positive pressure room (1 unit) for Police Hospital in the amount of 1,500,000 Baht, which consists of two rooms. This positive pressure room will allow safety, cleanness, and disinfection for COVID-19 testing, with the modern medical equipment for screening before sending the patient to further treatment.

Image: support the construction of positive pressure room for Police Hospital

3. "Home for the Aged Ratchasima" project

   In the memorial ceremony for mother of Mr. Nicolino Pasquini, Senior Vice President of the Company, held on December 4, 2020. The executives and employee have supported to St. Camillus Foundation of Thailand in the amount of 122,420 Baht, which will be used to construct the building for senior housing at Ratchasima province.

Image: memorial ceremony

Report of the Corporate Governance Committee

Report of the Corporate Governance Committee

The Corporate Governance Committee consists of 7 members and the Chairman of the Corporate Governance Committee shall be an Independent Director. The Corporate Governance Committee responsible to oversee and monitor the Company's corporate governance to be in compliance with the good corporate governance principles of the Stock Exchange of Thailand, the Thai Institute of Directors Association (IOD) and the Organization for Economic Cooperation and Development (OECD).

In 2020, the Corporate Governance Committee convened 2 meetings to monitor the operations in accordance with the good corporate governance plan. Its performance was reported to the Board of Directors for acknowledgement which summarized as follows:

1. Ensured the Company having full compliance with the Good Corporate Governance Guideline of the Stock Exchange of Thailand and the Corporate Governance Principles of the Organization for Economic Cooperation and Development (OECD) in 5 categories as follows: rights of shareholders, equitable treatment of shareholders, role of stakeholders, information disclosure and transparency, and responsibilities of the Board
2. Encouraged Directors, executives and all employees to acknowledge, understand, realize and correctly comply with the principle of good corporate governance through various communication channels such as e-mail, intranet and the Company's website.
3. Considered, reviewed and revised the Corporate Governance Policy.
4. Encouraged Directors to continuously participate in training and supported Directors to attended training courses held by the Thai Institute of Directors Association (IOD).
5. Defined policy for sub-committee by adopting vision and new mission to harmonize all aspects in policy guideline, communicated vision and new missions to the people inside and outside the Company, including built mutual understanding thereof.
6. Proposed to improve information disclosure, policy, the Charter of the Board to be consistent with the good corporate governance principal of the Stock Exchange of Thailand.
7. Prepared report of the Corporate Governance Committee to disclose its 2020 performance.

The Company is committed to the compliance with the determined Corporate Governance Policy, advocate the improvement and development of such policy and continually and properly disclose to reflect the efficiency, transparency, reliability and auditability of the management.

Mr. Prasertphand Pipatanakul
Chairman of the Corporate Governance Committee

Report of the Business Code of Conduct Committee

Report of the Business Code of Conduct Committee

The Business Code of Conduct Committee consists of 6 members and the Chairman of the Business Code of Conduct Committee shall be an Independent Director. The Business Code of Conduct Committee has duty to oversee and monitor the Company's business operation based on integrity, transparency, morality, ethics and responsibilities to all stakeholders in accordance with the Company's Business Code of Conduct.

In 2020, the Business Code of Conduct Committee convened 1 meeting and reported its performance in the year 2020 to the Board of Directors which summarized as follows:

1. Considered, reviewed and revised the Business Code of Conduct Handbook to make it modern, up-to-date and in accordance with the Company's best practice and the Corporate Governance Policy, also defined it as a part of work regulations that Directors, executives, and employees at all levels must strictly observe; and proposed it to the Board of Directors for consideration and approval. The Board approved the revision as proposed.
2. Reported the latest progress of the participation as a part of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) of Thailand and Institute of Directors (IOD) for anti-corruption. The Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since February 7, 2020, which last for three years from the date of certification.
3. Encouraged and emphasized Directors, executives and all employees to acknowledge, understand, realize and strictly adhere to the Business Code of Conduct principles through various communication channels such as e-mail and intranet.
4. Published the Business Code of Conduct to shareholders and all stakeholders to acknowledge and comply with the Company's intention via the Company's website: www.nawarat.co.th

The Business Code of Conduct Committee has its decisive intention and commitment to promote and enhance the Company's business operation to be in accordance with the Business Code of Conduct and be more efficient in order to reinforce the confidence of shareholders including all stakeholders.

Mr. Prasertphand Pipatanakul
Chairman of the Business Code of Conduct Committee

Report of the Nomination and Remuneration Committee

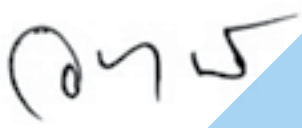
Report of the Nomination and Remuneration Committeeu

The Nomination and Remuneration Committee consists of 4 members and the Chairman of the Nomination and Remuneration Committee shall be Independent Director. The Nomination and Remuneration Committee shall perform its duties in recruiting and considering the remuneration of the Board of Directors, sub-committees, the Chief Executive Officer and the President to be transparent and fair.

In 2020, the Nomination and Remuneration Committee convened 2 meetings and reported its performance in the year 2020 to the Board of Directors for acknowledgement after each meeting, summarized below:

1. Considered the suitable candidates for proposing to the Board and the 2020 Annual General Meeting of Shareholders for consideration. The Company offered minor shareholders an opportunity to nominate directors during October 25, 2019 – January 24, 2020. Since no such nomination emerged, the committee recommended that the Directors who completed their terms in year 2020 should be reappointed for another term. The Meeting of Shareholders resolved to re-appoint Directors as proposed.
2. Considered the remuneration of the Board of Directors and the Audit Committee for the year 2020 and submitted its opinion to the Board of Directors and the 2020 Annual General Meeting of Shareholders for consideration and approval.
3. Considered the remuneration of executives and employees for the year 2020 with corresponding to the respective assigned duties and responsibilities, performance matching with the Company's operating results, environment relating to the Company's business, as well as comparison to other companies within the same or similar industry and business sector, and proposed to the Board of Directors for consideration and approval. The Board of Directors approved the increase of compensation as proposed.
4. Considered criteria and procedures of the annual performance evaluation of the Board of Directors and the sub-committees. The proposal was approved by the Board of Directors.
5. Considered criteria and procedures of the annual performance evaluation of the Chief Executive Officer and the President. The proposal was approved by the Board of Directors.

The Nomination and Remuneration Committee performed its duties with caution and integrity based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.



Mr. Apichart Dharmasaroja

Chairman of the Nomination and Remuneration Committee

Report of the Corporate Social and Environmental Responsibility Committee

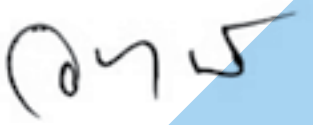
Report of the Corporate Social and Environmental Responsibility Committee

The Corporate Social and Environmental Responsibility Committee consists of 6 members, two of the members are Independent Directors and the Chairman of the Corporate Social and Environmental Responsibility Committee is one of the Company's Director. The Corporate Social and Environmental Responsibility Committee has duty to enhance business operation to be consistent with social and environmental responsibility, define policy and framework, appoint working team and monitor the related implementation.

In 2020, the Social and Environmental Responsibility Committee convened 2 meetings and reported its performance in the year 2020 to the Board which summarized as follows:

1. Appointed the new member of Social and Environmental Responsibility working team to replace the resigned member, comprising 8 persons from relevant departments to drive the policy and organize activities about social and environmental responsibility.
2. Defined a new Social and Environmental Responsibility Policy consist of 7 issues by defining that the Company is committed to conducting business in accordance with good corporate governance, business code of conduct and involving in social development, as well as prepared monthly green journal, which is the internal journal to share knowledge and communicate activities about social and environmental responsibility to Directors, executives and all employees so that they can acknowledge and follow.
3. Performed the Social and Environmental Responsibility Policy, defined a plan and budget for the projects and activities in relation to corporate social and environmental responsibility (CSR) in the year 2020.
4. Participated in the project called SD Journey - Exclusive Program 2020 by the working team and participated in the training of corporate social and environmental responsibility by the Stock Exchange of Thailand.
5. Prepared report of the Corporate Social and Environmental Responsibility Committee to disclose its 2020 performance.

The Corporate Social and Environmental Responsibility Committee is committed that the Company's operation shall be carried out as planned and in accordance with the Board of Directors' assignment, and also recognizes the importance of social and environmental responsibility which will allow the Company to grow sustainably.



Mr. Apichart Dharmasaroja
Chairman of the Corporate Social and
Environmental Responsibility Committee

Report of the Risk Management Committee

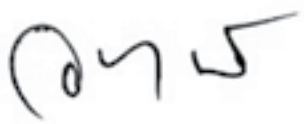
Report of the Risk Management Committee

The Risk Management Committee consists of 7 members and the Chairman of the Risk Management Committee shall be an Independent Director. The Risk Management Committee has duty to define Risk Management Policy covering entire organization, implement and monitor related practice that could properly managing risk and minimizing impact to the Company's business.

In 2020, the Risk Management Committee convened 3 meetings and report its performance in the year 2020 to the Board of Directors which summarized as follows:

1. Monitored the implementation of enterprise risk management plan, especially for the risks at high level, to ensure the effective risk management and ongoing compliance.
2. Reviewed and followed up the operational risk management plan of business units.
3. Conducted a Key Risk Indicator (KRI) to ensure that the Company has an appropriate internal control system to manage risk and to implement the risk management system properly.
4. Provided training to employees at operational level.
5. Prepared report of the Risk Management Committee to disclose its 2020 performance.

The Risk Management Committee has opinion that the performance of the Risk Management Committee achieved the Company's goals regarding the management of organizational risk management system by receiving good cooperation of executives and employees.



Mr. Apichart Dharmasaroja
Chairman of the Risk Management Committee

Report of the Audit Committee

Report of the Audit Committee

The Audit Committee consists of 3 Independent Directors. The Audit Committee performs their duties and has responsibilities as assigned by the Board of Directors and in compliance with the best practice for the audit committee as announced by the Stock Exchange of Thailand. This is an important mechanic that could support the Board of Directors in overseeing the Company's operation and providing independently and transparency opinions in order to build trust and credibility among stakeholders.

In 2020, the Audit Committee convened 12 meetings to consider the related matters. The executives, the general manager of the Internal Audit Department and the auditor attended the meetings on the agenda relating to the quarterly review of financial statements. While in the meeting for auditing the annual Financial Statements, there are none of the Company's executives participated. The performance of the Audit Committee is summarized as follows:

1. Reviewed the quarterly financial statement and the 2020 financial statement to ensure that it is accurate, adequate, completed, reliable and prepared under generally accepted accounting procedures. Reviewed related party transactions between its subsidiary companies, associated companies, joint ventures, related party and executives to ensure that the transactions were done in normal business condition and in compliance with rules and regulations stipulated by the Stock Exchange of Thailand before proposing to the Board of Directors.
2. Supervised the internal audit, considered together with the general manager of Internal Audit Division and adjusted the auditing plan to be in consistent with changes to create sound internal control system.
3. Reviewed the auditing results and monitored the operations to be in line with the plans in order to prevent or reduce the potential risks and considered the work performance of the General Manager of the Internal Audit Division. The Audit Committee has an opinion that the Company's auditing operation has been performed effectively and appropriately.
4. Reviewed the Company's compliance with laws, regulations and requirements of the Securities and Exchange Act, and other regulations relating to the Company's business. After the meeting with the Company's Secretary who has duty to supervise and monitor the compliance with laws, regulations and requirements of the Office of Securities and Exchange Commission and the Stock Exchange, the Audit Committee had issued an opinion that the Company complied with all requirements without any significant flaws.
5. Considered the appointment of auditors and submitted its opinion to the Board of Directors in order to further propose to the Annual General Meetings of Shareholders for approval of the Company's auditors and audit fee.
6. Reviewed related party transactions to avoid conflict of interest and ensure the transactions were done properly in compliance with laws and regulations stipulated by the Stock Exchange of Thailand. This is to ensure such transactions were made reasonably and created utmost benefit to the Company.

Mr. Apichart Dharmasaroja
Chairman of the Audit Committee

Report of the Board of Directors on Responsibilities towards the Financial Report

Report of the Board of Directors on Responsibilities towards the Financial Report

The Board of Directors takes accountability for the consolidated financial statements of the Company, including information disclosed in this annual report. The aforementioned financial statements have been prepared in accordance with generally accepted and consistently practiced the accounting standards by selecting appropriate accounting policies, together with careful discretion and best estimation. All materialized information has been sufficiently disclosed in the notes of financial statements. The Board of Directors, furthermore, provides:

- Internal control system which responsible by the Internal Audit Division who report directly to the Audit Committee, in order to ensure its independence from the management's domination.
- Practical guideline of good corporate governance for the Directors, executives and employees to adhere to.
- Proper and effective risk management system to reduce causes of each potential damages to the Company, to ensure that the preparation of financial and accounting statements is accurate, complete, and sufficient for maintaining the assets and preventing fraud.

The Board of Directors appointed the Audit Committee to reviewing the Accounting Policy and reviewing an accuracy of financial reports as well as internal control system and internal audit. Further information is disclosed in the report of the Internal Audit in this annual report. Moreover, the Company's financial statements have been audited by the Certified Public Accountant (CPA) of EY Office Limited, in which within this report, the opinion of the CPA is represented in the independent auditors' report.

In the view of the Board of Directors, the Company's overall internal control system is satisfactory and reasonably assured that the financial statements of Nawarat Patanakarn Public Company Limited, its subsidiaries and joint ventures ended 31st December 2020 are reliable and in compliance with laws and relevant regulations.

Mr. Prasertphand Pipatanakul
Chairman

Explanation and analysis of financial status and operating results

Explanation and analysis of financial status and operating results

In 2019, several countries around the world were facing chaos for example:

- In June 2019, Hong Kong started protest against plans to allow extradition across boarder. It became democracy protest and severely impacted on Hong Kong's economy.
- Brexit or British exit refers to the UK leaving the European Union (EU). There were requests to extend the Brexit deadline many times in order to prevent Brexit with "unequivocal and unconditional". The last deadline allowed by EU was extended to January 31, 2020. The situation was seriously impacted on economic.
- During the year of 2019, U.S.- China trade war has started and extremely impact on many countries' economic as well as on the world's economic. The trade war expanded into tax, technology, exchange rate and investment issues. However, in December both China and U.S. have negotiated to stop trade war but many people though that it is just a temporary halt.

Thai Economy in the year of 2019 was contracted in many parts especially in real estate industry due to the low domestic expenditure. The Government's policy that strictly governed financial institution loan was the major cause. In addition, manufacturing industry was contracted as well due to trade barrier, the slowdown of the global economy and appreciation of Thai Baht.

In 2020, the coronavirus (COVID-19) pandemic has evolved and spread to other countries around the world. As a result, economics of each country has been highly impacted. Travel bans have been implemented in the last quarter of the year and the pandemic seemed to be under control accordingly. However, a new emerging phrase or the second wave has begun across the globe. Therefore, many countries have to remain closing their border and denying travelers, even though they were almost ready to resume earlier.

At the end of the year, United States presidential election was arranged. Nonetheless, the new leader has not made any significant action according to his policy yet as there were protest against the election result and outbreak of coronavirus(COVID-19) at the same time.

The domestic economy has been impacted by the outbreak of coronavirus (COVID-19) as well. Many business activities were temporary paused in order to control the spread of pandemic, while some business needed to be closed permanently. The travel sector which is the main country's revenue, has been impacted severely and others business within the country also faced the same situation.

Summary of the Company's nancial status according to the Company's consolidated nancial statement as at December 31, 2020.

As at December 31, 2020, the Company had total assets in the amount of 14,685.71 Million Baht, increased from the total assets as at December 31, 2019 in amount of 1,332.06 Million Baht.

Signicant changes in assets:

1. Cash and cash equivalents as at December 31, 2020 amounting to 1,170.24 Million Baht, increased from December 31, 2019 in amount of 573.36 Million Baht as the Company's group received the advance payment for construction cost according to the conditions defined in the construction contracts.
2. Trade receivables and other receivables as at December 31, 2020 before deducting allowance for doubtful accounts amounting to 2,794.67 Million Baht, increased from December 31, 2019 in amount of 448.12 Million Baht. In case payments are not made by the clients as it is specifically due, interest charges shall be applied to those late payments. Interest charges shall be conditionally calculated based on the due date and this standard shall be practically applied to all receivables, including receivables of related parties. Because of the current economic circumstance, the Company has conceded the interest charges to those receivables with trivial late payment, except those receivables which have been under litigation process for debt repayment.
   The Company recorded allowance for doubtful accounts for all those receivables with over-12-month overdue payment according to the Company's rules and policies

Trade receivables as at December 31, 2020 compared with those as at December 31, 2019 are as follows;

(Unit: Million Baht)

Description	Allowance for doubtful accounts/ allowance for expected credit losses	Total debts	Within due	Within 12 month past due	Over 12 month past due
Trade receivables as at December 31, 2019	1,027.88	2,282.32	737.19	477.30	1,067.83
Trade receivables as at December 31, 2020	1,049.35	2,756.15	1,282.46	428.91	1,044.78
Increase (decrease)	21.47	473.83	545.27	(48.39)	(23.05)

3. Contract assets as at December 31, 2020 before deducting allowance for expected credit losses amounting to 5,068.68 Million Baht, increased from December 31, 2019 in amount of 924.39 Million Baht. The assets emerged from the contract, are as follows:

	As at 31 Dec 2020	As at 31 Dec 2019	Increase (decrease)
Revenue not yet billed	4,454.33	3,397.34	1,056.99
Accrued revenues	70.44	30.88	39.56
Retentions payable	543.91	716.07	(172.16)
Total	5,068.68	4,144.29	924.39
Less Allowance for doubtfulaccounts/ allowance for expected credit losses	(2.48)	(2.48)	-
Total contract assets - net	5,066.20	4,141.81	924.39

4. Inventories as at December 31, 2020 amounting to 895.64 Million Baht, decreased from December 31, 2019 by 431.76 Million Baht. The increased amount was from pre-cast concrete product that waiting for handover to the buyers.

Signicant changes in liabilities:

1. Bank overdrafts and short-term loans as at December 31, 2020 amounting to 3,044.35 Million Baht, increased from December 31, 2019 in amount of 874.91 Million Baht due to the increasing of short-term loan from financial institutions in order to enhance more liquidity for the Company's operation.
2. Trade payables and other payables as at December 31, 2020 amounting to 2,241.95 Million Baht, increased from December 31, 2019 in amount of 200.73 Million Baht.

