




CH Karnchang Public Company Limited

A large circular graphic with a blue background and a network of white dots connected by lines. The words "SMART FUTURE" are written in large, white, sans-serif capital letters in the center. The circle is surrounded by a ring of images showing various infrastructure projects: a modern building, a train, a bridge, a highway toll booth, a construction site, a river, and a city skyline. Icons representing different sectors like education, industry, and infrastructure are also placed around the circle.

# SMART FUTURE

Annual Report 2020





**“We are visionaries,** implementing beneficial projects by anticipating the needs of the future. Public interest is at the **forefront of our corporate vision.** Everything we do for our business must always be in the best interest of the **country and society.”**



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# Message from the Board of Directors



2020 was another immensely challenging year for Thailand and other countries worldwide in history as a consequence of the pandemic crisis or the outbreak of Coronavirus Disease 2019 (COVID-19), which forced both Thai and global economies to have inevitably faced a severe crisis. On the other hand, CH. Karnchang, with the nature of business primarily lying in construction, investment and development of domestic infrastructure projects, without relying on raw materials, labor, and customers from abroad, was slightly affected by the situation of the outbreak of COVID-19. Moreover, given the Company's comprehensive risk management and business continuity plans, together

with great cooperation of the Management and personnel of all sectors in risk management and strict compliance with the COVID-19 risk prevention measures, for instance, an appropriate and timely monitoring of situations and implementation of the COVID-19 prevention measures, such as, having some employees work from home, implementing a social distancing measure, regularly cleaning various areas, requesting cooperation of employees to refrain from traveling, tightening up a rigorous inspection of company and subcontractors' labor, the Company's business operations were then insignificantly affected by such problems, as compared to other businesses.





In terms of Thailand's 2020 and 2021 economic outlooks, Thai economy in 2020, according to the forecast of the Fiscal Policy Office, was projected to contract at -6.5 percent per year and Thai economy in 2021 was projected to expand at 2.8 percent per year, but by virtue of the government's economic stimulus package which would play a key role in helping maintain Thai economy to gradually recover<sup>1</sup>. Nevertheless, the Krungsri Research, Bank of Ayudhya Public Company Limited, has forecast that during 2021-2022, the construction sector has a tendency to grow, namely, in 2021-2022, investment in the construction sector was projected to be likely to rise, resulting from accelerate investment in the government's large-scale infrastructure construction projects and private investment both in Bangkok and its surrounding provinces, including regional investment.

It was expected that the public investment in construction would expand by 2.0-3.0 percent in 2021, and the private investment would expand by 3.0-4.0 percent in 2021, and by 0.0 - 1.0 percent and 1.0 - 2.0 percent, respectively in 2022<sup>2</sup>, reflecting that the Company's future business opportunities remain in a good direction, due to the fact that in the economic slowdown situation, the public investment in construction projects and infrastructure projects of large-scale is still a main mechanism in helping economic stimulus, thereby resulting in creation of jobs, allowing for expenditure and activities in the domestic supply chain, which would help distribute income and stimulate economic activities. The Company is therefore certain that various large-scale projects would be launched in 2021 - 2022.

<sup>1</sup> (Source: Ministry of Finance's News, Fiscal Policy Office (FPO), January 2021)

<sup>2</sup> (Source: Krungsri Research, Thailand Construction Industry Outlook for 2021 - 2022, June 2020)

With respect to the Company's operational results for 2020, they met the set target and stayed at the level as projected by the Company in the situation of the outbreak of COVID-19. As at the end of 2020, under the consolidated financial statements, the Company had total revenues in the amount of Baht 18,442 Million, total expenses in the amount of Baht 17,368 Million, total assets in the amount of Baht 82,774 Million, total liabilities in the amount of Baht 56,503 Million, and net profit in the amount of Baht 612 Million. As at the end of 2020, the Company's backlog to be recognized as revenue was worth Baht 29,404 Million.

As for the construction projects as operated by the Company, all of them well progressed and went according to plan, among of which were, for instance, the MRT Orange Line (East Section) Project, Contract 1: Underground Civil Works, Thailand Cultural Centre - Ram Khamhaeng 12 Section, with 67.1 percent progress, Contract 2: Underground Civil Works, Ram Khamhaeng 12 - Hua Mak Section, with 59.6 percent progress, and Contract 5: Depot and Park & Ride Facilities, with 67.5 percent progress; the Rama III - Dao Khanong - Western Outer Ring Road Expressway Project, Contract 4 (Civil Work), with 35.2 percent progress; and the Construction of Medical and Public Health Service Integration Center for Chulalongkorn Hospital Project, with 11.9 percent progress, etc<sup>3</sup>.

In 2020, the Company signed new six projects, with the total value of Baht 6,512 Million, namely, the Project of Supply, Installation, Testing and Commissioning of M&E Equipment for the MRT Blue Line Extension Project with Bangkok Expressway and Metro Public Company Limited, with the value of Baht 239 Million; the Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant with Pathum Thani Water Company Limited, with the value of Baht 340 Million; the Project of Construction and Improvement of the Structure and System Work of the Si Rat Expressway

with Bangkok Expressway and Metro Public Company Limited, with the value of Baht 831 Million; the Project of Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60th Birthday Anniversary with Chulabhorn Royal Academy, with the value of Baht 4,042 Million; the Project of Maintenance and Improvement of the Structures and System Works of the Si Rat Expressway and the Si Rat - Outer Ring Road Expressway with Bangkok Expressway and Metro Public Company Limited, with the value of Baht 920 Million; and the Project of Maintenance and Improvement of the Structures of the Udon Rattaya Expressway with Northern Bangkok Expressway Company Limited, with the value of Baht 86 Million.

The Board of Directors and the Management have been determined and have strived to conduct the Company's management under policies which take stakeholders of all sectors into account in economic, social and environmental contexts, in conformity with the missions and visions, while adhering to the business ethics with a view to becoming a sustainable development and corporate governance-based organization. As a result, in 2020, the Company was announced as one of the Thailand Sustainability Investment 2020 (THSI) list by the Stock Exchange of Thailand which would present the award to the listed companies which had the excellent performance in their business operations with sustainability; strong operational results; and stable returns to their shareholders in parallel with social and environmental responsibility; and the Company also has received an "Excellent" rating in the assessment of the Corporate Governance Report of Thai Listed Companies (CGR) from the Thai Institute of Directors Association (IOD) six years in a row, and the Outstanding Investor Relations Awards in the category of companies listed on the Stock Exchange of Thailand with market capitalization ranging from Baht 30,000 – 100,000 Million in SET Awards 2020 Event.

<sup>3</sup> Project progress as at December 31, 2020.



Other than that, the Company continues attaching importance to implementation of corporate social and environmental projects (CSR activity) under close supervision of the Company's Corporate Social and Environmental Responsibility Committee. Despite the fact that in the previous year, the Company would not be in a position to undertake many CSR activities as planned, owing to the outbreak of COVID-19 by which the Company was then required to comply with relevant laws and follow guidelines, including recommendations provided by the government sector and relevant authorities, the Company still undertook CSR activities as far as they were allowed under the government regulations, for instance, pecuniary donations to various projects of educational institutions, governance sector, and public charity organizations, such as, offering Chulalongkorn Hospital and Ramathibodi Hospital budgets for procurement of medical equipment for treatment of patients infected with COVID-19, including budgets for purchase of life insurance policies providing COVID-19 coverage for physicians, etc. In addition, the Company continued to undertake the "Community Technician Innovation Promotion" activity, with the aim of supporting development of "community technicians" to become "community innovators", and supporting community engineering innovations through collaboration among the Company, the National Innovation Agency (Public Organization) (NIA) and the Change Fusion Institute under the Foundation for Thailand Rural Reconstruction Movement

under the Royal Patronage of H.M. the King of Thailand. This activity greatly reflects one of the Company's visions and the Company also continues to undertake such activity in 2021. Nonetheless, if the situation of the outbreak of COVID-19 improves, the Company will definitely do other CSR activities for further giving back to the society and nation.

On behalf of the Board of Directors, we would like to extend our profound gratitude to all shareholders, executives, staff, business alliances, both public and private sectors, including stakeholders of all sectors, who have always supported and trusted in CH. Karnchang Public Company Limited, and we hereby give a pledge that regardless of any crisis situation which may entail a diversity of risks and changes, CH. Karnchang will turn the crisis into opportunity to learn, improve, change, and develop, while looking for new opportunities, to rest assured that CH. Karnchang will be well-prepared to handle in every single situation and risk, and to create value added for the organization. The Management and all staff of CH. Karnchang will be steadily committed to professional management based on good corporate governance and will strive for continuing development of the potential in all aspects to ensure good returns to shareholders and stakeholders of all sectors in parallel with promotion of the Company's sustainable growth...Thank you.



Mr. Aswin Kongsiri

Chairman of the Board of Directors



Mr. Plew Trivisvavet

Chairman of the Executive Board



Dr. Supamas Trivisvavet

President

## Board of Directors



**1. Mr. Aswin Kongsiri**

- Chairman of the Board of Directors
- Audit Committee Member
- Independent Director

**2. Mr. Plew Trivisvavet**

- Director
- Chairman of the Executive Board
- Nomination and Remuneration Committee Member
- Corporate Governance and Risk Management Committee Member

**3. Mr. Vitoon Tejatussanasoontorn**

- Director
- Chairman of the Audit Committee
- Chairman of the Nomination and Remuneration Committee
- Chairman of the Corporate Governance and Risk Management Committee
- Independent Director

**4. Mr. Pavich Tongroach**

- Director
- Audit Committee Member
- Chairman of the Corporate Social and Environmental Responsibility Committee
- Independent Director







- |   |  |
|---|--|
| <p>5. Miss Supamas Trivisvavet</p> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Corporate Governance and Risk Management Committee Member</li> <li>• President</li> </ul>                                 | <p>7. Mr. Prasert Marittanaporn</p> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Corporate Social and Environmental Responsibility Committee Member</li> </ul> |
| <p>6. Mr. Narong Sangsuriya</p> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Nomination and Remuneration Committee Member</li> <li>• Corporate Governance and Risk Management Committee Member</li> </ul> | <p>8. Mr. Phongsarit Tantisuvanitchkul</p> <ul style="list-style-type: none"> <li>• Director</li> </ul>  |
|   | <p>9. Mr. Anukool Tuntimas</p> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Corporate Social and Environmental Responsibility Committee Member</li> </ul>      |

## Executive Board



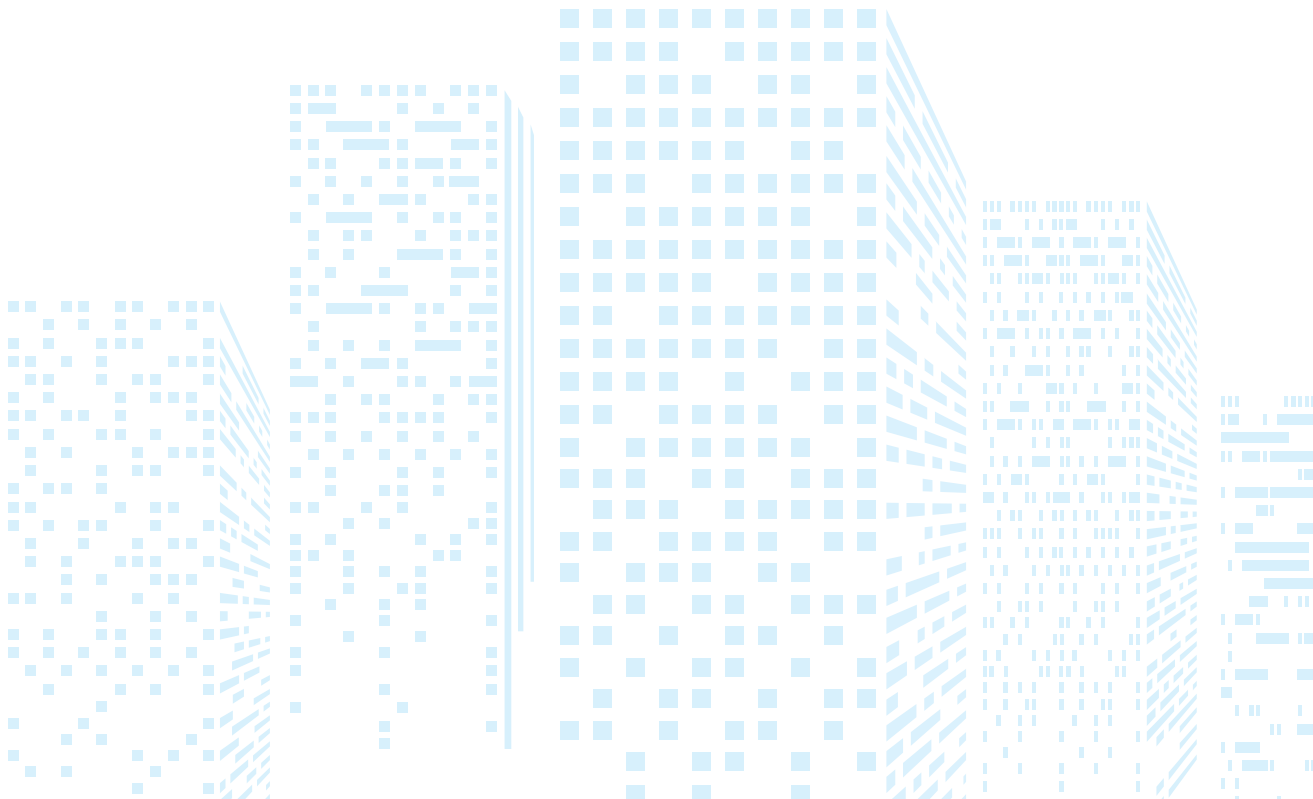
1. **Mr. Plew Trivisvavet**  
Chairman of the Executive Board
2. **Miss Supamas Trivisvavet**  
Executive Director
3. **Mr. Narong Sangsuriya**  
Executive Director
4. **Mr. Prasert Marittanaporn**  
Executive Director
5. **Mr. Anukool Tuntimas**  
Executive Director



## Senior Management Team



1. Mr. Narong Sangsuriya  
Senior Executive
2. Mr. Prasert Marittanaporn  
Senior Executive
3. Mr. Ratn Santaannop  
Senior Executive



## Management Team



1. Miss Supamas Trivisvavet  
President



2. Mr. Sittidej Trivisvavet  
Senior Executive Vice President :  
Administration Group



3. Mr. Phongsarit Tantisuvanitchkul  
Senior Executive Vice President :  
Operation Group



4. Mr. Pornnarong Siriyothin  
Executive Vice President :  
Construction 1



5. Mr. Prapon Chanpradubfa  
Executive Vice President :  
Construction 2



6. Mr. Pairat Prom-In  
Executive Vice President :  
Construction 3





7. Mr. Thammanoon Surarat  
Executive Vice President :  
Construction 4



8. Mr. Watchara Sanghattawattana  
Executive Vice President :  
Engineering



9. Mr. Anukool Tuntimas  
Executive Vice President :  
Human Resource and  
General Administration



10. Mr. Pichai Cheybumroong  
Executive Vice President :  
Purchasing



11. Mrs. Rinrada Tangtrongkid  
Executive Vice President :  
Accounting and Finance



12. Mr. Wiboon Ungapipathanachai  
Executive Vice President :  
Internal Audit office

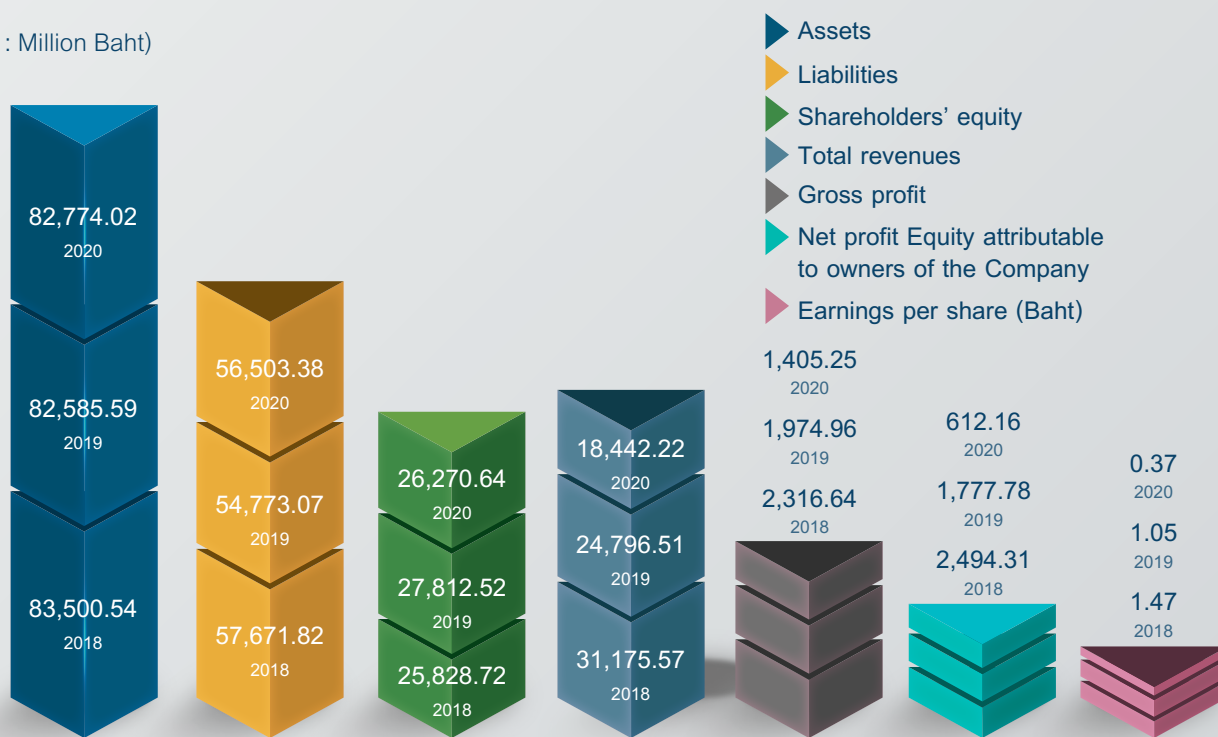


13. Mr. Keerati Luangchookiat  
Executive Vice President:  
Business Development

# Financial Highlights

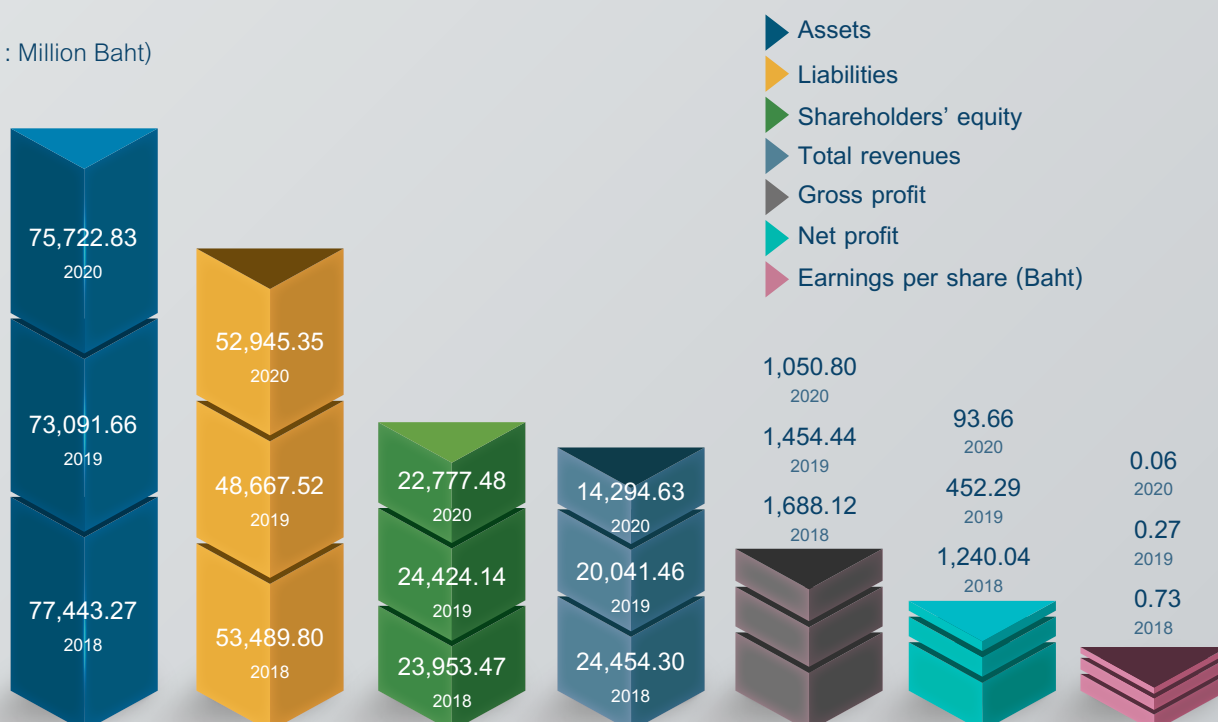
## Summary of Financial Information under the Consolidated Financial Statements

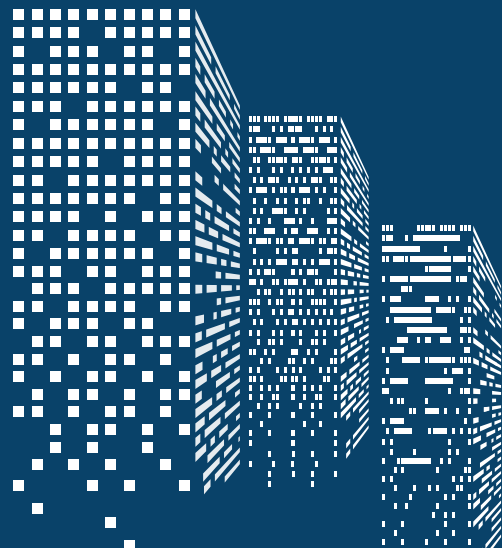
(Unit : Million Baht)



## Summary of Financial Information under the Separate Financial Statements

(Unit : Million Baht)





# Part 1

## Business Operations

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Other Significant Information



# 1. Business Policy and Overview



CH. Karnchang Public Company Limited was incorporated on November 27, 1972 to operate the business as construction contractor given the opportunity for the construction business expansion while Thailand was focusing on national development, by initiating a number of various construction projects. It is the Company's policy from the outset to focus on construction works which are beneficial for the society and the country and to carry on its operations under the business philosophy based on integrity, justice and utmost interest of all stakeholders as well as to always give priority to the social and environmental responsibility. Initially, the Company's scope of work covered construction of buildings and general civil works, mostly for the Royal Thai Army and the government sector.

Subsequently in 1981, the Company entered into a joint venture with Tokyu Construction Co., Ltd., one of Japan's top ten construction contractors, to jointly establish CH. Karnchang-Tokyu Construction Co., Ltd. for the purpose of expansion of the scope of business operations and learning and acceptance of construction technology transfer, as well as formation of a business alliance.

Thereafter, the Company was converted into a public limited company on October 10, 1994 and the Company's ordinary shares were listed and began trading on the Stock Exchange of Thailand on August 3, 1995, at which time, the Company was rapidly growing and improving its capabilities and potential in all aspects, including work management and development of human resources, as well as construction technology development through its joint ventures with

foreign companies which possess expertise to enhance its potential for more efficient operations. This has enabled the Company to expand its scope of engagements to various fields to the point at which the Company has become one of the construction contractors which are sufficiently capable of carrying out sophisticated construction requiring advanced construction technology, such as, construction of large scale infrastructure projects, namely, construction of expressways, subways or dams, etc. With the Company's continued development of its capabilities in terms of both engineering and management, the Company is thus able to handle projects on a design and construction or turnkey basis.

Moreover, based on the vision and policy of the management team which realizes the need to enlarge the scope of business operations; create a prominent role and a sustainable and stable growth for the Company, the Company has changed its role to become an investor in regional, comprehensive infrastructure project development. Currently, the Company has invested in small, medium and large concession projects which cover all systems, namely, transportation, mass rapid transit, infrastructure, and hydropower systems. Among these projects include, for instance, investment in Bangkok Expressway Public Company Limited, which constructs and operates the Si Rat Expressway (the Second Stage Expressway), and various extension projects; investment in the MRT Chaloem Ratchamongkhon Line Project of Bangkok Metro Public Company Limited (on December 30, 2015, Bangkok Expressway Public Company Limited amalgamated with





Bangkok Metro Public Company Limited into Bangkok Expressway and Metro Public Company Limited, which operates the expressway and rail mass rapid transit services, including commercial development in connection with the expressway and metro systems; and subsequently, Bangkok Expressway and Metro Public Company Limited has been granted a concession to conduct construction and management of the Si Rat - Outer Ring Road Expressway, including provision of the operation service of the MRT Blue Line Extension Project and the MRT Chalong Ratchadham Line Project or the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section); investment in the Tap Water Production Project of TTW Public Company Limited for sale of tap water to the Provincial Waterworks Authority in the vicinities of Nakhon Pathom Province and Samut Sakhon Province; and investment in CK Power Public Company Limited which operates the core business as holding company in the electricity production and distribution business from energy resources of various types, namely, investment in the Hydroelectric Power Project (Nam Ngum 2) for electricity generation and distribution to the Electricity Generating Authority of Thailand, investment in the Small Power Producers (SPP), two Cogeneration Power Projects, with the production capacity of 117.5 MW and 120 MW, respectively, for electricity generation and distribution to the Electricity Generating Authority of Thailand and industrial operators in Bang Pa-in Industrial Estate, investment in the solar power projects for electricity generation and distribution to the Provincial Electricity Authority, investment in the Xayaburi Hydroelectric Power Project for electricity generation and distribution to the Electricity Generating

Authority of Thailand and the Electricité du Laos, etc. The Company's business operations in this manner demonstrate the results when the group companies whose shares are held by the Company have successfully achieved good operational results, and the Company has received returns on investment in those companies in the form of dividend, including gains on sales of investments, which generate regular income and profit for the Company.

Based on the policies and far-sighted vision in business operations, the Company is able to become a construction contractor, investor and concessionaire, which has distinguished the Company from other leading construction companies in Thailand, and generates revenues for the Company from construction services for both the government sector and the private sector, including income from investment in basic infrastructure project development business. Moreover, the Company is able to more efficiently manage risks in the construction business due to the Company's chance to initiate its own works from its roles as full-scale developer, investor, and manager of concessions. These policies and strategies in management can result in good business returns and stable growth for the Company and its group companies, which make the Company strong and distinctive, and afford an opportunity and have the potential beyond being a construction company alone. This is a prominent factor which empowers the Company to become successful in its business operations for over 48 years.