Details of trades payable and other payables were as follows:

(Unit: Million Baht)

	As at 31 Dec 2020	As at 31 Dec 2019	Increase (decrease)
Trade payables – related and non-related parties	1,807.03	1,637.88	169.15
Advance from – related and non-related parties	0.79	1.19	(0.40)
Other payables – related and non-related parties	100.55	60.49	40.06
Accrued expenses – related and non-related parties	333.58	341.66	(8.08)
Total trade payables and other payables	2,241.95	2,041.22	200.73

3. Debt initiated from contracts consists of advance revenues for construction cost in the amount of 2,957.03 Million Baht as at December 31, 2020, increased from December 31, 2019 in amount of 990.02 Million Baht. The debt was incurred from signing construction contract and receiving advance revenues for construction cost from the project owners. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.
4. Long-term loans from banks which appeared in the statement as "Current portion of long-term loans from banks" and "Long-term loans from banks, net of current portion", have the total amount as follows:

(Unit: Million Baht)

	As at 31 Dec 2020	As at 31 Dec 2019	Increase (decrease)
Current portion of long-term loans from banks	536.30	498.09	38.21
Long-term loans from banks, net of current portion	1,385.05	447.23	937.82
Total	1,921.35	945.32	976.03

5. x: The Company has redeemed the debenture in the amount of 1,720.10 Million Baht on August 28, 2020. The debenture has been paid in full amount.

1. Analysis of the operating results of the year 2020 comparing to the year 2019 according to the consolidated financial statement

Description	Year 2020	Year 2019	Increase (decrease) Amount	Increase (decrease) Percentage
1.1 Revenue from construction	7,728.59 MB	6,318.23 MB	1,410.36 MB	22.32
1.2 Cost of construction compared with revenue from construction	95.08 %	98.15 %	-	(3.13)
1.3 Revenue from sales and services				
- Real estate development	399.21 MB	424.61 MB	997.25 MB	(5.98)
- Concrete products and others	1,801.15 MB	1,079.07 MB	722.08 MB	66.92
1.4 Cost of sales and services compared with revenue from sales and services				
- Real estate development	73.62 %	62.26 %	-	18.25
- Concrete products and others	85.42 %	87.85%	-	(2.77)
1.5 Sales and distribution expenses	122.78 MB	139.63 MB	(16.85) MB	(12.07)
1.6 Administrative expenses	511.00 MB	588.19 MB	(77.19) MB	(13.12)
1.7 Loss in impairment	92.24 MB	-	92.24 MB	
1.8 Financial expenses	248.34 MB	218.41 MB	29.93 MB	13.70

2. Operating results of the year 2020

Description	Year 2020	Year 2019
Profit (Loss) of the year attributable to shareholders' equity according to the consolidated financial statement	(240.93) MB	(515.22) MB
Profit (Loss) of the year according to the separate financial statement	(307.96) MB	(380.99) MB

3. Management discussion and analysis

For the operating results as at December 31, 2020, the Company and its subsidiaries had total revenues amounting to 9,928.95 Million Baht, divided into revenue from construction service of 7,728.59 Million Baht, revenue from sales and services of 2,130.23 Million Baht and other revenues of 70.13 Million Baht. Compared to the year 2019, total revenues of the Company and its subsidiaries increased by 2,107.04 Million Baht or 26.94 percent, resulting from an increase in construction revenue in the amount of 1,410.37 Million Baht or 22.32 percent and increase in sales and services revenue in the amount of 708.37 Million Baht or 49.82 percent.

In 2020, the Company had net loss of the year attributable to shareholders' equity amounting to 240.92 Million Baht. While in 2019, the Company had net loss of the year attributable to shareholders' equity amounting to 515.22 Million Baht.

The Company recognized share of loss from investment in associated companies and joint ventures in the year 2020 amounting to 18.13 Million Baht. While in 2019, the Company recognized share of profit from the said transactions amounting to 12.90 Million Baht. Details of which were as follows:

(Unit: Million Baht)

	Investment proportion (Percentage)	Recognized Share of Profit (Loss) (Million Baht)	
		Year 2020	Year 2019
C.I.N. Estate Company Limited	40	18.13	(12.90)

In the year 2020, the Company faced many problems and obstacles. Starting from the outbreak of coronavirus (COVID- 19) which severely impacted domestic and international economic, including foreign worker's migration. Construction projects of the Government aiming to develop the country have begun bidding according to the budget. Although, there are serious bidding competition between construction companies is drastic, the Company's executives and all employees are committed to perform their duties at full capacity and do their best to overcome those problems and obstacles.

3.1 Operating results for the year 2020

Construction business

In 2020, revenue from construction services was 7,728.59 Million Baht, increased from the year 2019 in the amount of 1,410.36 Million Baht or 22.32 percent. The project cost has been adjusted because of the delay in handing over the project's area from the project owner, the problem of overlap projects and the revision on construction drawing which lead to the suspension in construction process. In 2020, the problem has been resolved. Many projects have been completed and there are many projects pending for contract signing which revenue will be recognized accordingly. The three largest construction projects contributing highest revenue in the year 2020 are as follows:

A. Structuring and providing architecture services for the Pink Line Monorail (Khae Rai- MinBuri Section) of Mass Rapid Transit Authority of Thailand in which the Company is a sub-contractor of Sino-Thai Engineering and Construction Public Company. The project revenue in the year of 2020 was 1,398.59Million Baht.
B. Structuring and providing architecture services for the Yellow Line Monorail (Lat phrao – Samrong Section) of Mass Rapid Transit Authority of Thailand in which the Company is a sub-contractor of Sino-Thai Engineering and Construction Public Company. The project revenue in the year of 2020 was 1,300.76 Million Baht.
C. Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project (Khlong Prapa- Min Buri) of Metropolitan Electricity Authority in which the Company is a sub-contractor of Sino-Thai Engineering and Construction Public Company. The project revenue in the year of 2020 was 439.80 Million Baht.

Other businesses

In 2020, revenue from sales and services was 2,130.23 Million Baht, increased from the year 2019 in the amount of 708.37 Million Baht or equivalent to 49.82 percent. Source of sales and services revenue are as follows:

1. Revenue from concrete products was sharply increased in the year 2020 with the attribution of subsidiary company called Advance Prefab Company Limited. The main business of the subsidiary is manufacture of concrete products where the sale and services revenue is significantly higher than it was in 2019, mainly contributed by the electric rail transportation project.
2. Processed steel business
3. Petrol business
4. Food business
5. In 2020, the revenue from real estate development business has decreased 25.40 Million Baht or 5.98 percent in comparison with the year 2019. The major causes are from the economic downturn due to the outbreak of coronavirus (COVID-19). In addition, the cost of real estate development business in year 2020 has increased from the year 2019 in equivalent to 11.36 percent because of the transferring asset of Baranee Park on" Romkloa Road, Bangkok was increased, where the cost of this project is higher than other projects.

Sales and distribution expenses

Compared with the year 2019, sales and distribution expenses of the year 2020 increased 16.85 Million Baht, or approximately 12.07 percent. Details of sales and distribution expenses were as follows:

(Unit: Million Baht)

Sales and distribution expenses	Year 2020	Year 2019
Mana Patanakarn Company Limited	75.18	98.96
Advance Prefab Company Limited	44.16	37.00
Taste Maker Company Limited	3.43	3.67
Total	122.78	139.63

For the year 2020, Mana Patanakarn Company Limited, conducts real estate business, has lower expenses on marketing promotion compared with the year 2019. Advance Prefab Company Limited, conducts concrete product business, has increased its transportation expenses due to the high sale volume compared with the year 2019.

Administrative expenses

Compared with the year 2019, administrative expenses of the year 2020 decreased in amount of 77.19 Million Baht, or approximately 13.12 percent. Details of administrative expenses were as follows:

(Unit: million Baht)

Administrative expenses	Year 2020	Year 2019
Nawarat Patanakarn Public Company Limited	298.31	382.84
Advance Prefab Company Limited	61.87	72.99
Mana Patanakarn Company Limited	68.58	59.48
Utility Business Alliances Company Limited	39.20	36.17
Taste Maker Company Limited	35.21	26.88
Other subsidiaries	7.83	9.83
Total	511.00	588.19

In the year 2019, the Company has a higher lawsuit expense for outstanding debtors compared with the year 2020. Moreover, the Company was gradually recognized the expense for severance pay which the compensated rate has adjusted from 300 days to 400 days. Another cause was the recognition from the loss of exchange rate. The law, officially called the Labour Protection Act., has increased the severance pay from 300 days to 400 days for workers serving over 20 years. The Company and subsidiaries were gradually recognized and recorded the compensation rate in costs and expense as follows:

(Unit: million Baht)

Details	Amount
Star Sapphire Hotel Co., Ltd.	91.17
A.S. Associated Engineering (1964) Co., Ltd.	8.27
Other revenues	14.33
Less Reversal of allowance for doubtful accounts	(19.53)
Total	94.24

3.2 Issuance and offering of 1,720.10 Million Baht debentures, including redemption of debentures on maturity date

On August 28, 2017, the Company issued and offered 2,000,000 units of 3-year debenture at a par value of 1,000 Baht each, totaling 2,000 Million Baht with maturity date of full redemption on August 28, 2020. The debentures bear coupon rate of 4.50 percent per year. The purposes of debenture issuance were for investment, debentures repayment and using as working capital. The debentures were sold at total amount of 1,720.1 Million Baht. Total payment of coupon rate in 2019 were 77.40 Million Baht.

In accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to maintain Net Debt to Equity ratio at the rate of 2.5:1 at the end of the quarter and year end period. Details are defined as follows:

"Net Debt" refers to the total amount of debts shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents.

"Equity" refers to the share equity of the debenture issuer/loaner as shown in the consolidated financial statement.

"cash and cash equivalents" refer to the total amount of cash and cash equivalents as shown in the consolidated financial statement of the debenture issuer/loaner.

Therefore, the Net Debt to Equity ratio (Net D/E ratio) in accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders shall be as follows:

Net Debt to Equity ratio according to the consolidated financial statement was higher than indicated in the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders. Therefore, the Company organized the meeting of debenture holders on March 16, 2020 in order to seek for approval on the following agendas:

1. Revision of the definition of "Net Debt" from "the total amount of debts shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents" to "the total liabilities only with the interest bearing debt shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents".
2. Revision of the Net Debt to Equity ratio from the rate from 2.5:1 to 2.25:1

The meeting of debenture holders approved the revision in the definition of "Net Debt" and Net Debt to Equity ratio as follows:

During the year 2019, the Company did not issue or offer any additional debentures.

3.3 NWR-SBCC Joint Venture

On March 28, 2017, the Central Bankruptcy Court issued a definitive custodial order to Saraburi Coal Co., Ltd. ("Saraburi"), a joint venture under NWR - SBCC Joint Venture Agreement with 50 percent shareholding proportion to carry out the excavation and transportation of soil and coal at the Mae Moh Mine of the Electricity Generating Authority of Thailand in Lampang Province. The absolute custody ordered by the Central Bankruptcy Court was considered that Saraburi in breach of the Joint Venture Agreement. The Company exercised its rights under the Joint Venture Agreement to terminate the duty of Saraburi from the NWR-SBCC Joint Venture ("Joint Venture"). Subsequently, on January 15, 2018, the court ordered the bankruptcy of Saraburi.

On May 8, 2017, the Company submitted a written letter to the official receiver of Saraburi to cancel the duty of Saraburi in the Joint Venture. As a results, roles, rights and duty of Saraburi according to the Joint Venture Agreement ended and the Company has a right and duty according to Joint Venture Agreement to control and operate until the work is completed, as scheduled in March 23, 2018. The results of Saraburi's lawsuit and the exercise of the Company's rights did not change the Company' shareholding ratio in the Joint Venture and did not affect the project operation with the Electricity Generating Authority of Thailand.

Currently, the project has already been completed. All machineries and equipment used for this project were sold. The Company is filling request to the officer receiver for termination of the Joint Venture and requesting for appointment of a liquidator.

3. Cash flow statement analysis

Cash flow statement (consolidated financial statement)

(Unit : Million Baht)

Description	Year 2020	Year 2019	Year 2018
Cash flows from (used in) operating activities	516.49	(621.61)	902.97
Cash flows from investment activities	(81.35)	(182.23)	14.54
Cash flows from (used in) financing activities	133.50	146.84	(270.32)
Increase (decrease) in translation adjustment	4.72	6.71	1.20
Cash and cash equivalent at the beginning of period	596.88	1,247.17	598.78
Cash and cash equivalent at the end of period	1,170.24	596.88	1,247.17

Cash from operating activities in year 2020 indicated that the Company had a net cash flows in operating activities amounting to 516.49 Million Baht comparing with the year 2019 which having a net cash flows used in operating activities amounting to 621.61 Million Baht. Key items that affect cash from operating activities were as follows;

1. Increasing of trade receivables and other receivables of 447.28 Million Baht due to the payment of the delivered works which have not been received yet.
2. Assets from contracts which consist of the revenue not yet billed, accrued revenues, retentions payable, were increased in amount of 924.39 Million Baht. The revenue not yet billed was the main factor as the project has been processed but it was not handover to the employers yet.
3. Deceasing of inventories amounting to 432.02 Million Baht due to the ready-made products, as per purchasing order, was handover to the buyer.
4. Increasing of trade payables amounting to 223.57 Million Baht in relation to materials' cost and deliverables from sub-contractors.
5. Debt initiated from contracts consists of advance revenues for construction cost, was increased in amount of 990.02 Million Baht. The debt was incurred from signing construction contract and receiving advance revenues for construction cost from the project owners. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.

With respect to cash from investment activities in year 2020, the Company had net cash flows from investing activities amounting to 81.35 Million Baht compared with the year 2019 in which the Company has net cash flows from investing amounting to 182.10 Million Baht. In 2020, the Company purchased equipment in the amount of 148.03 Million Baht, while the received cash from sales of equipment in amount of 11.05 Million Baht.

With respect to cash from financing activities in the year 2020, the Company had net cash flows from financing activities amounting to 133.50 Million Baht compared with net cash flows from financing activities in the year 2019 amounting to 148.84 Million Baht. The following list of activities affect financing activities;

1. In 2020, increasing of bank overdraft and short-term loan from financial institutions amounting to 874.91 Million Baht and long-term loan amounting to 1,390 Million Baht. Meanwhile, the Company repaid a long-term loan to financial institution amounting to 414.93 Million Baht.

2. The Company has redeemed the debenture in the amount of 1,720.10 Million Baht on August 28, 2020. The debenture has been paid in full amount.

Summary of key activities occurred during the year 2018- 2020 which affected the cash ow statement

1. The debentures issued on August 21, 2015 in the amount of 1,500 Million Baht with maturity date of full redemption on August 21, 2018. The Company repaid the total debentures on its maturity date in August 2018.
2. On August 28, 2017, it was the due date of full redemption of 1,500 Million Baht debentures issued on August 28, 2014. On the same day, the Company issued and offered the 2,000,000 units of 3-year debenture at a par value of 1,000 Baht each, totaling 2,000 Million Baht. The maturity date of full redemption will be August 28, 2020. The debentures bear coupon rate of 4.50 percent per year. The purpose of the debentures is for investment, loan repayment and working capital. The debentures were sold in total of 1,720.10 Million Baht. The debenture has been paid in full amount on the maturity date which was August 28, 2020.
3. The Company received long-term loan in the amount of 500 Million Baht from the Bank in order to repay the debentures that due as stated in item 1. The repayment installment of long-term loan is every 6 months from January 2020 to July 2023. However, the Company together with the Bank have signed the amendment to the loan agreement in order to suspend the repayment of principal starting from July 2020 to January 2021. The Company will resume the repayment installment of the long-term loan with every 6 months period, starting from July 2021 and complete the repayment within July 2024.
4. The Company signed the loan agreement with the Bank in Thailand in the amount of 800 Million Baht in order to repay the debentures that due as stated in item 2. The repayment installment of long-term loan is every 6 months started starting from August 2021 to July 2026.
5. In 2020, the Company purchased additional lands, buildings, equipment, furniture, vehicles and assets during construction at cost in amount of 190.28 Million Baht. In 2019 and 2018, the Company purchased lands, buildings, equipment, furniture, vehicles and assets during construction in amount of 366.36 Million Baht and 200.66 Million Baht respectively. The Company purchased only necessary machinery and equipment, including replacement of the deteriorated ones. At the same time, the Company disposed the old and outdated machinery in order to save warehouse area and maintenance cost.

4. Financial ratio analysis (in accordance with the consolidated financial statement)

1. Liquidity ratio

Terms of debt repayment for trade receivables are classified into 45-60 days for government sector and 30 days for private sectors. However, the average debt collection period of the Company was 94 days in 2020, 105 days in 2019 and 85 days in 2018.

The average period of selling goods was 99 days in 2020, 126 days in 2019 and 95 days in 2018. The Company accelerated the production to deliver goods in accordance with schedule and to use in construction projects. Main materials were also be purchased in advance to prevent risk of price fluctuation.

The repayment period for trade payables was 84 days in 2020, 91 days in 2019 and 68 days in 2018.

Since the trade receivables could not made their payment within the due date, resulted in a long cash conversion cycle. The cash conversion cycle of year 2020 was 109 days; while in 2019 and 2016 were 140 and 112 days respectively. Therefore, the Company has to be more careful and strict with debt collection. However, due to the overall economic situation, number of trade receivables faced difficulties in their business operation which affected the Company's liquidity. Nevertheless, if the economic and political situation is improved, including the outbreak of coronavirus (COVD-10) can be controlled, we expected that the liquidity will be improved accordingly.

Ratio according to the consolidated financial statement	2020	2019	2018
Ratio of cash flow liquidity	0.05x	(0.08)x	0.14x

The Company has a problem with the liquidity ratio due to the increasing of construction cost in some projects and late payment of the trade receivables, non-compliance with the terms and conditions in the executed contract. However, the Company endeavored to expedite the debt collection by regularly following up the payment. If the trade receivables having a liquidity problem, the Company provided them a chance to negotiate and seek for a solution together. Lastly, the Company may file a lawsuit for debt settlement. In addition, the Company has purchased main materials to ensure that they are sufficient for the entre projects, in order to prevent risk of price fluctuation. This resulted in the decreasing of the Company's liquidity of cash flow. Nevertheless, the Company received the repayment of the overdue outstanding more than 300 Million Baht in 2018, which resulted in an improvement of ratio of cash flow liquidity to be 0.14 times. In 2019, the mentioned ratio showed that the Company still faced the same problem and needed to resolve the problem in order to gain more liquidity. The mentioned ratio was improved in the year 2020, although it was slightly improved in a small number.

2. Protability ratio

Ratio according to the consolidated financial statement	2020	2019	2018
Gross profit margin	6.88%	4.22%	8.22%
Operating profit margin	0.45%	-5.18%	1.68%
Net profit margin	-2.43%	-6.59%	4.17%
Cash to profitability ratio	11.66x	N.A.(+1.55)	5.40x

Note: Cash to profitability ratio of year 2019 could not be shown due to negative numbers in both cash and profit from operation.

In the year 2017, the Company encounter the increased of construction cost due to some problems such as inability of the project owner to handover the site as per the project schedule, the project owner made alteration to the design, construction site has ab unexpected difficulties of underground work that need alteration of the as-build drawing. The profitability ratio in the year 2018 improved a lot comparing with the year 2017. In 2019, the Company has faced the same problem that ever happened in the year 2018. But in this time, it is more severe because the problem has occurred in many projects which having a high project's value.