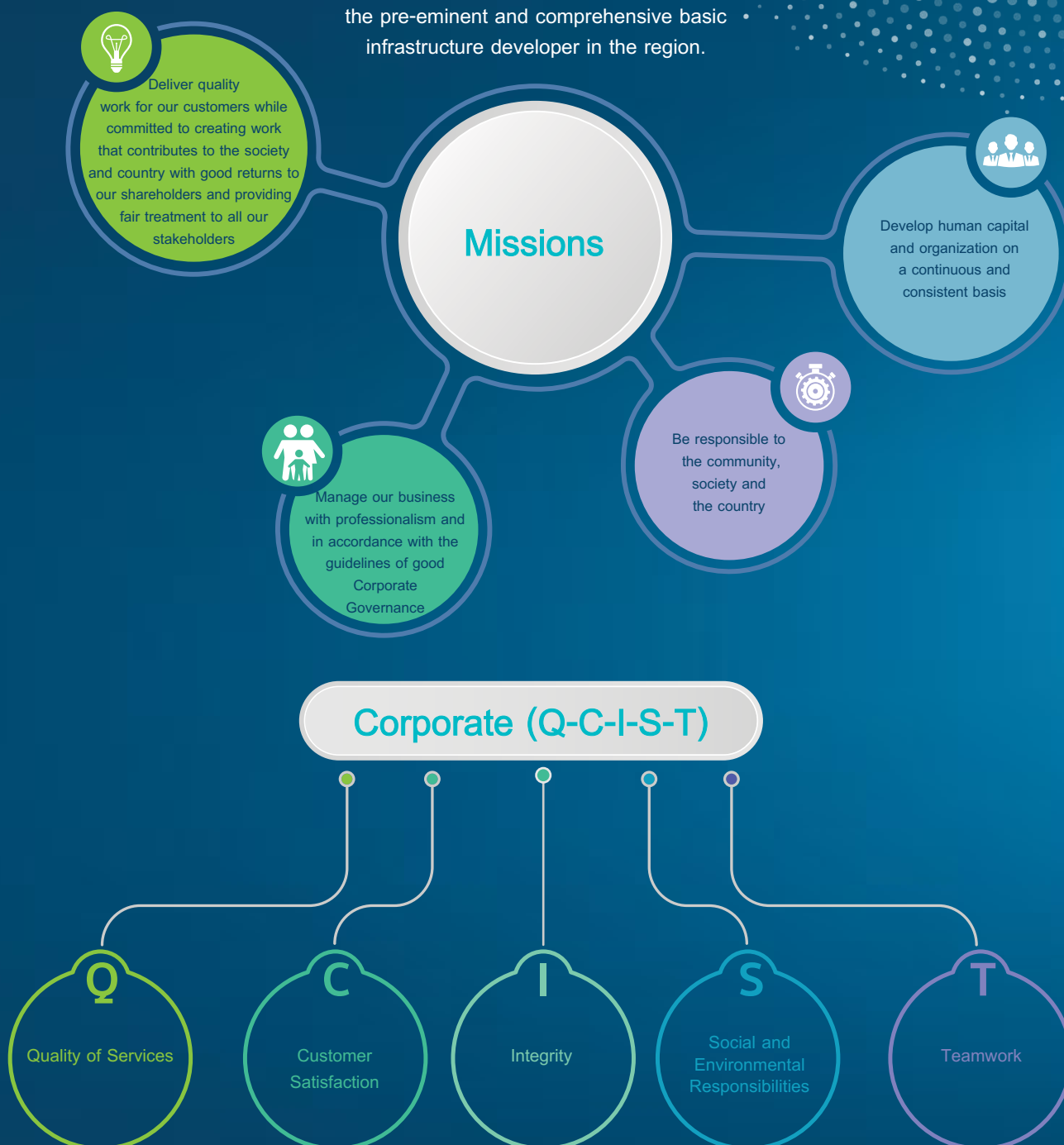
## 1.1 The Company's Overall Operational Policy

To ensure the accomplishment of the Company's operations for the utmost benefits of all stakeholders, the Company has thus adopted the operational policies subject to the principles as follows:



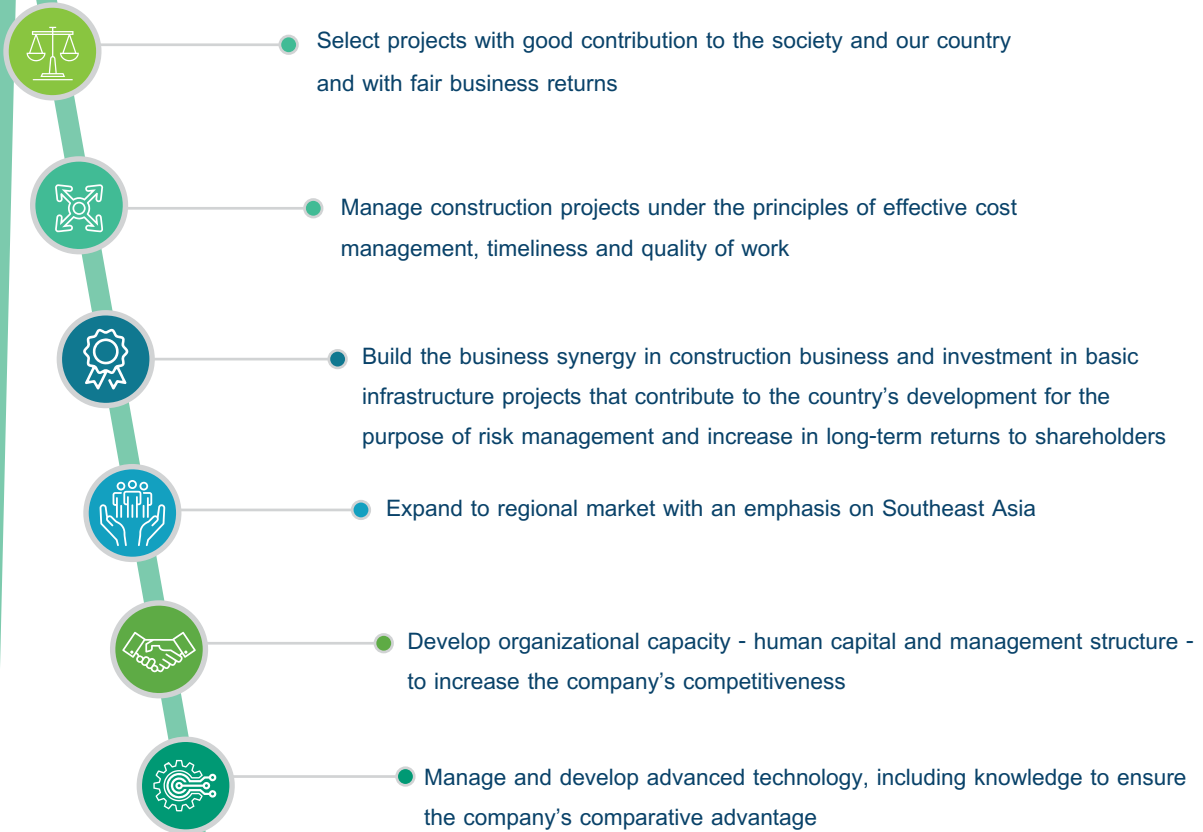
### Vision

To be the leader in construction business and the pre-eminent and comprehensive basic infrastructure developer in the region.





## Strategies: Sustainable Growth



To ensure the Company's business operations in compliance with the policies, the Company complied with the strategies and action plans in 2020 as follows:

1. The Company carried out construction and performed various related works, with progress according to schedule;
2. The Company followed the procedures under every project agreement;
3. The Company conducted feasibility studies and made preparations for investments in various projects;
4. The Company maintained its liquidity and efficiently managed short-term and long-term investments to generate more revenues, as well as used various financial instruments for risk management, including reduction of finance cost;
5. The Company built a relationship with stakeholders through the social responsibility process and communicates to both internal and external persons for acknowledgement;
6. The Company maintained an efficient, transparent, and auditable management system subject to the good corporate governance principles, including the Quality Management System (ISO 9001), and developed the information system with updated technology to enhance performance.

## 1.2 Significant Changes and Development

According to the aforesaid business policy and overview of the Company, details of the Company's significant changes and development can be summarized as follows:

### 1972:

The Company was incorporated as a limited company with the initial registered capital of Baht 1.40 Million to engage in general construction business. Initially, the Company's scope of work covered construction of buildings and general civil works and its major clients were government agencies, such as, the Royal Thai Army and the Royal Thai Air Force. The achievements bringing reputation to the Company included, for example, the Chulachomklao Royal Military Academy, various buildings, hospitals and public utilities for the Royal Thai Army and the television station building for the Mass Communication Organization of Thailand (MCOT), etc.

### 1981:

The Company realized the need to enlarge the scope of its business operations for long-term prosperity. In this respect, the Company entered into a joint venture with Tokyu Construction Co., Ltd., one of Japan's top ten construction contractors, for the purpose of construction business and management, as well as potential business alliance.

### 1994:

The Company expanded its scope of business operations and increased the registered capital to accommodate the continued business expansion. On October 10, 1994, the Company was converted into a public limited company, resulting in an increase in its registered capital to Baht 700 Million, and then became a listed company on the Stock Exchange of Thailand on August 3, 1995.

### 1996:

The Company increased its registered capital from Baht 700 Million to Baht 1,050 Million, at which time, the Company was rapidly growing and improving its capabilities by both work management and development of human resources, as well as construction technology development

through its joint ventures with foreign companies which possess expertise, e.g., Bilfinger AG from Germany, Thames Water International Limited from England. This enabled the Company to expand its scope of engagements to the point at which the Company became one of a few construction contractors which were sufficiently well-prepared to carry out sophisticated construction requiring advanced construction technology, such as, construction of large scale infrastructure projects. The Company also developed its capabilities in terms of both engineering and management, allowing the Company to be capable of operating projects on a design and construction basis or the so-called turnkey, concession projects on a build-transfer-operate (BTO), build-operate-transfer (BOT), build-own-operate (BOO) and build-own-operate-transfer (BOOT) basis, from small, to medium and large scale projects.

### 2004:

The Company established SouthEast Asia Energy Limited to serve as the developer of the Nam Ngum 2 Hydroelectric Power Project in the Lao People's Democratic Republic (Lao PDR).

### 2006:

The Company commenced the construction of the Nam Ngum 2 Hydroelectric Power Project, with a project value of more than Baht 22,000 Million, with a production capacity of 615 MW, for production and distribution of electricity to the Electricity Generating Authority of Thailand. This project is regarded as a source of clean and renewable energy, which is low-priced and stable; and as an international investment which helps create jobs and revenue to the Lao PDR, together with improvement of the quality of life of local people in the long run, strengthen friendship and create partnership and good investment opportunity on a national level.

#### 2009:

In addition to the hydropower investment, the Company expanded its investments to other energy businesses, such as, investments in natural gas power project, thermal power technology (cogeneration), and solar power projects, etc. The Company then established Bangpa-in Cogeneration Limited for operation of the Small Power Producer (SPP) construction and management, with a production capacity of 120 MW, by the cogeneration system within Bang Pa-in Industrial Estate to generate and distribute electricity to the Electricity Generating Authority of Thailand and industrial operators in Bang Pa-in Industrial Estate.

#### 2010:

The Company established Xayaburi Power Company Limited to operate the electricity generation concession granted by the Lao PDR.

#### 2011

The Company established Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited, and Bangkhengchai Company Limited to carry out construction and operation of solar power projects to generate and distribute electricity to the Provincial Electricity Authority. Moreover, the Company established CK Power Limited as a holding company with its core business in SouthEast Asia Energy Limited, the major shareholder of the Nam Ngum 2 Hydroelectric Power Project, with the objectives for investment and shareholding in energy business, starting from its shareholding in energy business under development by the Company group. It has a vision to invest in good energy business, including alternative and clean energy, either projects initiated by the Company group or by other groups of business partners, in order to boost the business prospects in this field.

#### 2012:

The Company commenced construction of the Xayaburi Run-of-River Project, a 1,285 MW hydropower plant, with a construction project value of more than Baht 76,000 Million, for production and distribution of electricity to the Electricity Generating Authority of Thailand and the Electricité du Laos, which was completed in 2019.

#### 2013:

CK Power Limited converted into a public limited company on February 6, 2013 and has been listed on the Stock Exchange of Thailand since July 18, 2013.

#### 2015:

The Company supported the amalgamation between Bangkok Expressway Public Company Limited (BECL) and Bangkok Metro Public Company Limited (BMCL) since the amalgamation was considered a strategy to integrate the strengths of both companies in order to diversify services; strengthen business competitiveness and create investment opportunities in the future; as well as promoting image of securities of the new company from the amalgamation. The Joint Shareholders' Meeting between shareholders of Bangkok Metro Public Company Limited and shareholders of Bangkok Expressway Public Company Limited resolved to approve various matters of the new company from the amalgamation as stipulated by the Public Limited Companies Act B.E. 2535 (1992) and its amendments. In this regard, the public limited company registrar, Department of Business Development, Ministry of Commerce, accepted the registration of the amalgamation on December 30, 2015, and as a result, Bangkok Metro Public Company Limited and Bangkok Expressway Public Company Limited became defunct and amalgamated into Bangkok Expressway and Metro Public Company Limited or BEM, with its registered and paid-up capital equal to Baht 15,285,000,000, divided into a total of 15,285,000,000 ordinary shares, at the par value of Baht One per share. Therefore, such new company has assumed all assets, debts, rights, duties and responsibilities of Bangkok Metro Public Company Limited and Bangkok Expressway Public Company Limited by operation of law from the date of the public limited company registrar's acceptance of registration of the amalgamation onwards.



**2017:**

CH. Karnchang Real Estate Co., Ltd., as the Company's subsidiary, jointly invested with other persons and/or legal entities which had no connection with the Company, by signing the shareholders' agreement to become a shareholder in Kamala Senior Living Co., Ltd., a newly registered company (by having its shareholding proportion representing 20 percent of the paid-up capital of the joint investment company), with a purpose for development and management of the elderly luxury residential project located at Tambon Kamala, Amphoe Kathu, Phuket Province, which is the elderly residential project fully equipped with various facilities and services for the elderly. The initial registered capital of such company is Baht 1,000,000 (One Million Baht), divided into 100,000 ordinary shares (one hundred thousand shares), at the par value of Baht 10 (Ten Baht) per share, and its registered capital will be increased as it deems necessary and in line with its business operation plan.

**2019:**

The Company jointly invested in the High-Speed Rail Linking Three Airports (Don Mueang- Suvarnabhumi-U-Tapao) Project by way of holding five percent of the registered capital of Eastern High-Speed Rail Linking Three Airports Company Limited in the amount of Baht 200 Million, including exercise of the right in purchase of shares for capital increase according to its proportion at the par value upon Eastern High-Speed Rail Linking Three Airports Company Limited's capital increase from Baht 4,000 Million to Baht 35,000 Million. In this regard, Eastern High-Speed Rail Linking Three Airports Company Limited executed the Agreement for Joint Investment for the Hi-Speed Rail Linking Three Airports Project with the State Railway of Thailand in October 2019.





## Significant Changes in 2020

1. On January 7, 2020, the Company executed the Agreement for Project Management, Supply, Installation, Testing and Commissioning of M&E Equipment for the MRT Blue Line Extension Project by adding work beyond the existing scope of work as Additional Work of the M&E Equipment, Additional Work of the Civil Works, to ensure consistency and appropriateness with the practical use, including compliance with relevant laws (Variation Order No. 4 Additional Works for M&E System and Modification of the Civil Works) with Bangkok Expressway and Metro Public Company Limited, for the operation period of approximately 90 days and with the estimated contract value of Baht 293,294,500 (exclusive of VAT).

2. On January 30, 2020, the Board of Directors resolved to approve the Share Repurchase for Financial Management Project, in the maximum amount for the share repurchase not exceeding Baht 3,000 Million, with the number of shares to be repurchased not exceeding 169,389,000 shares (or not exceeding 10 percent of all sold shares), by way of the share repurchase through the main board of the Stock Exchange of Thailand, with the specified period of the share repurchase within six months, starting from March 2, 2020 to September 1, 2020. As at September 1, 2020 (the expiry of the share repurchase period), the number of shares repurchased by the Company under the said Share Repurchase Project was a total of 36,000,000

shares or representing 2.13 percent of all sold shares of the Company, as such, the total value of the repurchased shares was equal to Baht 674,407,440.

3. On March 2, 2020, the Company executed the EPC Contract for Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant by way of design, supply, construction, installation, testing and commissioning in respect of both civil and pipeline works, including mechanical and electrical works, with Pathum Thani Water Company Limited, for the operation period of approximately 540 days and with the estimated contract value of Baht 339,968,481 (exclusive of VAT).

4. On April 14, 2020, the Company executed the Contract for Construction and Improvement of the Structure and System Work of the Si Rat Expressway, totaling five work items, with Bangkok Expressway and Metro Public Company Limited, as per the following details of the works:

- (1) Installation of the Longitudinal Movement Joints on the Si Rat Expressway, Sector C1A;
- (2) Installation of the drainage system for the Si Rat Expressway, Sector A and Sector B;
- (3) Installation of concrete platforms in front of the Easy Pass lanes in order to accommodate the Fast Lane system for the Si Rat Expressway;

(4) Installation of the fire-fighting system within the Expressway Control Center Building (CCB 2); and

(5) Installation of the fiber-optic cable on the Si Rat Expressway,

for the operation period of approximately 12 months and with the estimated contract value of Baht 830,926,900 (exclusive of VAT).

5. On August 7, 2020, the board of directors of CH. Karnchang Real Estate Co., Ltd., as the Company's subsidiary, resolved to approve acceptance of the entire business transfer of Prasertvit Construction Co., Ltd. (subsidiary), including but not limited to all assets, debts, rights, duties, and liabilities in relation to the business of Prasertvit Construction Co., Ltd. which could be transferred under applicable laws, whereby both parties agreed to transfer and accept the entire business transfer on September 1, 2020, with compensation amounting to Baht 51,440,000. Such transfer and acceptance of the business transfer was a connected transaction of the Company's subsidiaries by way of business restructuring and management within the Subsidiary Group in order to reduce the operating costs of the Company Group.

6. On October 30, 2020, the Company executed the Contract for Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60th Birthday Anniversary with Chulabhorn Royal Academy, for the operation period of approximately 1,260 days and with the estimated contract value of Baht 4,041,690,000 (inclusive of VAT).

7. On November 11, 2020, the Executive Board's Meeting of the Company resolved to grant approval for the Company to make a joint-investment with other persons and/or legal entities without having connection with the Company, by way of acquisition of 415,000 ordinary shares in Luang Prabang Power Company Limited ("LPCL") from PT Sole Co., Ltd. ("PTS"), a business alliance in co-development of the hydroelectric power project in the Lao People's Democratic Republic ("Lao PDR"), at its par value of USD 0.24 per share or representing 10 percent of LPCL's registered capital, in the total amount of approximately USD 100,000 or equivalent to Baht 3,150,000 (at the exchange rate of Baht 31.50 per USD), for a feasibility study and development of the Luang Prabang Hydroelectric Power Project in Luang Prabang Province, the Lao PDR. In this regard, the Company is obligated to pay for the capital increase shares in proportion to its shareholding in the future when the study and development of the Luang Prabang Hydroelectric Power Project is completed or when it is clear for investment.

8. On December 21, 2020, the Company executed the Contract for Maintenance and Improvement of the Structures and System Works of the Si Rat Expressway and the Si Rat - Outer Ring Road Expressway with Bangkok Expressway and Metro Public Company Limited, for the operation period of approximately 12 months and with the estimated contract value of Baht 919,500,420 (exclusive of VAT).

9. On December 21 2020, the Company executed the Contract for Maintenance and Improvement of the Structures of the Udon Rattaya Expressway with Northern Bangkok Expressway Company Limited, for the operation period of approximately 12 months and with the estimated contract value of Baht 86,300,550 (exclusive of VAT)





Moreover, during 2020, there were problems due to the ongoing epidemic of Coronavirus Disease 2019 (COVID-19), the Company therefore prepared to accommodate any future various disease outbreaks which would have a severe impact on society and the Company's operations. Despite the fact that the Company currently formulated a risk management plan and a Business Continuity Plan (BCP) under which the Company was affected by the COVID-19 to a minimum, with the construction work having no any effect on the Company's finance, the impact from the COVID-19 on the Company occurred indirectly, resulting from the Company Group in which the Company has invested, for instance, Bangkok Expressway and Metro Public Company Limited (BEM), with the number of its service users reducing but only for a short period of time. Nevertheless, after the government sector's relaxation of various measures, BEM was able to carry out its operations in a new normal, thereby causing the MRT or expressway users to return to use the services as usual, etc.

The impacts from the situation of the COVID-19 outbreaks could be summarized as follows:

Impact	Implementation
1. Impact on business operations - None	<ul style="list-style-type: none"> <li>Formulating the risk management plan and the Business Continuity Plan (BCP) to prevent and minimize impacts on business operations in respect of the construction projects and the Head Office</li> <li>Monitoring to ensure heightened safety and hygiene for personnel resources</li> </ul>
2. Impact on revenue and profit - Having no impact on revenue from construction - Having indirect impact due to share of profit from associated companies invested by the Company	<ul style="list-style-type: none"> <li>Ensuring revenue disbursement as planned</li> <li>Investing in infrastructure concession companies with the least impact when compared to other business</li> <li>Closely following up, assessing impacts on companies invested by the Company</li> <li>Conducting cash management and financial planning with due care</li> </ul>
3. Impacts on future business operations and bid plan - Having no impact on future projects	<ul style="list-style-type: none"> <li>Planning to bid for the country's major infrastructure projects which provided the main mechanism in helping the economic recovery</li> <li>Ensuring that bid opening plans were gradually launched as planned</li> <li>Being ready to keep on supporting various government projects which would revive the economy to become the new normal</li> </ul>

However, the COVID-19 outbreaks became a major concern which the Company had closely monitored. The Company had no worries if such problem would occur again in the future because the Company had appropriate risk management and efficient measures to cope with such occurred problems. Thus, the Company expected not to be significantly impacted by the future situation of the COVID-19 outbreaks.

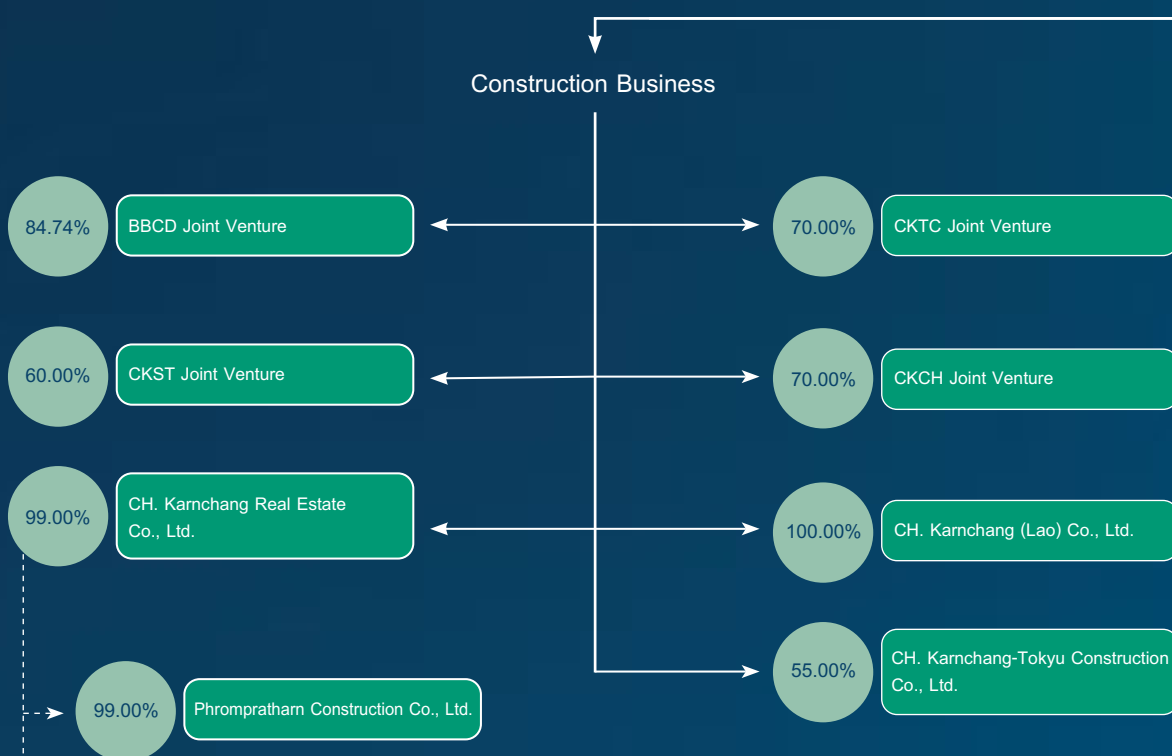
## 1.3 Shareholding Structure of Company Group

### 1.3.1 Policy on Business Grouping among Companies in the Group

The business operations of group companies are divided into two categories as follows:

- 1) Construction Business; and
- 2) Infrastructure Investment;

### 1.3.2 Information on Shareholding Structure of Company Group

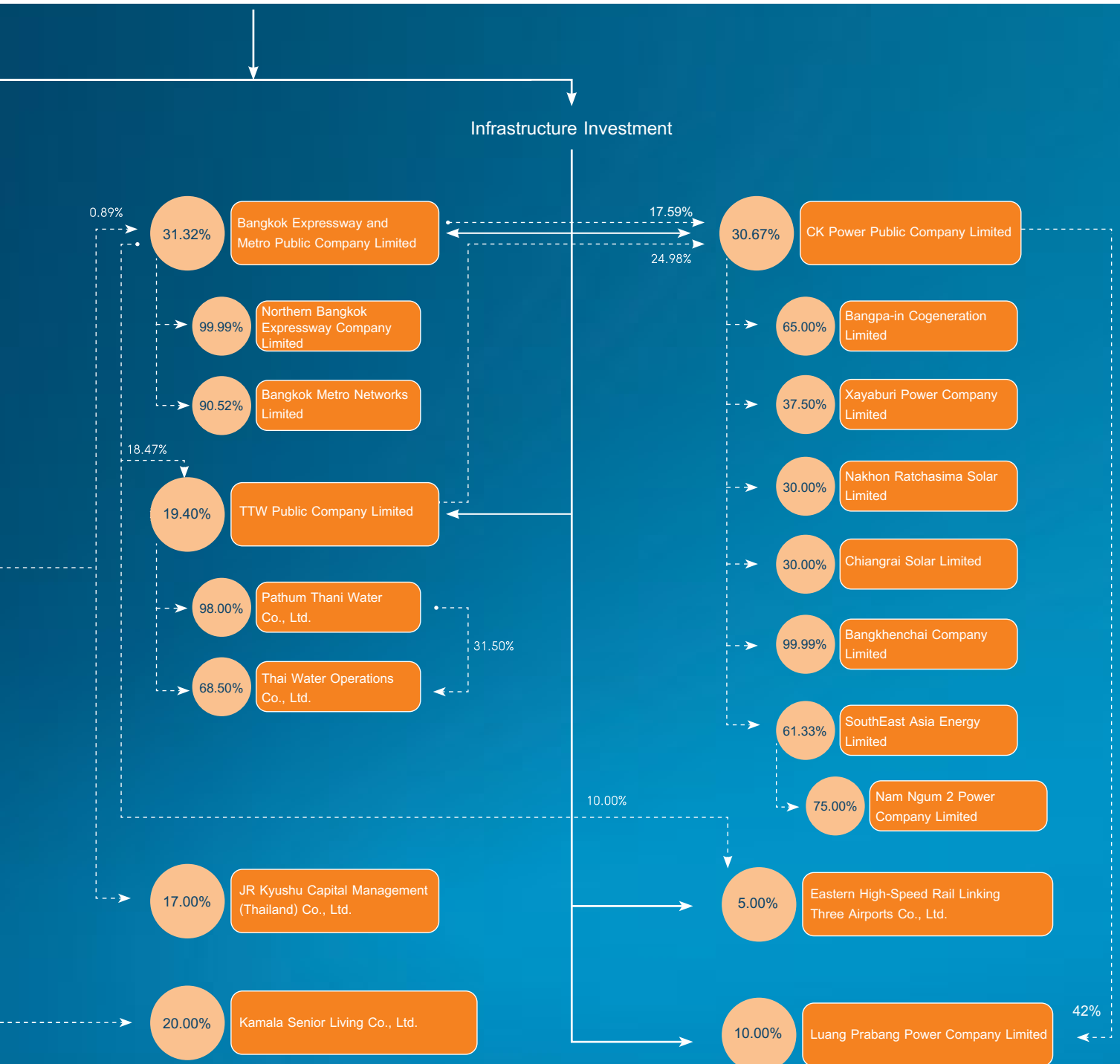


## Organization Chart of CH. Karnchang Public Company Limited

(As at December 31, 2020)



CH. Karnchang Public Company Limited



## Details of Business Operations of the Company, Subsidiaries, Associated Companies, Related Companies and Joint Ventures

## Construction Business

Joint Venture/Company Name	Shareholding Ratio	Nature of Work
1. CH. Karnchang (Lao) Co., Ltd.	100.00%	Construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project
2. CH. Karnchang Real Estate Co., Ltd.	99.00%	Trading of Land, Allocation of Land and Residential Buildings
3. Phrompratharn Construction Co., Ltd.	99.00% of shares held by CH. Karnchang Real Estate Co., Ltd.	Construction
4. CH. Karnchang-Tokyu Construction Co., Ltd.	55.00%	Construction of All Kinds
5. Joint Venture BBCD comprising Bilfinger + Berger AG, CH. Karnchang Public Company Limited and Dyckerhoff & Widmann AG	84.74%	Construction of the (Bang Na - Bang Pli - Bang Pakong) Expressway
6. CKTC Joint Venture comprising CH. Karnchang Public Company Limited and Tokyu Construction Co., Ltd.	70.00%	Operations for Construction Project of the MRT Purple Line, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section; Contract 1: Elevated Structures (East)
7. CKCH Joint Venture comprising CH. Karnchang Public Company Limited and Ch. Thavee Construction Co., Ltd.	70.00%	Construction of Double Track Railroad, Chira Junction - Khon Kaen Section
8. CKST Joint Venture comprising CH. Karnchang Public Company Limited and Sino-Thai Engineering & Construction Public Company Limited	60.00%	<ul style="list-style-type: none"> <li>• Construction of the MRT Orange Line Project (East Section), Thailand Cultural Centre - Min Buri Section, Contracts 1, 2 and 5;</li> <li>• Construction of Underground Manholes and Duct Banks, Contracts 1 and 2;</li> <li>• Construction of Water Supply Pipeline, Contract 2</li> </ul>



## Infrastructure Investment

Joint Venture/Company Name	Shareholding Ratio	Nature of Work
1. Bangkok Expressway and Metro Public Company Limited	31.32%	Expressway and Metro Services, including Commercial Development in connection with the Metro and Expressway Systems
2. Northern Bangkok Expressway Company Limited	99.99% of shares held by Bangkok Expressway and Metro Public Company Limited	Construction and Management of the Udon Rathaya Expressway
3. Bangkok Metro Networks Limited	90.52% of shares held by Bangkok Expressway and Metro Public Company Limited	Commercial Development Business
4. TTW Public Company Limited	19.40%	Tap Water Production and Distribution for the Provincial Waterworks Authority in Nakhon Pathom Province and Samut Sakhon Province
5. Pathum Thani Water Co., Ltd.	98.00% of shares held by TTW Public Company Limited	Tap Water Production and Distribution in Pathum Thani and Rangsit
6. Thai Water Operations Co., Ltd.	68.50% of shares held by TTW Public Company Limited and 31.50% of shares held by Pathum Thani Water Co., Ltd.	Administration and Management of Tap Water Production and Distribution Systems and Wastewater Treatment System
7. CK Power Public Company Limited	30.67%	Holding Company by holding shares in other companies engaging in the electricity production and distribution business
8. Bangpa-in Cogeneration Limited	65.00% of shares held by CK Power Public Company Limited	Construction and Management of Two Cogeneration Power Projects for Production of Electricity and Steam, namely, BIC 1 with the production capacity of 117.5 MW for electricity and that of 20 tons per hour for steam; and BIC 2 with the production capacity of 120 MW within Bang Pa-in Industrial Estate to generate and distribute electricity to the Electricity Generating Authority of Thailand (EGAT) and industrial operators in Bang Pa-in Industrial Estate
9. Xayaburi Power Company Limited	37.50% of shares held by CK Power Public Company Limited	Construction and Operation of the Xayaburi Hydroelectric Power Project
10. Nakhon Ratchasima Solar Limited	30.00% of shares held by CK Power Public Company Limited	Construction and Operation of the Project for Electricity Generation by Solar Energy, with a production capacity of 6 MW, to generate and distribute electricity to the Provincial Electricity Authority (PEA)

## Infrastructure Investment

Joint Venture/Company Name	Shareholding Ratio	Nature of Work
11. Chiangrai Solar Limited	30.00% of shares held by CK Power Public Company Limited	Construction and Operation of the Project for Electricity Generation by Solar Energy, with a production capacity of 8 MW, to generate and distribute electricity to PEA
12. Bangkhenchai Company Limited	99.99% of shares held by CK Power Public Company Limited	Construction and Operation of the Project for Electricity Generation by Solar Energy, with a production capacity of 8 MW, to generate and distribute electricity to PEA , BKC started to invest in construction of five solar rooftop power plants and one solar farm power plant, with the total installed production capacity of 6.7 MW, for production and distribution of electricity to the private operators. Each of such projects is bounded by the power purchase agreement for a period of 25 years from the Commercial Development Date.
13. SouthEast Asia Energy Limited	61.33% of shares held by CK Power Public Company Limited	Investment and Development of Power Production Business in the Lao People's Democratic Republic (Lao PDR)
14. Nam Ngum 2 Power Company Limited	75.00% of shares held by SouthEast Asia Energy Limited	Production and Distribution of Electricity from the Nam Ngum 2 Hydroelectric Power Project, as the concessionaire granted by the government of the Lao PDR, with a production capacity of 615 MW
15. Kamala Senior Living Co., Ltd.	20.00% of shares held by CH. Karnchang Real Estate Co., Ltd.	Development and management of the elderly residential project located at Tambon Kamala, Amphoe Kathu, Phuket Province
16. JR Kyushu Capital Management (Thailand) Co., Ltd.	17.00% of shares held by CH. Karnchang-Tokyu Construction Co., Ltd.	Holding Company by holding shares in other companies engaging in businesses of hotels and serviced apartments for rent
17. Eastern High-Speed Rail Linking Three Airports Company Limited	5.00%; and 10.00% of shares held by Bangkok Expressway and Metro Public Company Limited	Operation of the High-Speed Rail Linking Three Airports (Don Mueang - Suvarnabhumi-U-Tapao) Project
18. Luang Prabang Power Company Limited	10.00%; and 42.00% of shares held by CK Power Public Company Limited	Study, development, construction, production and distribution of electricity from the Luang Prabang Hydroelectric Power Project

## 1.4 Relationship with Business Group of Major Shareholders

The Company's core business operations have no material relationship or connection with other business operations of the major shareholders.