Problems that the Company is facing and must be closely monitored are the delay of payment from trade receivables resulting from the economic situation or the liquidity problem of debtors themselves. In some years, the Company received debt repayment from accounts receivables who had been recorded as allowance for doubtful accounts, for example, the Company reversed allowance for doubtful accounts from receipt of repayment from debtors in the amount of 321.21 Million Baht, 30.46 Million Baht in the year 2019 and 19.53 Million Baht in the year 2020.

3. Efficiency ratio

During a year 2017-2019, the Company purchased many new machineries both for using in the specific projects and for replacement of the old ones. New machineries and equipment purchased in the year 2018, 2019 and 2020 amounting to 92.51 Million Baht, 161.10 Million Baht and 44.19 Million Baht respectively. In the year 2018, return on total assets, return on fixed assets and return on equity improved a lot comparing with the year 2017. However, in the year 2019 every efficiency ratio reflected negative value due to the operating loss occurred. In the year 2020, the Company also faced the loss from business operation, although it was better than the year 2019. The Company is confident that the company will be able to consistently generate satisfactory returns in the upcoming years.

Ratio according to the consolidated financial statement	As at the year ended 31-12-20	As at the year ended 31-12-19	As at the year ended 31-12-18
Return on total assets	-1.72%	-3.90%	3.31%
Return on fixed assets	8.88%	-4.47%	31.22%
Return on equity	-7.71%	-14.41%	11.17%

4. Leverage ratio

Debt to equity ratio increased from the year 2014 to the year 2017 since the Company had issued and offered debentures for three times, in the year 2014 amounting to 1,500 Million Baht, in the year 2015 amounting to 1,500 Million Baht and in the year 2017 amounting to 1,720.10 Million Baht (for repayment of debentures issued and offered in 2014 with maturity date in the year 2017 in the amount of 1,500 Million Baht). The purposes of debenture issuance were for loan repayment, using as working capital and investment in new projects to generate profits for the Company. Although, the debenture issuance increased debt, some of cash received from debentures sold were used for repayment of loan. However, the Company could generate profits in the year 2018 amounting to 425.48 Million Baht (profit in shareholders' equity amounting to 418.04 Million Baht). These resulted in the decreasing of debt to equity ratio to 2.30 times. In 2019, the Company had loss from business

operation again in the amount of 508.42 Million Baht (loss in shareholders' equity amounting to 515.22 Million Baht). These resulted in the increase of debt to equity ratio to 3.02 times. In 2020, the Company had loss from business operation again in the amount of 233.55 Million Baht (loss in shareholders' equity amounting to 240.93 Million Baht). These resulted in the increase of debt to equity ratio to 3.77 times.

Ratio according to the consolidated financial statement	As of the year ended 31-12-20	As of the year ended 31-12-19	As of the year ended 31-12-18
Debt to equity ratio	3.77x	3.02x	2.30x

5. The Company and the real estate development business

The Company would like to expand the business relating to the construction business and providing good return. In the year 2008 and 2009, the Company received debt repayment in form of lands and buildings form Ruen Rapee Company Limited and East Bangkok Assets Company Limited which are related parties. The Company expanded its business to real estate development and started the housing estate named Villa Baranee at Rangsit Klong 3 in Pathumthani Province. Subsequently, the Company organized new structure within the group to facilitate the business operation in real estate development and established Mana Patanakarn Company Limited in which the Company invested 100 percent in the year 2013. The projects under construction of Mana Patanakarn are as follows:

1. Housing project "Baranee Park on" Romkloa Road, Bangkok
2. Housing project "Baranee Residence" at Rangsit Klong 3, Pathumthani
3. Condominium project "ASPEN" at Soi Lasalle, Srinakarin Road, Bangkok

6. Summary of the Company's Management Policy on the transactions affecting the Company's operating results

1. Management of related trade receivables

   Even though the Company has recorded a bad debt reservation appropriately based on the debt's age as analyzed by the Company, the Company has still closely followed up the debt payment. If trade receivables, like Ruen Rapee Company Limited and East Bangkok Assets Company Limited have assets that can be appraised or repayable, the Company will assign the independent appraiser to evaluate prices before settlement of debt. If there is any construction work that debtor can work on, then the Company will consider having such debtor, like New Decade Company Limited, as sub-contractor in order to gain some income and repay the outstanding to the Company.

2. Cost of construction services

   Overall, the global oil price was declined although it has been increased in a short period of time. On the other hand, steel price remains steady. Price fluctuation makes it difficult to estimate construction cost in the future which may affect the proposal to employers or project owners. Even though the Government projects are partially offset due to adjustment of construction cost, it does not cover all types of materials. The Company still has to bear some obligations. However, the Government projects are still better than the private sector' ones that there is no compensation to contractors due to the adjustment of materials' price. The contractors has to prevent the risk by themselves. The Company is able to hedge the price risk in a short period of time, for example, entering into a price agreement to purchase materials in advance, payment of materials in advance or purchase of materials required for the entire project in advance, etc.

7. Ability in maintaining Net Debt to Equity ratio (Net D/E ratio) under the Conditions of the Long-Term Loan Agreements between the Company and the Bank in amount of 500 Million Baht and 800 Million Baht respectively

Net Debt to Equity ratio (Net D/E ratio) as defined in the Long-Term Loan Agreements between the Company and the Bank in amount of 500 Million Baht and 800 Million Baht respectively, is as follows:

"Net Debt" refers to the total liabilities only with the interest bearing debt shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents

"Equity" refers to the share equity of the debenture issuer/loaner as shown in the consolidated financial statement.

"cash and cash equivalents" refer to the total amount of cash and cash equivalents as shown in the consolidated financial statement of the debenture issuer/loaner.

In accordance with the conditions of the Long-Term Loan Agreements between the Company and the Bank in amount of 500 Million Baht and 800 Million Baht, respectively, the Company is required to maintain Net Debt to Equity ratio at the rate of 2.25:1 at the end of the quarter and year end period.

Regarding the definition of "Net Debt", Net Debt to Equity ratio will be as mentioned below:

Ratio according to the consolidated financial statement	As of December 31, 2020	As of December 31, 2019
Net Debt to Equity	1.38	1.33

8. Factors that may affect the Company's nancial status or business operation in the future

From the current business operation, the Company focuses on keeping control of the Company's cost not to over the estimation. However, there is a chance that the cost of construction materials and labor cost may rise that may affect the Company's total wage system. In addition, shortage of workers forced the Company to hire foreign workers, which the average cost of foreign labor is higher than of Thai's workers. Also, there are unexpected situations occurring, such as not receiving the construction site hand-over within the timeframe, meeting with obstacles during construction, changing of construction model, etc. Regarding the Company's income, the Company's customers are from Government and private sectors, but the country's economic stability, political problem and Governments' policies affect the Company's business operation. Nevertheless, the Company will fully use its capability to successfully manage the business, rapidly analyze problems and impacts and adjust strategies deemed appropriate to solve those problems and effects.

GRI Standards

GRI Standards

Profile		Page Number	Omissions	External Assurance
GRI 102: GENERAL DISCLOSURES				
	ORGANIZATIONAL PROFILE			
GRI 102-1	Name of the organization	AR 18		
GRI 102-2	Activities, brands, products, and services	AR 18-31		
GRI 102-3	Location of headquarters	AR 18-19		
GRI 102-4	Location of operations	AR 18-19		
GRI 102-5	Ownership and legal form	AR 18-31		
GRI 102-6	Markets served	AR 37-44		
GRI 102-7	Scale of the organization	AR 71		
GRI 102-8	Information on employees and other workers	AR 77		
GRI 102-9	Supply chain	AR 41		
GRI 102-10	Significant changes to the organization and its supply chain	AR 35-43		
GRI102-11	Precautionary Principle or approach	AR 52		
GRI102-12	External initiatives	AR 170		
GRI102-13	Membership of associations	AR 21-23		
	STRATEGY			
GRI102-14	Statement from senior decision-maker	AR 6-1C		
GRI102-15	Key impacts, risks, and opportunities	AR 52-53		
	ETHICS AND INTEGRITY			
GRI102-16	Values, principles, standards, and norms of behavior	AR 1-4		
GRI102-17	Mechanisms for advice and concerns about ethics	AR 116-119		
	GOVERNANCE			
GRI102-18	Governance structure	AR 118		
GRI102-25	Conflicts of interest	AR 116		
GRI102-28	Evaluating the highest governance body's performance	AR 116		
GRI102-30	Effectiveness of risk management processes	AR 149-150		
GRI102-32	Highest governance body's role in sustainability reporting	AR 97-115		
	STAKEHOLDER ENGAGEMENT			
GRI102-40	List of stakeholder groups	AR 69		
GRI102-41	Collective bargaining agreements	-		
GRI102-42	Identifying and selecting stakeholders	AR 105-107		
GRI102-43	Approach to stakeholder engagement	AR 109-110		
GRI102-44	Key topics and concerns raised	-		

	Reporting Practice	
GRI102-45	Entities included in the consolidated financial statements	AR 231-236
GRI102-46	Defining report content and topic Boundaries	AR 5
GRI102-47	List of material topics	AR 94-95
GRI102-48	Restatements of information	AR 97-103
GRI102-49	Changes in reporting	-
GRI102-50	Reporting period	AR 97-98
GRI102-51	Date of most recent report	AR 97-98
GRI102-52	Reporting cycle	AR 97
GRI102-53	Contact point for questions regarding the report	AR 98
GRI102-54	Claims of reporting in accordance with the GRI Standards	AR 98
GRI102-55	GRI content index	AR 224-229
GRI102-56	External assurance	-
	GRI 103: MANAGEMENT APPROACH	
GRI103-1	Explanation of the material topic and its boundary	AR 6-9
GRI103-2	The management approach and its components	-
GRI103-3	Evaluation of the management approach	-

TOPIC-SPECIFIC STANDARDS

ECONOMIC

	GRI 201: ECONOMIC PERFORMANCE	
GRI201-1	Direct economic value generated and distributed	-
GRI201-2	Financial implications and other risks and opportunities due to climate change	AR 191-193
	GRI202 : MARKET PRESENCE	
GRI202-1	Ratios of standard entry level wage by gender compared to local minimum wage	AR134
GRI202-2	Proportion of senior management hired from the local community	AR135
	GRI203 : Indirect Economic Impacts	
GRI203-1	Infrastructure investments and services supported	
GRI203-2	Significant indirect economic impacts	AR47
	GRI 204 P: PROCUREMENT RACTICES	
GRI204-1	Proportion of spending on local suppliers	AR 39
	GRI 205: ANTI-CORRUPTION	
GRI205-2	Communication and training about anticorruption policies and procedures	AR 102
GRI205-3	Confirmed incidents of corruption and actions taken	AR 102-104
	GRI 206: Anti-competitive Behavior	
GRI206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	AR104

GRI 207: Tax		
GRI207-1	Approach to tax	
GRI207-2	Tax governance, control, and risk management	
GRI207-3	Stakeholder engagement and management of concerns related to tax	
GRI207-4	Country-by-country reporting	

ENVIRONMENT

GRI 302: ENERGY		
GRI302-1	Energy consumption within the organization	AR 154-156
GRI302-3	Energy intensity	AR 154
GRI302-4	Reduction of energy consumption	AR 154-157
GRI 303: WATER		
GRI303-1	Water withdrawal by source	
GRI303-2	Management of water discharge-related impacts	
GRI303-3	Water withdrawal	
GRI303-4	Water discharge	
GRI303-5	Water consumption	
GRI 304: Biodiversity		
GRI304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
GRI304-2	impacts of activities, products, and services on biodiversity	-
GRI304-3	Habitats protected or restored	-
GRI304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
GRI 305: EMISSIONS		
GRI 305: EMISSIONS	Direct (Scope 1) GHG emissions	
GRI305-2	Energy indirect (Scope 2) GHG emissions	
GRI305-4	GHG emissions intensity	
GRI305-5	Reduction of GHG emissions	
GRI 306: EFFLUENTS AND WASTE		
GRI307-1	Non-compliance with environmental laws and regulations	AR166
GRI 307: Environmental Compliance		
GRI306-1	Water discharge by quality and destination	AR 163-165
GRI 308: Supplier Environmental Assessment		
GRI308-1	New suppliers that were screened using environmental criteria	AR137
GRI308-2	Negative environmental impacts in the supply chain and actions taken	AR167

SOCIAL

GRI 401: EMPLOYMENT		
GRI401-1	New employee hires and employee turnover	AR 138
GRI 402: Labor/Management Relations		
GRI402-1	Minimum notice periods regarding operational changes	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
GRI403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	AR 149-150
GRI 404: TRAINING AND EDUCATION		
GRI404-1	Average hours of training per year per employee	AR 141
GRI404-2	Program for upgrading employee skills and transition assistance programs	AR 139-140
GRI404-3	Percentage of employees receiving regular performance and career development reviews	AR 138
GRI 405: Diversity and Equal Opportunity		
GRI405-1	Diversity of governance bodies and employees	AR141
GRI405-2	Ratio of basic salary and remuneration of women to men	AR138
GRI 406: Non-discrimination		
GRI406-1	Incidents of discrimination and corrective actions taken	-
GRI 407: Freedom of Association and Collective Bargaining		
GRI407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 409: FORCED OR COMPULSORY LABOR		
GRI409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	AR 39
GRI 410: Security Practices		
GRI410-1	Security personnel trained in human rights policies or procedures	AR143
GRI 411: Rights of Indigenous Peoples		
GRI411-1	Incidents of violations involving rights of indigenous peoples	-
GRI 412: HUMAN RIGHTS ASSESSMENT		
GRI412-1	Operations that have been subject to human rights reviews s or impact assessment	AR 102
GRI 413: LOCAL COMMUNITIES		
GRI413-1	Operations with local community engagement, impact assessments, and development programs	AR 174-175
GRI 414: Supplier Social Assessment		
GRI414-1	New suppliers that were screened using social criteria	AR39
GRI414-2	Negative social impacts in the supply chain and actions taken	AR39

GRI 415: Public Policy		
GRI415-1	Political contributions	AR103-104
GRI 416: Customer Health and Safety		
GRI416-1	Assessment of the health and safety impacts of product and service categories	AR152
GRI416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	AR152
GRI 417: Marketing and Labeling		
GRI417-1	Requirements for product and service information and labeling	-
GRI417-2	Incidents of non-compliance concerning product and service information and labeling	-
GRI417-3	Incidents of non-compliance concerning marketing communications	-
GRI 418: Customer Privacy		
GRI418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	AR152
GRI 419: Socioeconomic Compliance		
GRI419-1	Non-compliance with laws and regulations in the social and economic area	AR147-149

Nawarat Patanakarn Public Company Limited and Its Subsidiaries

Report and Consolidated Financial Statements

31 December 2020

Independent Auditor's Report

To the Shareholders of Nawarat Patanakarn Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Nawarat Patanakarn Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period.

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

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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

Key audit matter and how audit procedures respond for the matter are described below.

Recognition of revenue from construction

The Group has disclosed its policies on recognition of revenue from construction and estimates of construction costs in Note 5 and Note 6 to the consolidated financial statements. I identified revenue recognition to be an area of significant risk in the audit. This is because the amount of revenue that the Group recognises in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of the appropriate timing of recognition are areas requiring management to exercise significant judgement to assess the percentage of completion. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction.

I assessed and tested the effectiveness of internal controls put in place by the Group over the process of entering into construction contracts, making estimates of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of completion by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected construction contracts made with major customers and randomly selected additional samples to

- Circularise requests for confirmation regarding the terms of the contracts and make enquiries as to whether any side contracts were made directly with clients.
- Read the contracts to consider the conditions relating to recognition of revenue from construction.

- Inquire with the management about the terms of and risks associated with these contracts relevant to recognition of revenue from construction.
- Made enquiries of responsible executives, gained an understanding of the Group's procedures for assessing the percentage of completion and estimating costs of projects, examined estimates of project costs to the project budgets approved by the authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions. I checked actual costs to supporting documents and tested the calculation of the percentage of completion based on actual costs incurred.

  In addition, I reviewed the rationale for the conclusion reached by the management as a result of comparison of the percentage of completion evaluated by the project management to the actual costs incurred, and obtained a letter of representation from the project management.
- Evaluated possible losses on projects assessed by the management through an analysis of the ratio of actual costs incurred to the estimated costs of projects, for each significant cost component.
- Examined accounting transactions related to recognition of revenue from construction that were recorded through journal vouchers, in order to detect possible irregularities.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Kosum Cha-em
Certified Public Accountant (Thailand) No. 6011

EY Office Limited
Bangkok: 1 March 2021

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	*8*	1,170,240,143	596,879,626	1,023,418,107	516,503,541
Current investments	*4, 9*	-	6,263,934	-	6,263,934
Trade and other receivables	*10*	1,745,314,089	1,318,669,090	1,902,214,601	1,581,075,295
Contract assets	*11*	5,066,201,512	4,141,811,086	4,841,171,694	3,932,907,818
Short-term loans and advances	*12*	15,363,367	10,103,027	17,264,479	255,819,880
Current portion of long-term loans	*19*	-	-	25,500,000	-
Inventories	*13*	895,642,278	1,327,403,967	782,419,610	809,596,487
Project development cost	*14*	1,430,474,459	1,398,173,604	14,484,587	18,233,988
Other current financial assets	*4, 15*	6,678,426	-	6,678,426	-
Other current assets	*16*	861,976,744	747,367,054	875,892,615	668,429,006
Total current assets		11,191,891,018	9,546,671,388	9,489,044,119	7,788,829,949
Non-current assets					
Restricted bank deposits	*17*	231,512,571	301,275,828	183,638,447	237,015,276
Other non-current financial assets	*4, 18*	16,066,978	-	10,746,978	-
Long-term loans, net of current portion	*19*	224,675,107	306,204,315	446,913,087	614,016,953
Investments in subsidiaries	*20*	-	-	1,608,343,830	1,606,843,830
Investments in associate	*21*	200,964,492	182,837,905	-	-
Other long-term investments	*4*	-	16,160,033	-	10,000,033
Investment properties	*22*	182,819,329	183,844,329	178,880,829	179,780,829
Property, plant and equipment	*23*	1,907,336,617	2,374,276,265	1,165,945,045	1,547,287,600
Right-of-use assets	*4, 27*	474,542,885	-	260,559,695	-
Leasehold right for land	*4, 24*	-	2,155,990	-	2,155,990
Deferred tax assets	*37*	88,625,064	79,379,934	66,237,183	69,613,963
Other non-current assets		167,276,207	360,840,529	132,464,738	202,111,473
Total non-current assets		3,493,819,250	3,806,975,128	4,053,729,832	4,468,825,947
Total assets		14,685,710,268	13,353,646,516	13,542,773,951	12,257,655,896