## 2. Nature of Business Operations

CH. Karnchang Public Company Limited is operating the primary business of construction by accepting engagements from government agencies, state enterprises and private entities, in the form of main contractor or sub-contractor, and in collaboration with foreign contractor companies in the form of joint ventures for construction projects which cannot be separated into work portions or volumes for the respective joint venture members. Each joint venture member is responsible for profit or loss in accordance with the ratio as agreed upon in respect of every work portion. The joint investment may also be in the form of consortium, in case such construction project can be separated into work portions and volumes for the respective members who shall be independently responsible for profit or loss. The works of this nature are mostly various projects of the government.

Based on the vision and policy, the Company focuses on personnel development for enhancement of management potential and for business expansion to ensure the Company's sustainable growth, opportunities and superior capabilities beyond being a construction company alone. The Company has thus invested in regional, comprehensive infrastructure project development business, currently, including transportation system, mass rapid transit system, water infrastructure system, energy system, etc. Details of both business operations are as follows:

### 1) Construction Business

The construction business operations of the Company, its subsidiaries and joint ventures can be divided into two natures, namely:

(A) Main Contractor	(B) Sub-contractor
<p>The Company directly submits proposals in its own name, as contractor through bidding process or negotiation, to project owners. In case of a large-scale project, which requires specialized foreign companies for joint operation, the Company submits proposals in cooperation with specialized foreign companies in accordance with the requirements of the project owners. In the acceptance of projects in this manner, the Company does not solely carry out the entire construction work, but subcontracts parts of such work. In the nomination of sub-contractor(s), the Company takes into account the creditability and previous achievements of the sub-contractors, without reliance upon or adherence to any particular sub-contractor.</p>	<p>The Company accepts work from other contractors that were awarded the work directly from project owners. The work of this nature would mostly be related to the production process utilizing large sized and sophisticated machinery, usually operated by foreign companies, and requiring construction contractors with various capabilities and fields of experience. A single main contractor does not have adequate experience and skills to proceed with all steps of the work. In this respect, the Company would consider accepting engagement as sub-contractor from main contractors with reputation and good financial standing only, and would accept parts of such subcontract work by taking into account the Company's sufficient capabilities. Such work of this nature allows the Company to have the opportunity to accept transfer of technology in respect of engineering, production process and management, as well as business alliance with sufficient capability and readiness to carry out large-scale projects which require more advanced technology in the future.</p>



## 2) Infrastructure Investment

In addition to the construction business, the Company also has invested in regional, comprehensive infrastructure project development business. Currently, the Company has invested in transportation system, mass rapid transit system, water infrastructure system, and energy system. These projects are differently carried out in the form of Build-Operate-Transfer (BOT) or Build-Transfer-Operate (BTO) or Build-Own-Operate (BOO) or Build-Own-Operate-Transfer (BOOT), etc. For such projects, with a long concession period and high valued investments, the Company establishes associated companies and related companies to carry out various arrangements.

Based on the said manner of the infrastructure investment, the definition of each respective form can be described below.

Build-Operate-Transfer (BOT)	Build-Transfer-Operate (BTO)
Private entity shall be granted the right under a concession agreement from the government for investment in construction and implementation to derive returns within a specified period and during the implementation, the ownership of the property shall remain vested in the private entity. After the end of the concession period, the ownership of the invested property shall be transferred to the government in consideration of the grant of the concession.	Private entity shall carry out the design, investment and construction of property, the ownership of which shall be transferred to the government immediately after the construction completion. The private entity shall be granted the right to utilize such invested property under the concession agreement to derive returns within a specified period. During the period the Company is still entitled to utilize such property under the concession period, the Company records such property in the form of the right to utilize, which is amortized throughout the concession period.
Build-Own-Operate (BOO)	Build-Own-Operate-Transfer (BOOT)
Private entity shall carry out construction and management by its own investment. The ownership of the invested property is vested in the private entity. However, the private entity shall have an agreement with the government to guarantee revenue on a long term basis, whereby the government agency shall purchase goods during the term of the agreement and upon expiration of the concession period, such property shall remain vested in the investing company.	Private entity shall be granted the right of concession by the government for financing, design, construction, and service operations during the specified period of time, provided that the ownership of the property shall be transferred to the government upon the end of such specified period of time.

## Engagement Ratio of CH. Karnchang Public Company Limited and its Subsidiaries

## Based on Engagement

Unit: Million Baht

Value of Work	2017		2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Main Contractor	35,899.69	95.15	29,292.30	93.96	23,002.94	92.77	16,745.77	90.80
Sub-contractor	-	-	-	-	-	-	-	-
Other Income (project management income, dividend, etc.)	1,830.99	4.85	1,883.27	6.04	1,793.57	7.23	1,696.44	9.20
<b>Total</b>	<b>37,730.68</b>	<b>100.00</b>	<b>31,175.57</b>	<b>100.00</b>	<b>24,796.51</b>	<b>100.00</b>	<b>18,442.21</b>	<b>100.00</b>

## Revenue Structure (Consolidated Financial Statements)

Unit: Million Baht

Products	Operated by	% Share holding of the Company	2017		2018		2019		2020	
			Revenues	%	Revenues	%	Revenues	%	Revenues	%
Revenues from	CH. Karnchang Public Company Limited	-	12,718.49	33.71	10,916.31	35.02	9,782.88	39.45	6,866.78	37.23
Construction Services	CH. Karnchang (Lao) Co., Ltd	100.00	14,252.18	37.77	6,281.59	20.15	4,265.83	17.20	1,935.89	10.50
	CH. Karnchang-Tokyu Construction Co., Ltd.	55.00	2,807.85	7.44	1,216.34	3.90	1,166.93	4.71	2,708.57	14.69
	CKTC Joint Venture	70.00	16.89	0.05	9.26	0.03	6.46	0.03	0.94	0.01
	CKCH Joint Venture	70.00	5,205.42	13.80	6,456.78	20.71	2,075.78	8.37	48.85	0.26
	CKST Joint Venture	60.00	898.86	2.38	4,412.02	14.15	5,705.06	23.01	5,184.74	28.11
Total Revenues from Construction services			35,899.69	95.15	29,292.30	93.96	23,002.94	92.77	16,745.77	90.80
Construction Revenue from Public Sector			10,793.59	30.07	13,926.98	47.54	9,825.35	42.71	7,355.93	43.93
Construction Revenue from Private Sector			25,106.10	69.93	15,365.32	52.46	13,177.59	57.29	9,389.84	56.07
Interest Income			738.05	1.96	816.48	2.62	876.19	3.53	642.06	3.48
Dividend Income			464.64	1.23	464.71	1.49	464.64	1.87	464.62	2.52
Other Income <sup>(1)</sup>			628.30	1.66	602.08	1.93	452.74	1.83	589.76	3.20
<b>TOTAL<sup>(2)</sup></b>			<b>37,730.68</b>	<b>100.00</b>	<b>31,175.57</b>	<b>100.00</b>	<b>24,796.51</b>	<b>100.00</b>	<b>18,442.21</b>	<b>100.00</b>

**Remarks:** <sup>(1)</sup> Other income comprises gain on sales of investments in subsidiaries and associated companies, revenue from Sales of Construction Materials, revenue from project management, revenue from rental, gain on exchange, miscellaneous income, etc.

<sup>(2)</sup> The figures of revenue from the respective companies as indicated in the foregoing table have been net of connected transactions.

## 2.1 Description of Products and Services

### 2.1.1 Construction Business

The Company has experience and expertise in engineering and construction of all categories, such as, infrastructure construction work, e.g., roads, bridges, elevated roads, expressways, building and industrial factory construction work, or mechanical and electrical equipment work, namely, installation of equipment and machinery for various factories, etc. Considering the previous revenue structure and present projects, the construction may be divided into four primary categories as follows:



1. **Building construction work can be divided into two major categories**, namely, medium and high level buildings, with a height of 15 or more stories. The building construction work comprises three major systems, i.e., structure, interior and exterior designs, and system work, including electricity, water supply, air-conditioning, elevator, drainage and fire extinguishing systems. Furthermore, the Company also improves the efficiency and expands the capabilities of the Company in turnkey construction projects. In this regard, the Company shall be responsible for the design and construction of the structural system, decoration as well as the entire system work for the project owner or employer in accordance with the design and period as agreed upon in the contract. The policy to enhance the capabilities for such turnkey projects allows the Company's customers to obtain full scale services.



2. **Road**, national highway and other roadwork construction comprise the country's basic infrastructure work owned by the government to accommodate the expansion of the national economy in the future. In the past, various government infrastructure services have not yet grown in line with the private sector requirements, thereby resulting in the increased expansion of the national highway system, as evidenced by a number of new projects, such as, traffic lane expansion projects, interchange construction projects, etc. In this regard, the Company also foresees a good trend for construction work of such nature, therefore, the Company has developed its capabilities and competition strategies to the extent that the Company has presently become one of the leading company groups in the construction of such special highways as construction of expressway projects and elevated roads, etc.



3. **Infrastructure construction work involves the development of the national infrastructure system**, which was included in the National Economic Development Plan No. 7 (1992-1996) and continued in the National Economic Development Plans No. 8 (1997-2001), No. 9 (2002-2006), No. 10 (2007-2011), No. 11 (2012-2016), and No. 12 (2017-2021). In addition, the Office of the National Economic and Social Development Council (NESDC) formulated the 20-Year National Strategy Framework (2017- 2036), as the master plan of the national development with the Sustainable Development Goals (SDGs), as well as the national reforms in line with the Thailand 4.0 Policy, divided into 6 primary strategies, comprising:

- (1) Strategy for national security;
- (2) Strategy for underpinning competitiveness;
- (3) Strategy for competency development and enhancement of teachers;
- (4) Strategy for creating equitable and fair society;
- (5) Strategy for environmentally-friendly growth;
- (6) Strategy for balancing and development of public administration system.

Investment in development of infrastructure and logistics referring to development of infrastructure in the fields of transportation, support of development of transportation system, development of logistics, development of energy, development of digital economy-information technology system, including research and development of tap water system, are part of the strategy for underpinning



competitiveness. In this connection, the Company always plays a role in collaboration with the public sector for investment in the expansion of infrastructure system, which serves as a fundamental requirement to the national development. The development of various infrastructure systems may be divided into such categories as transportation, energy, communications, water system and other infrastructure systems. With the long experience and work achievements of the Company, the Company always has advantages and opportunities to accept a variety of infrastructure construction projects.



4. Such construction which could not be categorized comprises other construction work outside of the foregoing categories, namely, medium to small-sized construction projects, which, due to the Company's experience and previous quality performance, were awarded to the Company, e.g., project for land improvement phase 1 in Suvarnabhumi Airport, the Ground Improvement for the 1<sup>st</sup> Midfield Satellite Aprons and the 3<sup>rd</sup> Runway Project of New Bangkok International Airport Company Limited, the Construction of Drainage Canal and Road with Facilities Phase 1 Project, Drainage System Project in Suvarnabhumi Airport, Samut Prakan Province, and the Construction of Phra Ong Chao Chaiyanuchit Canal Conduit System - Bang Phra Reservoir and Appurtenant Structures Contract 1 Project, etc.

In the participation in the bidding for government construction works, bidders are generally required to complete the registration as permitted contractors prior to participating in any bidding for projects of such government agencies as the Department of Highways, the Department of Royal Irrigation, etc. The registration of contractors also involves the rating of the capabilities of the respective contractors to identify the size of projects in which these contractors would be qualified to participate. At present, the Company has already registered as contractor with various agencies and is rated as type 1 contractor. As for the initial qualifications for such registration, the government agencies shall take into account three primary requirements, namely, experience and achievements; financial position; including the number and qualifications of personnel. The government agencies generally categorize the preliminary qualifications into five levels, and each level shall be eligible to submit bids for construction at different project values. However, when the Company is rated as type 1 contractor, the Company is then eligible to bid for all types of projects. In the past, the Company has not been restricted to participate in bidding for various construction projects since the Company is fully qualified under the requirements in all respects.

### 2.1.2 Infrastructure Investment

The Company has invested in infrastructure project development business by bidding for various projects in a form of concession granted from the government, which involve the infrastructure systems, and has also established various companies for investment in and management of such projects, as follows:

1. **Bangkok Expressway and Metro Public Company Limited (BEM)** which was incorporated by the amalgamation under the Public Limited Companies Act B.E. 2535 (1992) between Bangkok Expressway Public Company Limited (BECL) and Bangkok Metro Public Company Limited (BMCL) on December 30, 2015, and assumed all assets, rights, obligations, and responsibilities of both companies by virtue of the law. As at December 31, 2020, the registered and paid-up capital amounted to Baht 15,285,000,000, divided into a total of 15,285,000,000 ordinary shares, at the par value of Baht 1 each. The main businesses are to provide the expressway and rail mass rapid transit services, as well as commercial development in connection with the expressway and metro systems, which will serve as the foundation in business expansion through extension of routes and service network in both expressway and metro systems in the future, and can also expand to other businesses with good growth and yield rates, such as, other infrastructure projects, commercial development, or real estate development, both in the country and overseas, etc. In this regard, BEM and one of its subsidiaries, i.e., Northern Bangkok Expressway Company Limited (NECL),

were granted concession for construction and operation of the expressways, comprising the Si Rat Expressway (Sectors AB, C and D), the Si Rat - Outer Ring Road Expressway, and the Udon Rattaya Expressway. BEM was also granted concession for provision of the rail mass rapid transit service for two projects, namely, 1) the M.R.T. Chaloe Ratchamongkhon Line Project, Hua Lamphong Station - Bang Sue Station Section, Hua Lamphong Section - Lak Song Station Section, and Bang Sue Station - Tha Phra Station Section; and 2) the M.R.T. Chaloe Ratchadham Line Project (Khlone Bang Phai Station - Tao Poon Station). BEM holds shares in its subsidiaries, as follows:

#### 1.1 Northern Bangkok Expressway Company Limited (NECL)

NECL's registered capital amounted to Baht 6,000 Million, divided into 294 million ordinary shares and 306 million preferred shares, at the par value of Baht 10 each, Baht 5,250 Million of which were paid-up. As at December 31, 2020, BEM held shares representing 99.99 percent of its registered capital. NECL executed an agreement with the Expressway Authority of Thailand for construction and operation of the Udon Rattaya Expressway, with its route running northbound, connecting with the Si Rat Expressway at Chaeng Watthana Road, passing Bang Phun, Chiang Rak, and ending at Bang Sai.

#### 1.2 Bangkok Metro Networks Limited (BMN)

BMN's registered capital amounted to Baht 254 Million, divided into 25.4 million ordinary shares, at the par value of Baht 10 each, Baht 254 Million of which were paid-up. As at December 31, 2020, BEM held shares in BMN representing 90.52 percent of its registered capital.

At present, BMN is a sole representative of BEM in management of commercial development in the M.R.T. Chaloe Ratchamongkhon Line Project currently operated by BEM which has granted the right to BMN to serve as its representative in management of commercial development, namely, supply and procurement of advertising media in various forms in the areas of the metro stations and inside the trains, lease of retail shops in the metro stations of the M.R.T. Chaloe Ratchamongkhon Line Project, and the basement level of the park and ride facility at Lat Phrao Station, as well as provision of service and maintenance of telecommunication system equipment inside the metro stations and tunnels.

2. **TTW Public Company Limited (TTW)** operates the business of generation and distribution of water to the Provincial Waterworks Authority (PWA) in the vicinity of West Bangkok, covering the areas of two provinces, namely, Nakhon Pathom Province in three districts, i.e., Amphoe Nakhon Chai Si, Amphoe Sam Phran, Amphoe Phutthamonthon, and Samut Sakhon Province in two districts, i.e., Amphoe Krathum Baen and Amphoe Mueang Samut Sakhon.

TTW has executed the Water Purchase Agreement with the Provincial Waterworks Authority (PWA) for a period of 30 years on a BOO basis and TTW was granted concession for the tap water business operation by the Ministry of Natural Resources and Environment. TTW has distributed the water to the PWA since January 5, 2004.

Currently, TTW has two water treatment plants, namely, 1) Banglen Water Treatment Plant located in Amphoe Banglen, Nakhon Pathom Province, with the production capacity of 440,000 cubic meters per day; and 2) Krathumbaen Water Treatment Plant located at Tambon Khlone Maduea, Amphoe Krathum Baen, in Samut Sakhon Province, with the initial production capacity of 100,000 cubic meters per day, serving as the reserve water production plant. Currently, TTW's total maximum production capacity for the two plants accounted for 540,000 cubic meters per day, with the minimum off-take quantity to which the PWA has committed amounting to 354,000 cubic meters per day. TTW holds shares in its subsidiaries and associated companies, as follows:

- 2.1 **Pathum Thani Water Co., Ltd. (PTW)** is TTW's subsidiary, with the registered capital amounting to Baht 1,200 Million, divided into 12 million ordinary shares, at the par value of Baht 100 per share, with the paid-up capital amounting to Baht 1,200 Million. As at December 31, 2020, TTW's shareholding proportion in PTW represented 98 percent of the registered capital (another two percent of its shares were held by PWA). PTW operates the business of production and distribution of water to the PWA in the vicinity of Pathum Thani - Rangsit on a Build-Own-Operate-Transfer (BOOT) basis for a period of 25 years. PTW commenced its business operation in 1998 onwards. Currently, PTW's production capacity accounted for 488,000 cubic meters per day, with the minimum off-take quantity to which the PWA has committed amounting to 358,000 cubic meters per pay.
  - 2.2 **Thai Water Operations Co., Ltd. (TWO)** is TTW's subsidiary, with the registered capital amounting to Baht 60 Million, divided into 600,000 ordinary shares, at the par value of Baht 100 per share, with the paid-up capital amounting to Baht 60 Million. As at December 31, 2020, TTW's shareholding proportion in TWO represented 68.50 percent of the registered capital (another 31.50 percent of its shares were held by PTW). TWO operates the business of management and maintenance of tap water production system and wastewater treatment system for TTW, PTW, the Bang Pa-in Industrial Estate, the Amata City Chonburi Industrial Estate, and the Amata City Rayong Industrial Estate.
  - 2.3 **CK Power Public Company Limited (CKP)** which is TTW's associated company operates the main business as holding company by holding shares in other companies operating the business of production and distribution of electricity. CKP has the registered capital in the total amount of Baht 9,240 Million, divided into 9,240 million ordinary shares, at the par value of Baht One per share, with the paid-up capital amounting to Baht 8,129 million. As at December 31, 2020, TTW's shareholding percentage in CKP represented 24.98 percent of the registered capital.
3. **CK Power Public Company Limited (CKP)**, which operates the main business as holding company by holding shares in other companies operating the business of production and distribution of electricity from various kinds of energy, both in the country and overseas. CKP's core revenue under the consolidated financial statements is derived from revenue from sales of electricity and steam, and project management income. As at December 31, 2020, CKP invested by holding shares in other companies operating the business of production and distribution of electricity from various kinds of energy, e.g., hydroelectric power plants, cogeneration power plants, and solar power plants, with the total installed production capacity of 2,167 MW. The details of investments in each project are as follows:
    - 3.1 **SouthEast Asia Energy Limited (SEAN)**: CKP holds shares in SEAN representing 61.33 percent of its registered and paid-up capital. SEAN invests in the development of power production business in the Lao PDR and provides consulting, including other services relating to the power production project. Currently, SEAN holds shares in Nam Ngum 2 Power Company Limited (NN2) representing 75 percent of its registered and paid-up capital. Therefore, SEAN's core revenue under the consolidated financial statements is derived from the dividend from revenue from sales of electricity of NN2.

NN2 is a generator and distributor of electricity from the Nam Ngum 2 Hydroelectric Power Plant, whereby NN2 was granted concession by the Lao PDR. The Concession Agreement is being operated on a BOOT (Build-Own-Operate-Transfer) basis, that is, NN2 will design, develop, construct and operate the hydroelectric power project from the Nam Ngum 2



Hydroelectric Power Plant, with the installed production capacity of 615 MW, and with a concession period of 25 years from the Commercial Operation Date (COD). Upon expiration of the concession period, NN2 shall deliver such Nam Ngum 2 Hydroelectric Power Plant to the Lao PDR. In this regard, NN2 has the right under the agreement to request an extension of time for the Concession Agreement, subject to the terms and conditions to be agreed upon. Under the Concession Agreement, NN2 is obliged to pay the consideration for the concession and taxes to the Government of the Lao PDR according to the schedule and at the rate as specified in the Concession Agreement.

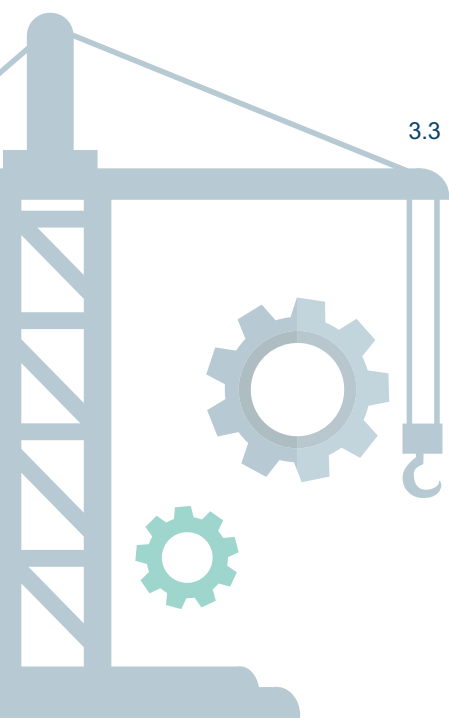
NN2 produces and distributes electricity from the Nam Ngum 2 Hydroelectric Power Plant to the Electricity Generating Authority of Thailand (EGAT) under the Power Purchase Agreement, with the supply targets to be purchased by EGAT from NN2 of 2,310 GWh (million units) per year at the fixed tariff, and with a concession period of 25 years from the COD. The electricity will be delivered for distribution in Thailand through EGAT's transmission system. NN2 initially commenced the electricity production and distribution (Initial Operation Date or IOD) to EGAT on March 26, 2011 and the COD was January 1, 2013.

- 3.2 Xayaburi Power Company Limited (XPCL):** CKP holds shares in XPCL representing 37.50 percent of its registered and paid-up capital. XPCL is a company registered in the Lao PDR and is awarded the concession by the Government of the Lao PDR for the design, development, construction and operation of the Xayaburi Hydroelectric Power Plant for a period of 31 years from the COD.

The Xayaburi Hydroelectric Power Plant is a large run-of-river hydropower project on the Mekong River downstream, within the boundary of the Lao PDR, approximately 80 kilometers south of Luang Prabang Province, and approximately 160 kilometers from Amphoe Chiang Khan, Loei Province. Its installed capacity is 1,285 MW, with its production capacity to sell approximately 1,220 MW of electricity to EGAT under the Power Purchase Agreement for 29 years from the COD, and 60 MW of electricity to Electricité du Laos (EdL) under the Power Purchase Agreement between EdL and XPCL, for the period under the Concession Agreement.

The Xayaburi Hydroelectric Power Plant commenced the production and distribution of electricity during the initial period (Unit Operation Period or "UOP") to EGAT on April 4, 2019, with its COD commencing on October 29, 2019.

- 3.3 Bangpa-in Cogeneration Limited (BIC):** CKP holds shares in BIC representing 65 percent of its registered and paid-up capital. BIC is a generator and distributor of electricity and steam from the cogeneration power system by using natural gas as fuel, comprising two projects, namely, the Bangpa-in Cogeneration Power Plant No. 1 (BIC1) and the Bangpa-in Cogeneration Power Plant No. 2 (BIC2), both located in the Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province. BIC1 has the installed production capacity of 117.5 MW for electricity and 20 tons per hour for steam, executing the Power Purchase Agreement with EGAT for 90 MW for a period of 25 years from the Commercial Operation Date. The remaining electricity and steam will be sold to the industrial operators in the Bang Pa-in Industrial Estate. The Commercial Operation Date of BIC1 was on June 28, 2013. BIC2 has the installed production capacity of 120 MW for electricity, executing the Power Purchase Agreement with EGAT for 90 MW for a period of 25 years from the Commercial Operation Date. The remaining electricity will also be sold to the industrial operators in the Bang Pa-in Industrial Estate. The Commercial Operation Date of BIC2 was on June 29, 2017.



**3.4 Bangkhenchai Company Limited (BKC):** CKP holds shares in BKC representing 99.99 percent of its registered and paid-up capital. BKC has invested in the Bangkhenchai Solar Power Plant, located in Amphoe Pak Thong Chai, Nakhon Ratchasima Province, employing the thin film photovoltaic module technology, with the installed production capacity of 8 MW. BKC executed the Power Purchase Agreement for the Very Small Power Producer (VSPP) with the Provincial Electricity Authority (PEA) on July 28, 2009, for a period of five years from the Commercial Operation Date which is automatically renewable for another five years each, and which remains enforceable until the Agreement is terminated. According to such Power Purchase Agreement, PEA agrees to purchase power at the maximum volume of 8 MW, and the Bangkhenchai Solar Power Plant will receive the adder at the rate of Baht 8 per kilowatt-hour (unit) for a period of 10 years from the Commercial Operation Date. BKC commenced the production and distribution of electricity to PEA on August 10, 2012.

Moreover, BKC started to invest in construction of five solar rooftop power plants and one solar farm power plant, with the total installed production capacity of 6.7 MW, for production and distribution of electricity to the private operators. Each of such projects is bounded by the power purchase agreement for a period of 25 years from the Commercial Development Date. The following are such mentioned projects:

- The solar rooftop project in Amphoe Phachi, Phra Nakhon Si Ayutthaya Province (“Phachi Solar Power Plant”), with the installed capacity of 0.9 MW, commencing its electricity distribution in February 2019;
- The solar rooftop project in Amphoe Banglen, Nakhon Pathom Province (“Banglen Solar Power Plant”), with the installed capacity of 1.0 MW, commencing its electricity distribution in May 2019;
- The solar rooftop project in Amphoe Sam Phran, Nakhon Pathom Province (“Phutthamonthon Sai 5 Solar Power Plant”), with the installed capacity of 1.0 MW, commencing its electricity distribution in June 2019;
- The solar rooftop project in Amphoe Mueang Samut Sakhon, Samut Sakhon Province (“Mahachai Solar Power Plant”), with the installed capacity of 0.7 MW, commencing its electricity distribution in June 2019;
- The solar rooftop project in Amphoe Krathum Baen, Samut Sakhon Province (“Krathum Baen Solar Power Plant”), with the installed capacity of 0.5 MW, commencing its electricity distribution in July 2019; and
- The solar farm project in Amphoe Khlong Preng, Chachoengsao Province (“Khlong Preng Solar Power Plant”), with the installed capacity of 2.7 MW, commencing its electricity distribution in September 2020.

**3.5 Nakhon Ratchasima Solar Limited (NRS):** CKP holds shares in NRS representing 30 percent of its registered and paid-up capital. NRS has invested in the Nakhon Ratchasima solar power plant, located in Amphoe Dan Khun Thot, Nakhon Ratchasima Province, with the installed production capacity of 6 MW, and also executed the Power Purchase Agreement for the Very Small Power Producer (VSPP) with PEA for a period of five years from the Commercial Operation Date which is automatically renewable for another five years each, and which remains enforceable until the Agreement is terminated. According to such Power Purchase Agreement, PEA agrees to purchase power at the maximum volume of 6 MW, and the Nakhon Ratchasima solar power plant will receive the adder at the rate of Baht 8 per unit for a period of 10 years from the Commercial Operation Date, and commenced the production and distribution of electricity to PEA on March 8, 2012.

- 3.6 Chiangrai Solar Limited (CRS):** CKP holds shares in CRS representing 30 percent of its registered and paid-up capital. CRS has invested in the Chiangrai solar power project, located in Amphoe Mae Chan, Chiang Rai Province, with the installed production capacity of 8 MW and also executed the Power Purchase Agreement for the Very Small Power Producer with PEA for a period of five years from the Commercial Operation Date which is automatically renewable for another five years each, and which remains enforceable until the Agreement is terminated. According to such Power Purchase Agreement, PEA agrees to purchase power at the maximum volume of 8 MW, and the Chiangrai solar power plant will receive the adder at the rate of Baht 8 per unit for a period of 10 years from the Commercial Operation Date, and commenced the production and distribution of electricity to PEA on January 17, 2013.

## 2.2 Marketing and Competition

An overview of the year 2020, the Company mainly attached importance to bidding for the government's large-scale infrastructure projects in the terms of public transport and transportation. Nevertheless, there were many projects for which the Company did not bid as planned in 2019, resulting from adjustments to internal administration of various ministries, and as such, further detailed consideration of various projects (especially large-scale construction projects) must be required.

In 2020, the Company signed six new projects, with the total value of approximately Baht 6,512 Million, namely:

No.	Project	Organization	Value (Million Baht)
1	The Project of Supply, Installation, Testing and Commissioning of M&E Equipment for the MRT Blue Line Extension Project	Bangkok Expressway and Metro Public Company Limited	239 (exclusive of VAT)
2	Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant with	Pathum Thani Water Company Limited	340 (exclusive of VAT)
3	Project of Construction and Improvement of the Structure and System Work of the Si Rat Expressway	Bangkok Expressway and Metro Public Company Limited	831 (exclusive of VAT)
4	Project of Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60 <sup>th</sup> Birthday Anniversary	Chulabhorn Royal Academy	4,042 (inclusive of VAT)
5	Project of Maintenance and Improvement of the Structures and System Works of the Si Rat Expressway and the Si Rat - Outer Ring Road Expressway	Bangkok Expressway and Metro Public Company Limited	920 (exclusive of VAT)
6	Project of Maintenance and Improvement of the Structures of the Udon Rattaya Expressway	Northern Bangkok Expressway Company Limited	86 (exclusive of VAT)

The reason that the Company was unable to accept the works on target was the large-scale construction projects which attracted the Company's attention and were within the Company's target had complaints to have the procurement process investigated, and as a result, the government's bids were delayed until the end of 2020. Bids for such projects were expected to be completed in 2021.

In this regard, the construction industry outlook in 2021 would be likely to grow at an increased rate and various projects in 2020 for which the government could not bid are expected to be able to be completely bid and would be ready to sign the respective contracts in 2021, including a variety of large-scale projects (projects worth Baht 500 Million

or more) under the year 2021 budget, with the value of more than Baht 300,000 Million. Such projects would be able to be bid in 2021. However, despite the new outbreak of Coronavirus Disease 2019 (COVID-19), furtherance of various projects has been insignificantly delayed, underpinned by a good containment of the spread of COVID-19 in Thailand, along with the government's economic stimulus packages which contribute to the economic recovery and play a part in helping maintain the gradual recovery in the Thai economy.

## 2.2.1 Significant Policies and Marketing for Products or Services



### A. Competition Strategies

- **Use of Advanced and Highly Efficient Construction Technology:** At present, the construction techniques have remarkably developed, introducing choices for use of appropriate technology to save time, minimize production costs and control the work efficiency and quality. In this respect, the Company continues to select and use appropriate, modern and safe technology, as well as the Company's work experience which is an essential factor minimize the production costs and increase profits. For example, in the expressway and elevated road construction projects, the Company utilized the technology of pre-casting system of concrete segments from such countries as Germany and the United States of America.



- **Appropriate Revenue Structure Management:** The Company has policies to manage its revenue structure and affiliated companies to be in line with the fluctuations of the economy as the construction work of the public and private sectors would usually expand at a fluctuating rate. In other words, during a highly growing economy with high demand for private sector construction, the government would minimize the inflation rate by way of restrictions on the expenditure budgets of the government agencies. During the economic downturn, the government would increase expenditure budgets to stimulate the economic expansion. In this regard, the Company sets policies to focus on various types of construction projects in line with the economic circumstances. In the construction business, the Company would focus on large-scale projects of the government and private entities, while the affiliated companies would focus on small to medium-scale projects of the government and private entities. The joint ventures would focus on large-scale construction projects from the government, which require use of advanced construction technology. Furthermore, the Company also invested in various infrastructure concession projects, such as, TTW Public Company Limited, Bangkok Expressway and Metro Public Company Limited, and CK Power Public Company Limited. The Company derived dividends from these companies, which serve to minimize risks from the fluctuation of economic circumstances due to the fact that the nature of construction works of the government and private entities usually grow at a fluctuating rate and the Company's revenue solely relies on construction business, and also serve to render the Company's revenue to become more constant.



- **Provision of Service to Maximum Benefits to Customers:** The Company promotes policies for development of personnel and teamwork, including study, research and development on advanced technology on a regular basis so as to achieve safe and highly efficient work and management system in response and giving rise to benefits to customers in terms of quality and satisfaction, and timely work completion.



- **Regular Personnel Quality and Management System Development:** The Company emphasizes the policies for development of personnel and management procedures to ensure versatile and flexible work structures, including procedures in response to the fluctuating business circumstances. This also gives rise to the opportunity to exchange advanced technology with foreign investors to render the management flexible and develop personnel to have more knowledge and skills.



## B. Characteristics of Customers and Relationships among Customers, the Company and Subsidiaries

The construction clientele of the Company and its subsidiaries can be divided into two groups, namely government agencies or state enterprises, and private sector. The characteristics of the Company's customers could not be divided into definite ratios given the fact that the customers are different in terms of periods and nature of their projects. However, considering the projects in the past, most of the Company's customers are the government agencies and state enterprises in the country. The target customer group of the Company and its subsidiaries at present include the government agencies, state enterprises and large-sized private entities. As at December 31, 2020, more than 70.32 percent of the Company group's revenue structure in the future for backlog projects represented the works for the public sector, and 29.68 percent of the same represented the works for the private sector. In this regard, the work from the private sector would mostly constitute extension projects from the government concession operations of the Company Group, e.g., Bangkok Expressway and Metro Public Company Limited and TTW Public Company Limited, etc.

Concession Business: This business depends on concession contracts of companies in the group. The customer under the concessions granted to TTW Public Company Limited and Pathum Thani Water Co., Ltd. is the Provincial Waterworks Authority (PWA), as a government agency; the customers under the concessions granted to Bangkok Expressway and Metro Public Company Limited are the public using the services; and the customer under the concession granted to various companies in which CK Power Public Company Limited hold shares, namely, SouthEast Asia Energy Limited, Bangpa-in Cogeneration Limited, is the Electricity Generating Authority of Thailand (EGAT); the customer under the concessions granted to Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited, and Bangkhenthai Company Limited, is the Provincial Electricity Authority (PEA); and the customers under the concession granted to Xayaburi Power Company Limited are the Electricity Generating Authority of Thailand (EGAT) and Electricité du Laos (EdL).

### Summary of Top 10 Major Customers

as at December 31, 2020

Name of Employers	% of Total Revenues from Construction Services (Consolidated Financial Statements) As at December 31, 2020
1 Mass Rapid Transit Authority of Thailand	30.48
2 Bangkok Expressway and Metro Public Company Limited	25.33
3 Expressway Authority of Thailand	12.42
4 Xayaburi Power Company Limited	11.56
5 C.P. ALL Public Company Limited	6.88
6 TTW Public Company Limited	3.00
7 C.J.EXPRESS GROUP Company Limited	2.91
8 MAGIC ENTERPRISE Company Limited	1.97
9 ASIA PACKAGING MANUFACTURING Company Limited	1.80
10 King Chulalongkorn Memorial Hospital of the Thai Red Cross Society	1.30
11 Others	2.35
<b>Total</b>	<b>100.00</b>

## C. Distribution and Channels

Given that the construction business mainly entails direct approach to customers, with a Business Development Department having duty to be mainly responsible for monitoring and following up on information and details in respect of investment plans for new projects of the public and private sectors by planning and setting up strategies to

have access to, including analysis of the information of the target groups and competitors in the same industry, while establishing good relationship with government agencies and private entities in order to increase the Company's opportunities for competitions. The fact that the Company focuses on bidding for construction and concession projects from government agencies, whether in the form of main contractor or sub-contractor, and that the Company's previous achievements, which have been acceptable and satisfactory to customers, serve as a channel to approach and be recognized by all target customers, for which the Company participated in bidding for their projects, and some construction projects were awarded to the Company through the recommendation by the Company's existing customers.

## 2.2.2 Competition in Construction Industry

### A. Trend of Growth and Development of Construction Industry

In 2020, the construction industry had a tendency to slightly grow, due to the fact that many mega projects under the action plan or within the budget had not yet been pushed out by the government sector, such as, mega projects in rail transportation, both of the State Railway of Thailand and the Mass Rapid Transit Authority of Thailand. However, at the end of 2020, there were bids for those mega projects, the bid results would be known in 2021. In respect of other types of construction projects, for example, large building or special building construction, such as, hospital building construction, there were not many bidders who had full qualifications for the building construction of this type. For this reason, the Company was able to succeed in the bid and sign one project, namely, the Project of Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60<sup>th</sup> Birthday Anniversary of Chulabhorn Royal Academy.

### B. Industrial Structure Relating to Competition

In general, construction contractors may be divided into three groups as follows:

1) **Small and medium-sized contractors:** The contractors in this group shall have the capacity to accept construction work projects with low value, the majority of these works shall be derived from private entities or small-sized projects of the public sector, which requires moderate technology and investment funds. This group includes a number of contractors, thereby resulting in a rather high competition in pricing and being highly vulnerable to impacts from fluctuation in the industry.

2) **Large-sized contractors:** The contractors in this group have goals in respect of their acceptance of various large-scale projects, requiring a rather high construction technology, from the public and private sectors, and have capabilities to carry out various types of works in such projects. Certain contractors also have companies in the same group serving as producers of construction materials to be used in such projects, and are well prepared in terms of their personnel's expertise and experience in diversified works and high professional standard, including tools and machinery. This group includes a small number of contractors and the competition in this group is moderate. Certain contractors also accept work overseas, including creation of works by way of investment for concession, namely, CH. Karnchang Public Company Limited, Italian-Thai Development Public Company Limited and Sino-Thai Engineering and Construction Public Company Limited.

Company (Source: Stock Exchange of Thailand)	As at December 31, 2020 Unit: Million Baht) (Consolidated Financial Statements)	
	Total Assets	Total Revenues
1. CH. Karnchang Public Company Limited	82,774	19,299
2. Italian-Thai Development Public Company Limited	107,873	55,408
3. Sino-Thai Engineering and Construction Public Company Limited	44,033	36,327

**3) Foreign contractors:** The contractors in this group are large-sized companies with advanced technology, mostly comprising companies from Japan, China and Europe, such as, Kajima Corporation, Obayashi, Kumagai, Siemens, Bilfinger, and China State. The business operations of these companies focus on accepting large-scale projects, requiring a rather high construction technology, in cooperation with large-sized construction companies in Thailand. Such cooperation is neither certain nor specific to establish a long-term business alliance, but the cooperation shall be selective on a case by case basis.

### 2.2.3 Market Share

In 2020, the Company made bids for six government construction projects, namely:

1. The Project of Construction of the 3<sup>rd</sup> Runway, Taxiway D Extension and Perimeter Taxiway at Suvarnabhumi Airport;
2. The Project of Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60<sup>th</sup> Birthday Anniversary of Chulabhorn Royal Academy;
3. The Construction Project of Flood Drainage Canal Excavation, together with Appurtenant Structures, Contract 1: Bang Ban - Bang Sai in Phra Nakhon Si Ayutthaya Province Flood Drainage Canal Project;
4. The Construction Project of Flood Drainage Canal Excavation, together with Appurtenant Structures, Contract 2: Bang Ban - Bang Sai in Phra Nakhon Si Ayutthaya Province Flood Drainage Canal Project;
5. The Construction Project of Flood Drainage Canal Excavation, together with Appurtenant Structures, Contract 3: Bang Ban - Bang Sai in Phra Nakhon Si Ayutthaya Province Flood Drainage Canal Project; and
6. The Project of Construction of Nong Khai Bypass Road (East Side), Part 1, Nong Khai Province.

In this regard, the Company was able to succeed in a bid and sign a project, namely, the Project of Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60th Birthday Anniversary of Chulabhorn Royal Academy, with the estimated value of Baht 4,042 Million (inclusive of VAT), for which all bidders were local contractors.

### Characteristics of Customers and Relationships

As for the Company's customer groups, despite the fact that most of them are government agencies, with the project nature lying in construction of infrastructure projects in terms of public transport and transportation, construction of buildings, the Company also gives priority to the private customers which can create jobs, generate income for the Company. In the context of the relationship between the Company and all of the Company's customer groups, whether the government or private sector, the Company has had the great relationships between each other and has gained trust from all of the customer groups by virtue of the Company's proven good quality of work.

In respect of the private construction projects, the Company has accepted the implementation of various construction projects from the Company Group, with the value of approximately 36.56 percent of the projects that the Company signed in 2020.

## 2.3 Procurement of Products or Services

### 2.3.1 Construction Materials, Products and Services

Significant construction materials and products produced in Thailand comprise cement, steel rods, structural steel, stones, sands, etc. The materials in architecture are, for example, sanitary ware, ceramic, granite, ceiling and wall, steel doors, aluminum doors and windows, wood doors and windows, PVC and equipment, as specified in the details of the construction contract. The Thailand Industrial Standards of the project owner shall be taken into account. The Company does not purchase construction materials exclusively from any particular distributor since the procurement

procedure requires checking of price, quality, delivery of goods and reliability at all times to ensure obtaining the best distributor, both in respect of quality, price and service. The Company shall conduct evaluation of the distributor at least twice a year. Each procurement and engagement requires approval of the project owner and supervisor. The Company is also required to execute a procurement contract to ensure the best conditions and the price can be valid until the project completion. As for the service, the Company shall be responsible for the quality of the goods and service for a period of at least two years or under a contract with the project owner.

Construction materials and products from overseas import: The Company has a policy to purchase this type of materials via a local distributor, by taking into account the after sale service and experience of an agent. In case the materials are required to be directly purchased from overseas, the Company shall open letters of credit (L/C). Such materials from overseas shall meet the standard per the requirements of the project owner, such as, ASTM, BS, JIS, API, etc. In this regard, the terms and conditions of the L/C shall be carefully specified to minimize risks.

The Company has procured products and services under the quality management system, including the criteria for selection of manufacturers, suppliers and contractors, as well as regular review and inspection of product quality based on the performance of current manufacturers, suppliers and contractors, in order to confirm and assure at all times that the products and services after delivery to project owners are correct and complete in accordance with the agreed terms and conditions.

In procuring goods, products and services for use in various construction projects, the Company has selected suppliers/contractors with potential, experience, performance and qualifications for each work and checked prices, quality and delivery of goods that meet standards as required by owners in purchase orders for such goods, products and services.

The Company gives priority to raw materials which have environmental impact, for example, materials made of asbestos. With this reason, the Company will then avoid using such materials and use other materials which have no environmental impact instead. In the past, the Company had never received any report or complaint relating to violation of environmental laws.

In procuring products and services for construction in various projects of the Company based on categories of both domestic and overseas products, the Company has benefited from cooperation from various potential business partners which are major and retail manufacturers and suppliers of construction materials. Given the Company's improved operational results and continued business growth, the Company has more channels to procure and select goods, products and equipment in the construction from higher quality standard and qualified manufacturers and suppliers in line with the growth of the manufacturing industry. As a result, the Company is confident in its ability to supply quality goods, products and services in accordance with the requirements and objectives of project owners.

In addition, the Company has enhanced its potentials in respect of procurement of products and services, by employing the Enterprise Resource Planning system (ERP) from 2009, to ensure that the procurement of products and services is improved, with a more systematic control and recording process, for example, process for issuance of purchase orders and inventory management, thereby resulting in an efficient inventory management and reduction of waste materials in construction projects.

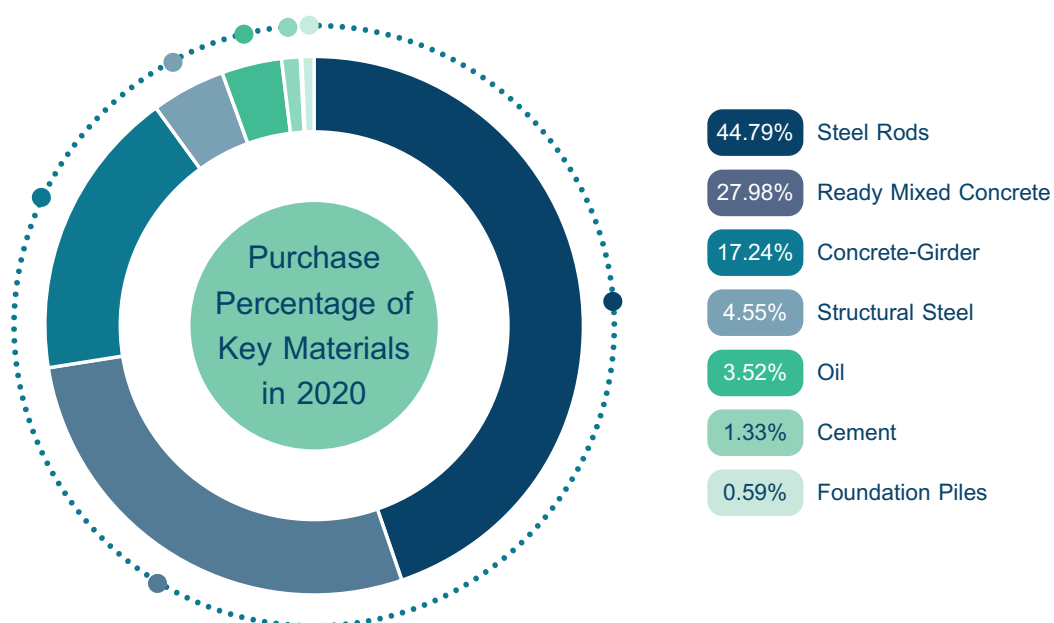
In 2020, Thailand and other countries worldwide had encountered the outbreak of COVID-19 which resulted in a significant slowdown in both Thai and global economies and also affected the Company's business sector, as a result, a quantity on purchase order for key materials of some categories decreased, as compared to those of the previous years. On the other hand, there still were more purchase orders for key materials of some categories, due to the fact that in 2020, the Company likewise had new projects in hand for implementation. In this regard, prices of key materials of many categories were lowered with a view of encouraging purchase orders, such as, ready-mixed concrete (cement), oil, etc. But in respect of products in categories of metal and steel rods, their prices were raised in late 2020, due to an increase in the situation of raw materials on world markets. However, the production capacity of goods in categories of key materials was expected to remain sufficient to meet the needs in the country, by reason of the fact that the government remains confident that in 2021, the government will have an economic stimulus policy to motivate manufacturers to constantly produce goods.



## Summary of Purchase Value of Key Materials in 2016-2020:

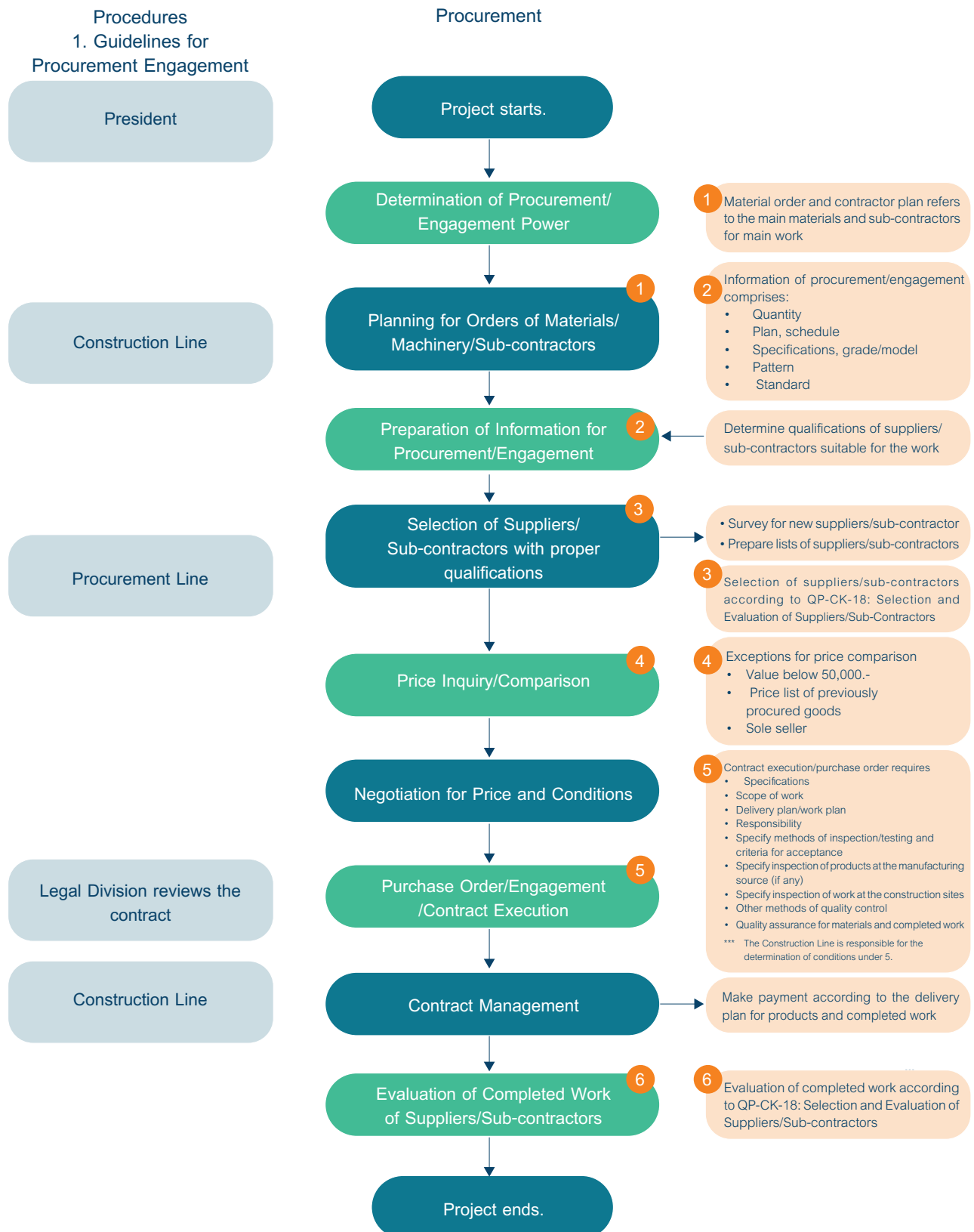
No.	Description	2020 (Baht)	2019 (Baht)	2018 (Baht)	2017 (Baht)	2016 (Baht)
1	Oil	65,300,000	301,000,000	452,100,000	359,000,000	120,000,000
2	Ready Mixed Concrete	519,100,000	895,000,000	2,056,200,000	1,579,000,000	725,000,000
3	Cement	24,700,000	50,000,000	94,900,000	108,000,000	32,000,000
4	Structural Steel	84,400,000	43,000,000	114,800,000	134,000,000	562,000,000
5	Steel Rods	830,900,000	295,000,000	1,808,900,000	539,000,000	690,000,000
6	Foundation Piles	10,900,000	6,000,000	13,150,000	8,000,000	3,000,000
7	Segment-Girder	319,900,000	114,000,000	25,900,000	242,000,000	243,000,000
8	Concrete Sleeper	-	250,000	-	84,000,000	228,000,000
	<b>Total</b>	<b>1,855,200,000</b>	<b>1,704,250,000</b>	<b>4,565,950,000</b>	<b>3,053,000,000</b>	<b>2,603,000,000</b>

## Summary of Purchase Percentage of Key Materials in 2020 (%)



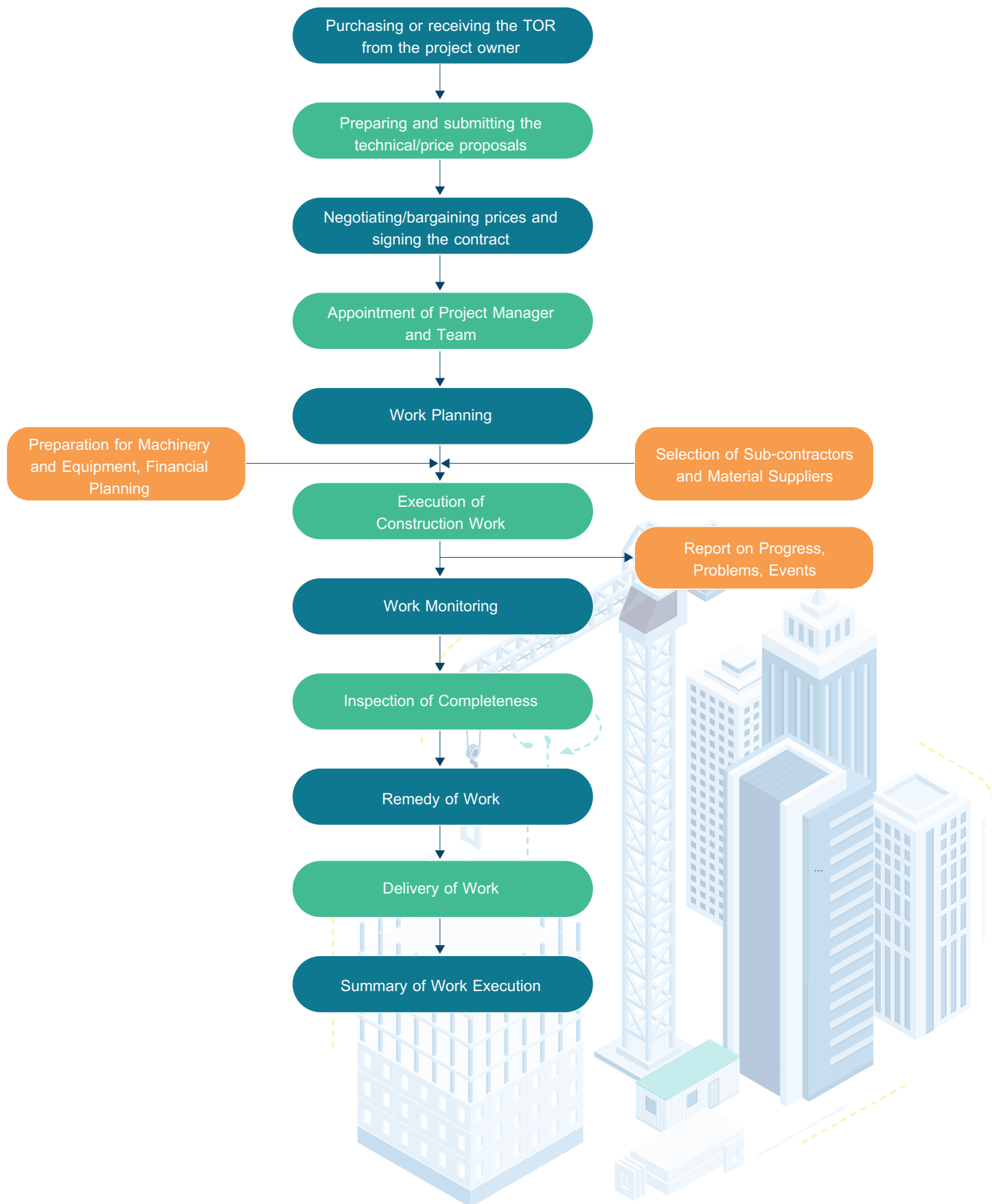
## Description of Procurement of Raw Materials

The Company procures raw materials from local and overseas sources as described above. The guidelines for procurement are as per the detailed procurement flow chart as follows:



## 2.3.2 Procedures for Production and Disposal of Unused Raw Materials

(1) The production process resulting from the construction work can be summarized as follows:



A. Procedures for Acceptance of Work: The Business Development Department shall be responsible for procurement of construction projects for which the Company will submit quotations. Such procurement generally can be conducted by three methods, namely:

1. Solicitation Notification Method: The project owner will issue a solicitation notification inviting any general contractors who have the required qualifications to purchase or receive the TOR documents and submit their quotations for competition based on the criteria defined by the project owner, such as, price or price performance criteria, etc.
2. Selection Method: The project owner will invite certain contractors, as the project owner deems that they are qualified to fulfill the construction work, to receive the TOR documents and submit their quotations for competition based on the criteria as defined.
3. Specific Method: The project owner will invite a contractor, which may have worked with the project owner before and delivered the good, quality and reliable completed work, or as the project owner deems that such contractor is most qualified to fulfill the construction work, to receive the TOR documents for submission of its quotation or negotiate prices directly.

When the Company has already purchased or received the TOR documents, the Company will inspect and study such documents; survey the actual site where the construction will be carried out; make quantity takeoffs; evaluate prices; and prepare a technical proposal, a price proposal, and other proposals as required by the TOR documents for submission of the same to the project owner. In the event that the Company's proposals are selected, the project owner will negotiate various conditions with the Company until the conclusion of the contract can be reached prior to signing of the procurement contract.

B. Procedures during Implementation: After the Company has signed a construction contract, it shall be the duty and responsibility of the Construction Project Department to proceed as follows:

**Appointment of Project Manager:** The project manager shall serve as the project management center, and shall be responsible for the project in all respects, e.g., supervision of work to ensure timely completion and control of expenses within the specified budget, etc.

**Planning and Preparations for Construction by Project Manager:**

- Construction Schedule Planning: The work schedule should be planned in line with the conditions and delivery schedule;
- Resource Planning: Employment of staff should be prepared in line with the nature and volume of work, including engagement of minor contractors, procurement of material suppliers and planning for utilization of materials and machinery;
- Preparation of Temporary Office: During the construction, the production and delivery of work shall take place at the site of the customer or project owner, and it is the duty of the project manager to prepare various public utilities required for the work performance, such as, water, electricity, and staff quarters, etc.
- Preparation of Detailed Work Plan: The project manager shall prepare step by step work plans in line with timeframe to facilitate the work supervision so as to progress in accordance with the schedule and meet the standards required by the project owner.