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	*25*	3,044,348,526	2,169,440,510	3,030,392,632	1,935,736,432
Trade and other payables	*26*	2,241,945,736	2,041,219,231	1,959,995,737	1,651,335,829
Contract liabilities	*11*	2,957,025,466	1,967,003,733	2,909,594,927	1,913,208,061
Current portion of hire purchase creditors					
and finance lease payable	*4*	-	82,602,921	-	81,177,113
Current portion of lease liabilities	*4, 27*	91,134,027	-	83,318,810	-
Current portion of long-term loans from banks	*28*	536,295,410	498,094,000	97,500,000	75,000,000
Current portion of debentures	*29*	-	1,717,879,310	-	1,717,879,310
Short-term loans	*30*	89,067,640	-	88,067,640	-
Current portion of long-term loans from unrelated party	*31*	8,000,000	-	-	-
Retention payables		355,592,124	315,434,405	323,407,163	269,042,153
Other current liabilities		334,862,234	396,627,676	191,752,215	164,391,205
Total current liabilities		9,658,271,163	9,188,301,786	8,684,029,124	7,807,770,103
Non-current liabilities					
Hire purchase creditors and finance lease					
payable, net of current portion	*4*	-	102,901,461	-	101,748,484
Lease liabilities, net of current portion	*4, 27*	226,136,453	-	93,144,522	-
Long-term loans from banks,					
net of current portion	*28*	1,385,054,000	447,232,000	1,165,000,000	425,000,000
Long-term loans from unrelated party, net					
of current portion	*31*	32,000,000	-	-	-
Provision for long-term employee benefits	*32*	301,597,910	289,855,193	252,342,930	244,953,948
Deferred tax liabilities	*37*	513,340	-	-	-
Other non-current liabilities		1,319,194	1,254,078	1,111,107	1,142,108
Total non-current liabilities		1,946,620,897	841,242,732	1,511,598,559	772,844,540
Total liabilities		11,604,892,060	10,029,544,518	10,195,627,683	8,580,614,643

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
2,585,481,515 ordinary shares of Baht 1 each		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515
Issued and fully paid					
2,585,481,515 ordinary shares of Baht 1 each		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515
Premium on ordinary shares		968,944,135	968,944,135	968,944,135	968,944,135
Retained earnings (deficits)					
Appropriated - statutory reserve	*33*	56,453,551	56,453,551	52,453,551	52,453,551
Unappropriated		(626,375,952)	(360,338,950)	(259,732,933)	70,003,364
Other components of shareholders' equity		13,068,665	5,478,935	-	158,688
Equity attributable to owners of the Company		2,997,571,914	3,256,019,186	3,347,146,268	3,677,041,253
Non-controlling interests of the subsidiary		83,246,294	68,082,812	-	-
Total shareholders' equity		3,080,818,208	3,324,101,998	3,347,146,268	3,677,041,253
Total liabilities and shareholders' equity		14,685,710,268	13,353,646,516	13,542,773,951	12,257,655,896
		-	-	-	-

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from construction		7,728,591,081	6,318,224,887	6,841,863,454	5,427,954,734
Sales and service income		2,130,231,710	1,421,861,026	646,455,627	596,245,092
Other income		70,126,489	81,824,468	60,437,317	46,230,802
Total revenues		9,928,949,280	7,821,910,381	7,548,756,398	6,070,430,628
Expenses					
Cost of construction		7,348,261,658	6,201,069,601	6,475,248,774	5,398,037,935
Cost of sales and service		1,832,498,334	1,212,337,074	613,374,434	564,651,137
Selling and distribution expenses		122,775,492	139,628,522	-	-
Administrative expenses		511,003,923	588,186,953	299,952,100	379,745,797
Loss on write-off assets		13,735,857	6,917,158	-	-
Reversal of allowance for doubtful debts		-	(30,464,897)	-	(26,361,994)
Impairment loss on financial assets		94,240,675	-	268,180,559	-
Total expenses		9,922,515,939	8,117,674,411	7,656,755,867	6,316,072,875
Operating profit (loss)		6,433,341	(295,764,030)	(107,999,469)	(245,642,247)
Share of profit (loss) from investments in associate	*21*	18,126,587	(12,901,108)	-	-
Financial income		4,786,605	18,686,334	21,114,696	38,116,567
Finance cost		(248,337,640)	(218,407,418)	(215,115,468)	(183,978,274)
Loss before income tax expenses		(218,991,107)	(508,386,222)	(302,000,241)	(391,503,954)
Income tax income (expenses)	*37*	(4,562,022)	(35,135)	(5,963,468)	10,510,536
Loss for the year		(223,553,129)	(508,421,357)	(307,963,709)	(380,993,418)

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currency		4,724,418	6,708,382	-	-
Profit (loss) on change in value of available-for-sale investments		-	(2,373,484)	-	6,516
Less: Income tax effect	*37*	-	474,697	-	(1,303)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		4,724,418	4,809,595	-	5,213
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Actuarial loss	*32*	(654,751)	(31,891,088)	-	(23,309,259)
Less: Income tax effect	*37*	130,950	6,378,218	-	4,661,852
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(523,801)	(25,512,870)	-	(18,647,407)
Other comprehensive income for the year		4,200,617	(20,703,275)	-	(18,642,194)
Total comprehensive income for the year		(219,352,512)	(529,124,632)	(307,963,709)	(399,635,612)
Profit (loss) attributable to:					
Equity holders of the Company		(240,926,133)	(515,223,900)	(307,963,709)	(380,993,418)
Non-controlling interests of the subsidiary		17,373,004	6,802,543	-	-
		(223,553,129)	(508,421,357)		
		-	-		
Total comprehensive income attributable to:					
Equity holders of the Company		(236,515,996)	(535,927,175)	(307,963,709)	(399,635,612)
Non-controlling interests of the subsidiary		17,163,484	6,802,543	-	-
		(219,352,512)	(529,124,632)		
		-	-		
Basic earnings per share	*38*				
Loss attributable to equity holders of the Company		(0.0932)	(0.1993)	(0.1191)	(0.1474)
Weighted average number of ordinary shares (shares)		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
					Other components of shareholders' equity					
					Other comprehensive income					
	Issued and fully paid share capital	Premium on ordinary shares	Retained earnings (deficits) Appropriated	Retained earnings (deficits) Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiary	Total shareholders' equity
Balance as at 1 January 2019	2,585,481,515	968,944,135	31,234,848	309,033,088	1,635,865	(966,525)	669,340	3,895,362,926	61,280,269	3,956,643,195
Profit (loss) for the year	-	-	-	(515,223,900)	-	-	-	(515,223,900)	6,802,543	(508,421,357)
Other comprehensive income for the year	-	-	-	(25,512,870)	6,708,382	(1,898,787)	4,809,595	(20,703,275)	-	(20,703,275)
Total comprehensive income for the year	-	-	-	(540,736,770)	6,708,382	(1,898,787)	4,809,595	(535,927,175)	6,802,543	(529,124,632)
Transfer to statutory reserve	-	-	25,218,703	(25,218,703)	-	-	-	-	-	-
Dividend paid (Note 41)	-	-	-	(103,416,565)	-	-	-	(103,416,565)	-	(103,416,565)
Balance as at 31 December 2019	2,585,481,515	968,944,135	56,453,551	(360,338,950)	8,344,247	(2,865,312)	5,478,935	3,256,019,186	68,082,812	3,324,101,998
Balance as at 1 January 2020	2,585,481,515	968,944,135	56,453,551	(360,338,950)	8,344,247	(2,865,312)	5,478,935	3,256,019,186	68,082,812	3,324,101,998
Cumulative effect of change in accounting policies (Note 4)	-	-	-	(24,796,588)	-	2,865,312	2,865,312	(21,931,276)	-	(21,931,276)
Balance as at 1 January 2020 - as restated	2,585,481,515	968,944,135	56,453,551	(385,135,538)	8,344,247	-	8,344,247	3,234,087,910	68,082,812	3,302,170,722
Profit (loss) for the year	-	-	-	(240,926,133)	-	-	-	(240,926,133)	17,373,004	(223,553,129)
Other comprehensive income for the year	-	-	-	(314,281)	4,724,418	-	4,724,418	4,410,137	(209,520)	4,200,617
Total comprehensive income for the year	-	-	-	(241,240,414)	4,724,418	-	4,724,418	(236,515,996)	17,163,484	(219,352,512)
Dividend paid by subsidiary (Note 20)	-	-	-	-	-	-	-	-	(2,000,002)	(2,000,002)
Balance as at 31 December 2020	2,585,481,515	968,944,135	56,453,551	(626,375,952)	13,068,665	-	13,068,665	2,997,571,914	83,246,294	3,080,818,208

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements					
					Other components of shareholders' equity	
					Other comprehensive income	
	Issued and fully paid share capital	Premium on ordinary shares	Retained earnings (deficits)		Surplus on changes in value of available-for-sale investments	Total shareholders' equity
			Appropriated	Unappropriated		
Balance as at 1 January 2019	2,585,481,515	968,944,135	27,234,848	598,279,457	153,475	4,180,093,430
Loss for the year	-	-	-	(380,993,418)	-	(380,993,418)
Other comprehensive income for the year	-	-	-	(18,647,407)	5,213	(18,642,194)
Total comprehensive income for the year	-	-	-	(399,640,825)	5,213	(399,635,612)
Transfer to statutory reserve	-	-	25,218,703	(25,218,703)	-	-
Dividend paid (Note 41)	-	-	-	(103,416,565)	-	(103,416,565)
Balance as at 31 December 2019	2,585,481,515	968,944,135	52,453,551	70,003,364	158,688	3,677,041,253
Balance as at 1 January 2020	2,585,481,515	968,944,135	52,453,551	70,003,364	158,688	3,677,041,253
Cumulative effect of change in accounting policies (Note 4)	-	-	-	(21,772,588)	(158,688)	(21,931,276)
Balance as at 1 January 2020 - as restated	2,585,481,515	968,944,135	52,453,551	48,230,776	-	3,655,109,977
Loss for the year	-	-	-	(307,963,709)	-	(307,963,709)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(307,963,709)	-	(307,963,709)
Balance as at 31 December 2020	2,585,481,515	968,944,135	52,453,551	(259,732,933)	-	3,347,146,268

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Loss before tax	(218,991,107)	(508,386,222)	(302,000,241)	(391,503,954)
Adjustments to reconcile loss before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	452,239,600	407,978,743	341,189,486	313,504,388
Amortisation of leasehold right for land	-	2,586,996	-	2,586,996
Reversal of allowance for doubtful debts	-	(30,464,897)	-	(26,361,994)
Impairment loss on financial assets	94,240,675	-	268,180,559	-
Reduction of inventory to net realisable value (reversal)	(262,075)	(1,474,377)	(392,997)	4,677,124
Reversal of reduction of project development cost				
to net realisable value	(2,379,754)	-	(2,379,754)	-
Loss on write-off assets	13,735,857	6,917,158	-	-
Reversal of allowance for impairment of investment				
in associate	-	-	-	(1,420,219)
Increase in provision for contingent liabilities				
from litigation (reversal)	(1,635,041)	1,635,041	(1,635,041)	1,635,041
Share of loss (profit) from investments in associate	(18,126,587)	12,901,108	-	-
Gain on investment in the associate company	-	(2,210,487)	-	-
Gain on fair value adjustments of other current				
financial assets	(28,033)	-	(28,033)	-
Loss on fair value adjustments of other non-current				
financial assets	840,000	-	-	-
Gain on disposal and write-off equipment	(3,328,992)	(214,607)	(4,219,117)	(1,903,101)
Reversal of allowance for impairment				
of investment properties	(2,010,000)	-	(2,010,000)	-
Loss on disposal investment properties	1,810,000	-	1,810,000	-
Reversal of allowance for loss on				
impairment of fixed assets	(464,158)	-	(464,158)	-
Unrealised loss (gain) on exchange	(275,427)	4,095,033	4,419,095	24,523,039
Increase in provision for long-term employee benefits	26,330,344	81,597,325	20,836,185	68,842,492
Reversal of provision for construction project loss	(22,075,372)	(1,966,262)	(22,075,372)	(1,966,262)
Amortisation of deferred debenture issuing cost	2,220,690	3,248,615	2,220,690	3,248,615
Dividend income	(108,500)	(224,000)	(2,999,998)	-
Interest income	(4,786,605)	(18,686,334)	(21,114,696)	(38,116,567)
Interest expenses	248,337,640	218,407,418	215,115,468	183,978,274
Profit from operating activities before changes in				
operating assets and liabilities	565,283,155	175,740,251	494,452,076	141,723,872

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Operating assets decrease (increase)				
Trade and other receivables	(447,278,827)	(391,337,211)	(376,777,573)	(485,490,864)
Contract assets	(924,390,426)	(86,987,083)	(908,263,876)	(64,543,559)
Inventories	432,023,764	(414,545,179)	27,569,874	(187,399,714)
Project development cost	(26,383,647)	146,338,158	6,129,155	(286,533)
Other current assets	(244,614,602)	(306,788,438)	(320,688,486)	(309,771,000)
Other non-current assets	129,960,544	(6,875,114)	71,506,611	(47,180,921)
Operating liabilities increase (decrease)				
Trade and other payables	223,568,079	346,166,920	330,563,892	341,865,754
Contract liabilities	990,021,733	252,051,489	996,386,866	295,383,404
Other current liabilities	(38,738,396)	(53,723,015)	51,071,423	(35,622,794)
Retention payables	40,157,719	(77,127,178)	54,365,010	(73,811,698)
Other non-current liabilities	65,119	(21,872)	(31,001)	(133,843)
Payment of long-term employee benefits	(15,242,381)	(12,932,952)	(13,447,203)	(12,497,036)
Cash from (used in) operating activities	684,431,834	(430,041,224)	412,836,768	(437,764,932)
Cash paid for interest expenses	(263,507,650)	(208,364,080)	(228,797,548)	(175,827,993)
Cash paid for income tax expenses	(143,750,861)	(124,226,215)	(129,244,081)	(112,272,499)
Income tax refund	239,313,185	140,803,203	238,958,953	140,803,203
Net cash from (used in) operating activities	516,486,508	(621,828,316)	293,754,092	(585,062,221)
Cash flows from investing activities				
Increase in current investments	-	(962,886)	-	(962,886)
Increase in other current financial assets	(386,459)	-	(386,459)	-
Decrease (increase) in short-term loans and advances, net	(12,258,771)	(4,280,869)	99,528,433	(74,674,313)
Decrease in restricted bank deposits	69,763,257	46,324,330	53,376,829	68,617,140
Cash receipt from long-term loans	-	-	50,000,000	18,928,462
Cash paid for long-term loans	(4,271,000)	(11,832,944)	(4,271,000)	(14,832,944)
Cash paid for investment in subsidiaries	-	-	(1,500,000)	(31,500,000)
Cash return from investment in associate	-	17,002,041	-	17,002,041
Cash receipt from sales other long-term investment	-	1,000,000	-	-
Proceeds from disposal of equipment	11,050,279	14,578,045	9,941,593	14,578,045
Proceeds from disposal of investment properties	1,100,000	-	1,100,000	-
Acquisition of equipment	(148,028,861)	(262,388,092)	(125,336,727)	(158,523,215)
Dividend income	108,500	224,000	2,999,998	-
Interest income	1,575,602	18,326,844	16,376,922	21,900,257
Net cash from (used in) investing activities	(81,347,453)	(182,009,531)	101,829,589	(139,467,413)

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions, net	874,908,016	494,997,246	1,094,656,200	390,481,567
Cash receipt from short-term loans	99,777,640	-	98,777,640	-
Repayment of short-term loans	(10,710,000)	-	(10,710,000)	-
Repayment of short-term loans from related parties	-	(17,000,000)	-	-
Repayment liabilities under hire purchase and finance lease agreements	-	(128,155,374)	-	(125,993,566)
Repayment of liabilities under lease agreements	(124,402,020)	-	(113,792,955)	-
Cash receipt from long-term loans from unrelated party	40,000,000	-	-	-
Repayment long-term loans from related party	-	(12,618,974)	-	-
Cash receipt from long-term loans from banks	1,390,949,000	271,000,000	800,000,000	-
Repayment long-term loans from banks	(414,925,590)	(357,965,291)	(37,500,000)	-
Repayment of debentures	(1,720,100,000)	-	(1,720,100,000)	-
Dividend paid	-	(103,416,565)	-	(103,416,565)
Dividend paid by subsidiary to non-controlling interests	(2,000,002)	-	-	-
Net cash from financing activities	133,497,044	146,841,042	111,330,885	161,071,436
Increase in translation adjustment	4,724,418	6,708,382	-	-
Net increase (decrease) in cash and cash equivalents	573,360,517	(650,288,423)	506,914,566	(563,458,198)
Cash and cash equivalents at beginning of year	596,879,626	1,247,168,049	516,503,541	1,079,961,739
Cash and cash equivalents at end of year	1,170,240,143	596,879,626	1,023,418,107	516,503,541
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Reclassify trade and other receivables to long-term loan	-	282,027,031	-	282,027,031
Reclassify short-term loan and advances to long-term loan	7,273,857	12,000,000	-	316,789,363
Acquisition of assets under hire purchase and finance lease agreements during the year	-	103,975,501	-	103,592,785
Transfer right-of-use assets to property, plant and equipment	113,306,878	-	113,250,200	-
Increase in right-of-use assets and lease liabilities from additional lease agreements	253,051,892	-	105,950,772	-
Capitalised interest as a part of project development cost	3,537,454	-	-	-

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

Nawarat Patanakarn Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 General information of the Company

Nawarat Patanakarn Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of construction services and its registered office is at 2/3, Bangna Towers A, 18th-19th Floor, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn.

1.2 Coronavirus disease 2019 pandemic

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Nawarat Patanakarn Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group") as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			Percent	Percent
Utilities Business Alliance Company Limited	Water and wastewater utility management service	Thailand	60	60
Mana Patanakarn Company Limited	Property development	Thailand	100	100
Advance Prefab Company Limited	Manufacture and distribution of concrete products	Thailand	100	100
Tastemaker Company Limited	Restaurant and distribution of processed food	Thailand	99	99
NWR (Cambodia) Company Limited	Constructions consulting services	Cambodia	100	100
Nawarat (Cambodia) Company Limited	Construction	Cambodia	100	100
Myanmar NWR Company Limited	Construction	Union of Myanmar	100	100

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associate presented under the cost method.

2.4 The Group has joint arrangements which assessed as joint operations between the Group and other joint operators. The Group recognises its shares of assets, liabilities, revenue and expenses of the joint operations, in proportion to their interest, to the financial statements, the details as follows:

Name of entity	Nature of business	Country of incorporation	Interest in joint operations	
			2020	2019
			Percent	Percent
Involved in joint arrangement by the Company				
Nawarat - A.S. Associated Joint Venture	Construction	Thailand	70	70
A.S. - Nawarat Joint Venture	Construction	Thailand	50	50
NTA Joint Venture	Construction	Thailand	34	34
NCREC Joint Venture	Construction	Thailand	51	51
TN Joint Venture	Construction	Thailand	48	-
TN-CEI Joint Venture	Construction	Thailand	49	-
Involved in joint arrangement by its subsidiary				
Nawarat Advance Prefab Myanmar Company Limited	Manufacture and distribution of concrete products	Union of Myanmar	70	70

TN Joint Venture

During the current year, the Company entered into a joint arrangement with Thanomwongse Service Co., Ltd., which consist of an investment in a 48 percent interest in TN Joint Venture, which submits construction bids and jointly operates construction projects.