**Construction:** During the construction, supervisors and foremen in the respective divisions shall jointly monitor and supervise the quality and progress of work to be in accordance with the schedule and timeframe, as well as ensure safety for operating staff and the public.



**Monitoring and Inspection:** The progress of work, costs, various overheads and budgets used in the construction must be verified, and the project manager shall receive reports from the relevant divisions.

**Report on Progress of Work:** This is a report on the details of the work performed, utilization of construction materials, costs, quality, quantity and progress of work, including various problems, which would be reported by the project manager to supervisor at the Head Office. In case there are problems, the supervisor will provide assistance and support to solve such problems.

**Inspection of Work Completeness:** This is the final inspection of work completeness prior to delivery. Generally, during the execution, the work would be inspected on a monthly basis. If any stage of such work fails to pass the inspection, the re-inspection would be scheduled. When the work passes the inspection, the completeness of the corrected work would be inspected prior to delivery of the work to the employer.


C. Post-Completion Procedures: At this stage, the Company would provide training to the employer, deliver necessary documents, e.g., As-Built Drawings, material quality and workmanship warranty documents, and other documents as specified in the contract to the employer. The employer would inspect the work completeness before returning the retention money and the performance bond to the Company after the expiration of the warranty period.

## (2) Disposal of Unused Raw Materials

The Company attaches great importance to the environment and social development in parallel with the operations with standards in work safety and environment in conformity with the relevant laws and regulations.

The Company and the subsidiaries have provided work safety and environmental standards for every project in line with the regulations, rules, laws and international standards, and then, the Company has already received the ISO 9001:2015

According to the aforesaid activities, the carrying out of various projects does not have an impact on the society and environment, as well as reducing work-related accident statistics to an acceptable level. For instance, wastewater and effluents have been properly treated to ensure the sanitary condition before emission; unused materials and wastes from construction have been regularly collected and properly disposed of, for example, hazardous materials shall be disposed of or handled by a specialist, while unused materials, such as, steel rods, structural steel, sanitary ware, office equipment, shall be returned to be kept at the Company's central store for further use in other projects. Scrap of materials, such as, iron scraps, metal scraps, used tyres in good condition, used engine oil, shall be put for sale by auction to those wishing to recycle them for further use in proper work. This includes ongoing training for staff on safety and environment. Expenses for carrying out such various activities are considered one of the Company's costs. Over the past years, the Company received various awards, for example:

	In 2000	The outstanding award for minimizing environmental impact from the Mass Rapid Transit Authority of Thailand for Lumpini Station, Joint Venture BCKT
	In 2000	The honorable award for minimizing environmental impact from the Mass Rapid Transit Authority of Thailand for Sukhumvit Station, Joint Venture BCKT
	In 2001	The outstanding award for minimizing environmental impact from the Mass Rapid Transit Authority of Thailand for Sam Yan Station, Joint Venture BCKT
	In 2003	The maximum construction work safety achievement with 5,000,000 working hours without lost time accident in the Nakhon Pathom - Samut Sakhon Water Supply Project, Joint Venture TWCK
	In 2015	the outstanding award for administration and management of safety, occupational health and working environment from the Mass Rapid Transit Authority of Thailand for construction of the MRT Green Line Project, Bearing - Samutprakan Section, Contract 1

	In 2016	The TCA Concrete Practice Award 2016: Silver Medal for Concrete Innovative for Future Construction Materials from Thailand Concrete Association for construction of the Xayaburi Run-of-River Project
	In 2017	The ASEAN Outstanding Engineering Achievement Project Award from the member countries of ASEAN Federation of Engineering Organizations (AFEO) in terms of expertise in various fields of engineering and continued support of engineering works beneficial to the society and the country, together with the organization management works in relation to engineering work, and continued support of activities of the Engineering Institute of Thailand.
	In 2019	The Drive Award 2019 for the Company's Excellent Innovative Management in the group of Property and Construction from the Faculty of Commerce and Accountancy, Chulalongkorn University
	In 2019	The Environmental Social and Governance 100 (ESG100) Award from Thaipat Institute (five years in a row)
	In 2019	The Outstanding Award for Occupational Health Management from the Mass Rapid Transit Authority of Thailand
	In 2020	The Thailand Top Company Awards 2020 in the business category of Construction Industry from Magazine Business+ in association with the University of the Thai Chamber of Commerce

## 2.4 Undelivered Work

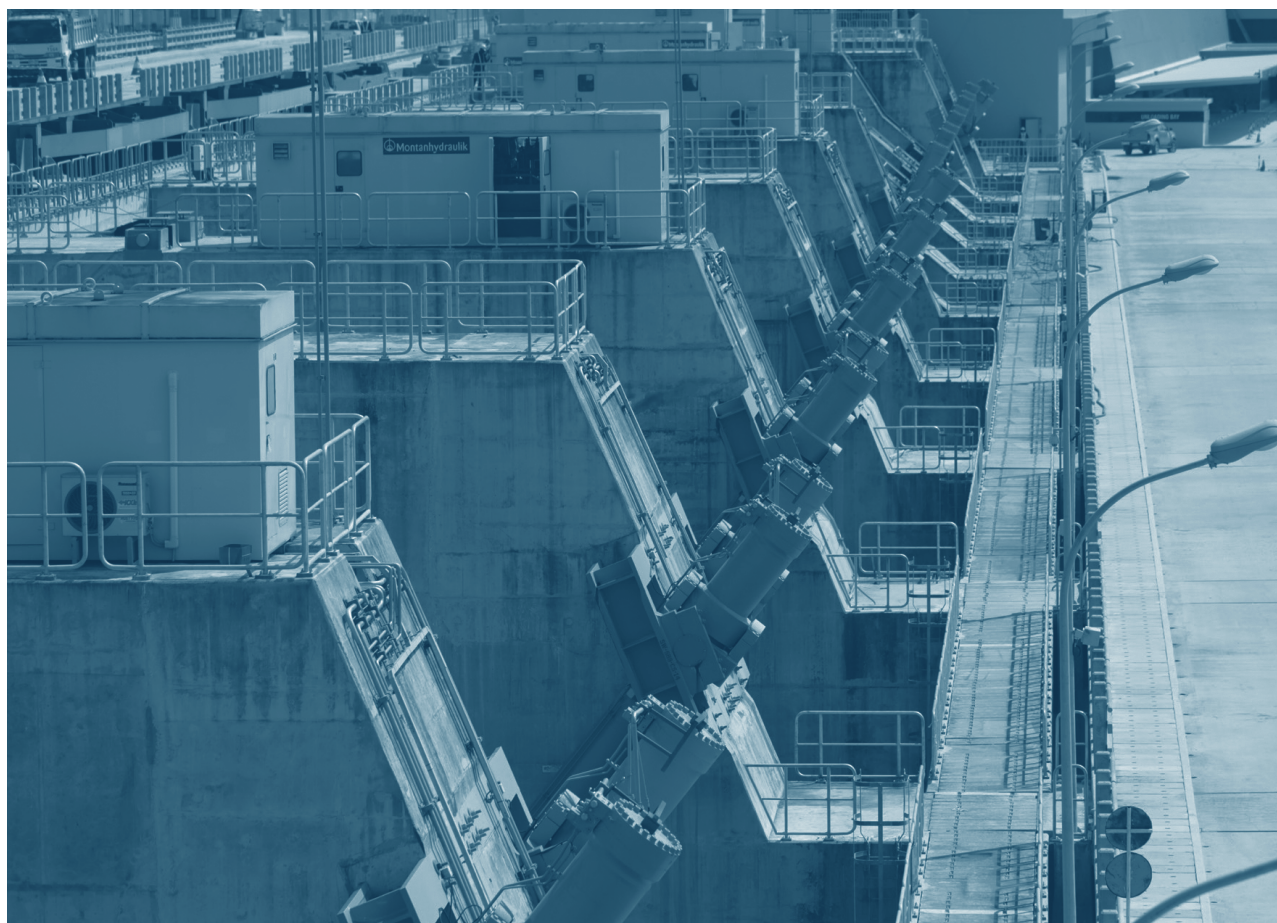
The details of undelivered work of the Company, its subsidiaries and joint ventures with the value exceeding 10 percent of the total revenue in the consolidated financial statements for the period ended December 31, 2020, are as follows:

Project Name	Nature of Work	Project Value (Million Baht)	Expected Year of Project Completion	% of Undelivered Work	Value of Undelivered Work (Million Baht)
<u>CH. Karnchang (Lao) Co., Ltd.</u>					
1) Engineering, Procurement and Construction Contract for the Xayaburi Hydroelectric Power Project in The Lao People's Democratic Republic	Xayaburi Hydroelectric Power Plant	94,622	2564	2.1	2,014
<u>CKST Joint Venture</u>					
1) Contract E1: Underground Civil Works, Thailand Cultural Centre-Ram Khamhaeng 12 Section, the MRT Orange Line (East Section) Project	MRT	18,440 <sup>(1)</sup>	2567	32.9	6,067
2) Contract E2: Underground Civil Works, Ram Khamhaeng 12 - Hua Mak Section, the MRT Orange Line (East Section) Project	MRT	19,146 <sup>(1)</sup>	2567	40.4	7,735
3) Contract E5: Depot and Park & Ride, the MRT Orange Line (East Section) Project	MRT	4,326 <sup>(1)</sup>	2567	32.5	1,406

Project Name	Nature of Work	Project Value (Million Baht)	Expected Year of Project Completion	% of Undelivered Work	Value of Undelivered Work (Million Baht)
<u>CH. Karnchang Public Company Limited</u>					
1) The Construction Contract of The Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60 <sup>th</sup> Birthday Anniversary	Construction of Learning and Research Centre	3,777 <sup>(2)</sup>	2567	99.5	3,758
2) MRT Blue Line Hua Lamphong - Bang Sue: Maintenance Services and E&M Systems	Maintenance Services on Infrastructure	4,048	2570	66.5	2,692
3) The Construction of Rama 3 - Dao Khanong - Western Outer Ring Road Expressway Project : Contract 4 (Civil Work)	Expressway	5,947	2566	64.8	3,854

<sup>(1)</sup> The aforesaid project value has included the provisional sum.

<sup>(2)</sup> The aforesaid project value has not yet included the provisional sum.



### 3. Risk Factors

CH. Karnchang Public Company Limited has a vision of becoming the leader in infrastructure development and construction business, and realizes the importance of risk management in its business operations under the changes in internal and external factors which may affect the Company's operations. Risk management is considered a key instrument in the business administration to ensure efficient achievement, and is also regarded as a key factor in the good corporate governance. Therefore, the Company arranges for systematic risk management, monitoring and measures to minimize risks on a continuous basis. The Corporate Governance and Risk Management Committee has been appointed to consider at the policy level, while the Management has the duty to supervise the overall risk management process of the organization, with a working team to perform daily routine works on behalf of the Corporate Governance and Risk Management Committee, in order to monitor and assess risks as well as preparing the risk management report at the work unit level for submission of the same to the Board of Directors for acknowledgement.

The Company has prepared a handbook on risk management and risk management plan as guidelines in the operations, as well as monitoring, assessment, and review of risks in line with both internal and external circumstances. The risk factors which may give rise to investors' investment risks are as follows:

#### 3.1 Risk from Major Shareholders Exceeding 25 Percent

As at June 30, 2020, the Company's major shareholder group was the Trivisvavet Group, holding shares in aggregate representing 33.54 percent of its registered and paid-up capital. Such shareholding percentage might enable the Trivisvavet Group to make material decisions in shareholders' meetings, as well as to seek resolutions on any other matters that require a majority vote of the shareholders' meeting, except such matters which shall be passed by three-fourths of votes of the shareholders' meeting under the laws or the Company's Articles of Association. Therefore, other shareholders of the Company might be at the risk being unable to collect votes to counterbalance and inspect such matters proposed by the major shareholders.

However, the Company has realized the significance of power counterbalancing, and then clearly and transparently determined a scope of authority and responsibilities of various committees, and formulated measures for execution of connected transactions with directors, major shareholders, executives, controllers, including persons who may have a conflict of interest, whereby such persons shall not have the right to vote on such transactions. The Company also appointed the Audit Committee to independently serve the Board of Directors to ensure transparency and shareholders' confidence in their ability to review performance and counterbalance in the capacity as minor shareholders' representative to a certain degree, as well as help scrutinizing various matters for submission of the same to shareholders' meetings. The Company discloses information and complies with applicable rules and regulations of the SEC Office and the SET, such as, connected transactions and transactions on acquisition and disposition of assets of the Company, etc., for the utmost benefit of the Company and all shareholders.

#### 3.2 Risk from Reliance on Customers in the Company Group Invested in by the Company

The Company not only operates the construction business, but also comprehensively invests in infrastructure development business on a regional level. Currently, the Company has invested in transportation and mass rapid transit systems, namely, Bangkok Expressway and Metro Public Company Limited (BEM), water infrastructure system, namely, TTW Public Company Limited (TTW), and power system, namely, CK Power Public Company Limited (CKP).

Therefore, in the Company's revenue structure, other than works for public and external private sectors, the Company has also accepted construction works from the companies invested in by the Company. In 2020, the Company's revenues from construction services from BEM, Xayaburi Power Company Limited (whose shares were held by CKP), Bangpa-in Cogeneration Limited (whose shares were held by CKP), and TTW Public Company Limited, represented 39.90 percent of the revenue structure in 2020. Revenues from construction services are strategically critical to the Company's sustainable and stable growth through integration of the construction business with investments in infrastructure projects for the sake of national development, along with risk management and increase in long-term returns to shareholders from



dividends. Moreover, the Company is a construction company with capabilities and competency to complete works at reasonable prices. The Company's acceptance of works from companies in the group then represents risk diversification in response to decreasing works for public or private sector, thereby enabling the Company to generate revenues from construction services from the company group invested in by the Company in many projects. Furthermore, the approval of transactions on engagement of companies and company group comply with the regulations of the Stock Exchange of Thailand.

### 3.3 Risk from Management and Risk from Delays in Projects

The Company has realized the risk from management and therefore established guidelines to prevent any flaws which may occur, by applying the ISO 9001:2015 quality management system to maintain the performance standards both in various projects and in the Company's head office, by taking into account the continued improvement of quality management system. The Company group also set out guidelines for staff development to ensure that staff have knowledge, skills, ethics and accountability towards the organization, including all stakeholders, so as to minimize and prevent damage which may be caused by such risk.

The Company obtained the ISO 9001:2015 international quality system standard accreditation, with the scopes of activities in the business of design, construction, and construction management for roads, bridges, buildings, landscape architecture, underground structure and tunneling, expressway, public transportation system, railway, and tap water production system, including raw water piping and tap water distribution systems, wastewater treatment plant, cogeneration power plant, hydroelectric power dam, high voltage transmission line and substation, oil piping, pipe installation, and construction of depot equipped with oil control system, mining work, rock quarry and mill.

Generally, risks from delays in various projects may be caused by delays on the part of employers or contractors or by events without any liable party.

Delays on the part of employers include, for example, site delivery, review and approval on various matters relating to construction work. These delays may affect the construction period and costs. However, the Company has minimized risks from such delays through cooperation and coordination with employers to ensure successful completion of the construction works.

Delays on the part of contractors include, for example, shortages of construction materials. The Company has prevented such problem by entering into forward agreements for purchase - sale of various materials, as evidenced by the signed agreements for purchase - sale of cements and metals to accommodate the Company's projects, of which contracts have already been executed

Delays caused by any events without any liable party include, for example, natural perils. In the execution of a contract, there generally is a requirement for the contractor to take out insurance for various construction projects.

Based on the Company's past experience, the Company has never encountered any events caused by delays on the part of the Company group, but risks from delays caused by the Company's contractual party, such as, in the Bang Na - Bang Pli - Bang Pakong Expressway Construction Project, which the Company group rectified such circumstance whereby the Company required the employer to promptly resolve such problems and also accelerated the construction to meet the specified schedule.

### 3.4 Risk from Exchange Rate

Given the fact that the Company group has had income and costs in certain projects in foreign currencies, the fluctuation of the foreign currencies against Baht currency would affect the Company's costs or performance. The Company has then managed the risk from exchange rate by matching revenue with expenses in foreign currencies through deposit of foreign currency income in Foreign Currency Deposit (FCD) account. When the project incurs any expenses in foreign currencies, the Company will use the funds in the FCD account to cover such expenses. However, at present, no projects generate foreign currency income. As for projects incurring partial costs in foreign currencies, there are three projects, namely, (1) the Xayaburi Hydroelectric Power Plant Construction Project; (2) the MRT Blue Line Project, Contract

6, which requires the procurement of certain equipment and services from overseas; and (3) the MRT Orange Line Project. The cost ratio in foreign currencies as compared to the total expenses in the consolidated financial statements accounted for 10.3 percent as at December 31, 2020.

Details of assets and liabilities in foreign currencies as at December 31, 2020 in the consolidated financial statements can be summarized as follows:

Unit: Million

Description	As at December 31, 2020		
	USD	YEN	LAK (LAO)
<b>Assets</b>			
Bank deposits	6.59	30.15	9,774.14
<b>Total</b>	<b>6.59</b>	<b>30.15</b>	<b>9,774.14</b>
<b>Liabilities</b>			
Trade payables and retention for construction	6.93	33.92	7.00
<b>Total</b>	<b>6.93</b>	<b>33.92</b>	<b>-</b>
Assets (Liabilities), net	(0.34)	(3.77)	9,767.14
Assets (Liabilities), net (Million Baht)*	(10.27)	(1.09)	31.58

Remark: \* Average exchange rate, The Bank of Thailand at the close of December 30, 2020.

### 3.5 Risk from Construction Material Price, Labor Cost and Fluctuation of Oil Price

The management of construction work contract in each project to gain the gross profit depends on the precise projection of the project cost and the control of the cost actually incurred to be in the specified estimate. The factors of cost projection depend on not only construction material price and labor cost which fluctuate by the demand and supply circumstances, but also oil price, which is indirect cost towards the operating costs.

However, the Company group has managed such risk through construction contracts in two manners as follows:

- In case of a construction contract with construction price adjustment in accordance with an escalation factor (K), such K factor would vary depending on the changing production costs, whereby such adjustment may not cover all increased costs of construction materials and labor, but would cover an increase of the construction material and labor prices beyond the projection, thereby giving rise to only a slight impact on the construction cost. As for the projects of the Company group, most customers were government sector, as at December 31, 2020, representing 70.32 percent of the remaining project value to be recognized as revenue in the future;
- In case of a construction contract with fixed costs or lump sum, whereby it does not specify or it is not possible to identify a K factor, which would mostly apply to turnkey projects, provisional sums would also be included to accommodate the case where the construction material costs would be included in the total project value. Most customers in this category were private sector, as at December 31, 2020, representing 29.68 percent of the remaining project value to be recognized as revenue in the future.

### 3.6 Risk from Changes of Government's Policies

Given the fact that the Company group's revenue structure in the future from the total value of projects in hand which would be recognized as revenue in the future, as at December 31, 2020, representing 70.32 percent, amounting to Baht 20,469 Million, involves works for the government sector. The Company group's revenue therefore relates to the

national budget spending, which depends on the economic growth rate and investment climate, including the political stability. As for the government projects for which the contracts have already been signed, the Company group did not have any risk from economic and political circumstances since such projects would be supported by the allocated budgets in the form of tied budgets, which represent guarantee of budgets to be spent by the government in such projects. Nevertheless, in respect of the government projects which were awarded to the Company group, but the contracts have not yet been signed, the government may hold a new bidding for such project based on the justifications of each project.

The Company group reengineered to expand its channel of revenue sources by way of project investment and management. The Company group thus expanded its investments to business activities which would derive more definite revenue, such as, the Company's investments in Bangkok Expressway and Metro Public Company Limited, which manages the expressway projects and the metropolitan rapid transit projects; Pathum Thani Water Co., Ltd. via TTW Public Company Limited, which produces tap water for sale to the Provincial Waterworks Authority for distribution to the public in Pathum Thani Province; TTW Public Company Limited, which produces tap water for sale to the Provincial Waterworks Authority for distribution to the public in Samut Sakhon Province and Nakhon Pathom Province; CK Power Public Company Limited, which operates a business by holding shares in concession companies, e.g., SouthEast Asia Energy Limited, which generates electricity for distribution to the Electricity Generating Authority of Thailand; Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited, Bangkhenchai Company Limited, which operate a business of solar cell power production plant; Bangpa-in Cogeneration Limited, which operates a business relating to public utilities on energy; and Xayaburi Power Company Limited, which would generate electricity for distribution to the Electricity Generating Authority of Thailand and Electricite du Laos, etc. These projects are long-term concession projects which would not be affected by changes of government's policies.

### 3.7 Risk from Investments in Subsidiaries, Associated Companies, Joint Arrangement, Related Companies and Other Companies

The Company group's structure comprises many subsidiaries, associated companies, including joint arrangement and related companies and other companies, which accords with the Company group's nature of business, comprising investment and construction of many projects, which are being implemented by different groups of investors. However, the joint arrangement is mostly established with the objective to carry out a few projects, and would be dissolved upon completion of such projects; as a result, the number of companies or legal entities in the group would decrease accordingly. Risks that may be caused by investments in subsidiaries, associated companies, joint arrangement, related companies and other companies would be limited to the investments in the respective organizations. In each investment, the Company would carefully conduct feasibility study of each project or company in addition to the consideration of the rate of return to be derived in the future. The Company may appoint third party advisors or specialists to serve in certain projects prior to submission of such matter to the Executive Board and the Board of Directors. In this regard, the investment portfolios in the Company group generated share of profit and dividend income as follows:

(Unit: Thousand Baht)

Company Name	Consolidated Financial Statements	
	Share of Profit (Loss) from Investments in Associated Companies	
	During the Year	
	2020	2019
Bangkok Expressway and Metro Public Company Limited	659,117	1,560,376
CK Power Public Company Limited	204,332	250,884
Kamala Senior Living Co., Ltd.	(6,827)	(5,015)
<b>Total</b>	<b>856,622</b>	<b>1,806,245</b>

(Unit: Thousand Baht)

Company Name	Separate Financial Statements	
	Dividend Income from Investments During the Year	
	2020	2019
Bangkok Expressway and Metro Public Company Limited	430,841	712,218
CK Power Public Company Limited	77,789	56,176
TTW Public Company Limited	464,446	464,446
CH. Karnchang-Tokyu Construction Co., Ltd.	11,000	-
Other companies	175	190
<b>Total</b>	<b>984,251</b>	<b>1,233,030</b>

### 3.8 Risk from Loans to Subsidiaries, Associated Companies, Joint Arrangement, Related Companies and Other Companies

CH. Karnchang Public Company Limited has had risks from loans extended to subsidiaries, associated companies, related companies and joint arrangement, namely, the loans extended by the Company are provided for use as working capital. As at December 31, 2020, the Company had a balance of loans and accrued interest receivable in respect of subsidiaries, associated companies, related companies and joint arrangement in the amount, net of allowance for doubtful accounts, of Baht 14,176.04 Million, representing 18.72 percent of the total assets of the Company's separate financial statements (and as at December 31, 2019, the Company had a balance of loans and accrued interest receivable in respect of subsidiaries, associated companies, related companies and joint arrangement in the amount, net of allowance for doubtful accounts, of Baht 12,551.52 Million, representing 17.17 percent of the total assets under the separate financial statements). As for such loans intended to be used as working capital, they are subject to interest for the project construction period at the Minimum Loan Interest Rate plus 0.25 percent (MLR+0.25%) per annum and the interest for the period when the project has completed its commercial operation (by 2019) at the Minimum Loan Interest Rate (MLR), with the total loan repayment being scheduled to take place not later than 2031. and has Loans are subject to interest rates at Minimum Loan Rate (MLR) and are due at call. Moreover,

- 1) Subsidiaries were obligated to extend a fund to one associated company for use in development and management of the elderly residential project, with the remainder amounting to Baht 223 Million.
- 2) As at December 31, 2020, the Company provided guarantee for one of its subsidiaries, namely, CH. Karnchang (Lao) Co., Ltd. for credit facilities extended by banks and financial institutions in the total amount of Baht 6,387 Million for use in its construction projects.

Nevertheless, the Company has policies on management of potential risks from loans to subsidiaries, associated companies and joint arrangement, by accelerating and closely monitoring the debt repayment and significantly taking into account the necessity and justification of transactions as well as the Company's benefits, subject to approval of the Company's Audit Committee to scrutinize any possible consequences every time.

### 3.9 Risk from Interest Rate

As a result of the construction business and the infrastructure development business, the financial management is then essential for the business operations in order to have appropriate costs and liquidity for the business operations. The Company group does not have a policy for speculation from financial management, with the financial management in line with the business costs. The policy for financial risk management is then formulated as follows:

The Company group has established the business goal based on risk management system in terms of interest rate to make sure that it is in line with the core business of construction and long-term investment in infrastructure which generate clear income, the Company group has then managed the proportion of the financial cost structure to mostly stay at fixed interest rate which is consistent with the operating cost and clear income, due to the fact that work quality,

comprehensive management of the Company group have been generally acknowledged; the Company's construction business is acceptable to the financial institutions, not to mention the fact that in 2020, TRIS Rating affirmed the Company's company rating and issue rating as at April 4, 2019 and July 31, 2020 at A with a "Stable" outlook; as such, the Company group has been extended credits in various forms by the financial institutions; and debt instruments, risk management in terms of interest rate. In 2020, the Company offered for sale debentures in the total amount of Baht 5,000 Million for three series, i.e., Series No. 1 with a three-year maturity term in an amount of Baht 500 Million at an interest rate of 2.31 percent; Series No. 2 with a five-year maturity term in an amount of Baht 3,000 Million at an interest rate of 3.12 percent; and Series No. 3 with a ten-year maturity term in an amount of Baht 1,500 Million at an interest rate of 3.50 percent. Moreover, the Company repaid debentures in 2020 in the total amount of Baht 2,500 Million, comprising matured debentures for one series in the total amount of Baht 1,000 Million, and debentures with early redemption for two series in the total amount of Baht 1,500 Million at the interest rates of 4.05 percent; and also repaid the debts due in 2020 in the amount of Baht 1,613 Million, with the Company using the proceeds for the business operations in the amount of Baht 887 Million. Under the consolidated financial statements as at December 31, 2020, the Company group had a burden of interest-bearing debts which consisted of a burden of debt bearing a fixed interest rate of 84.61 percent and that bearing a float interest rate of 15.39 percent.

## Emerging Risks

### 1. Risk from Technological Changes

Innovations have rapidly played a role in running various businesses, especially during the previous decades, which is both an opportunity and a threat to the competitiveness, depending on the each organization's preparation for coping with technological changes. Despite the fact that the construction industry would be still less affected by technology than other industries, the Company has recognized the significance of self-adaptation for such technological changes to sustainably maintain its business competitiveness. To that effect, the Company has formed a work team, in which knowledgeable and expert personnel are included, to follow up, analyze, assess impacts from such changes having a material effect upon the Company's business, and report to the high-ranking management to ensure a prompt response to any such changes. Furthermore, the Company has applied new technology for improvement of its current business operations.

### 2. Risk from Cyber Threats

Business operations and intra- and inter-organizational communication are nowadays increasingly dependent on technology, thereby posing a risk from cyber threats which may impact on security of commercial data and reliability of the Company. The Company has then invested in an internal communication network system for control of linkage of data in business operations to boost work efficiency and secure data from loss and theft. Furthermore, the Company has implemented the firewall security measures to prevent any unauthorized persons from entering the network; has a backup system in place and uses new technology to help data storage in order to improve work efficiency and data security; and provides training for staff to ensure their awareness of data security risks.

### 3. Risk from Overseas Competitors

Owing to the current economic and social conditions with a widespread decline in growth rates around the world, the Company has foreseen a risk from more fierce overseas competitors which have started to play a role in large-scale construction projects in the Southeast Asia, as a region with relatively high growth rate in infrastructure investment. In spite of the fact that many overseas competitors have high technological capabilities and advantages in financial costs, with the Company's reputation for quality of construction works over the past 47 years and the strengths of the business alliances within the region, the Company is then confident in its competitiveness in construction business and also remains committed to the business operations under the vision with an aim of creating the regional strength through presentation of construction works which emphasize quality and timely completion to the contractual parties, while facilitating sustainable progress for the society and communities in which the Company has performed work. Nevertheless, to maintain the competitive advantage, the Company emphasizes continuous improvement and development of the organization's potential and considers opportunities for joint investment with local and overseas trade partners whose core values are compatible with that of the Company in order to increase the strengths, improve the weaknesses, and ensure the greater competitiveness.



## 4. Assets for Business Operations

### 4.1 Summary of Property, Plant and Equipment

As at December 31, 2020, the Company and its subsidiaries had property, plant and equipment based on the book value, as follows:

Type of Assets	Nature of Ownership	Cost (Thousand Baht)	Book Value (Thousand Baht)	Obligations
1. Land and Improvements	Owner	6,031,651	5,733,067	*
2. Buildings and Structures	Owner	2,298,169	1,541,305	N/A
3. Building Improvement	Owner	118,804	67,392	N/A
4. Machinery and Equipment	Owner	7,094,308	2,996,439	N/A
5. Equipment, Furniture and Vehicles	Owner	621,087	81,129	N/A
6. Assets under Construction	Owner	774,622	774,622	N/A
<b>Total Property, Plant and Equipment</b>		<b>16,938,641</b>	<b>11,193,954</b>	

\* The Company had restrictions on sale, disposition, transfer or creation of any obligation for the Company's partial land in accordance with the terms of the Company's loans and debentures.

#### 4.1.1 Land and Improvements

Details of Land	Ownership	Number of Title Deeds	Area (Rai-Ngan-Square wah)	Cost** (Thousand Baht)
1. Bangkok	CH. Karnchang Plc.	40	30-4-22	937,316
2. Nonthaburi	CH. Karnchang Plc.	4	2-1-48	6,356
3. Pathum Thani	CH. Karnchang Plc.	7	31-1-11	280,362
4. Pathum Thani	CH. Karnchang-Tokyu Construction Co., Ltd.	1	30-0-0	7,844
5. Samut Prakan	CH. Karnchang Plc.	14	410-2-76	1,104,970
6. Saraburi	CH. Karnchang Plc.	11	202-2-48	114,419
7. Phra Nakhon Si Ayutthaya	CH. Karnchang Plc.	67	1,367-1-64	2,259,971
8. Chachoengsao	CH. Karnchang Plc.	20	301-1-34	151,945
9. Prachin Buri	CH. Karnchang Plc.	21	537-1-11	141,199
10. Prachuap Khiri Khan	CH. Karnchang Plc.	3	13-0-76	35,000
11. Loei	CH. Karnchang Plc.	5	29-0-18	34,432
12. Samut Sakhon	CH. Karnchang Plc.	5	49-3-2	957,837
<b>Total</b>				<b>6,031,651</b>

\*\* The cost refers to the original cost of land, together with cost of land improvement.

## 4.1.2 Office Buildings

Details of Buildings	Ownership	Location	Cost (Thousand Baht)
1. Office building, materials store, canteen, laboratory	CH. Karnchang Plc.	Bangkok	513,724
2. Office building, staff residence, materials store	CH. Karnchang Plc.	Phra Nakhon Si Ayutthaya	998,602
3. Office building, materials store, tool center	CH. Karnchang-Tokyu Construction Co., Ltd.	Pathum Thani	21,507
4. Office building, warehouse building	CH. Karnchang Plc.	Loei	22,503
5. Office building, materials store, canteen	CH. Karnchang (Lao) Co., Ltd.	Lao PDR	522,019
6. Office building, residential building, parking area, canteen	CKCH Joint Venture	Khon Kaen	219,814***
Total			2,298,169

\*\*\* The amount was shown in proportion to the investment in CKCH Joint Venture.

## 4.2 Investment properties.

As at December 31, 2020, the Company and its subsidiaries had investment properties based on the book value, as follows:

Type of Assets	Nature of Ownership	Book Value (Thousand Baht)	Obligations
1. Land	Owner	600,779	None
2. Building Offices for Rent	Owner	126,268	None
Total		727,047	

## 4.3 Intangible Assets

As at December 31, 2020, the Company and its subsidiaries had intangible assets based on the book value, as follows:

Type of Assets	Nature of Ownership	Book Value (Thousand Baht)	Obligations
1. Computer Software	Owner	33,619	None
Total		33,619	

#### 4.4 Right-of-Use Assets

The Company has no ownership of the right-of-use assets because of the leased assets, which pursuant to the Thai Financial Reporting Standards No. 16, all lease agreements are required to be recognized, except for short-term lease agreements and lease agreements where the underlying asset has a low value as a right-of-use asset. As at December 31, 2020, the Company and its subsidiaries had the right-of-use assets based on the book value as follows:

Type of Assets	Nature of Ownership	Book Value (Thousand Baht)	Obligations
1. Property and plant	Lease	12,777	None
2. Machinery	Lease	6,972	None
3. Vehicles	Lease	101,234	None
Total		120,983	

#### 4.5 Investment in Other Companies

##### Investment Policy

The Company has an investment policy by considering investing in businesses which are related to the Company's primary business, which can be classified as follows:

**Construction business:** The Company invests in its subsidiaries and joint ventures under a policy on joint investments with joint ventures which have expertise in such areas, e.g., construction technology, familiarity with locations or specific customer groups, by which, the Company receives not only financial returns from investment, but also benefits in terms of technology transfer and knowledge of other fields from joint ventures.

**Infrastructure Concession Projects:** The Company foresees that the results of operation of the concession business is a complement to the Company's cash flows in the long run, therefore, the Company has invested in companies which have expertise in the development of infrastructure projects in terms of transportation, tap water production, and electricity generation, by which the Company receives not only financial returns, but also opportunities to have construction works resulting from expansions of these businesses.

In this regard, the Company's investment ratios are considered based on many factors, for example, investment size, expertise of the Company and joint ventures, project risks and returns, future growth opportunities, as well as overall complements to other businesses of the Company. In the field of management, the decision-making in policy formulation is subject to mutual consent of the major shareholders and the Company will send its representatives to participate in management with other shareholders' representatives according to the respective shareholding ratios in its capacity as both director and/or executive.

The value of investments in other companies by the Company and its subsidiaries is shown in Notes 15-18 to Financial Statements.

## 5. Legal Disputes

The Company and the subsidiaries have no legal disputes, to which the Company and the subsidiaries are a party or respondent, and which would give rise to negative impact on the assets of the Company and of the subsidiaries by more than 5 percent of the shareholders' equity as at the most recent accounting year end, and there is no lawsuit which would significantly affect the Company's business operations. In addition, the Company and the subsidiaries have no material lawsuit which is not resulted from the Company's ordinary course of business.

In 2000, Joint Venture BBCD claimed the increased costs from the Expressway Authority of Thailand (the employer), whereby the employer's consulting engineer considered the Joint Venture's claim and issued a letter confirming and accepting the certification of such increased costs. The Arbitral Tribunal then issued its arbitral award requiring the employer to pay the increased costs, together with interest, to the Joint Venture. Subsequently, the employer issued a letter notifying the Joint Venture that the employer had considered the matter and deemed it appropriate to comply with such arbitral award. On this ground, the Joint Venture recorded such amount as its assets and revenue in the financial statements for 2001 in proportion to the Company group's participation in the Joint Venture, representing approximately Baht 2,500 Million.

Due to the delay in payment of such costs, the Joint Venture filed a lawsuit against the employer with the Civil Court to enforce compliance with the said arbitral award. On December 30, 2003, the Civil Court adjudged enforcing compliance with the arbitral award, by requiring the Expressway Authority of Thailand (the employer) to make such payment to the Joint Venture in accordance with the arbitral award. Later in January 2004, the employer filed an appeal with the Supreme Court.

On February 15, 2007, the Supreme Court adjudicated reversing the Civil Court's judgment which enforced the arbitral award requiring the employer to make such payment to Joint Venture BBCD. The Joint Venture therefore recorded an allowance for doubtful accounts in full for accounts receivable for - claims for additional costs as expenses in profit or loss for 2006 in proportion to the Company group's participation in the Joint Venture, representing approximately Baht 2,500 Million.

Subsequently, after the thorough study of the details of the judgment of the Supreme Court, the Company's management filed a lawsuit against the employer with the Civil Court on February 11, 2008 to claim the costs paid by Joint Venture BBCD from the employer on charge of undue enrichment, bringing the costs included interest calculated until the date of the plaint to approximately Baht 3,400 Million (in proportion to the Company group's participation in the Joint Venture).

On September 15, 2011, the Civil Court adjudged requiring the employer to make payment to Joint Venture BBCD in the amount of Baht 1,750 Million (in proportion to the Company group's participation in the Joint Venture), together with interest at the rate of 7.5 percent per annum from such principal from February 15, 2007 until the employer would make such payment to Joint Venture BBCD in full. The employer and Joint Venture BBCD filed their appeals with the Appeal Court.

On December 27, 2013, the Appeal Court adjudicated reversing the Civil Court's judgment, thereby dismissing Joint Venture BBCE's claim on the grounds that at the time when the Plaintiff and the Defendant executed the turnkey contract in dispute, both parties were well aware that the Defendant was not yet ready to deliver the construction site under the contract to the Plaintiff, and as a result, several problems subsequently arose after the date of execution of the contract, which were raised by the Plaintiff to request an extension of time for the construction period and claim the increased costs. Therefore, it must be deemed that the Plaintiff executed the turnkey contract in dispute with the Defendant whereby the Plaintiff agreed to accept potential risks relating to burden of additional costs for design and construction of the expressway project, and as such, the Plaintiff may not demand the Defendant to return the expressway project to the Plaintiff under Section 411 of the Civil and Commercial Code despite the fact that the Defendant had accepted the delivery of the project from the Plaintiff before the Supreme Court rendered the judgment, in which case, it was deemed that the Defendant had accepted the project in good faith. Furthermore, as the Supreme Court did not adjudge that the turnkey contract in dispute was null and void, but only refused to enforce compliance with the arbitral award, and the Court of First Instance did not have jurisdiction over such issue, it was then no longer required to decide on other issues in the Defendant's appeal, particularly the issues as to whether or not the Plaintiff had power to file its claim; the Plaintiff's claim was barred by prescription; and the Plaintiff's claim was repeated, since the Appeal Court's judgment would not change. Thus, the Defendant was not required to return the expressway project to the Plaintiff on charge of undue enrichment nor pay additional costs, together with interest, nor deliver any interest from toll revenue to the Plaintiff under the claim. Therefore, the Court of First Instance's judgment was opposed to the Appeal Court's opinion.

Subsequently, in February 2014, Joint Venture BBCE filed an appeal with the Supreme Court to demand the employer to pay all increased costs, together with interest, until the payment would be made in full.

On June 22, 2017, the Supreme Court adjudicated dismissing Joint Venture BBCE's claim under the Appeal Court. Therefore, the case shall be deemed to have been made the final judgment.

Subsequently, the management had consulted with the legal advisor to have it study guidelines for further actions, but the legal advisor, after studying the case, was of the opinion that Joint Venture BBCE had no more issues to be raised for claiming such payment. Having thoroughly considered the matter, the management therefore deemed appropriate to discontinue the lawsuit to claim such payment against the Expressway Authority of Thailand.

The Joint Venture BBCE therefore wrote off the claims for additional costs and reversed allowance for doubtful account in the same amount. These transactions had no effect on profit or loss for the year 2020.





## 6. General Information and Other Significant Information

### 6.1 General Information

(1) Company Profile	:	CH. Karnchang Public Company Limited
Head Office	:	587 Viriyathavorn Building, Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok 10400
Telephone	:	66(0)2277-0460, 66(0)2275-0026
Fax	:	66(0)2275-7029
Website	:	www.ch-karnchang.co.th
Business Category	:	To operate the business of general contract construction for government agencies, state enterprises and private entities, in the form of main contractor, subcontractor or joint venture or consortium.
Registration No.	:	0107537002575
Registered Capital	:	Baht 1,693,899,970
Divided into Ordinary Shares	:	1,693,899,970 shares
Par Value	:	Baht 1 per share
Paid-up Capital	:	Baht 1,693,896,872

(2) The Company invests in each of its subsidiaries as follows:

Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Share-holding Ratio	Type of Shares
1. CH. Karnchang Real Estate Co., Ltd. The head office is located at No. 587 Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-0026 Fax 66(0) 2275-7029	Trading of Land, Allocation of Land and Residential Buildings	1,600,000	Baht 100	1,584,000	99.00%	Ordinary Shares
2. Phrompratharn Construction Co., Ltd. The head office is located at No. 587 Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-0026 Fax 66(0) 2275-7029	Contract for Construction	1,000,000	Baht 100	990,000 shares held by CH. Karnchang Real Estate Co., Ltd.	99.00%	Ordinary Shares

Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Shareholding Ratio	Type of Shares
3. CH. Karnchang-Tokyu Construction Co., Ltd. The head office is located at No. 587, 7 <sup>th</sup> - 8 <sup>th</sup> Floors, Viriyathavorn Building, Sutthisarn Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-3651-5 Fax 66(0) 2275-3657	Contract for All Kinds of Construction	2,000,000	Baht 100	1,099,999	55.00%	Ordinary Shares
4. CH. Karnchang (Lao) Co., Ltd.* The head office is located at Ban Xiang Yuen, Chantaburi District, Vientiane	Construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project					

Remark: \* CH. Karnchang (Lao) Co., Ltd. has the paid-up share capital of USD 1,000,000, 100% of which is invested by CH. Karnchang Public Company Limited.

(3) The Company also invests in other companies through a shareholding ratio of at least 10 percent of the number of shares sold in each company as follows:

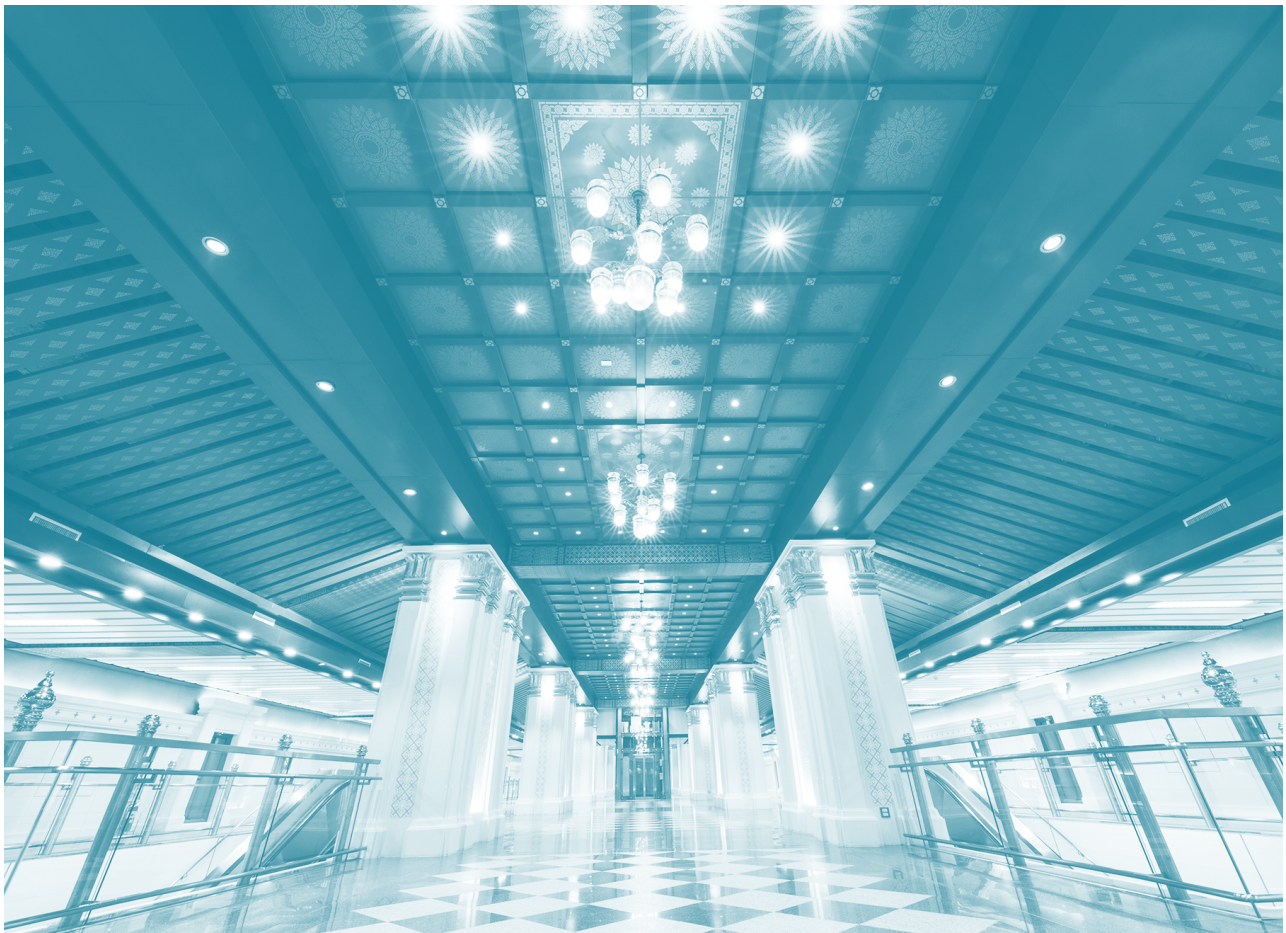
Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Shareholding Ratio	Type of Shares
1. TTW Public Company Limited The head office is located at No. 30/130 Moo 12, Buddhamonthon 5 Road, Tambon Rai Khing, Amphoe Sam Phran, Nakhon Pathom Province Telephone 66(0) 2019-9484-89 Fax 66(0) 2420-6064	Supply and Development of Projects for Production and Distribution of Tap Water	3,990,000,000	Baht 1	774,077,400	19.40%	Ordinary Shares
2. Bangkok Expressway and Metro Public Company Limited The head office is located at No. 587 Sutthisarn Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2354-2000 Fax 66(0) 2354-2000	Provision of Services of Expressways and Mass Rapid Transit Railway System, and Commercial Development relating to Metro and Expressway Systems	15,285,000,000	Baht 1	4,787,121,829	31.32%	Ordinary Shares

Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Share-holding Ratio	Type of Shares
3. CK Power Public Company Limited The head office is located at No. 587, 19 <sup>th</sup> Floor, Viriyathavorn Building, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2691-9720-34 Fax 66(0) 2691-9723	Operation of Business by Holding Shares in Other Companies (Holding Company)	8,129,382,729	Baht 1	2,492,961,348	30.67%	Ordinary Shares
4. Luang Prabang Power Company Limited PT Building, Phonexay Road, Phonexay Village, Xaysettha District, Vientiane Capital, the Lao PDR	Study, Development, Construction, Production and Distribution of Electricity from the Luang Prabang Hydroelectric Power Project	4,150,000	3,000 LAK (LAO) or Baht 7.711	415,000	10.00%	Ordinary Shares

## (4) The Company also invests in the form of joint venture as follows:

Joint Venture Name	Nature of Work	Investment Ratio
1. Joint Venture BBCE comprising Bilfinger Berger AG, CH. Karnchang Public Company Limited and Dyckerhoff & Widmann AG The head office is located at No. 587 Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-0026 Fax 66(0) 2275-7029	Construction of the (Bang Na - Bang Pli - Bang Pakong) Expressway	84.74%
2. CKTC Joint Venture comprising CH. Karnchang Public Company Limited and Tokyu Construction Co., Ltd. The head office is located at No. 587 Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-0026 Fax 66(0) 2275-7029	Operations for Construction Project of the MRT Purple Line, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section; Contract 1: Elevated Structures (East)	70.00%

Joint Venture Name	Nature of Work	Investment Ratio
<p>3. CKCH Joint Venture comprising CH. Karnchang Public Company Limited and Ch. Tawee Construction Co., Ltd. The head office is located at No. 587 Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026</p> <p>Fax 66(0) 2275-7029</p>	Construction of Double Track Railroad, Chira Junction - Khon Kaen Section	70.00%
<p>4. CKST Joint Venture comprising CH. Karnchang Public Company Limited and Sino-Thai Engineering &amp; Construction Public Company Limited</p> <p>The head office is located at No. 587 Sutthisarn Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026</p> <p>Fax 66(0) 2275-7029</p>	<ul style="list-style-type: none"> <li>• Construction of the MRT Orange Line Project (East Section), Contracts 1, 2 and 5;</li> <li>• Construction of Underground Manholes and Duct Banks, Contracts 1 and 2;</li> <li>• Construction of Water Supply Pipeline, Contract 2</li> </ul>	60.00%



Securities Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok 10400 Telephone 0-2009-9000 Fax 0-2009-9991
Auditors	: Miss Siraporn Ouannunkun      CPA License No. 3844 Mr. Chatchai Kasemsrithanawat      CPA License No. 5813 Miss Chonlaros Suntiasvaraporn      CPA License No. 4523 EY Office Limited 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek Road, Klongtoey District, Bangkok 10110 Telephone 0-2264-0777 Fax 0-2264-0789-90
Legal Advisors	: The Legists Group 990 Abdulrahim Place, 9 <sup>th</sup> Floor, Room 901-1 Rama IV Road, Silom Subdistrict Bangrak District, Bangkok 10500 Telephone 0-2636-1111 Fax 0-2636-0000  : AAP Legal Advisory Company Limited 973 President Tower, 11 <sup>th</sup> Floor, Room No. 11G, 11 H Unit 201 Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330 Telephone 0-2656-0500 Fax 0-2656-1623
Debenture Holder Representatives	: CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini Subdistrict, Patumwan District, Bangkok 10330 Telephone 0-2638-8112, 0-2626-7218, 0-2626-7503 Fax 0-2626-7543  : Bank of Ayudhya Public Company Limited AA Floor No. 1222, Rama III Road, Bang Phongphang Subdistrict, Yan Nawa District, Bangkok 10120 Telephone 0-2296-3582 Fax 0-2683-1298

## 6.2 Other Significant Information

- None -





# Part 2

## Management and Corporate Governance

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## 7. Information on Securities and Shareholders

### 7.1 Registered and paid-up capital

(1) As at December 31, 2020, the Company's registered capital amounted to Baht 1,693,899,970, divided into 1,693,899,970 ordinary shares at the par value of Baht 1 per share, Baht 1,693,896,872 of which was already paid up, divided into 1,693,896,872 ordinary shares at the par value of Baht 1 per share.

(2) The Company does not have any other type of shares providing rights or conditions differing from those of the ordinary shares.

(3) The Company neither has any plan to offer shares or convertible securities to the Thai Trust Fund, nor issues non-voting depository receipts (NVDR).

### 7.2 Shareholders

#### (1) Major shareholders

##### (a) Top ten major shareholders

Major Shareholders as at June 30, 2020 (As of the most recent date of closing the shareholder register)

	Shareholders	Total Shares	Shareholding (%)
1.	Trivisvavet Group	568,206,919	33.544
1.1	Mahasiri Siam Co., Ltd. <sup>1</sup>	242,745,365	14.331
1.2	CH. Karnchang Holding Co., Ltd. <sup>2</sup>	181,787,530	10.732
1.3	CK. Office Tower Co., Ltd. <sup>3</sup>	86,048,212	5.080
1.4	Mrs. Sopida Trivisvavet	15,383,225	0.908
1.5	Mr. Plew Trivisvavet	14,231,497	0.840
1.6	Mrs. Pranee Tongkittikul	6,614,342	0.390
1.7	Mrs. Saikasem Trivisvavet	6,061,142	0.358
1.8	Miss Walainut Trivisvavet	3,177,484	0.187
1.9	Mr. Nattavut Trivisvavet	2,465,785	0.146
1.10	Miss Supamas Trivisvavet	1,700,000	0.100
1.11	Mr. Kritsada Trivisvavet	1,366,145	0.081
1.12	Mr. Kris Trivisvavet	1,363,070	0.080
1.13	Mr. Puwanet Trivisvavet	1,114,855	0.066
1.14	Mrs. Korakot Trivisvavet	1,100,000	0.064
1.15	Miss Kanthanat Trivisvavet	1,067,600	0.063
1.16	Miss Thanatchsorn Trivisvavet	780,040	0.046
1.17	Miss Sawanya Trivisvavet	600,025	0.040
1.18	Mr. Prasert Trivisvavet	204,285	0.012
1.19	Mrs. Ornanong Trivisvavet	102,775	0.006
1.20	Mrs. Saranthorn Trivisvavet	100,000	0.005

	Shareholders	Total Shares	Shareholding (%)
1.21	Miss Phatsanan Trivisvavet	97,000	0.005
1.22	Miss Suratha Trivisvavet	59,300	0.003
1.23	Mr. Sompol Trivisvavet	25,500	0.001
1.24	Mrs. Bangorn Trivisvavet	10,000	0.000
1.25	Mrs. Chayanich Trivisvavet	1,742	0.000
2	Thai NVDR Co., Ltd. <sup>4</sup>	117,743,888	6.951
3	Bangkok Bank Public Company Limited	38,950,000	2.299
4	UUOB KAY HIAN (HONG KONG) LIMITED - Client Account <sup>5</sup>	31,185,300	1.841
5	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	27,834,105	1.643
6	CH. Karnchang Public Company Limited	22,051,900	1.302
7	SCB DIVIDEND STOCK 70/30 LONG TERM EQUITY FUND	20,455,400	1.208
8	AYF Dividend Stock LTF (AYFLTFDIV)	19,705,100	1.163
9	K 20 Select LTF	17,379,100	1.026
10	The Viriyah Insurance Public Company Limited	15,545,200	0.918

Remarks: <sup>1</sup> Mahasiri Siam Co., Ltd.'s shareholders comprised:

	Major Shareholders	Total Shares	Shareholding (%)
	Mr. Plew Trivisvavet	2,096,107	23.29
	Mr. Prasert Trivisvavet	2,042,855	22.70
	Mrs. Sopida Trivisvavet	1,396,296	15.52
	Mrs. Phintakan Inchaikhao	1,217,013	13.52
	Mr. Thep Trivisvavet	913,045	10.15
	Mr. Kamthorn Trivisvavet	704,236	7.83
	Mr. Kritsada Trivisvavet	133,539	1.48
	Mr. Kris Trivisvavet	133,539	1.48
	Miss Thanatchsorn Trivisvavet	108,339	1.20
	Mrs. Thiprat Wicharanakorn	108,139	1.20
	Miss Kanthanat Trivisvavet	108,339	1.20
	Mrs. Ratchanee Trivisvavet	25,989	0.29
	Mrs. Ornanong Trivisvavet	12,564	0.14
	<b>Total</b>	<b>9,000,000</b>	<b>100.00</b>

Remarks: <sup>2</sup> CH. Karnchang Holding Co., Ltd.'s shareholders comprised:

Major Shareholders	Total Shares	Shareholding (%)
Mahasiri Siam Co., Ltd.	2,100,000	25.00
Vetprasert Co., Ltd.	1,050,000	12.50
Namphol Construction Co., Ltd.	1,050,000	12.50
Cholavet Civil Co., Ltd.	1,050,000	12.50
Ekkamthorn Co., Ltd.	1,050,000	12.50
Mrs. Panicha Padphaiboon	1,050,000	12.50
Mrs. Sopida Trivisvavet	656,250	7.82
Miss Thanatchsorn Trivisvavet	65,625	0.78
Mr. Kritsada Trivisvavet	65,625	0.78
Mrs. Ratchanee Trivisvavet	65,625	0.78
Mrs. Thiprat Wicharanakorn	65,625	0.78
Miss Kanthanat Trivisvavet	65,625	0.78
Mr. Kris Trivisvavet	65,625	0.78
<b>Total</b>	<b>8,400,000</b>	<b>100.00</b>

Remarks: <sup>3</sup> CK. Office Tower Co., Ltd.'s shareholders comprised:

Major Shareholders	Total Shares	Shareholding (%)
Mahasiri Siam Co., Ltd.	750,000	25.00
Mr. Prasert Trivisvavet	375,000	12.50
Mr. Thep Trivisvavet	375,000	12.50
Mrs. Phintakan Inchaikhao	375,000	12.50
Mr. Plew Trivisvavet	375,000	12.50
Mr. Kamthorn Trivisvavet	375,000	12.50
Mrs. Sopida Trivisvavet	234,378	7.82
Miss Thanatchsorn Trivisvavet	23,437	0.78
Mr. Kritsada Trivisvavet	23,437	0.78
Mrs. Ratchanee Trivisvavet	23,437	0.78
Mrs. Thiprat Wicharanakorn	23,437	0.78
Miss Kanthanat Trivisvavet	23,437	0.78
Mr. Kris Trivisvavet	23,437	0.78
<b>Total</b>	<b>3,000,000</b>	<b>100.00</b>

<sup>4</sup> A subsidiary was established by the Stock Exchange. NVDR represents automatically listed securities. NVDR investors enjoy the same financial privileges as investment in ordinary shares of companies, except that they have no right to vote in shareholders' meetings.

<sup>5</sup> A company has been registered abroad and trades securities on the Stock Exchange of Thailand without disclosing if its shareholding is for its own interest or for others, and the Company is not in a position to request the shareholder to disclose such information.

(b) None of the Company's major shareholders has, by circumstances, any material influence over the determination of policies on management or operations of the Company.

**Increase or Decrease in Direct and Indirect Shareholding by Directors and Executives until December 31, 2020**

Name of Director/Executive	Brought Forward as at January 1, 2020	Change		Balance as at December 31, 2020
		Acquisition	Disposal	
Mr. Aswin Kongsiri	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Plew Trivisvavet	14,231,497	-	-	14,231,497
Spouse and minor child	6,061,142	-	-	6,061,142
Mr. Vitoon Tejatussanasoontorn	156,250	-	-	156,250
Spouse and minor child	-	-	-	-
Mr. Pavich Tongroach	-	-	-	-
Spouse and minor child	-	-	-	-
Miss Supamas Trivisvavet	1,700,000	-	-	1,700,000
Spouse and minor child	-	-	-	-
Mr. Narong Sangsuriya	512,500	-	-	512,500
Spouse and minor child	-	-	-	-
Mr. Prasert Marittanaporn	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Phongsarit Tantisuvanitchkul	153,750	-	-	153,750
Spouse and minor child	-	-	-	-
Mr. Anukool Tuntimas	-	-	-	-
Spouse and minor child	3,177,484	-	-	3,177,484
Mr. Sittidej Trivisvavet	-	2,000,000	-	2,000,000
Spouse and minor child	-	-	-	-
Mr. Pornnarong Siriyothin	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Prapon Chanpradubfa	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Phairat Prom-in	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Thammanoon Surarat	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Watchara Sanghattawattana	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Phichai Choeibamrung	150,000	-	-	150,000
Spouse and minor child	-	-	-	-
Mrs. Rinrada Tangtrongkid	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Wiboon Ungapipathanachai	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Keerati Luangchookiat	50,050	-	-	50,050
Spouse and minor child	-	-	-	-



## (2) Shareholders' Agreement

None of the Company's major shareholders has entered into a shareholders' agreement, to which the Company is a party, concerning any matters which have affect the Company's issuance and offering of securities or its administration.

### 7.3 Issuance of other securities of the Company

(1) The Company has no convertible securities.