TN-CEI Joint Venture

During the current year, the Company entered into a joint arrangement with Thanomwongse Service Co., Ltd., which consists of an investment in a 49 percent interest in TN-CEI Joint Venture, which submits construction bids and jointly operates construction projects.

Financial information of the joint operations, in proportion to the interest of the Group, are presented include in the consolidated and separate financial statement as below.

Summarised information about financial position as at 31 December 2020 and 2019.

(Unit: Million Baht)

	Consolidated financial statements													
	Nawarat - A.S. Associated Joint Venture		A.S. - Nawarat Joint Venture		NTA Joint Venture		NCREC Joint Venture		TN Joint Venture		TN-CEI Joint Venture		Nawarat Advance Prefab Myanmar Company Limited	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Current assets	2	2	1	1	209	193	112	55	520	-	-	-	16	19
Non-current assets	-	-	-	-	2	-	12	1	-	-	-	-	10	11
Current liabilities	6	6	7	5	201	193	124	56	526	-	-	-	20	22
Non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Venturers' equity	(4)	(4)	(6)	(4)	10	-	-	-	(5)	-	-	-	6	8

(Unit: Million Baht)

	Separate financial statements											
	Nawarat - A.S. Associated Joint Venture		A.S. - Nawarat Joint Venture		NTA Joint Venture		NCREC Joint Venture		TN Joint Venture		TN-CEI Joint Venture	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Current assets	2	2	1	1	209	193	112	55	520	-	-	-
Non-current assets	-	-	-	-	2	-	12	1	-	-	-	-
Current liabilities	6	6	7	5	201	193	124	56	526	-	-	-
Non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Venturers' equity	(4)	(4)	(6)	(4)	10	-	-	-	(5)	-	-	-

Summarised information about comprehensive income for the year ended 31 December 2020 and 2019.

(Unit: Million Baht)

	Consolidated financial statements													
	Nawarat - A.S. Associated Joint Venture		A.S. - Nawarat Joint Venture		NTA Joint Venture		NCREC Joint Venture		TN Joint Venture		TN-CEI Joint Venture		Nawarat Advance Prefab Myanmar Company Limited	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	-	-	-	1	198	3	122	19	56	-	-	-	13	39
Profit (loss)	(1)	-	(2)	(1)	10	-	1	-	(5)	-	-	-	(2)	4
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	(1)	-	(2)	(1)	10	-	1	-	(5)	-	-	-	(2)	4

(Unit: Million Baht)

	Separate financial statements											
	Nawarat - A.S. Associated Joint Venture		A.S. - Nawarat Joint Venture		NTA Joint Venture		NCREC Joint Venture		TN Joint Venture		TN-CEI Joint Venture	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	-	-	-	1	198	3	122	19	56	-	-	-
Profit (loss)	(1)	-	(2)	(1)	10	-	1	-	(5)	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	(1)	-	(2)	(1)	10	-	1	-	(5)	-	-	-

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of non-listed equity investments that the Group has decided to measure these investments at fair value and classify them as financial assets at fair value through profit or loss.
- Classification and measurement of investments in available-for-sale equity securities that the Group has elected to irrevocably classify these investments as financial assets at fair value through profit or loss.
- Classification and measurement of investments in available-for-sale debt securities that the Group has decided to classify these investments as financial assets at fair value through profit or loss.
- Recognition of expected credit losses that the Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables and the general approach to consider impairment of long-term loan.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

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

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

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

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of equity instruments, reduction in lease payments, impairment of assets and reversal of deferred tax assets and provisions.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

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

As described in Note 3 to the consolidated financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

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

(Unit: Thousand Baht)

	Consolidated financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	6,264	(6,264)	-	-
Trade and other receivables	1,318,669	(22,678)	-	1,295,991
Other current financial assets	-	6,264	-	6,264
Non-current assets				
Other non-current financial assets	-	16,907	-	16,907
Other long-term investments	16,160	(16,160)	-	-
Property, plant and equipment	2,374,276	-	(334,429)	2,039,847
Right-of-use assets	-	-	619,219	619,219
Leasehold right for land	2,156	-	(2,156)	-
Other non-current assets	360,840	-	(71,831)	289,009
Liabilities and shareholders' equity				
Current liabilities				
Current portion of hire purchase creditors and finance lease payables	82,603	-	(82,603)	-
Current portion of lease liabilities	-	-	110,605	110,605
Non-current liabilities				
Hire purchase creditors and finance lease payables, net of current portion	102,901	-	(102,901)	-
Lease liabilities, net of current portion	-	-	285,702	285,702
Shareholders' equity				
Deficits	(360,339)	(24,796)	-	(385,135)
Other components of shareholders' equity	5,479	2,865	-	8,344

(Unit: Thousand Baht)

	Separate financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	6,264	(6,264)	-	-
Trade and other receivables	1,581,075	(22,678)	-	1,558,397
Other current financial assets	-	6,264	-	6,264
Non-current assets				
Other non-current financial assets	-	10,747	-	10,747
Other long-term investments	10,000	(10,000)	-	-
Property, plant and equipment	1,547,288	-	(329,666)	1,217,622
Right-of-use assets	-	-	400,595	400,595
Leasehold right for land	2,156	-	(2,156)	-
Liabilities and shareholders' equity				
Current liabilities				
Current portion of hire purchase creditors and finance lease payables	81,177	-	(81,177)	-
Current portion of lease liabilities	-	-	103,200	103,200
Non-current liabilities				
Hire purchase creditors and finance lease payables, net of current portion	101,748	-	(101,748)	-
Lease liabilities, net of current portion	-	-	148,498	148,498
Shareholders' equity				
Retained earnings	70,003	(21,772)	-	48,231
Other components of shareholders' equity	159	(159)	-	-

4.1 Financial instruments

a) Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Retained earnings	Other components of shareholders' equity	Retained earnings	Other components of shareholders' equity
Fair value measurement of non-listed companies equity instruments	747	-	747	-
Classification of available-for-sale equity investments as financial assets at fair value through profit or loss	-	(3,024)	-	-
Classification of available-for-sale debt investments as financial assets at fair value through profit or loss	-	159	-	159
Recognition of an allowance for expected credit losses on financial assets at amortised cost	(22,678)	-	(22,678)	-
Impacts of the adoption of financial reporting standards related to financial instruments	(21,931)	(2,865)	(21,931)	159

b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	596,880	-	-	596,880	596,880
Trade and other receivables	1,318,669	-	-	1,295,991	1,295,991
Contract assets	4,141,811	-	-	4,141,811	4,141,811
Short-term loans and advances	10,103	-	-	10,103	10,103
Other current financial assets	6,264	6,264	-	-	6,264
Restricted bank deposits	301,276	-	-	301,276	301,276
Other non-current financial assets	16,160	16,907	-	-	16,907
Long-term loans	306,204	-	-	306,204	306,204
Total financial assets	6,697,367	23,171	-	6,652,265	6,675,436

(Unit: Thousand Baht)

	Separate financial statements				
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	516,504	-	-	516,504	516,504
Trade and other receivables	1,581,075	-	-	1,558,397	1,558,397
Contract assets	3,932,908	-	-	3,932,908	3,932,908
Short-term loans and advances	255,820	-	-	255,820	255,820
Other current financial assets	6,264	6,264	-	-	6,264
Restricted bank deposits	237,015	-	-	237,015	237,015
Other non-current financial assets	10,000	10,747	-	-	10,747
Long-term loans	614,017	-	-	614,017	614,017
Total financial assets	7,153,603	17,011	-	7,114,661	7,131,672

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	308,484	34,815
Less: Short-term leases and leases of low-value assets	(18,836)	(11,271)
Add: Option to extend lease term	64,224	47,053
Less: Contracts reassessed as service agreements	(441)	-
Less: Deferred interest expenses	(142,628)	(1,824)
Increase in lease liabilities due to the adoption of TFRS 16	210,803	68,773
Liabilities under finance lease agreements as at 31 December 2019	185,504	182,925
Lease liabilities as at 1 January 2020	396,307	251,698
Weighted average incremental borrowing rate (percent per annum)	4.63 - 5.78	4.74
The above lease liabilities comprise of:		
Current lease liabilities	110,605	103,200
Non-current lease liabilities	285,702	148,498
	396,307	251,698

5. Significant accounting policies

5.1 Revenues and expense recognition

Revenues from construction contracts

The Group determines that their construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, which is based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Revenue from sales of real estate

Revenue from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership/delivery of the goods. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented as the part of "Contract liabilities" in the statement of financial position.

Sales of goods

Sales of goods are recognised at the point in time when control of goods is transferred to the customer, generally upon delivery of the goods. Sales are measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts and allowances.

Rendering of services

Service income is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

Dividends are recognised when the right to receive the dividends is established.

Cost of real estate sales

In determining the costs of land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses and residential condominium units on the basis of the saleable area.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house or residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

Finance cost

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

5.2 Balances of contracts with customers

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the expected losses that may be incurred. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer).

Contract liabilities

A contract liability is the excess of the billings to date over the cumulative revenue earned and the Group have the obligation to transfer goods and services to a customer. Contract liabilities are recognised as revenue when the Group fulfil their performance obligations under the contracts.

5.3 Cash and cash equivalents

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

5.4 Inventories

Finished goods and works in process are valued at the lower of cost (first-in, first-out method) and net realisable value. This cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

5.5 Project development cost

Real estate development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs.

The Group recognises losses on diminution in value of projects (if any) in profit or loss.

5.6 Investments in subsidiaries, joint ventures and associates

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition are as follows:

Land - Stated at cost less allowance for loss on impairment (if any). Cost includes land and cost of land development.

Condominium unit - Stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.8 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment (except for some of equipment, calculated by using production unit method) is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

	2020	2019
Land improvements	4 - 10 years	4 - 10 years
Building, constructions and improvement	4 - 30 years	4 - 30 years and the period of lease agreement
Tools, machinery and equipment	2 - 10 years	2 - 10 years
Office equipment, furniture and fixtures	3 - 10 years	3 - 10 years
Motor vehicles	3 - 15 years	3 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land and constructions in progress.

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

5.9 Borrowing costs

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

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings (if any). To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

5.10 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	5 - 30	years
Buildings and building improvement	2 - 8	years
Machinery and equipment	4 - 5	years
Furniture, fixtures and office equipment	3 - 5	years
Motor vehicles	5 - 10	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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

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

Leasehold right is stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to its cost on the straight-line basis over the lease period. The amortisation is included in determining income.

5.11 Related party transactions

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

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

5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.13 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

5.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, a subsidiary provides other long-term benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.15 Provisions

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

Provision for losses on construction projects is made in the accounts in full when the possibility of loss is ascertained.

5.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.17 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade accounts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

b) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

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

Construction contracts

The Group recognises revenue from construction contracts over time. To the satisfaction of the performance obligation, the management determines the stage of completion by using an input method based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion of the construction. The significant judgements are required in determining the extent of the contract costs incurred for work performed to the end of period, the estimated total contract revenue and construction cost, the recoverability of the contract costs to complete as well as assessing potential deduction to revenue due to delay in delivery or contractual penalties. In making these judgements, the Group evaluates based on past experience, historical information and information from the project engineers or relying on the work of specialists (if any).

Estimated construction project costs

The Group estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service, including forecasts of any changes. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Project development costs estimation

In calculating costs of land and houses and residential condominium units sold, the Group has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utilities costs, borrowing costs and other related costs. The management estimates these costs based on their experience in the business and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade accounts receivable and contract assets

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

Allowance for diminution in value of real estate development costs

The Group treats real estate development costs as impaired when a significant decline in the fair value is noted. The management determines the devaluation based on net realisable value. The determination of what is "significant" and the amount of devaluation requires the management to exercise judgement.

Provision for maintenance of housing and condominium units, and public utilities

In recording provision for maintenance of housing and condominium units and public utilities, the management estimates the expenses expected to be incurred based on past experience of providing maintenance, and/or currently available information relating to maintenance expenses.

Joint arrangements

In determining the type of joint arrangement in which the Group is involved, the management applies judgement when assessing whether a joint arrangement is a joint operation or a joint venture by considering rights and obligations of the Group arising from the arrangement. The management assesses the rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

Property plant and equipment/Depreciation

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

Provision for losses on construction projects

The management applies judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believe that a provision as recorded at the financial statements date is adequate.

7. Related party transactions

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

Business transactions	Pricing and lending policy
Revenues from construction, sales and service	Mutually agreed price with comparison to market price
Cost of construction, sales and service	Mutually agreed price with comparison to market price
Rental income	Contract price
Management income	Contract price
Interest income	Interest rates at 5.00 and MLR percent per annum (2019: 5.00 - 6.50 and MLR percent per annum)
Interest expenses	Interest rates at 4.00 - 4.50 percent per annum (2019: 6.50 - 7.50 percent per annum)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Transactions with subsidiaries				
(eliminated from the consolidated financial statements)				
Revenues from construction, sales and service	-	-	566	530
Cost of construction, sales and service	-	-	14	23
Rental income	-	-	24	20
Interest income	-	-	14	17
Transactions with related parties				
Revenues from construction, sales and service	17	10	17	10
Cost of construction, sales and service	3	5	3	5
Management income	2	8	2	8
Rental income	2	-	2	-
Interest income	2	2	1	1
Interest expense	-	1	-	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related parties				
Subsidiaries	-	-	851,353	899,688
Joint arrangements	1,090	444	1,090	444
Related companies (related by common shareholders)	163,488	172,154	163,488	172,154
Related companies (related by common directors)	289	270	289	270
Total	164,867	172,868	1,016,220	1,072,556
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(154,827)	(156,840)	(185,076)	(156,840)
Total trade receivables - related parties, net	**10,040**	**16,028**	**831,144**	**915,716**
Contract assets - related parties				
Joint arrangements	19,122	2,481	19,122	2,481
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(2,481)	(2,481)	(2,481)	(2,481)
Total contract assets - related parties, net	**16,641**	**-**	**16,641**	**-**
Short-term loans and advances to related parties				
Subsidiaries	-	-	231,857	343,854
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	-	(229,956)	(88,034)
Total short-term loans and advances to related parties, net	**-**	**-**	**1,901**	**255,820**
Long-term loans to related parties				
Subsidiaries	-	-	257,789	307,813
Associated company	12,000	12,000	12,000	12,000
Total	12,000	12,000	269,789	319,813
Less: Allowance for expected credit losses	-	-	(4,338)	-
Total long-term loans to related parties, net	**12,000**	**12,000**	**265,451**	**319,813**
Trade and other payables - related parties				
Subsidiaries	-	-	6,217	28,360
Related companies (related by common shareholders)	1,314	2,887	1,250	2,887
Related companies (related by common directors)	1,889	975	101	289
Related company (minority shareholders of subsidiary and common directors)	8,914	750	-	-
Related party (director of the Group)	387	-	48	-
Total trade and other payables - related parties	**12,504**	**4,612**	**7,616**	**31,536**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Contract liabilities - related party				
Joint arrangement	80,340	-	80,340	-
Total contract liabilities - related party	**80,340**	**-**	**80,340**	**-**
Short-term loans from related parties				
Related party (member of the same family as that of the Company's director)	12,000	-	12,000	-
Related party (director of the subsidiary)	1,000	-	-	-
Total short-term loans from related parties	**13,000**	**-**	**12,000**	**-**
Retention payable - related parties				
Subsidiary	-	-	357	357
Related company (related by common directors)	874	775	-	-
Total retention payable - related parties	**874**	**775**	**357**	**357**

Short-term loans and advances to related parties

As at 31 December 2020 and 2019, the balance of short-term loans and advances between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements				
Short-term loans and advances	Related by	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Unrealised loss on exchange	Balance as at 31 December 2020
Tastemaker Company Limited	Subsidiary company	-	2,605	(83)	-	2,522
Myanmar NWR Company Limited	Subsidiary company	88,034	8,073	-	(759)	95,348
Nawarat (Cambodia) Company Limited	Subsidiary company	255,820	-	(125,493)	3,660	133,987
Total		343,854	10,678	(125,576)	2,901	231,857
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)		(88,034)				(229,956)
Net		**255,820**				**1,901**

Tastemaker Company Limited entered into two loan agreements with the Company. The loans carry interest at the rate of MLR percent per annum, payable monthly. The loan principal is to be repaid in eight, monthly installments. Under the first agreement, interest payment was to commence in March 2020 and the first installment of principal is due in July 2020, while under the second agreement interest repayment was to commence in April 2020 and the first installment of principal is due in September 2020.

Loan to Myanmar NWR Company Limited carries interest at the rate of 5 percent per annum. The loan is unsecured and repayable on demand.

Set out below is the movement in the allowance for expected credit losses of short-term loans and advances.

	(Unit: Thousand Baht) Separate financial statements
As at 1 January 2020	88,034
Allowance for expected credit losses	141,922
As at 31 December 2020	229,956

The significant increase in the allowance for expected credit losses of short-term loans and advances in 2020 was mainly due to Myanmar NWR Company Limited and Nawarat (Cambodia) Company Limited.

Long-term loans to related parties

As at 31 December 2020 and 2019, the balance of loans between the Company and related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loans	Related by	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
C.I.N. Estate Company Limited	Associated company	12,000	650	(650)	12,000
Total		**12,000**	**650**	**(650)**	**12,000**

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loans	Related by	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Tastemaker Company Limited	Subsidiary company	3,023	163	(187)	2,999
Advance Prefab Company Limited	Subsidiary company	304,790	13,380	(63,380)	254,790
C.I.N. Estate Company Limited	Associated company	12,000	650	(650)	12,000
Total		319,813	14,193	(64,217)	269,789
Less: Allowance for expected credit losses		-			(4,338)
Less: Current portion		-			(25,500)
Net		**319,813**			**239,951**

Loan to Tastemaker Company Limited carries interest at the rate of MLR per annum and is unsecured. Interest is repayable on a monthly basis since January 2020. Loan principal is repayable on a monthly basis in 24 installments, with the first installment due in January 2021.

As at 31 December 2020, loan to Advance Prefab Company Limited comprised of loan amounting to Baht 208 million (2019: Baht 258 million) and interest receivable amounting to Baht 47 million (2019: Baht 47 million). The loan principle is to be repaid within 31 December 2028. This loan carries interest at the rate of MLR per annum and is unsecured, and the interest receivable is to be repaid within 31 December 2023.

Loan to C.I.N. Estate Company Limited carries interest at the rate of MLR per annum and is unsecured. The loan is to be repaid within 30 December 2022.