(2) The Company's securities in the form of debt instrument are debentures, with the details as follows:

The Company's Outstanding Debentures as at December 31, 2020

Debenture Symbol	Value as at Issuance Date (Million Baht)	Value as at December 31, 2020 (Million Baht)	Term	Maturity Date	Interest Rate (per annum)	*Credit Rating as at July 31, 2020
CK235A	1,000	1,000	7 years	May 26, 2023	3.22%	A
CK246A	500	500	8 years	June 7, 2024	3.50%	A
CK247A	1,500	1,500	8 years	July 8, 2024	3.51%	A
CK267A	2,700	2,700	10 years	July 8, 2026	3.82%	A
CK283A	800	800	11 years 8 months	March 8, 2028	3.99%	A
CK277A	1,000	1,000	11 years	July 11, 2027	3.95%	A
CK215A	2,250	2,250	4 years	May 26, 2021	2.97%	A
CK245A**	1,600	1,600	7 years	May 26, 2024	3.80%	A
CK25NA**	1,000	1,000	8 years	November 3, 2025	3.34%	A
CK27NC**	1,000	1,000	10 years	November 3, 2027	3.65%	A
CK225A	1,600	1,600	4 years	May 23, 2022	2.48%	A
CK235B	2,700	2,700	5 years	May 23, 2023	2.74%	A
CK217A	820	820	3 years	July 25, 2021	2.60%	A
CK227A	910	910	4 years	July 25, 2022	2.80%	A
CK287A**	1,020	1,020	10 years	July 25, 2028	4.00%	A
CK226A	3,000	3,000	3 years	June 28, 2022	2.46%	A
CK246B	3,500	3,500	5 years	June 28, 2024	2.90%	A
CK296A**	3,500	3,500	10 years	June 28, 2029	3.66%	A
CK238A	500	500	3 years	August 14, 2023	2.31%	A
CK258A**	3,000	3,000	5 years	August 14, 2025	3.12%	A
CK308A**	1,500	1,500	10 years	August 14, 2030	3.50%	A
<b>Total</b>	<b>35,400</b>	<b>35,400</b>				

Remark: \* The credit rating was assigned to all of the debentures by TRIS Rating Co., Ltd.

\*\* The debentures for which the Issuer has the Right to Redeem the Shares Before Maturity

#### Information on utilization of proceeds from offering for sale of debentures

The Company's objective of utilization of proceeds from issuance of the debentures is for repayment of debts and/or working capital as well as accommodating investment in infrastructure projects both at home and abroad.

## 7.4 Policy on dividend payment

The Company has a policy to pay dividends to its shareholders at an expected rate of approximately not less than 40 percent of the net profit after tax each year, under which the dividends will be paid in the following year, provided that there is no any other necessary requirements and such dividend payment will not affect the ordinary course of the Company's business operations in any material aspects.

As for the Company's subsidiaries, joint ventures and related companies, no policy on dividend payment has been set out.

As for companies in the infrastructure project group which are associated companies, namely:

1. Bangkok Expressway and Metro Public Company Limited has a policy to pay dividends at the rate not less than 40 percent of the net profit each year, taking into account the operational results, financial structure and obligations, investment, as well as regular payment of dividends to its shareholders. In this regard, the board of directors may pay an interim dividend to its shareholders when it is of the initial view that the company has sufficient profit and cash flow for the dividend payment. Once the dividend payment has been made, such dividend payment shall be reported to the following shareholders' meeting.

2. CK Power Public Company Limited has a policy to pay dividends to its shareholders from its separate financial statements at the rate not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve each year. In this regard, the rate of such dividend payment may vary from the specified rate, subject to the operational results, financial position, liquidity, necessity in investments, working capital, additional investments, business expansion, conditions and restrictions specified in the loan agreement, and other relevant factors in the management as the board of directors and/or shareholders of the company may deem appropriate. In addition, the board of directors may consider approving an interim dividend payment to its shareholders when it initially considers that the company has sufficient profit and cash flow for the dividend payment.

The Company's dividend payments during the past five years were as follows:

	(Unit: Baht)				
	2016	2017	2018	2019	2020
Net Profit Margin per share (Separate financial statements)	0.58	0.46	0.73	0.27	0.06
Dividend per share (Company financial statements)	0.50	0.50	0.50	0.40	0.20

The Company's retained earnings and shareholders' equity during the past five years were as follows:

	(Unit: Million Baht)				
	2016	2017	2018	2019	2020
Retained earnings (Separate financial statements)	8,364.14	8,291.08	8,769.13	8,374.47	7,413.14
Shareholders' equity (Separate financial statements)	22,776.85	23,751.69	23,953.46	24,424.13	22,777.48

## 8. Management Structure

### 8.1 Board of Directors

As at December 31, 2020, the Board of Directors consisted of 9 directors as listed below:

Directors	Positions	Category	Total Number of Board of Directors' Meetings (2020)	Attendances of Board of Directors' Meetings (2020)
1. Mr. Aswin Kongsiri <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors</li> <li>Audit Committee Member</li> </ul>	Independent Director	7	7
2. Mr. Plew Trivisvavet	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Executive Board</li> <li>Nomination and Remuneration Committee Member</li> <li>Corporate Governance and Risk Management Committee Member</li> </ul>	Executive Director	7	7
3. Mr. Vitoon Tejatussanasoontorn	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Audit Committee</li> <li>Chairman of the Nomination and Remuneration Committee</li> <li>Chairman of the Corporate Governance and Risk Management Committee</li> </ul>	Independent Director	7	7
4. Mr. Pavich Tongroach	<ul style="list-style-type: none"> <li>Director</li> <li>Audit Committee Member</li> <li>Chairman of the Corporate Social and Environmental Responsibility Committee</li> </ul>	Independent Director	7	7
5. Miss Supamas Trivisvavet	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>President</li> <li>Corporate Governance and Risk Management Committee Member</li> </ul>	Executive Director	7	7
6. Mr. Narong Sangsuriya	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Nomination and Remuneration Committee Member</li> <li>Corporate Governance and Risk Management Committee Member</li> </ul>	Executive Director	7	7
7. Mr. Prasert Marittanaporn	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Corporate Social and Environmental Responsibility Committee Member</li> </ul>	Executive Director	7	7
8. Mr. Phongsarit Tantisuvanitchkul <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Director</li> </ul>	Executive Director	1	1
9. Mr. Anukool Tuntimas	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Corporate Social and Environmental Responsibility Committee Member</li> </ul>	Executive Director	7	7

**Remarks :** <sup>1)</sup> Mr. Aswin Kongsiri was appointed as Audit Committee Member on October 7, 2020 to replace Mr. Thawansak Sukhawun who resigned from his office as director and Audit Committee Member on September 24, 2010.

<sup>2)</sup> Mr. Phongsarit Tantisuvanitchkul was appointed as director on October 7, 2020 to replace Mr. Ratn Santaannop who resigned from his office as director on October 6, 2020.

The Company's authorized signatory directors are two of the following four directors, namely, Miss Supamas Trivisvavet, the President, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, jointly sign and affix the Company's seal, or any one of the said four directors and Mr. Anukool Tuntimas, totaling two directors, jointly sign and affix the Company's seal.

#### **Board of Directors' Authority**

- 1) Determining policies and directions of the Company's operation and supervising the management to ensure compliance with the specified policies as well as taking steps to ensure that the Company has efficient and effective internal control system and the intention to continue its business operations;
- 2) Performing the duties in compliance with laws, objectives and Articles of Association of the Company, as well as resolutions passed by shareholders' meetings, taking into account the integrity and protection of the Company's interest;
- 3) Being responsible for preparation of balance sheet and income statement at the close of the Company's accounting period to ensure that they contain accurate information and truly and fairly reflect the Company's status, in compliance with generally accepted accounting standards, and having said financial statements audited by the Company's auditor so as to submit the same to the Annual Ordinary General Meeting of Shareholders for consideration and approval;
- 4) Focusing on the duty to disclose the Company's information in accordance with the Stock Exchange of Thailand's requirements, Re: Rules and Procedures for Disclosure of Information and Acts of Listed Companies, so as to disclose to the public such information which is material and necessary to the decision to invest in securities;
- 5) Appoint any other persons to operate the Company's business subject to the supervision of the Board of Directors or the President or delegating to such person the authorities as the Board deems appropriate and during a certain period as the Board deems appropriate, provided that the Board of Directors may cancel, revoke or amend such authorities and that said authorization in no way allows such authorized person to approve any transactions in which such authorized person or another person may have a conflict, interest or a conflict of interest in other manners with the Company or its subsidiaries;
- 6) Considering and approving capital increase, issuance of debentures, for submission of the same to the shareholders' meeting for further approval;
- 7) Considering approving operating expenses in excess of the amount authorized to be approved by the President, by submission of the same to the Board of Directors' meeting for further approval.

The authority to take the foregoing actions shall not extend to connected transactions and such transactions relating to acquisition or disposition of significant assets of listed companies in accordance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, whereby the Company shall comply with the Stock Exchange's rules, regulations and requirements governing those related matters. In addition, the foregoing authority shall not include any other matters subject to approval by the shareholders' meeting in accordance with the Company's Articles of Association.

**Board of Directors' Approval Authority**

1. Approving appointment of any natural persons or legal entities as share registrars;
2. Approving close of the register book and suspension of share transfer;
3. Approving management of all businesses of the Company in accordance with the laws, objectives and Articles of Association of the Company and resolutions of the shareholders' meeting; and having authority to take any actions specified in the Memorandum of Association or pertaining thereto;
4. Approving authorization of one or more persons to take any actions on behalf of the Board of Directors;
5. Approving assignment of any other persons or groups of persons to engage in the Company's business under the supervision of the Board of Directors, or authorizing such person to have authority as the Board of Directors deems appropriate and within a period of time as the Board of Directors deems appropriate, whereby the Board of Directors may revoke, repeal, change or amend such authorization;
6. Approving sale or mortgage of any immovable assets of the Company or leasing out any immovable assets of the Company for three years or longer or allowing for or making compromise or filing a lawsuit in court(s) or referring any disputes to arbitration;
7. Approving interim dividend payment to shareholders from time to time if it deems that the Company's profit is justifiable to do so, and reporting to the next shareholders' meeting;
8. Approving election of the Executive Board to perform any or several matters;
9. Approving remuneration and rewards or other benefits for executive directors;
10. Approving appointment of the Company's authorized signatory directors.

**Chairman of the Board of Directors' Authority**

- 1) Monitoring management in setting the direction of the business operations, providing suggestions, including supervision, control of and following up on management via the Executive Board and the President;
- 2) Determining the Company's policies in association with the Board of Directors, by jointly considering and establishing the business goals with the management;
- 3) Presiding over both Board of Directors' meetings and shareholders' meetings, to control and conduct meetings efficiently and effectively, and encouraging all directors to participate in meetings and offers opinions independently.



## Structure of Subsidiaries' Directors

As at December 31, 2020, the boards of directors of subsidiaries consisted of qualified persons as listed below:



### CH. Karnchang Real Estate Co., Ltd.

- |                              |                                    |
|------------------------------|------------------------------------|
| 1. Mr. Plew Trivisvavet      | Chairman of the Board of Directors |
| 2. Miss Supamas Trivisvavet  | Director                           |
| 3. Mr. Prasert Marittanaporn | Director                           |
| 4. Mr. Nattavut Trivisvavet  | Director                           |



### Phrompratham Construction Co., Ltd.

- |                       |          |
|-----------------------|----------|
| 1. Mr. Yim Trivisvave | Director |
|-----------------------|----------|



### CH. Karnchang-Tokyu Construction Co., Ltd.

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 1. Mr. Plew Trivisvavet             | Chairman of the Board of Directors |
| 2. Miss Khajornwit Sae-chia         | Director                           |
| 3. Miss Supamas Trivisvavet         | Director                           |
| 4. Mr. Phongsarit Tantisuvanitchkul | Director                           |
| 5. Mr. Narong Sangsuriya            | Director                           |
| 6. Mr. Prasert Marittanaporn        | Director                           |
| 7. Mr. Hideo Miyagawa               | Director                           |
| 8. Mr. Tsuneo Izuka                 | Director                           |
| 9. Mr. Mitsuhiro Terada             | Director                           |
| 10. Mr. Pruitt Boonkasemsant        | Director                           |
| 11. Mr. Shigehiko Shibusawa         | Director                           |



### CH. Karnchang (Lao) Co., Ltd.

- |                        |          |
|------------------------|----------|
| 1. Mr. Ratn Santaannop | Director |
|------------------------|----------|

## 8.2 Management Team

As at December 31, 2020, the management team<sup>(1)</sup> of the Company consisted of 16 persons as listed below:

Names	Positions
1. Mr. Plew Trivisvavet	Chairman of the Executive Board
2. Miss Supamas Trivisvavet	President
3. Mr. Narong Sangsuriya	Senior Executive
4. Mr. Prasert Marittanaporn	Senior Executive
5. Mr. Sittidej Trivisvavet	Senior Executive Vice President: Administration Group
6. Mr. Phongsarit Tantisuvanitchkul	Senior Executive Vice President: Operation Group
7. Mr. Pornnarong Siriyothin	Executive Vice President: Construction 1
8. Mr. Prapon Chanpradubfa	Executive Vice President: Construction 2
9. Mr. Phairat Prom-in	Executive Vice President: Construction 3
10. Mr. Thammanoon Surarat	Executive Vice President: Construction 4
11. Mr. Watchara Sanghattawattana	Executive Vice President: Engineering
12. Mr. Anukool Tuntimas	Executive Vice President: Human Resource and General Administration
13. Mr. Pichai Cheybumroong	Executive Vice President: Purchasing
14. Mrs. Rinrada Tangtrongkid	Executive Vice President: Accounting and Finance
15. Mr. Wiboon Ungapipathanachai	Executive Vice President: Internal Audit Office
16. Mr. Keerati Luangchookiat	Executive Vice President: Business Development

**Remark:**<sup>(1)</sup> The management team refers to the definition of “executive” of the Office of the Securities and Exchange Commission.

### President’s Authority

The President shall have the authority to control and manage the Company’s core business and monitor all businesses of the Company to ensure compliance with resolutions and policies of as assigned by the Board of Directors, including their suggestions. In this regard, the Board of Directors shall evaluate the President’s performance in comparison with the annual goals, whereby the Nomination and Remuneration Committee shall consider remuneration for the President by evaluating from the performance in the past year for proposal to the Board of Directors for consideration and approval in accordance with the criteria.

## The Company's Management Structure

as at December 31, 2020



### 8.3 Company Secretary

The Board of Directors' Meeting No. 2/2013 on May 28, 2013 appointed Mr. Nattavut Trivisvavet to hold office as the Company Secretary with duties and responsibilities as follows:

1. Providing advice to directors as to relevant legal provisions, rules, criteria, and regulations;
2. Ensuring the Company's compliance with laws, the Articles of Association, relevant regulations and the good corporate governance principles;
3. Arranging for meetings as specified by law and the Articles of Association, preparing and keeping directors registration, notices and minutes of the Board of Directors' meetings and annual reports of the Company, notices and minutes of the shareholders' meetings as well as coordinating to ensure efficient compliance with resolutions of the Board of Directors or resolutions of the shareholders;
4. Ensuring disclosure of information and report on information to the regulatory units;
5. Contacting and communicating with shareholders and the related regulatory units;
6. Promoting training in various courses and providing information useful for new directors; and
7. Proceeding with other matters as assigned by the Board of Directors.

### 8.4 Remuneration for Directors and Executives

#### Remuneration for Directors and President

The Company has considered providing appropriate remuneration to directors and the President, whereby remuneration for directors is subject to shareholders' approval and the Board of Directors must approve remuneration for the President, as per the criteria of determination of remuneration for directors and the President as follows:

- 1) Remuneration shall be appropriate for and in line with the scope of duties and responsibilities of each director, e.g., Chairman of the Board of Directors, Chairman of each subcommittee and members of the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee, who shall receive additional remuneration for such position;
- 2) Remuneration shall be sufficient to attract and retain knowledgeable and qualified directors and the President to efficiently perform duties for the Company to lead the organization into achievements in the short-term and long-term goals;
- 3) Elements of remuneration are clear, transparent and easy to understand;
- 4) Remuneration must be considered and screened by the Nomination and Remuneration Committee to stay at the reasonable and competitive rate, which it is equal to that offered by companies in the same industry and high enough to take care of and retain the directors and the President who are qualified in line with the Company's business goals.

In this regard, the Nomination and Remuneration Committee and the Board of Directors did survey remuneration for directors for 2020 based on performance of directors, in comparison with other companies in the same industry of a similar size and nature, including results of director remuneration survey of the Thai Institute of Directors.

#### Remuneration for Executives

Consideration of the remuneration for executives shall be subject to the criteria as specified by the Board of Directors, namely, such remuneration is appropriate and at a sufficient level to attract and retain qualified high-ranking executives to work for the Company, as well as at a rate comparable to that offered by companies at the same level or in the same business. This will be consistent with the Company's operational results and the results of performance evaluation of each executive via the Performance Management System.

In 2020, the remuneration of directors and executives was as follows:

**(1) Monetary Remuneration for the year ended December 31, 2020**

(a) Remuneration for directors (including the structure of remuneration for non-executive directors) consisted of remuneration and meeting allowance, allowance, bonus, bringing the total remuneration for directors in 2020 to Baht 18,548,202, which was consistent with the resolution of the 2020 Annual Ordinary General Meeting of Shareholders approving remuneration for directors in the total amount not exceeding Baht 19,625,000, namely, bonus for directors for the year 2019 in the amount not exceeding Baht 11,000,000 and remuneration for directors for the year 2020 in the amount not exceeding Baht 8,625,000, as per the following details:

**1. Remuneration and office remuneration**

**1.1 Remuneration for directors**

Remuneration for directors	Baht	200,000 per year per person
Remuneration for Audit Committee Members	Baht	200,000 per year per person
Remuneration for executive directors	Baht	100,000 per year per person

**1.2 Office remuneration**

Chairman of the Board of Directors	Baht	550,000 per year
Chairman of the Executive Board	Baht	300,000 per year
Chairman of the Audit Committee	Baht	200,000 per year
Chairman of the Nomination and Remuneration Committee	Baht	100,000 per year
Chairman of the Corporate Governance and Risk Management Committee	Baht	100,000 per year
Chairman of the Corporate Social and Environmental Responsibility Committee	Baht	100,000 per year

**2. Meeting allowance** was paid according to the number of attendances to the Board of Directors' Meetings or subcommittees' meetings, whereby the meeting allowance was Baht 20,000 per person for each Board of Directors' Meeting and Executive Board's Meeting and Baht 10,000 per person for any other subcommittees.

**Office Remuneration and Meeting Allowance in 2020**

Unit: Baht

Directors	Positions	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee	Bonus 2019	Total
Mr. Aswin Kongsiri <sup>(1)</sup>	Chairman of the Board of Directors	890,000	-	56,739	-	-	-	1,270,124	2,216,863
Mr. Plew Trivisvavet	Chairman of the Executive Board	340,000	640,000	-	20,000	40,000	-	1,270,124	2,310,124
Mr. Vitoon Tejatassanasoontorn	Chairman of the Audit Committee	340,000	-	440,000	120,000	140,000	-	1,270,124	2,310,124
Mr. Thawansak Sukhawun <sup>(2)</sup>	Audit Committee Member	246,196	-	176,196	10,000	30,000	-	1,027,089	1,489,481
Mr. Pavich Tongroach	Audit Committee Member	340,000	-	240,000	-	-	110,000	1,027,089	1,717,089
Miss Supamas Trivisvavet	Executive Director	340,000	340,000	-	-	30,000	-	1,027,089	1,737,089
Mr. Narong Sangsuriya	Executive Director	340,000	340,000	-	20,000	40,000	-	1,027,089	1,767,089
Mr. Prasert Marittanaporn	Executive Director	340,000	340,000	-	-	-	10,000	1,027,089	1,717,089
Mr. Ratn Santaanop <sup>(3)</sup>	Executive Director	232,717	259,620	-	-	-	-	1,027,089	1,519,426
Mr. Phongsarit Tantisuvanitchkul <sup>(4)</sup>	Director	46,739	-	-	-	-	-	-	46,739
Mr. Anukool Tuntimas	Executive Director	340,000	340,000	-	-	-	10,000	1,027,089	1,717,089
	<b>Total</b>	<b>3,795,652</b>	<b>2,259,620</b>	<b>912,935</b>	<b>170,000</b>	<b>280,000</b>	<b>130,000</b>	<b>10,999,995</b>	<b>18,548,202</b>



Remarks : <sup>(1)</sup> Mr. Aswin Kongsiri was appointed as Audit Committee Member on October 7, 2020.  
<sup>(2)</sup> Mr. Thawansak Sukhawun resigned from his office as director on September 24, 2020.  
<sup>(3)</sup> Mr. Ratn Santaannop resigned from his office as director on October 6, 2020.  
<sup>(4)</sup> Mr. Phongsarit Tantisuvanitchkul was appointed as director on October 7, 2020.

(b) Remuneration for executive directors and independent directors consisted of remuneration, meeting allowance as well as allowance. Remuneration for executives consisted of salary, bonus and welfare. The total remuneration for six executive directors, four independent directors, and 11 executives in 2020 amounted to Baht 185,390,198.

## (2) Other Remuneration and Benefits

### 2.1 Other Remuneration and Benefits for Directors

- None -

### 2.2 Other Remuneration and Benefits for Executives

- Provident Fund Contributions

The Company has established a provident fund which represents its employees' long-term remuneration upon termination of employment with the Company or upon retirement, whereby executives pay their savings at the rate of 10 - 15 percent of his/her salary according to service years and the Company pays contributions at the same rate to the fund, but not exceeding 10 percent of such executive's wage. In 2020, the Company paid the provident fund contributions for 17 executives in the amount of Baht 10,331,900.

## 8.5 Personnel

(1) Number of all staff and number of staff in each main work line of CH. Karnchang Public Company Limited as at December 31, 2020 consisted of:

Total number of directors	9 persons
High-ranking executives (excluding the Board of Directors)	14 persons
Engineering	50 persons
Construction 1	252 persons
Construction 2	91 persons
Construction 3	660 persons
Construction 4	2 persons
Business Development	12 persons
Purchasing	101 persons
Accounting and Finance	71 persons
Project Management	52 persons
Human Resource and General Administration	57 persons
Office of President	36 persons
Internal Audit Office	10 persons
Information Technology Office	13 persons
<b>Total</b>	<b>1,430 persons</b>

Remarks : The number of staff as reported above was the total number of full-time staff, and there also were 601 daily staff members.  
: 2,380 staff members of CH. Karnchang (Lao) Co., Ltd.  
: 1,717 staff members of CKST Joint Venture.

(2) The Company neither had any significant change in number of staff nor labor dispute during the past three years.

(3) The Company had the total remuneration (including daily staff members), namely, salary, wage, overtime pay, allowance, office remuneration, bonus, provident fund contributions and other benefits of all staff of the Company in 2020 in the amount of Baht 1,581,312,482.94.

(4) **Personnel Development Policy:** The Company has been developing human resources. The management realizes the great significance of improvement of performance and potential of staff in respect of management skills, team building and learning about specific professional knowledge, including promotion of staff's knowledge about information technology, foreign languages, and also supports staff in learning and improving themselves on a continuous basis. Furthermore, the Company has organized the project for human resources management system development by allowing our qualified advisors to study and develop the structure and supporting systems in various aspects, such as, the organization structure, nature of work, training plan, evaluation of performance of staff, career path and succession plan, etc., in order to ensure personnel's efficient performance, with fair and competitive remuneration. Moreover, directors and executives are encouraged to learn modern techniques of work management, namely, by way of ensuring a learning organization, change management, etc. These reflect that the Company is determined to improve its personnel, both staff and executives, to keep pace with changes in the world of technology and nature of business under a more intense competition, including the structure and supporting systems so as to accommodate the management of the organization. In doing so, the Company focuses on improvement, enhancement and development of competency of the Company's personnel towards the goals of services to the service users' satisfaction. The personnel development is deemed to be the Company's key action plan, in which the Company has set out the action plans and conducted personnel development on key matters as follows:

#### 1. Development of Competency

The Company arranges for development of personnel in both main functions and supporting functions, particularly in respect of such main functions, training course for competency has been provided, both in theory and in practice, by experts in order for staff to have competency and skills in the respective aspects in operations in order to refresh and enhance specific skills on a regular basis. Moreover, the Key Performance Indicators (KPIs) are reviewed on a regular basis to ensure compliance with the Company's policy.

#### 2. Development of Staff Potential

This is based on the belief that every person has potential which can be used without limitation if they are given support and opportunity. The Company thus allows staff to show their potential through various quality activities, such as, 5S, Suggestion System, as well as supporting them to further study in a level higher than bachelor's degrees in the fields relating to their assigned duties or attend long-term training courses in specific fields.

#### 3. Retention of Potential Personnel

The Company has taken care of its staff who have high ability and potential, by allowing for advancement in their career paths and setting out clear criteria to be regularly implemented every year. Moreover, the Company arranges for the individual development plan, especially such personnel at the supervisor level or higher. Furthermore, the Company improves the performance evaluation by using KPIs in the evaluation to ensure concrete and measurable results, along with factors in respect of competency and work behavior of staff which would serve as a mechanism to retain competent personnel and for the purpose of development of staff's competency to ensure that they possess core competencies as desirable by the Company, namely:

- Self-learning and self-development to ensure continued development in the learning organization;
- Focus on ethics to promote the performance in accordance with the good corporate governance principles;
- Provision of good and quality services to meet customers' satisfaction;
- Results-based goals as key performance indicators and achievable action plans.

#### 4. Succession Plan

The Company focuses on internal rather than outside recruitment, particularly such work positions in the primary line, through the promotion process in accordance with the criteria, significantly based on performance and potentials. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions.

#### 5. Quality Management System

The Company is regularly determined to improve the efficiency and quality of work performance, by way of maintenance of the quality of its service provision through the Company's quality management certification, ISO 9001, which has been certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand.

#### 6. Promotion and Creation of Innovations in the Organization

With the Company's commitment to and support of development of personnel and bodies of knowledge to have them keep pace with technology and innovations in terms of design, engineering, construction and operational procedures to ensure that they are kept up to date with new innovations in the digital generation, and with the significance realized by the Company towards development of innovations and technology, which is a part of the Company's vision and business strategies; the Company was therefore presented with the awards as follows:

##### 2017: Innovation on Use of Limestone Powder in Concrete Work

The Xayaburi Hydroelectric Power Project located in the Lao People's Democratic Republic (Lao PDR) has been made of more than 4 million cubic meters of concrete, and its construction site is also located in the area of limited sources of raw materials and concrete-mixed sand, from where the volume of sand in the Mekong River in the construction site is inadequate, and the sand's physical property is rather fine than the required standard of sand to be used for concrete mixture, therefore, it is necessary to use limestone for production as crushed sand to be mixed with certain portions of the river sand for concrete production. Upon mixture of such two types of sand, the fineness modulus would be obtained in accordance with the requirements of concrete-mixed sand, and as such, the quality concrete can be produced as required.

However, the sand so produced from crushing would have fine aggregate or dust of smaller than 75 microns in size which must not exceed 3 percent of the requirements; while the crushed sand so produced would have dust particles averaging 10 - 13 percent. The method to reduce dust in crushed sand was to wash it before using, which needed water and electricity, with residue from such process. To enable such a large-sized construction project to minimize the environmental impact and use resources for the maximum benefits, further studies and testing of crushed sand were conducted, and it was found that dust or fine aggregate to be washed off could be used for concrete mixture without any impact on concrete quality, through various methods, testing, and seeking approval for use from a supervising engineer based on the Deming Cycle, PDCA, until the approval was granted for use of such crushed sand without having the washing process, and still, the quality control was required from the original source of materials, namely, rock mine, until the concrete production, to ensure that the concrete work met quality and had properties as required, in respect of the property of fresh concrete during placing of concrete and the property of setting of concrete, and that the raw materials could be produced as required according to the construction plan.

From such achievement of use of crushed sand, the Company then was of the view that such information would be useful to the engineering profession in Thailand on use of crushed sand in concrete, therefore, an article regarding "The Use of Limestone Powder in Concrete of the Xayaburi Hydroelectric Power Project" was proposed to the Thailand Concrete Association, and the "TCA Concrete Practice Award: Silver Medal for 2016" was thus granted. In addition, the ARE-QP Award was granted from the Asian Network for Quality (ANQ) in the ANQ Congress 2017, Kathmandu, Nepal, for the article's subject "Continuous Improvement on Concrete Quality for Xayaburi Hydropower Project".

## Summary of Number of Days, Classification and Category of Courses under the 2020 Annual Training Plan

Chart of Total Training Hours of Each Program in 2020



Chart of Average Training Hours Classified by Staff Level and Training Courses in 2020



## 9. Corporate Governance

The Board of Directors puts their trust in and realizes the significance of the Corporate Governance Code, consisting of establishing organizational leadership role and responsibilities of the Board for creating value for the business to attain the sustainable business operations; strengthening effective management and internal control; implementing mechanisms for control and checks and balances intended to ensure the transparent and auditable management; respect for rights and equality of shareholders by encouraging and supporting engagement and communication with shareholders; ensuring disclosure and maintaining financial integrity; and ensuring all groups of stakeholders-oriented management, which is a key factor in adding value and bringing the highest returns to the Company's shareholders in the long run on a sustainable basis.

To boost confidence of all shareholders, investors and stakeholders, and ensure development contributing to the good corporate governance of the Company on a continuous basis, including understanding of the Board of Directors in the Company's business operations, expectations of stakeholders, opportunities and risks affecting the business operations, the Board of Directors then requires that the corporate governance policy and compliance with the policy shall be regularly reviewed on a yearly basis. In this connection, the Company has publicized the Company's corporate governance policy on its website to allow all shareholders, investors and stakeholders to have access to the Company's practical guidelines and business operations base on the Principles of the Corporate Governance Code. Moreover, the Company has widely disseminated and communicated the Company's corporate governance to the Company's staff for acknowledgment, and encouraged its staff to comply with such policy.

With the Company's administration which has always adhered to the Principles of the Good Corporate Code, by realizing the significance of and responsibilities towards shareholders and stakeholders of the Company, the Company then received results of assessments from the regulatory bodies, various organizations and agencies, in 2020, as follows:

- The Company received an "Excellent" rating in the assessment of the quality of the 2020 Annual Ordinary General Meeting of Shareholders by the Thai Investors Association.
- The Company received an "Excellent" rating in the assessment of the corporate governance of Thai listed companies for 2020 from the Thai Institute of Directors Association (IOD).
- The Company was announced as one of the 2020 Thailand Sustainability Investment (THSI) list by the Stock Exchange of Thailand which would present the award to the listed companies which had the excellent performance in their business operations with sustainability; strong operational results; and stable returns to their shareholders, while adhering to the Environmental, Social and Governance.