Short-term loans from related parties

As at 31 December 2020 and 2019, the balance of short-term loans from related parties between the subsidiary and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans	Related by	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Related party	Members of the same family as that of the Company's director	-	12,000	-	12,000
Related party	Director of the subsidiary	-	1,000	-	1,000
Total		-	**13,000**	-	**13,000**

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans	Related by	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Related party	Members of the same family as that of the Company's director	-	12,000	-	12,000
Total		-	**12,000**	-	**12,000**

Short-term loan from members of the same family as that of the Company's director is in the form of the promissory note with carries interest at the rate of 4 per annum and to be repaid within September 2021.

Short-term loan from director of subsidiary is in the form of an interest-free promissory note that matures in March 2021.

Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	46	42	33	33
Post-employment benefits	2	9	1	8
Total	**48**	**51**	**34**	**41**

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 42.2 a) and b) to the consolidated financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	31,807	30,703	27,255	24,419
Savings and current deposits at banks	1,129,735	554,245	987,473	480,161
Fixed deposits at banks with an original maturity of 3 months or less	8,698	11,932	8,690	11,924
Total cash and cash equivalents	**1,170,240**	**596,880**	**1,023,418**	**516,504**

As at 31 December 2020, saving accounts and fixed deposits carried interests between 0.125 - 1.05 percent per annum (2019: between 0.125 - 1.35 percent per annum).

9. Current investments

As at 31 December 2019, details of current investments are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements
Investments in available-for-sale securities	
Unit trust in open-end mutual funds - cost	6,066
Add: Unrealised gain on changes in value of investments	198
Investments in available-for-sale securities - fair value	**6,264**

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,281,896	734,901	821,799	423,088
Past due				
Up to 3 months	331,296	307,928	192,793	49,158
3 - 6 months	49,011	120,751	21,862	67,592
6 - 12 months	43,599	39,329	27,819	27,652
Over 12 months	131,309	152,370	129,763	152,013
Total	1,837,111	1,355,279	1,194,036	719,503
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(140,352)	(116,863)	(139,343)	(116,863)
Net	1,696,759	1,238,416	1,054,693	602,640
Trade accounts receivable - unrelated parties, long past due and during legal action				
Aged on the basis of due dates				
Past due over 12 months	754,175	754,175	754,175	754,175
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(754,175)	(754,175)	(754,175)	(754,175)
Net	-	-	-	-
Total trade accounts receivable - unrelated parties, net	1,696,759	1,238,416	1,054,693	602,640
Trade accounts receivable - related parties				
Aged on the basis of due dates				
Not yet due	561	2,291	23,426	72,999
Past due				
Up to 3 months	866	2,204	148,863	234,160
3 - 6 months	-	2,493	144,651	152,776
6 - 12 months	4,141	4,593	399,748	195,139
Over 12 months	159,299	161,287	299,532	417,482
Total	164,867	172,868	1,016,220	1,072,556
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(154,827)	(156,840)	(185,076)	(156,840)
Total trade accounts receivable - related parties, net	10,040	16,028	831,144	915,716

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other receivables				
Accrued income - unrelated parties	34,581	63,576	13,272	61,095
Others	3,934	649	3,106	1,624
Total other receivables	38,515	64,225	16,378	62,719
Total trade and other receivables, net	**1,745,314**	**1,318,669**	**1,902,215**	**1,581,075**

The balance of trade receivables as at 31 December 2020 included trade receivables amounting to Baht 34 million (2019: Nil) which have been sold at a discount to financial institutions, with recourse.

The Company and its subsidiary have transferred the rights of claim over collections for work done under certain construction agreements to financial institutions to secure the credit facilities of the Company and its subsidiary granted by the financial institutions.

In 2019, the Company negotiated a debt settlement with an unrelated trade account receivable that had an outstanding debt of Baht 299 million. This debtor agreed to settle an outstanding construction debt of Baht 282 million in installments. Therefore, the Company classified the outstanding debt of Baht 282 million as a long-term loan. In addition, the Company set aside allowance for doubtful accounts of Baht 10 million for the amount that is expected to be uncollectible. The Company's management believes that this allowance for doubtful accounts is adequate in the current circumstances and that loan will be recoverable in the future. At the present, the Company and the debtor are currently preparing a long-term loan agreement.

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	1,050,556	1,050,556
Allowance for expected credit losses (reversal)	(1,202)	28,038
As at 31 December 2020	1,049,354	1,078,594

11. Contract assets/Contract liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Contract assets				
Unbilled receivables	4,454,333	3,397,337	4,430,245	3,304,630
Accrued income	70,443	30,878	-	-
Retention receivables	543,907	716,077	413,408	630,759
Total	5,068,683	4,144,292	4,843,653	3,935,389
Less: Allowance for expected credit losses (2019: Allowance for doubtful debts)	(2,481)	(2,481)	(2,481)	(2,481)
Total contract assets - net	**5,066,202**	**4,141,811**	**4,841,172**	**3,932,908**
Contract liabilities				
Advances received from customers	2,957,025	1,967,004	2,909,595	1,913,208
Total contract liabilities	**2,957,025**	**1,967,004**	**2,909,595**	**1,913,208**

As at 31 December 2020, the balance of unbilled receivables of Baht 4,438 million (2019: Baht 3,107 million) is expected to be billed within one year and Baht 16 million (2019: Baht 290 million) is expected to be billed after one year.

12. Short-term loans and advances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loans and advances to related parties (Note 7)	-	-	1,901	255,820
Short-term loan to unrelated parties	10,562	3,105	10,562	-
Short-term loan to other joint operation	4,801	6,998	4,801	-
Total short-term loans and advances	**15,363**	**10,103**	**17,264**	**255,820**

As at 31 December 2020, the Joint Operation has a short-term loan to unrelated party amounting to Baht 10.6 million and a short-term loan to other joint operation amounting to Baht 4.8 million, which carry interest at the rate of 1 percent per annum. The loans are unsecured and repayment on demand.

The outstanding balance of short-term loan to unrelated party as at 31 December 2019 carried interest at the rate of 7 percent per annum and was unsecured. In April 2020, the unrelated party already repaid such loan.

The outstanding balance of a short-term loan to other joint operation as at 31 December 2019 represented the loan to the other joint operation provided by a subsidiary. The loan carried interest at a rate of 6 percent per annum and was unsecured and repayable on demand. On 2 March 2020, the subsidiary and other joint operation entered into a new loan agreement, under which the loan principal is repayable every three years in 8 installments, with the first installment due in 2021 and the interest is payable annually from 2019. This loan carried interest at a rate of 6 percent per annum and was unsecured. Therefore, as at 31 December 2020, the Group reclassified the loan from short-term loan to long-term loan.

13. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	163,662	378,869	(9,733)	(8,989)	153,929	369,880
Works in process	117,745	347,110	-	-	117,745	347,110
Raw materials and supplies	628,566	615,494	(4,598)	(5,080)	623,968	610,414
Total	**909,973**	**1,341,473**	**(14,331)**	**(14,069)**	**895,642**	**1,327,404**

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	111,763	144,033	(1,430)	(556)	110,333	143,477
Works in process	111,659	115,464	-	-	111,659	115,464
Raw materials and supplies	565,026	555,735	(4,598)	(5,080)	560,428	550,655
Total	**788,448**	**815,232**	**(6,028)**	**(5,636)**	**782,420**	**809,596**

During the current year, the Group reduced cost of inventories by Baht 1 million (2019: Baht 6 million) (Separate financial statements: Baht 1 million 2019: Nil), to reflect the net realisable value. This was included in cost of sales. In addition, there was reversed the write-down of cost of inventories by Baht 1 million (2019: Baht 5 million) (Separate financial statements: Baht 1 million 2019: Baht 5 million), and reduced the amount of inventories recognised as expenses during the year.

14. Project development cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land and construction under development	602,366	278,546	-	-
Developed land and construction	830,248	1,124,148	16,625	22,754
Total	1,432,614	1,402,694	16,625	22,754
Less: Allowance for loss on diminution in value of project	(2,140)	(4,520)	(2,140)	(4,520)
Total project development cost - net	**1,430,474**	**1,398,174**	**14,485**	**18,234**

As at 31 December 2020, the subsidiary had an outstanding balance of project development cost amounting to Baht 183 million which has been financed with loans from financial institutions. During 2020, the subsidiary capitalised interest of approximately Baht 4 million, as part of project development cost. The capitalisation rate on project development cost is approximately 4.00 - 4.13 percent. There was no interest capitalised as a part of project development cost for the year 2019.

The subsidiary has mortgaged land and construction thereon of their development projects, as at 31 December 2020 totaling Baht 1,434 million (2019: Baht 1,395 million) as collateral for the loans of the subsidiary obtained from a financial institution.

15. Other current financial assets

As at 31 December 2020, details of other current financial assets are as below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Debt instruments at amortised cost	
Fixed deposit at banks	386
Financial assets at FVTPL	
Investment in debt instruments (unit trust in open-end mutual funds)	6,292
Total other current financial assets	**6,678**

16. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Withholding income tax	144,527	250,701	128,307	241,361
Advance payment	354,877	193,642	405,913	190,951
Advance payment for goods	198,982	152,440	197,160	141,474
Prepaid expenses	64,821	49,999	59,428	35,155
Value added tax refundable	18,149	39,309	15,678	13,864
Others	80,621	61,276	69,407	45,624
Total other current assets	**861,977**	**747,367**	**875,893**	**668,429**

17. Restricted bank deposits

The outstanding balances represent saving and fixed deposits accounts of the Group which have been pledged with banks to secure credit facilities and letter of guarantee facilities for use in respect of construction and bidding of projects.

18. Other non-current financial assets

As at 31 December 2020, details of other non-current financial assets are as below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Financial assets at FVTPL		
Listed equity investments		
Charn Issara Development Public Company Limited	9,940	-
Fair value adjustments financial assets	(4,620)	-
	5,320	-
Non-listed equity instruments		
Mission Success 2005 Company Limited	100,000	100,000
Fair value adjustments financial assets	747	747
	10,747	10,747
SG Star Properties Limited	35,762	35,762
Fair value adjustments financial assets	(35,762)	(35,762)
	-	-
Oriental Residence Bangkok Company Limited	10,000	10,000
Fair value adjustments financial assets	(10,000)	(10,000)
	-	-
Total other non-current financial assets - net	**16,067**	**10,747**

19. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loans	224,675	306,204	472,413	614,017
Less: Current portion due within one year	-	-	(25,500)	-
Long-term loans - net of current portion	224,675	306,204	446,913	614,017

As at 31 December 2020 and 2019, details of long-term loans are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loans to related parties	12,000	12,000	223,000	319,813
Less: Allowance for impairment	-	-	(4,338)	-
Net (Note 7)	12,000	12,000	265,451	319,813
Long-term loans to other joint operation	7,274	-	-	-
Less: Allowance for impairment	(1,561)	-	-	-
Net	5,713	-	-	-
Long-term loan to unrelated parties	298,131	294,204	298,131	294,204
Less: Allowance for impairment	(91,169)	-	(91,169)	-
Total	206,962	294,204	206,962	294,204
Total long-term loans, net	**224,675**	**306,204**	**472,413**	**614,017**

Loan to other joint operation is the loan under the new agreement described in Note 12 to the consolidated financial statements. During the current year, the Group recognises allowance for expected credit losses of such loan amounting to Baht 2 million.

The above long-term loans to unrelated parties represented loans to two unrelated companies as followings:

a) Loan to an unrelated party amounting to Baht 12 million, which the interest is charged at the rate of 7.12 percent per annum. The loan is unsecured and repayable within May 2026.

b) Loan to another unrelated party amounting to Baht 282 million, which is the loan under the debt settlement as described in Note 10 to the consolidated financial statements. During the current year, the Company recognises an allowance for expected credit losses of such loan amounting to Baht 91 million.

20. Investments in subsidiaries

20.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		Dividend received during the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(%)	(%)								
Utility Business Alliance Company Limited	Baht 40 million	Baht 40 million	60	60	28,266	28,266	-	-	28,266	28,266	3,000	-
Mana Patanakarn Company Limited	Baht 1,100 million	Baht 1,100 million	100	100	1,099,940	1,099,940	-	-	1,099,940	1,099,940	-	-
Advance Prefab Company Limited	Baht 400 million	Baht 400 million	100	100	400,000	400,000	-	-	400,000	400,000	-	-
Tastemaker Company Limited	Baht 79 million	Baht 79 million	99	99	79,950	78,450	-	-	79,950	78,450	-	-
NWR (Cambodia) Company Limited	USD 505	USD 505	100	100	17	17	-	-	17	17	-	-
Nawarat (Cambodia) Company Limited	USD 5,000	USD 5,000	100	100	171	171	-	-	171	171	-	-
Myanmar NWR Company Limited	Kyats 0.5 million	Kyats 0.5 million	100	100	3,013	3,013	(3,013)	(3,013)	-	-	-	-
Total					**1,611,357**	**1,609,857**	**(3,013)**	**(3,013)**	**1,608,344**	**1,606,844**	**3,000**	**-**

Investment in Utility Business Alliance Company Limited

On 12 March 2020, the Annual General Meeting of Utility Business Alliance Company Limited's shareholders approved the payment of a dividend of Baht 1.25 per share, a total of Baht 5 million, of which Baht 3 million and Baht 2 million is payable to the Company and non-controlling interests, respectively.

Investment in Tastemaker Company Limited

On 16 January 2019, an Extraordinary General Meeting of the shareholders of Tastemaker Company Limited approved an increase in its registered share capital from Baht 50 million (500,000 ordinary shares of Baht 100 each) to Baht 80 million (800,000 ordinary shares of Baht 100 each) through the issuance of 300,000 ordinary shares with a par value of Baht 100 per share. The increase in share capital was registered with the Ministry of Commerce on 31 January 2019 and the Company still had a 99 percent shareholding in this company. Such company called up Baht 7.5 million of the additional share capital, which was paid by the Company.

During 2019, Tastemaker Company Limited called up additional totaling Baht 21 million. The Company already paid in these additional capital calls.

Consequently, on 3 January 2020, Tastemaker Company Limited called up additional of Baht 1.5 million. The Company has paid in these additional capital calls during the current year.

20.2 Details of investments in subsidiary that have material non-controlling interests.

(Unit: Thousand Baht)

	Utility Business Alliance Company Limited	
	2020	2019
Proportion of equity interest held by non-controlling interests	40%	40%
Accumulated balance of non-controlling interests	83	68
Profit allocated to non-controlling interests during the year	17	7
Dividend paid to non-controlling interests during the year	(2)	-

20.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have non-controlling.

Summarised information about financial position as at 31 December 2020 and 2019.

(Unit: Million Baht)

	Utility Business Alliance Company Limited	
	2020	2019
Current assets	309	197
Non-current assets	61	132
Current liabilities	117	134
Non-current liabilities	54	28

Summarised information about comprehensive income for the year ended 31 December 2020 and 2019.

(Unit: Million Baht)

	Utility Business Alliance Company Limited	
	2020	2019
Total revenues	533	471
Profit	43	17
Other comprehensive income	(1)	-
Total comprehensive income	42	17

Summarised information about cash flow for the year ended 31 December 2020 and 2019.

(Unit: Million Baht)

	Utility Business Alliance Company Limited	
	2020	2019
Cash flow from operating activities	40	59
Cash flow from (used in) investing activities	10	(30)
Cash flow used in financing activities	(26)	(40)
Net increase (decrease) in cash and cash equivalents	24	(11)

21. Investments in associates

21.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements							
					Cost method		Carrying amounts based on equity method		Share of profit (loss) from investments		Dividend received during the year	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(%)	(%)								
C.I.N. Estate Company Limited	Property development	Thailand	40	40	160,471	160,471	200,964	182,838	18,126	(12,902)	-	-
Total					**160,471**	**160,471**	**200,964**	**182,838**	**18,126**	**(12,902)**	**-**	**-**

Investment in C.I.N. Estate Company Limited hold by Mana Patanakarn Company Limited, a subsidiary. The Company has significant influence over this company with the proportion of investment. Therefore, this investment presented as an investment in an associate in the consolidated financial statements.

21.2 Summarised financial information about associates

Summarised information about financial position as at 31 December 2020 and 2019.

	(Unit: Thousand Baht)	
	C.I.N. Estate Company Limited	
	2020	2019
Cash and cash equivalents	100	68
Other current assets	14	31
Project development cost	890	882
Investment properties	32	34
Other non-current assets	9	7
Other current liabilities	(100)	(176)
Long-term loans	(432)	(376)
Other non-current liabilities	(11)	(10)
Net assets	**502**	**460**
Shareholding percentage	40%	40%
Share of net assets	**201**	**184**
Elimination entries	-	(1)
Carrying amounts of associates based on equity method	**201**	**183**

Summarised information about comprehensive income for the year ended 31 December 2020 and 2019.

	(Unit: Thousand Baht)	
	C.I.N. Estate Company Limited	
	2020	2019
Total revenues	260	50
Profit (loss)	45	(32)
Other comprehensive income	-	-
Total comprehensive income	45	(32)

22. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land awaiting sale	Condominium unit for rent	Total
Cost:			
As at 1 January 2019	183,855	2,500	186,355
As at 31 December 2019	183,855	2,500	186,355
Disposal	(2,910)	-	(2,910)
As at 31 December 2020	180,945	2,500	183,445
Accumulated depreciation:			
As at 1 January 2019	-	375	375
Depreciation for the year	-	125	125
As at 31 December 2019	-	500	500
Depreciation for the year	-	125	125
As at 31 December 2020	-	625	625
Allowance for impairment loss:			
As at 1 January 2019	2,010	-	2,010
As at 31 December 2019	2,010	-	2,010
Reversal of allowance for impairment	(2,010)	-	(2,010)
As at 31 December 2020	-	-	-
Net book value:			
As at 31 December 2019	181,845	2,000	183,845
As at 31 December 2020	180,945	1,875	182,820

	(Unit: Thousand Baht)
	Separate financial statements
	Land awaiting sale
Cost:	
As at 1 January 2019	181,791
As at 31 December 2019	181,791
Disposal	(2,910)
As at 31 December 2020	178,881
Allowance for impairment loss:	
As at 1 January 2019	2,010
As at 31 December 2019	2,010
Reversal of allowance for impairment	(2,010)
As at 31 December 2020	-
Net book value:	
As at 31 December 2019	179,781
As at 31 December 2020	178,881

The fair value of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land awaiting sale	352,694	334,483	350,630	332,420
Condominium unit for rent	1,875	2,586	-	-
Total investment properties	354,569	337,069	350,630	332,420

The fair values have been determined based on valuations performed by an accredited independent valuer, using market approach.

The Company has mortgaged investment properties, with the net book value as at 31 December 2020 totaling Baht 177 million (2019: Baht 3 million), with a financial institution as collateral for the Company's credit facilities obtained from the financial institution.

23. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
Cost:								
As at 1 January 2019	190,047	69,469	793,023	3,797,940	271,448	901,856	79,836	6,103,619
Additions	-	-	6,293	161,101	40,138	98,106	60,726	366,364
Disposals/write-offs	-	-	-	(77,486)	(8,183)	(26,421)	-	(112,090)
Transferred in (out)	-	-	13,805	39,245	2,314	2,370	(57,734)	-
As at 31 December 2019	190,047	69,469	813,121	3,920,800	305,717	975,911	82,828	6,357,893
Adjustments due to TFRS 16 adoption	-	-	-	(205,609)	(328)	(222,268)	-	(428,205)
As at 1 January 2020	190,047	69,469	813,121	3,715,191	305,389	753,643	82,828	5,929,688
Additions	450	-	442	44,191	51,227	3,612	48,108	148,030
Disposals/write-offs	-	-	-	(88,114)	(46,765)	(22,328)	-	(157,207)
Transferred in (out)	-	2,019	43,180	40,123	6,257	2,490	(94,069)	-
Transferred from right-of-use assets	-	-	-	79,656	-	98,547	-	178,203
As at 31 December 2020	190,497	71,488	856,743	3,791,047	316,108	835,964	36,867	6,098,714

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
								(Unit: Thousand Baht)
Accumulated depreciation:								
As at 1 January 2019	-	32,816	159,497	2,648,466	201,833	587,767	-	3,630,379
Depreciation for the year	-	623	48,039	272,741	30,809	55,642	-	407,854
Depreciation on disposals/write-offs	-	-	-	(69,401)	(4,380)	(23,945)	-	(97,726)
As at 31 December 2019	-	33,439	207,536	2,851,806	228,262	619,464	-	3,940,507
Adjustments due to TFRS 16 adoption	-	-	-	(48,013)	(184)	(45,579)	-	(93,776)
As at 1 January 2020	-	33,439	207,536	2,803,793	228,078	573,885	-	3,846,731
Depreciation for the year	-	297	47,426	263,406	32,855	42,605	-	386,589
Depreciation on disposals/write-offs	-	-	-	(83,043)	(44,850)	(21,592)	-	(149,485)
Transferred from right-of-use assets	-	-	-	28,664	-	36,232	-	64,896
As at 31 December 2020	-	33,736	254,962	3,012,820	216,083	631,130	-	4,148,731

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
Allowance for impairment loss:								
As at 1 January 2019	464	-	-	42,646	-	-	-	43,110
As at 31 December 2019	464	-	-	42,646	-	-	-	43,110
Decrease during the year	(464)	-	-	-	-	-	-	(464)
As at 31 December 2020	-	-	-	42,646	-	-	-	42,646
Net book value:								
As at 31 December 2019	189,583	36,030	605,585	1,026,348	77,455	356,447	82,828	2,374,276
Adjustments of due to TFRS 16 adoption	-	-	-	(157,596)	(144)	(176,689)	-	(334,429)
As at 1 January 2020	189,583	36,030	605,585	868,752	77,311	179,758	82,828	2,039,847
As at 31 December 2020	190,497	37,752	601,781	735,581	100,025	204,834	36,867	1,907,337
Depreciation for the year:								
2019 (Baht 372 million included in cost, and the balance in administrative expenses)								407,854
2020 (Baht 338 million included in cost, and the balance in administrative expenses)								386,589

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
Cost:								
As at 1 January 2019	166,110	33,470	267,753	3,614,599	220,196	876,078	20,458	5,198,664
Additions	-	-	-	85,886	31,425	95,882	48,923	262,116
Disposals/write-offs	-	-	-	(77,376)	(6,278)	(26,398)	-	(110,052)
Transferred in (out)	-	-	3,762	34,739	2,314	1,080	(41,895)	-
As at 31 December 2019	166,110	33,470	271,515	3,657,848	247,657	946,642	27,486	5,350,728
Adjustments due to TFRS 16 adoption	-	-	-	(203,970)	(328)	(215,209)	-	(419,507)
As at 1 January 2020	166,110	33,470	271,515	3,453,878	247,329	731,433	27,486	4,931,221
Additions	450	-	-	37,324	47,165	2,375	38,023	125,337
Disposals/write-offs	-	-	-	(83,968)	(45,883)	(20,423)	-	(150,274)
Transferred in (out)	-	2,019	-	25,079	4,511	2,490	(34,099)	-
Transferred from right-of-use assets	-	-	-	79,656	-	97,270	-	176,926
As at 31 December 2020	166,560	35,489	271,515	3,511,969	253,122	813,145	31,410	5,083,210

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
Accumulated depreciation:								
As at 1 January 2019	-	32,818	109,098	2,651,924	175,830	574,533	-	3,544,203
Depreciation for the year	-	623	17,630	220,339	21,728	53,184	-	313,504
Depreciation on disposals/write-offs	-	-	-	(69,303)	(4,152)	(23,922)	-	(97,377)
As at 31 December 2019	-	33,441	126,728	2,802,960	193,406	603,795	-	3,760,330
Adjustments due to TFRS 16 adoption	-	-	-	(47,200)	(184)	(42,457)	-	(89,841)
As at 1 January 2020	-	33,441	126,728	2,755,760	193,222	561,338	-	3,670,489
Depreciation for the year	-	297	16,606	203,863	23,547	40,693	-	285,006
Depreciation on disposals/write-offs	-	-	-	(80,934)	(43,732)	(19,886)	-	(144,552)
Transferred from right-of-use assets	-	-	-	28,664	-	35,012	-	63,676
As at 31 December 2020	-	33,738	143,334	2,907,353	173,037	617,157	-	3,874,619

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
Allowance for impairment loss:								
As at 1 January 2019	464	-	-	42,646	-	-	-	43,110
As at 31 December 2019	464	-	-	42,646	-	-	-	43,110
Decrease during the year	(464)	-	-	-	-	-	-	(464)
As at 31 December 2020	-	-	-	42,646	-	-	-	42,646
Net book value:								
As at 31 December 2019	165,646	29	144,787	812,242	54,251	342,847	27,486	1,547,288
Adjustments due to TFRS 16 adoption	-	-	-	(156,770)	(144)	(172,752)	-	(329,666)
As at 1 January 2020	165,646	29	144,787	655,472	54,107	170,095	27,486	1,217,622
As at 31 December 2020	166,560	1,751	128,181	561,970	80,085	195,988	31,410	1,165,945
Depreciation for the year:								
2019 (Baht 300 million included in cost, and the balance in administrative expenses)								313,504
2020 (Baht 276 million included in cost, and the balance in administrative expenses)								285,006

As at 31 December 2020, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,669 million (2019: Baht 2,231 million) (Separate financial statements: Baht 2,641 million, 2019: Baht 2,211 million).

The Group has mortgaged the part of land and buildings thereon, machinery and ships, with the net book value as at 31 December 2020 totaling Baht 1,204 million (2019: Baht 855 million) (Separate financial statements: Baht 514 million, 2019: Baht 141 million) with a financial institution as collateral for the Group's credit facilities and letter of guarantee facilities obtained from the financial institution.

24. Leasehold right for land

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2020	2019
Leasehold right for land	69,418	69,418
Less: Accumulated amortisation	(67,262)	(67,262)
Adjustments due to TFRS 16 adoption (Note 4)	(2,156)	-
Leasehold right - net	-	2,156
Amortisation for the year	-	2,587

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

(Unit: Thousand Baht)

	Interest rate	Consolidated financial statements		Separate financial statements	
	(% p.a.)	2020	2019	2020	2019
Bank overdrafts	MOR	7,556	9,124	-	-
Short-term loans from financial institutions	2.00 - 5.25, MLR - 0.25, MLR - 1, MLR - 1.25, MLR - 1.75, MMR, MOR - 0.75, MOR - 1	3,036,793	2,160,317	3,030,393	1,935,736
Total bank overdrafts and short-term loans from financial institutions		**3,044,349**	**2,169,441**	**3,030,393**	**1,935,736**

As at 31 December 2020, short-term loans from financial institutions included short-term loans from sale of bill receivable obtained from trade receivables at a discount, amounting to Baht 34 million. The interest is charged at the rate of 1.55 percent per annum. The financial institutions have the right to pursue the Company for payments in the event that it is unable to make full collection of bill receivable.

The bank overdrafts and short-term loan facilities of the Group are secured by the pledge of fixed deposits of the Company and its subsidiaries, the mortgage of the part of land with structures thereon, ships of the Company and investment properties and future structures of the Company's development project, transfer of rights of claim over collections for work done under construction agreements of the Company and are guaranteed by the Company and the directors of the Company and its subsidiaries.

26. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties	11,241	3,507	5,900	30,649
Trade payables - unrelated parties	1,795,792	1,634,370	1,589,165	1,319,438
Advance received from related parties	789	789	189	189
Advance received from unrelated party	-	400	-	-
Other payables - related parties	53	233	437	615
Other payables - unrelated parties	100,492	60,260	85,355	43,448
Accrued expenses - related parties	421	83	1,090	83
Accrued expenses - unrelated parties	333,158	341,577	277,860	256,914
Total trade and other payables	**2,241,946**	**2,041,219**	**1,959,996**	**1,651,336**

27. Leases

27.1 The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 30 years.

a) Right-of-use assets

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

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2020	215,432	67,224	157,596	2,278	176,689	619,219
Additions	13,268	1,417	-	1,288	26,276	42,249
Adjusted from the change of contracts	(6,212)	(2,011)	(826)	956	-	(8,093)
Transfer to property, plant and equipment	-	-	(50,992)	-	(62,315)	(113,307)
Depreciation for the year	(18,985)	(15,446)	(14,696)	(1,237)	(15,161)	(65,525)
As at 31 December 2020	203,503	51,184	91,082	3,285	125,489	474,543

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2020	33,391	37,538	156,770	144	172,752	400,595
Additions	13,268	1,417	-	-	22,937	37,622
Adjusted from the change of contracts	(6,212)	(2,011)	-	-	-	(8,223)
Transfer to property, plant and equipment	-	-	(50,992)	-	(62,258)	(113,250)
Depreciation for the year	(17,575)	(9,445)	(14,696)	(82)	(14,386)	(56,184)
As at 31 December 2020	22,872	27,499	91,082	62	119,045	260,560

b) Lease liabilities

Details of lease liabilities as at 31 December 2020 are as followings:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Lease payments	469,187	185,530
Less: Deferred interest expenses	(151,917)	(9,066)
Total	317,270	176,464
Less: Portion due within one year	(91,134)	(83,319)
Lease liabilities - net of current portion	226,136	93,145

A maturity analysis of lease payments is deiclosed in Note 43.1 to the consolidated financial statements under the liquidity risk.

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

Expenses relating to leases that are recognised in profit or loss for the year ended 31 December 2020 are as the followings:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	65,525	56,184
Interest expense on lease liabilities	11,209	8,222
Expense relating to short-term leases	25,374	23,473
Expense relating to leases of low-value assets	257	-
Expense relating to variable lease payments	231,532	231,532

The Group has lease contracts for machinery, equipment and motor vehicles that contains variable payments based on actual hours. The lease term is 1 - 3 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 370 million (Separate financial statements: Baht 358 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of 253 million (Separate financial statements: Baht 106 million).

28. Long-term loans from banks

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements 2020	Consolidated financial statements 2019	Separate financial statements 2020	Separate financial statements 2019
1	MLR	Monthly installments from December 2016 to June 2021	7,280	22,640	-	-
2	MLR	Monthly installments from January 2017 to June 2021	5,552	16,664	-	-
3	MLR-0.5	Monthly installments from February 2018 to January 2024	196,000	208,000	-	-
4	MLR-0.5	Monthly installments from March 2019 to February 2024	19,324	20,584	-	-
5	MLR-0.25	Monthly installments from August 2019 to April 2024	12,400	13,000	-	-
6	MLR-1.50	Paid all amount within 24 months since the first draw down (April 2019)	-	164,438	-	-
7	MLR-0.25	Repayable in installments for every 6 months from January 2020 to July 2023	462,500	500,000	462,500	500,000
8	MLR-0.5	Repayable in installments for every 6 months from August 2021 to July 2026	800,000	-	800,000	-

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements 2020	Consolidated financial statements 2019	Separate financial statements 2020	Separate financial statements 2019
9	MLR-1.25	Paid all amount within 60 months since sign contract	183,084	-	-	-
10	MLR-1.75	Paid all amount within 24 months since the first draw down (August 2020)	167,409	-	-	-
11	MLR-0.75	Paid all amount within 48 months since the first draw down (June 2020)	50,220	-	-	-
12	2.0	Paid all amount within 24 months since the first draw down (May 2020)	17,580	-	-	-
Total			1,921,349	945,326	1,262,500	500,000
Less:	Current portion		(536,295)	(498,094)	(97,500)	(75,000)
Long-term loans, net of current portion			**1,385,054**	**447,232**	**1,165,000**	**425,000**

The loan agreements contain covenants as stipulated in the agreement and restrictions imposed by the lender, relating to such matters as maintenance of a shareholding percentage in the subsidiaries by the Company. The loans are secured by the transfer of rights of claim over collections for work done under construction agreements of the subsidiary, the mortgage of land with structures thereon and/or future structures, machinery and motor vehicles of the Company and project development cost and future structures of the development project of its subsidiary, and guaranteed by the Company and the directors of the Company and its subsidiaries.

As at 31 December 2020, the subsidiaries have an undrawn amount of loan under the agreements amounting to Baht 109 million (2019: Baht 370 million).

As at 31 December 2019, long-term loans comprise bank credit facilities of the Company and its subsidiaries totaling Baht 2,485 million. The loan agreements contain covenants as stipulated in the agreement and restrictions imposed by the lender, relating to such matters as maintenance of a shareholding percentage in the subsidiaries by the Company. The loans are secured by the transfer of rights of claim over collections for work done under construction agreements of the subsidiary, the mortgage of land with structures thereon of the Company and project development cost and future structures of the development project of its subsidiary, and guaranteed by the Company and the directors of the Company and its subsidiaries.

On 30 March 2020, the Company received a letter informing it of a change in the definition and ratio for the financial ratio under the loan agreement of the Company.

On 17 April 2020, the Company entered into the amendment to a loan agreement with a bank in order to suspend repayment of principal between July 2020 and January 2021. At the end of this period, the Company agrees to repay principal in installments, every six months, beginning in July 2021 and with payment to be completed within July 2024.

The "Current portion of long-term loans from banks" as presented in the statement of financial position is based on the amounts due for repayment within one year as scheduled in the agreements.

Movements in the long-term loans account during the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	945,326	500,000
Add: Increase during the year	1,390,949	800,000
Less: Payment during the year	(414,926)	(37,500)
Balance as at 31 December 2020	1,921,349	1,262,500

As at 31 December 2019, a subsidiary was unable to maintain the current ratio specified in a long-term loan agreement, as a result of which a loan of Baht 229 million became payable at call. The subsidiary, therefore, classified the loan as current. Consequently, on 30 March 2020, the subsidiary received a waiver letter from the bank granting a waiver for such non-compliance. The classification of such liabilities to be current is in accordance with generally accepted accounting principles.

29. Debentures

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2020	2019
Debentures	1,720,100	1,720,100
Less: Deferred debenture issuing costs	-	(2,221)
Less: Payment during the year	(1,720,100)	-
Less: Current portion	-	(1,717,879)
Debentures, net of current portion	-	-

On 28 August 2017, the Company issued and offered 2,000,000 units of debentures No.1/2560 with a par value of Baht 1,000 each, totaling Baht 2,000 million. These are registered, unsubordinated, unsecured debenture with trustees, and have a term of 3 years from the issue date, maturing on 28 August 2020. The coupon rate is 4.50 percent per annum (the effective interest rate of 4.70 percent per annum), with interest payable every 3 months throughout the life of the debentures. The Company sold debentures of Baht 1,720 million.

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions, such as limitations on the use of assets and the maintenance of a net debt to equity ratio. Consequently, on 16 March 2020, the Meeting of Debenture Holders No. 1/2563 for "the Company's unsecured debenture No.1/2560, which matures in 2020", approved an amendment to change the definition of "Net Debt" and the ratio of net debt to equity to be maintained.

As at 31 December 2019, fair value of the debentures amounted to Baht 1,733 million. In August 2020, the Company repaid such debenture in full amount.

30. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loans from related parties	13,000	-	12,000	-
Short-term loan from other joint operation	4,233	-	4,233	-
Short-term loans from unrelated parties	71,835	-	71,835	-
Total short-term loans	**89,068**	**-**	**88,068**	**-**

Short-term loan from other joint operation carries interest at the rate of 2.5 per annum. The loan is unsecured and due within September 2021.

The short-term loans from unrelated parties are as follows:

a) The Company obtained loan from unrelated party amounting to Baht 46 million in the form of promissory note, which carries interest at the rate of 4.0 percent per annum. The loan is due within September 2021.

b) The joint operation obtained loan from unrelated party, which carries interest at the rate of 2.5 per annum. The loan is unsecured and due within September 2021.

31. Long-term loans from unrelated

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements 2020	2019
1	4.5	Quarterly installments totaling five periods since October 2022	20,000	-
2	4.5	Quarterly installments totaling five periods since December 2022	20,000	-
Total			40,000	-
Less: Current portion			(8,000)	-
Long-term loans, net of current portion			**32,000**	**-**

The above long-term loans are unsecured and no any several covenants prescribed in the agreements.

32. Provision for long-term employee benefits

Provision for long-term employee benefits are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Defined benefit plans	Other long-term employee benefits	Total	Defined benefit plans
Provision for long-term employee benefits as at 1 January 2019	187,178	2,122	189,300	165,300
Included in profit or loss:				
Current service cost	14,592	536	15,128	11,489
Interest cost	3,901	64	3,965	3,321
Past service cost	61,645	859	62,504	54,032
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
- Demographic assumptions changes	(535)	-	(535)	(6,639)
- Financial assumptions changes	17,576	-	17,576	14,979
- Experience adjustments	14,850	-	14,850	14,969
Benefits paid during the year	(12,785)	(148)	(12,933)	(12,497)
Provision for long-term employee benefit as at 31 December 2019	286,422	3,433	289,855	244,954

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Defined benefit plans	Other long-term employee benefits	Total	Defined benefit plans
Included in profit or loss:				
Current service cost	21,366	585	21,951	17,407
Interest cost	4,008	52	4,060	3,429
Losses on settlement	650	-	650	-
Actuarial loss (gain) arising from				
- Financial assumptions changes	-	5	5	-
- Experience adjustments	-	(336)	(336)	-
Included in other comprehensive income:				
Actuarial loss arising from				
- Experience adjustments	655	-	655	-
Benefits paid during the year	(14,974)	(268)	(15,242)	(13,447)
Provision for long-term employee benefit as at 31 December 2020	298,127	3,471	301,598	252,343

The Group expect to pay Baht 16 million of long-term employee benefits during the next year (2019: Baht 19 million) (Separate financial statements: Baht 13 million, 2019: Baht 17 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 4 - 20 years (2019: 4 - 20 years) (Separate financial statements: 8 years, 2019: 8 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.3 - 2.0	1.3 - 1.98	1.4	1.4
Future salary increase rate	4.0 - 4.5	4.0 - 4.5	4.0 - 4.5	4.0 - 4.5
Turnover rate	0.0 - 50.0	0.0 - 50.0	0.0 - 50.5	0.0 - 50.0

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

(Unit: Million Baht)

	As at 31 December 2020					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5 - 1.0%	Decrease 0.5 - 1.0%	Increase 10 - 20%	Decrease 10 - 20%
Consolidated financial statements	(12)	13	15	(14)	(7)	8
Separate financial statements	(10)	11	11	(11)	(5)	6

(Unit: Million Baht)

	As at 31 December 2019					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 10%	Decrease 10%
Consolidated financial statements	(12)	13	14	(13)	(6)	7
Separate financial statements	(10)	11	10	(10)	(5)	5

33. Statutory reserve

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

34. Revenue from contracts with customers

34.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Type of goods or service:				
Construction service	7,728,591	6,318,225	6,841,863	5,427,955
Sale of real estate	399,215	424,608	3,850	-
Sales of concrete products	1,731,017	997,253	642,606	596,245
Total revenue from contracts with customers	9,858,823	7,740,086	7,488,319	6,024,200
Timing of revenue recognition:				
Revenue recognised at a point in time	2,130,232	1,421,861	646,456	596,246
Revenue recognised over time	7,728,591	6,318,225	6,841,863	5,427,955
Total revenue from contracts with customers	9,858,823	7,740,086	7,488,319	6,024,200

34.2 Revenue recognised in relation to contract balances

During the current year, the Group recognised that was included in contract liabilities at the beginning of the year amounting to Baht 612 million (Separate financial statements: Baht 571 million)

In 2019, the Group recognised that was included in contract liabilities at the beginning of the year amounting to Baht 763 million (Separate financial statements: Baht 651 million)

34.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totaling Baht 34,408 million (Separate financial statements: Baht 32,089 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 4 years (Separate financial statements: within 3 years).

As at 31 December 2019, revenue totaling Baht 31,153 million (Separate financial statements: Baht 27,844 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 5 years (Separate financial statements: within 5 years).

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less and where the revenue is recognised in the amount that the entity has a right to invoice.

35. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Raw materials and consumables used	3,939,495	3,220,428	2,670,898	2,271,945
Salaries, wages and other employee benefits	1,004,898	1,066,162	778,378	810,512
Subcontractor costs	2,756,888	2,285,552	2,543,709	1,977,531
Fuel charges	247,762	256,858	101,840	119,429
Depreciation and amortisation	452,240	410,566	341,189	316,091
Repair and maintenance	133,667	119,305	53,026	65,255
Reversal allowance for doubtful debts	-	(30,465)	-	(26,362)
Impairment loss on financial assets	3,071	-	172,673	-
Loss on fair value adjustment of financial instruments	91,169	-	95,507	-
Other expenses	848,419	1,066,992	644,531	846,592
Changes in inventories of finished goods and work in process	444,906	(232,487)	255,003	(53,024)

36. Joint venture/Provision for loss on investment in joint venture

The Company has a joint arrangement which assessed as a joint venture between the Company and other joint venturer. Details of the investment are as follows:

Joint venture	Nature of business	Country of incorporation	Shareholding percentage	
			2020	2019
			(%)	(%)
NWR - SBCC Joint Venture	Soil and coal extraction and transportation	Thailand	-	50

The Company recognised share of losses from investment in joint venture as a liability since the Company has obligations, whether legal or constructive, to make any payments on behalf of such joint venture.

On 28 March 2017, the Central Bankruptcy Court ordered Saraburi Coal Company Limited into final receivership. The Company and that company are the parties to a joint venture agreement, NWR-SBCC Joint Venture, to carry out a soil and coal extraction and transportation work project at Mae Moh mine, Lam Pang, with both venture partners having a 50 percent of interest. As a result of the final receivership order issued by the Court, Saraburi Coal Company Limited is considered to be in breach of the joint venture agreement and the Company has therefore exercised its right under the agreement to notify the termination of that company's responsibilities in the NWR-SBCC Joint Venture. Consequently, on 15 January 2018, the Court has ordered such company to go bankrupt.

On 8 May 2017, the Company issued a letter notifying the termination of Saraburi Coal Company Limited's responsibilities in the joint venture. As a result, the contractual roles, rights and responsibilities of that company under the NWR-SBCC Joint Venture agreement are terminated, with the Company assuming the rights and responsibilities of control and operation in accordance with the contract until the service is completed, for which the scheduled date is in March 2018. Consequently, on 28 March 2018, the Hirer has considered and approved the extension period from 28 March 2018 to 23 April 2018. The management of the Company belives that, based on the opinion of legal counsel, the outcome of the lawsuit involving Saraburi Coal Company Limited and the exercise of this right do not have any impact on the Company's proportionate interest in NWR-SBCC Joint Venture.

This project is now completed, and the Company has no obligations, whether legal or constructive, to make any payments on behalf of the joint venture.

During the current year, contract parties of such joint venture entered into a memorandum of agreement to liquidate the joint venture, whereby it was agreed to liquidate the joint venture from 27 March 2020 and to divide its assets in the proportions specified in the joint venture agreement. The joint venture already registered its dissolution with the Revenue Department.

37. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	13,163	9,321	2,586	45
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,601)	(9,286)	3,377	(10,556)
Income tax expenses (income) reported in profit or loss	**4,562**	**35**	**5,963**	**(10,511)**

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to actuarial losses	(131)	(6,378)	-	(4,662)
Deferred tax on profit (loss) on change in value of available-for-sale investments	-	(475)	-	1
	(131)	(6,853)	-	(4,661)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting loss before tax	(218,991)	(508,386)	(302,000)	(391,504)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(43,798)	(101,677)	(60,400)	(78,301)
Utilisation of previously unrecognised tax losses	(2,446)	(3,043)	(61)	-
Tax losses for the year that have not been recognised as deferred tax assets	31,130	78,764	1,870	63,258
Effects of preparing the consolidated financial statements	(33,541)	2,993	-	-
Effects of:				
Non-deductible expenses	51,526	23,193	64,690	13,637
Additional expense deductions allowed	(355)	(3,631)	(136)	(1,145)
Exemption of income	-	(7,960)	-	(7,960)
Share of loss (profit) from investments in associate	(3,625)	2,581	-	-
Others	5,671	8,815	-	-
Total	53,217	22,998	64,554	4,532
Income tax expenses (income) reported in profit or loss	**4,562**	**35**	**5,963**	**(10,511)**

As at 31 December 2020 and 2019, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for diminution in value of inventories	1,206	1,127	1,206	1,127
Allowance for diminution in value of project development cost	428	903	428	903
Allowance for asset impairment	8,529	8,763	8,529	8,763
Accumulated depreciation - plant and equipment	3,639	4,249	3,871	4,374
Provision for long-term employee benefits	60,320	57,971	50,469	48,991
Provision for loss on construction projects	1,525	5,940	1,525	5,940
Lease agreement	14,367	-	209	-
Unrealised loss on changes in value of investments	924	716	-	-
Others	777	1,042	-	-
Deferred tax liabilities				
Amortisation of deferred debenture issuing costs	-	(444)	-	(444)
Unrealised gain on changes in value of investments	-	-	-	(40)
Contract assets	(3,212)	-	-	-
Others	(391)	(887)	-	-
Total deferred tax assets - net	**88,112**	**79,380**	**66,237**	**69,614**

As at 31 December 2020, the Group had unused tax losses totaling Baht 765 million (2019: Baht 728 million) (Separate financial statements: Baht 325 million, 2019: Baht 324 million). No deferred tax assets have been recognised on these amounts as the Group believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire within 2025.

38. Basic earnings per share

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

39. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its main businesses and have three reportable segments as follows:

(1) Construction contracting business

(2) Real estate development business

(3) Manufacture of concrete product business is a segment that involves manufacture of pre-stressed concrete piles and precast concrete products for third-party distribution.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group's financing activities, which give rise to finance costs and finance income, and income taxes are managed on the Group basis. Therefore, these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the operating segments of the Group for the years ended 31 December 2020 and 2019.

(Unit: Million Baht)

	The consolidated financial statements for the year ended 31 December 2020				
	Construction contracting business	Real estate development business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	7,729	399	1,731	-	9,859
Inter-segment revenue	59	-	542	(601)	-
Segment operating profit (loss)	(72)	(37)	45		(64)
Unallocated income (expenses):					
Financial income					5
Financial cost					(248)
Other income					70
Share of profit from investments in associate					18
Loss before income tax expenses					(219)
Income tax expenses					(5)
Loss for the year					(224)
Profit attributable to non-controlling interests of the subsidiary					(17)
Loss for the year - attributable to equity holders of the Company					(241)

(Unit: Million Baht)

	The consolidated financial statements for the year ended 31 December 2019				
	Construction contracting business	Real estate development business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	6,318	425	997	-	7,740
Inter-segment revenue	116	-	477	(593)	-
Segment operating profit (loss)	(288)	2	(92)		(378)
Unallocated income (expenses):					
Financial income					19
Financial cost					(218)
Other income					82
Share of loss from investments in associate					(13)
Loss before income tax expenses					(508)
Income tax expense					-
Loss for the year					(508)
Profit attributable to non-controlling interests of the subsidiary					(7)
Loss for the year - attributable to equity holders of the Company					(515)

Geographic information

Revenue from external customers and non-current assets (other than financial instruments and deferred tax assets) are based on locations of the customers by the following:

	(Unit: Million Baht)	
	2020	2019
Revenue from external customers		
Thailand	9,714	7,312
Others	145	428
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	2,722	2,618
Others	10	14

Major customers

For the year 2020, the Group has revenue arising from construction contracting business derived from a major customer in amount of Baht 3,500 million (2019: two major customers in amount of Baht 2,320 million).

40. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 5 - 7 percent of basic salary (Separate financial statements: 5 percent of basic salary). The fund, which is managed by Krungsri Asset Management Company Limited, will be paid to their employees upon termination in accordance with the rules of the provident fund of the Group. During the year 2020, the Group contributed Baht 10 million to the fund (2019: Baht 22 million) (Separate financial statements: Baht 6 million, 2019: Baht 17 million).

41. Dividends

On 30 April 2019, the Annual General Meeting of the Company's shareholders has approved the payment of a dividend in respect of the 2018 income of Baht 0.04 per share, or a total of Baht 103 million.

42. Commitments and contingent liabilities

42.1 Capital commitments

As at 31 December 2020, the Group had the following capital commitments:

a) The Company had an outstanding commitment of approximately USD 4,495 of the uncalled portion of investments in a subsidiary (2019: uncalled portion of investments in two subsidiaries amounting to USD 4,495 and Baht 2 million).

b) The subsidiary had an outstanding commitment of approximately USD 1 million of the uncalled portion of investment in the joint arrangement (2019: USD 1 million)

c) The Company and its subsidiaries had outstanding commitments of approximately Baht 23 million and Baht 12 million, respectively, relating to acquisition of tools, machineries and equipment (2019: Baht 3 million and Baht 3 million, respectively).

42.2 Guarantees

a) As at 31 December 2020, the Company has commitments in respect of its guarantees of bank credit facilities of four subsidiary companies amounting to Baht 2,382 million (2019: Baht 2,213 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its subsidiaries. No fee is charged for the provision of such guarantees.

b) As at 31 December 2020, the Company has commitments in respect of its guarantees of bank credit facilities of the joint arrangement amounting to Baht 533 million (2019: Baht 533 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its the joint arrangement. No fee is charged for the provision of such guarantees.

c) The outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business were summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2020	2019	2020	2019
Guarantee of construction contracts, bidding and debt repayment	5,501	4,137	5,325	3,813
Guarantee of advance payment bond and retention	4,875	3,356	4,437	2,889
Other guarantees	243	230	188	178
Total	**10,619**	**7,723**	**9,950**	**6,880**

43. Financial instruments

43.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, contract assets, short-term lending, long-term lending, investments, bank overdraft, short-term borrowings, trade and other payables, contract liabilities and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, contract assets, lending, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade accounts receivable and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures. Outstanding trade receivables and contract assets are regularly monitored. However, since the majority of construction services are made to creditworthy customers such as state enterprises and government agencies and due to the large number of entities comprising the Group's customer base. The Group therefore does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for long-time and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are regularly reviewed by the Group's Board of Directors and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising interest rate risk and currency risk. However, the Group has not entered into derivatives to manage its risk exposure.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its loans to related parties denominated in foreign currencies, and trading transactions and income derived from overseas that are denominated in foreign currencies. The Group has no foreign currency forward contracts to reduce the exposure since the Group expects the risk to be minimal. In addition, the Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

As at 31 December 2020 and 2019, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Average exchange rate	
	2020	2019	2020	2019
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	5	29.9909	30.1084

In addition, the Company is also exposed to the effect of foreign exchange movements on its investments in foreign subsidiary companies, which currently are not hedged by any derivative financial instrument.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposit with financial institutions, short-term lending, long-term lending, bank overdrafts, short-term borrowings, long-term borrowings and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk of the Group is expected to be minimal.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2020						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalent	9	-	-	1,129	32	1,170	0.125 - 1.05
Trade and other receivables	-	-	-	-	1,745	1,745	-
Contract assets	-	-	-	-	5,066	5,066	-
Short-term loans and advances	15	-	-	-	-	15	1.0
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	232	-	-	-	-	232	0.37 - 0.5
Other non-current financial assets	-	-	-	-	16	16	-
Long-term loans	1	1	20	12	191	225	6.0, 7.12, MLR
	257	1	20	1,141	7,057	8,476	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	3,044	-	3,044	Note 25
Trade and other payables	-	-	-	-	2,242	2,242	-
Contract liabilities	-	-	-	-	2,957	2,957	-
Lease liabilities	91	226	-	-	-	317	3.36 - 7.69
Short-term loans	89	-	-	-	-	89	2.5, 4.0
Long-term loans from banks	-	18	-	1,903	-	1,921	Note 28
Long-term loans from unrelated party	8	32	-	-	-	40	4.5
	188	276	-	4,947	5,199	10,610	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalent	12	-	-	554	31	597	0.125 - 1.35
Current investments	-	-	-	-	6	6	-
Trade and other receivables	-	-	-	-	1,319	1,319	-
Contract assets	-	-	-	-	4,142	4,142	-
Short-term loans and advances	10	-	-	-	-	10	6.0 - 7.0
Restricted bank deposits	301	-	-	-	-	301	0.65 - 1.75
Long-term loans	-	-	12	12	282	306	7.12, MLR
Other long-term investments	-	-	-	-	16	16	-
	323	-	12	566	5,796	6,697	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	2,169	-	2,169	Note 25
Trade and other payables	-	-	-	-	2,041	2,041	-
Contract liabilities	-	-	-	-	1,967	1,967	-
Hire purchase creditors and finance lease payable	83	103	-	-	-	186	2.03 - 7.69
Debentures	1,718	-	-	-	-	1,718	4.7
Long-term loans from banks	-	-	-	945	-	945	Note 28
	1,801	103	-	3,114	4,008	9,026	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2020						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalent	9	-	-	987	27	1,023	0.125 - 1.05
Trade and other receivables	-	-	-	-	1,902	1,902	-
Contract assets	-	-	-	-	4,841	4,841	-
Short-term loans and advances	15	-	-	2	-	17	1.0, MLR
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	184	-	-	-	-	184	0.37 - 0.5
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	-	16	265	191	472	7.12, MLR
	208	-	16	1,254	6,979	8,457	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	3,030	-	3,030	Note 25
Trade and other payables	-	-	-	-	1,960	1,960	-
Contract liabilities	-	-	-	-	2,910	2,910	-
Lease liabilities	83	93	-	-	-	176	3.36 - 7.69
Short-term loans	88	-	-	-	-	88	2.5, 4.0
Long-term loans from banks	-	-	-	1,263	-	1,263	Note 28
	171	93	-	4,293	4,870	9,427	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalent	12	-	-	480	25	517	0.125 - 1.35
Current investments	-	-	-	-	6	6	-
Trade and other receivables	-	-	-	-	1,581	1,581	-
Contract assets	-	-	-	-	3,933	3,933	-
Short-term loans and advances	-	-	-	-	256	256	-
Restricted bank deposits	237	-	-	-	-	237	0.65 - 1.75
Long-term loans	-	-	12	320	282	614	7.12, MLR
Other long-term investments	-	-	-	-	10	10	-
	249	-	12	800	6,093	7,154	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	1,936	-	1,936	Note 25
Trade and other payables	-	-	-	-	1,651	1,651	-
Contract liabilities	-	-	-	-	1,913	1,913	-
Hire purchase creditors and finance lease payable	81	102	-	-	-	183	2.03 - 7.69
Debentures	1,718	-	-	-	-	1,718	4.7
Long-term loans from banks	-	-	-	500	-	500	Note 28
	1,799	102	-	2,436	3,564	7,901	

Interest rate sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate long-term loans affected as at 31 December 2020, with all other variables held constant.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+0.25	(4,206)
	-0.25	4,206

The above analysis has been prepared assuming that the amounts of the floating rate loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. As at 31 December 2020, Approximately 83% of the Group's debt will be mature in less than one year (2019: 91%) (Separate financial statements: 85% 2019: 90%) based on the carrying value of debt reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. In addition, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans from financial institutions	3,060	-	-	3,060
Trade and other payables	2,242	-	-	2,242
Contract liabilities	2,957	-	-	2,957
Lease liabilities	91	226	-	317
Short-term loans	92	-	-	92
Long-term loans from banks	616	1,396	131	2,143
Long-term loans from unrelated party	10	33	-	43
Total	9,068	1,655	131	10,854

(Unit: Million Baht)

	Separate financial statements			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans from financial institutions	3,046	-	-	3,046
Trade and other payables	1,960	-	-	1,960
Contract liabilities	2,910	-	-	2,910
Lease liabilities	83	93	-	176
Short-term loans	91	-	-	91
Long-term loans from banks	160	1,161	131	1,452
Total	8,250	1,254	131	9,635

43.2 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have cash and cash equivalents, trade and other receivables, contract assets, short-term loans and advance, bank overdrafts and short-term loans from financial instruments, trade and other payables, contract liabilities and short-term loans, the carrying amounts in the statement of financial position approximate their fair value.

b) The fair value of debt securities is generally derived from quoted market prices.

c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

d) The fair value of long-term loans is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.

e) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.

f) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

44. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different level of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	6	-	-	6
Equity investments	5	-	11	16
Assets for which fair value are disclosed				
Investment properties	-	-	355	355

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	6	-	-	6
Other long-term investments	6	-	-	6
Assets for which fair value are disclosed				
Investment properties	-	-	337	337
Liabilities for which fair value are disclosed				
Debenture	-	1,733	-	1,733

(Unit: Million Baht)

	Separate financial statements as at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	6	-	-	6
Equity investments	-	-	11	11
Assets for which fair value are disclosed				
Investment properties	-	-	351	351

(Unit: Million Baht)

	Separate financial statements as at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	6	-	-	6
Assets for which fair value are disclosed				
Investment properties	-	-	332	332
Liabilities for which fair value are disclosed				
Debenture	-	1,733	-	1,733

45. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 3.77:1 (2019: 3.02:1) and the Company's was 3.05:1 (2019: 2.33:1).

46. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 1 March 2021.