### 9.1 Corporate Governance Policy

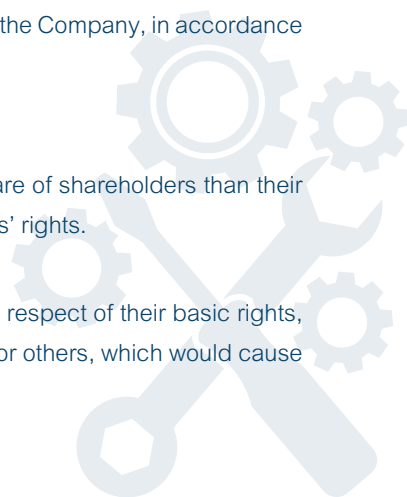
The Board of Directors realizes the significance of ensuring that shareholders exercise their rights, and has the duty to equally safeguard the benefits of all shareholders, including institutional investors or major or minor shareholders in their capacity as investors in the Stock Exchange of Thailand and as shareholders who own the Company, in accordance with the accepted Principles of the Good Corporate Governance of the SET, namely:

#### 1) Shareholders' Rights

Encouraging shareholders to exercise their basic rights, and taking greater care of shareholders than their rights provided by laws, without any actions violating or infringing shareholders' rights.

#### 2) Equitable Treatment of Shareholders

Monitoring to ensure that all shareholders are equally treated and protected in respect of their basic rights, implementing measures to prevent inside information usage for personal gain or others, which would cause damage to shareholders as a whole.







### 3) Role of Stakeholders

Taking care of stakeholders based on their rights under applicable laws without any actions in violation of stakeholders' rights as well as establishing measures to compensate any stakeholders suffering from damage arising from violation of rights, promoting cooperation between the Company and stakeholders for the Company's prosperity, financial stability and sustainability. The Company formulates the policy on anti-corruption and anti-bribery to prevent any act in exchange for any business advantage of the Company or granting of any item or any other benefits to any person who has authority or business related to the organization for the business benefits of the Company.

### 4) Disclosure and Transparency

Undertaking all activities with transparency, open for inspection, and sufficient information disclosure to all relevant parties as well as monitoring disclosure of material information relating to the Company, both financial and non-financial records, to ensure accuracy, completeness, timeliness and transparency through easy access with equality and reliability.

### 5) The Board of Directors' Responsibilities

Ensuring that the Board of Directors performs duties with honesty and due care to the best interest of the Company and in fairness to all shareholders under the good internal control system and appropriate risk management, including compliance with the Company's code of ethics.

In 2020, the Company complied with the Principles of Good Corporate Governance for Listed Companies as stipulated by the Stock Exchange of Thailand as follows:

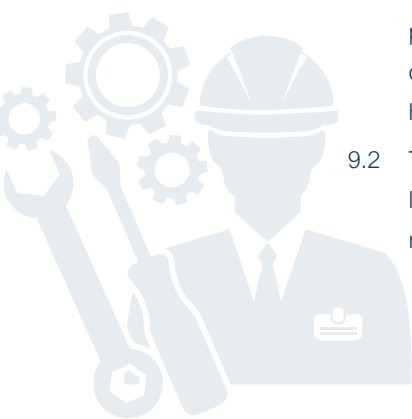
#### 1. Shareholders' Rights

The Company gives priority to shareholders' rights and also realizes the significance of shareholders and their rights of ownership to control the Company through appointment of the Board of Directors and their rights to make decisions on significant changes of the Company. The Company thus promotes shareholders to exercise their protected basic rights. In this respect, shareholders shall be informed of the Company's correct, complete, sufficient and up-to-date information and news, including the right to attend the shareholders' meeting, the right to appoint proxy to attend and vote at the meeting, the right to share opinions and make inquiries in the shareholders' meeting in order to jointly make decisions on the Company's important matters, e.g., profit allocation, election of directors, determination of remuneration for directors, appointment of the auditor, determination of the audit fees, and approval of important transactions which may affect the Company's business direction, etc. The Board of Directors clearly sets out the corporate governance policy that the Company shall encourage shareholders to exercise their basic rights without taking any actions violating or infringing shareholders' rights. The guidelines for best practices towards shareholders are as follows:

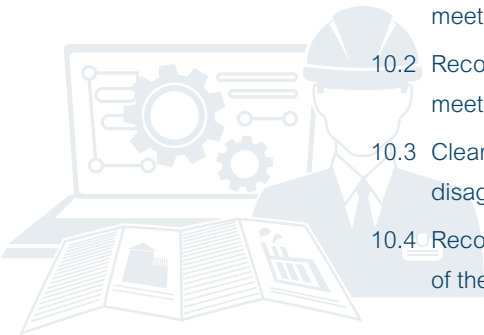
#### Annual Ordinary General Meeting of Shareholders

1. The Company assigns Thailand Securities Depository Company Limited, as its share registrar, to deliver the notice of the shareholders' meeting and supporting documents to all shareholders in advance at least 21 days prior to the meeting date, whereby the notice of the meeting shall contain complete and clear details on day, time, place and agenda items, as well as clearly specifying objectives, reasons, and opinions of the Board of Directors on each item of the proposed agenda to ensure that shareholders acknowledge matters to be considered in the meeting in order to serve as a factor for consideration of making a decision to attend the meeting, and that shareholders obtain information in support of their decision making in advance prior to the meeting. In this regard, the Company shall avoid adding other agenda items required the meeting's resolution without prior determination in the shareholders' meeting, which is deemed to be unfair treatment towards shareholders absent from the meeting.

2. In the annual ordinary general meeting of shareholders, the Company shall regularly propose the remuneration for directors to shareholders for consideration and approval on a yearly basis as well as proposing the policy to determine remuneration, including criteria for provision of the remuneration for directors in support of shareholders' consideration.
3. The Company allows shareholders to vote to elect directors on an individual basis, by nominating directors to shareholders for voting on an individual basis in order for shareholders to have the right to truly elect directors of their choice.
4. The Company provides an opportunity for shareholders to propose items of the agenda of the shareholders' meeting and nominate directors, by way of the Company's announcement via the channels of the Stock Exchange of Thailand and the Company's website, together with notice of detailed and clear criteria for consideration of acceptance of the proposed matters. Shareholders are allowed to propose agenda items and nominate directors in advance directly via the Company's website.
5. The Company allows shareholders to make inquiries and provide their opinions in advance to the Board of Directors on any matters relating to the Company, which would be answered in the shareholders' meeting, by way of announcement via the channels of the Stock Exchange of Thailand and the Company's website, directly to the Company Secretary via the Company's website or E-mail address: company\_secretary@ckplc.com. And during the meeting, the Chairman of the Board of Directors who presides over the shareholders' meeting allows and encourages shareholders to share opinions and ask questions concerning related matters at the meeting. Further opinions or questions relating to agenda items is allowed during the meetings after the end of report or presentation of each agenda item; or further opinions or questions relating to other matters than agenda items is allowed after the meeting has already proceeded in accordance with all agenda items.
6. The Company has a policy to encourage shareholders, particularly institutional investors, to attend the shareholders' meeting, whereby prior registration shall be available, at shareholders' convenience.
7. The Company uses the barcode system and the meeting program provided by InvenTech Systems (Thailand) Co., Ltd. in the shareholders' meeting, including registration, vote, counting of votes and display of the voting results to ensure the rapid, correct and precise conduct of the meeting.
8. The Company arranges for its legal advisor and at least two shareholders' representatives to serve as witnesses in the counting of votes, to ensure transparency, compliance with the laws and articles of association. The Chairman of the Board of Directors who presides over the shareholders' meeting introduces the examiners of the vote counting to the meeting, and arranges to have it recorded in the minutes of the meeting, with the voting results showing all favorable votes, unfavorable vote, abstaining votes, and voided voting cards. As for the voting results, shareholders may examine such results, as the Company discloses the resolutions, together with the voting results, in each agenda item to the meeting.
9. The Company shall specify complete details on agenda items in the notice of the shareholders' meeting, consisting of:
  - 9.1 To consider the election of directors, by specifying names, surnames, education, work experience, number of listed and general companies in which they hold office as director, including nomination procedures and criteria, category of nominated directors, such as, directors or independent directors, together with information on attendance at the previous meetings, and period/years of holding office as director in the Company;
  - 9.2 To consider the appointment of auditor, by clearly specifying the auditor's name, company, auditing license, experience and capabilities, years of audit service for the Company, including issues relating to independence and remuneration for the auditor;

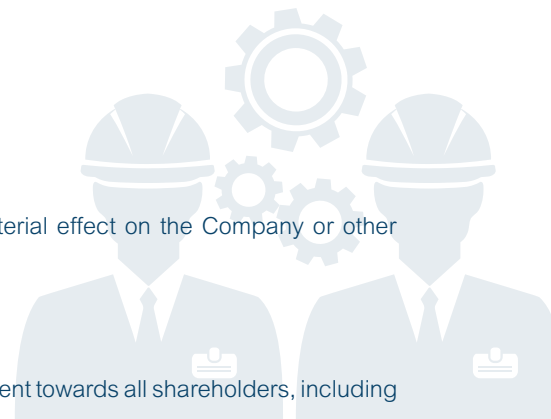


- 9.3 To consider and approve dividend payment, by notifying the Company's policy on dividend payment, proposed dividend rate, and reasons and supporting information, including suspension of dividend payment;
  - 9.4 The notice of the meeting shall clearly contain facts and reasons of each agenda item, including opinion of the Board on each agenda item.
10. The Company efficiently prepares the minutes of the shareholders' meeting covering significant details on various matters as follows:
- 10.1 Record of clarification on the voting procedures, by notifying shareholders of voting method and counting by using voting cards, including method of display of the results of votes, prior to the meeting;
  - 10.2 Record of questions posed by the shareholders and answers or opinions on various items at the meeting to allow the shareholders absent from the meeting to acknowledge the same;
  - 10.3 Clear record of resolutions of the meeting, together with such votes on each agenda item to agree, disagree and abstain on all items requiring voting;
  - 10.4 Record of the list of attending directors and absent directors, together with their position, for review of the directors' participation in each shareholders' meeting.



In this regard, the Company has publicized the resolutions of the shareholders' meeting via the SET's news system and on the Company's website within the following business day and also publicized the complete minutes of the shareholders' meeting on the Company's website at [www.ch-karnchang.co.th](http://www.ch-karnchang.co.th) within 14 days from the meeting date to enable the shareholders to review such information instead of waiting until the next meeting. Moreover, video presentation of the atmosphere of the shareholders' meeting is made available on the Company's website in order to allow shareholders who do not attend the meeting or any persons interesting in the Company's information to acknowledge the details of the meeting other than those recorded in the minutes of the meeting, whereby such video presentation is made available on the Company's website until the next shareholders' meeting.

11. The Chairman of the Board of Directors, chairpersons of various committees, namely, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Corporate Governance and Risk Management Committee, the Chairman of the Corporate Social and Environmental Responsibility Committee, the Chairman of the Executive Board, and the President (top management), including auditor and legal advisor of the Company, participate in every annual ordinary general meeting of shareholders to answer questions in relevant matters.
12. The Company greatly realizes the significance of the shareholders' meeting, i.e., the meeting place must be convenient for the shareholders' commute, including suitable and sufficient time. The Company thus uses its office as the meeting place, which is located at No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok, and which is convenient for commuting, nearby a subway station or an expressway on- and off-ramp, by providing a shuttle van service to and from a subway station, with sufficient parking areas for shareholders.
13. The shareholding structure of the Company and its subsidiaries is disclosed with clarity, transparency and open for review, and without any cross shareholding in the Company Group.
14. The Company has a free float greater than 40 percent, whereby the Board of Directors shall hold shares in aggregate not exceeding 25 percent of the Company's issued shares.
15. The Company's shareholding proportion of institutional investors in aggregate is more than five percent.
16. The Company has treated shareholders equally regarding share repurchase and opportunity for shareholders to contact or communicate each other.



17. The Company has no shareholders' agreement which has a material effect on the Company or other shareholders.

## 2. Equitable Treatment of Shareholders

The Company has a policy to promote and ensure equal and fair treatment towards all shareholders, including minority and foreign shareholders, with the following measures for protection of the shareholders' basic rights:

1. The Company allows all shareholders to cast votes, namely, one share for one vote, to ensure equitable treatment towards the shareholders, based on the criteria that shares of the same type should represent the right to vote on an equitable basis, namely, one share for one vote.
2. The Company has the process and channels for minority shareholders to involve in the Company's management, by allowing the minority shareholders to propose any item of agenda of the ordinary general meeting of shareholders and propose any qualified person to be considered and appointed as the Company's director prior to the meeting date. In this connection, the Company clearly notifies the shareholders of the details, together with the criteria for the consideration via channels of the Stock Exchange of Thailand and the Company's website, for four months, in order to build up the confidence of the minority shareholders to exercise the right to propose any matters relating to any significant change of the Company and the right to elect any independent directors to take care of the benefits on their behalf.
3. The Company sets out the written guidelines to prevent the use of insider information of the Company under the resolution of the Board of Directors, with the Company treating it as important policy to prevent directors, management and staff from abusing their position for personal interests, which have been specified in the Annual Report, and the Code of Conduct and the Code of Business Ethics, and which are also distributed and disseminated to all directors, management and staff of the Company for acknowledgment and compliance. In addition, such information is made available on the Company's website, as another accessible channel for all staff.

The Company's directors and management are required to disclose reports to the Securities and Exchange Commission on holding of securities in the Company by oneself, by his/her spouse, and minor children, as well as reporting on every change in such holding of securities from each purchase, sale, transfer or acceptance of transfer, under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three business days after the date of purchase, sale, transfer or acceptance of transfer of the securities. Moreover, directors and management have realized their duties and responsibilities, including the penalty provisions as specified in the Securities and Exchange Act B.E. 2535 (1992).

The Company pays significant attention to the efficient internal control system by setting out the internal control guidelines to prevent and minimize risks which may arise, namely, the Company specifies that management with access to insider information shall be prohibited from taking any actions in violation of Section 241 of the Securities and Exchange Act B.E. 2535 (1992), including applicable regulations. Due to the guidelines to prevent the use of insider information, in each past year, there has never been any case that the Company's directors and management abuse insider information to seek personal interests or others' interests.

4. The Company clearly discloses to shareholders the details and reasons of execution of related party transactions requiring the disclosure or approval of shareholders under the Stock Exchange of Thailand's regulations, by disclosing names and relationship of connected persons, pricing policy and transaction value, including opinion of the Board relating to such transactions.

The Board of Directors sets out a policy to prohibit its directors and executives who are connected persons or interested persons in relation to any agenda items to be considered from participating in the meeting

and voting on such items. The management gives prior notice to such directors and executives who are not allowed to participate in the meeting or vote on such item. In considering a connected person and interested person, the Board of Directors takes into account such reports on interests which all directors and executives have a duty to prepare and submit to the Chairman of the Board of Directors and the Chairman of the Audit Committee in accordance with the Board of Directors' policy requiring directors and executives to report on their personal interests.

5. The Company discloses that the connected transactions have been executed according to market price and in accordance with the ordinary course of business. In the previous year, the Company did not execute any connected transactions in violation of or not in compliance with the rules of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission. In this regard, other than the notifications of such connected transactions via the channels of the Stock Exchange of Thailand, the Company also discloses the connected transactions in its Annual Report.
6. The Company has no the structure of business group with connected transactions in such a manner which may have a conflict of interests, taking into account the shareholding structure and level of execution of the connected transactions within the business group, based on the Company's income and expenditure as a result of the business operation in the group, compared with the total income and expenditure. In this regard, the level of execution of connected transactions shall be considered, both income and expenditure, which shall be less than 25 percent, except for transactions in the ordinary course of business and transactions with subsidiaries or associated companies without related persons holding shares exceeding 10 percent.
7. Any shareholder unable to attend the meeting in person may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. In addition, the Company nominates members of the Audit Committee who are independent directors as an option for appointment of shareholders' proxy. The Company sends Proxy Form B, together with the notice of the shareholders' meeting, in order for the shareholder unable to attend the meeting on the scheduled date to enjoy his/her equal rights as shareholder.
8. Proxy Form sent by the Company with the notice of the shareholders' meeting specifies clear details, documents and evidence in support of the appointment of proxy, together with suggestions and procedures for appointment of proxy to enable shareholders to produce complete documentations without any difficulty in attending the meeting by proxy.
9. As for the requirement for appointment of proxy by any shareholder unable to attend the meeting in person, the Company has not set out any rules or conditions causing any difficulties to the appointment of proxy to attend the meeting on his/her behalf. Instead, such documents shall be certified by the proxy grantor and the proxy holder to confirm the exercise and granting of the right to attend the shareholders' meeting in accordance with the criteria.
10. The Company delivers the notice of the shareholders' meeting to shareholders in advance at least 21 days prior to the meeting.
11. The Company posts the notice of the meeting, together with details of the complete notice of the shareholders' meeting, on the Company's website in advance 30 days prior to the meeting date for the shareholders to have time to consider details of each agenda item, especially for those shareholders unable to attend the meeting in person.
12. The Company delivers the notice of the shareholders' meeting and supporting documents in Thai version to Thai shareholders. For foreign shareholders' convenience, the Company prepares the notice of the shareholders' meeting and supporting documents in English version to the foreign shareholders. In this regard, both all Thai and foreign shareholders shall receive complete documents within the period of time specified by law.

13. The Company has no policy to provide any financial support, whether loan or guarantee, to any companies which are not the Company's subsidiaries, except such loan or guarantee due to the Company's shareholding in accordance with a joint venture agreement.
14. Last year, the Company did not execute any transactions on acquisition or disposition of assets in violation of or not in compliance with the rules of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission.

### 3. Role of Stakeholders

The Company realizes the significance of rights of all groups of stakeholders, whether inside, such as staff and executives of the Company and the subsidiaries, or outside, such as customers, traders, competitors, creditors, communities, society, public sector and other relevant authorities, to ensure that the basic rights of these stakeholders are well protected and taken care of under the provisions of the laws and other relevant rules and regulations. The Company recognizes support from these stakeholders which could help building up the Company's competitiveness and profitability to result in long-term success for the Company. The Company's Board of Directors has set out the corporate governance policy that the Company shall take care of the stakeholders based on their rights under the relevant laws, shall not take any acts in violation of the rights of stakeholders, and shall establish measures to compensate any stakeholders suffering from damage arising from violation of rights. The practices towards the Company's stakeholders are as follows:

#### 1. Shareholders

- The Company has performed duties with integrity, honesty and fairness, taking into account both major and minor shareholders, and for the benefit of the group of related persons as a whole;
- The Company has managed its business to ensure prosperity, stability and good return for shareholders;
- The Company has protected its assets from depreciation or unnecessary loss;
- The Company has, regularly and in a timely manner, disclosed the accurate and sufficient information, both financial and non-financial, relating to the Company's business and the operational results, and representing the Company's actual operational and financial status;
- The Company's treatment of shareholders complies with the principles of the Corporate Governance Code in the Chapter: Shareholders' Rights and Equitable Treatment of Shareholders. In addition, the Company pays significant attention to the annual ordinary general meeting of shareholders by complying with the assessment of the shareholders' meeting by the Office of the Securities and Exchange Commission and the Thai Investors Association before the meeting, during the meeting and after the meeting for facilitating all shareholders' exercise of their right to vote in the meeting equally.

#### 2. Traders and/or Creditors/Debtors

- Every trader and/or creditor/debtor has been equally and fairly treated by the Company, taking into account the Company's optimum benefit and based on the fair returns for both parties;
- Based on the conditions of selection of traders, the Company's competition is on the basis of equal information access, without preventing any trader from participating in business competition;
- The Company has utilized copyrighted goods and services and does not support any goods or any actions in violation of the intellectual property;
- The Company has prepared appropriate and standard contracts;
- The Company has arranged for management and monitoring systems to ensure the full compliance with contracts, and internal control system to prevent any fraud and misconduct in every step of the procurement procedures;







- The Company has made payments to traders on time in accordance with terms of payment as mutually agreed, and has strictly complied with various conditions as mutually agreed upon with traders and/or creditors;
- The Company has refrained from seeking any trader's secret by any dishonest or improper means, such as, bribing any director and staff of competitors;
- The Company has refrained from making any negative accusation against traders without actual information;
- The Company has avoided the situation which causes a conflict of interest, as well as complying with the contractual obligations;
- The Company has provided actual information and accurate report. The negotiation for problem resolution is based on the business relationship;
- The Company has strictly complied with various agreements or conditions as mutually agreed, including commitment and contingent liability. In case it is unable to comply with any condition or there is a default on debt repayment, the lenders must be informed thereof without any undisclosed facts to jointly seek a justifiable solution;
- The Company manages fund to ensure appropriate structure in support of the Company's business operations and to maintain creditors' trust;
- The Company is determined to maintain the sustainable relationship with creditors and mutual trust.

### 3. Customers

- The Company has clear and concrete policies and practices with fairness and responsibility towards customers. The Company maintains the optimism and gives priority to customers, treats customers willingly, actively, politely, keeps customers' confidential information from misuse for personal gain or others, as well as treating all customers equally without discrimination;
- The Company delivers quality goods at fair price in accordance with agreements with its customers;
- The Company provides correct, adequate and up-to-date information, news, and suggestions relating to goods and services to customers;
- The Company strictly complies with various conditions with customers. If the Company is unable to comply with any of such conditions, the Company must promptly give notice to customers to jointly consider finding a solution to such problem.
- The Company has a procedure for customers to submit any complaint about quality, quantity, safety of goods and services, including turnaround time for delivery, and the Company makes its best efforts to ensure rapid turnaround time to customers.

### 4. Competitors

- The Company has clear and concrete policies and practices with fairness and responsibility towards competitors, based on ethics, transparency and fair competition within the scope of laws;
- The Company has free trading policy and believes that competition is a positive factor to encourage the development of service standard and innovations to be offered to customers;
- The Company has complied with the fair competition framework;
- The Company in no way discredits any trading competitor's reputation by negative accusation without actual information;
- The Company in no way accesses any competitor's confidential information through any dishonest or other inappropriate methods.

## 5. Business Interested Parties

- The Company has clearly determined policies and procedures for approval of connected transactions to prevent any potential conflicts of interest.

## 6. Staff

- The Company has policies and practices relating to occupational health and safety for staff at work place as well as creating a good working environment and promoting good physical and mental health of staff, by arranging for fitness room, annual sports competition, to ensure the unity and good relationship;

In 2020, there was no report on lost time accident or absenteeism rate or lost time injury rate.

- The Company truly realizes the significance of its staff, and to meet its objectives, the Company recruits and employs knowledgeable, capable and experienced personnel to perform works, and in response to the Company's requirements and growth, by continually organizing programs for development of staff knowledge and capacities to advance their skills;
- The Company has concrete and open policies and practices as to management of staff remuneration and welfares on an equal and fair basis, whereby the Company has equally and fairly treated its staff through proper and fair remuneration and welfare, as well as provided more welfares than those specified by law, such as, establishment of a provident fund, medical treatment packages in hospitals designated by the Company, financial aids in the event of death of staff or their parent or spouse, annual health check-up, 5S activity, and fitness center, etc.;
- The Company truly realizes the significance of personnel development by establishing clear internal personnel development plans, encouraging all levels of its staff up to high ranking executives to receive training for improvement of their knowledge and capacities, both in theory and practice, so as to ensure the efficient performance skills, including fair employment conditions suitable for the market and in compliance with the labor laws;
- The Company provides the fair and suitable remuneration for staff based on their performance by applying the staff performance evaluation system to measure their capabilities to ensure development of competency and clear performance measurement subject to key performance indicators (KPI) for all major activities, in support of the consideration of merits of staff to ensure incentives for staff development and remuneration in connection with value added to the business and in line with the Company's operational results for short and long term;
- The Company builds the participatory working atmosphere and teamwork by allowing staff to express their opinions relating to their works;
- The Company establishes a policy on human rights by determining clear operational guidelines and practices towards non-discrimination, equal employment opportunity for women, persons with disabilities, underprivileged groups, youth, elderly, and recognition of staff's right to collective bargaining.

In 2020, the Company received no complaint about violation of human rights;

- The Company ensures that staff strictly comply with laws and regulations relating to staff, including provision of suggestions in order to prevent any illegal action, whereby the Company supervises to ensure that staff use lawful products and refrain from infringement of copyrights or intellectual property, along with support of compliance with the operational guidelines and performance of duties with integrity, without any involvement with corruption for the benefits and success of the Company.

## 7. Society and Public

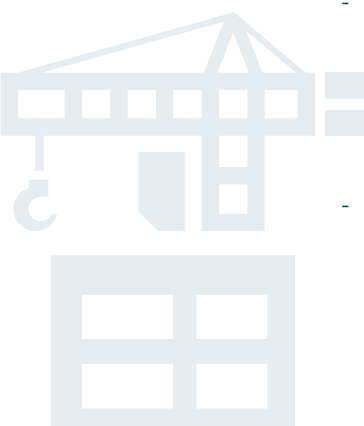
- The Company has clear and concrete policies and practices with fairness and responsibility towards society, and with transparent operations, by taking into account the public interest and refraining from taking any acts which may cause damage to the country's reputation, natural resources, environment and public interest;
- The Company has promoted and instilled into its staff at all levels the corporate social responsibility;
- The Company in no way facilitates, supports or allows to be instrumental in any avoidance of compliance with the law.

## 8. Communities

- The Company has considered communities as part to be concerned and facilitated, and thus focuses on various activities for improvement of the quality of life of communities and environment as its contribution to society. The Company then has a policy to support and participate in activities related to development of communities by complying with laws and regulations;
- The Company regularly participates in meetings, sharing of opinions, and provides cooperation with local agencies for development of livelihood of communities;
- The Company establishes preventive and remedial measures against environmental and community impact as a result of the Company's operations.

## 9. Environment

- The Board of Directors has set out a policy to operate the business by taking into account the environment, with a commitment to compliance with applicable laws, regulations, standards and requirements, including strict adherence to the government's environmental policies, together with its readiness to continuously and seriously carry out the development of the environmental management procedures within the organization to ensure the cost-efficient resources utilization and minimize waste with the environmental impact from the organization's activities, including provision of knowledge and training regarding environment to staff and participation in support of activities related to community development to ensure the continuity of environmental activities and reflect the business sustainability;
- The Company has developed and improved the environmental management system in all activities of the Company to continuously minimize pollution and impact on the environment, with clear objectives, goals, action plans and evaluation;
- The Company has promoted the environment preservation, as well as publicizing the information and news, and cooperated with the staff, customers, government agencies and private entities, including the public, as a gesture of the Company's image and awareness of the environmental management;
- The Company has rapidly and efficiently responded to any events giving rise to impact on the environment and communities caused by the Company's operation;
- The Company has raised the consciousness and responsibility of staff in relation to environment under the environment management system as well as campaigning conservation and consumption of energy and resources with efficiency through training and public relations media, such as, internal newsletters, notice board, internal circular letters, in order to regularly keep them well informed on knowledge and skills on environment;
- The Company has presented the results of performance in compliance with the policy and action plans in respect of the social responsibility by reporting directly to the Board of Directors and disseminating the social and environmental activities to the Company's staff, shareholders, and persons related to the Company, as well as publicizing such information via website and Annual Report of the Company.



10. The Company has set out a non-infringement of human rights policy to confirm its respect for human rights which is the foundation of personnel care and development, by which it will play an important role in building the Company's quality and achievements as a whole. Directors, management, staff are then required to comply with laws and human rights or human dignity principles, without discrimination against race, color, gender, language, religion, society, property, place of origin, political opinions or other status, and also realize their duties and responsibilities towards society and others. The Company's practical guidelines and staff care are as follows:

1. The Company shall strictly comply with laws and principles of human rights and shall in no way support any business in violation of the principles of human rights;
2. The Company shall equally treat staff of all levels, without discrimination in employment, compensation payment, training attendance, promotion, employment termination or dismissal due to discrimination on the grounds of gender, race, color, religion, age, marital status, pregnancy, political opinion, or disability, etc.;
3. The Company shall provide equal opportunities for all staff to work under the Company's rules, regulations, announcements and orders;
4. In terms of remuneration and welfare, other than the fundamental welfare as required by laws, the Company also commits itself to paying remuneration and providing welfare as appropriate and reasonable, always taking into account the overall market condition;
5. In terms of personnel development, the Company has set out a personnel development policy by ensuring satisfaction of remuneration and work environment through development of competency in response to requirements of each work unit for the purpose of the organization's competitiveness.

11. The Company has established a non-infringement of intellectual property or copyright policy and practices to prevent any problems which may damage or discredit the Company, by prohibiting its management and staff from using any illegal software and copying any copyrighted software for any reason whatsoever without prior permission of the software owners. All staff have a duty to help take care of the Company's intellectual property works and refrain from misusing or allowing any third parties to use the Company's intellectual property without permission. In addition, the Company formulates a policy to forbid any arrangements which infringe intellectual property of any kind, based on the following guidelines:

1. All staff have duty to protect and keep the Company's intellectual property confidential to ensure that such information must not be leaked out and exploited for personal gain or any other person's gain without permission;
2. All staff must respect and honor others' intellectual property and refrain from exploiting any of others' intellectual property, whether in whole or in part, without the owner's permission.

12. The Company determines an anti-corruption and bribery policy to prohibit any bribe payment for the Company's business interest or granting of any items or any other benefits to any persons having a duty or business related to the organization for the Company's business interest. It is clearly set out as a guideline to prevent any problems due to corruption and unfairness in the business operation, such as, compliance with prohibitions, action plans or internal control measures, morality, and governance, to which the Company's staff at all levels have the duty, as well as monitoring code of ethics, morality and action plans or measures in governance relating to anti-corruption and bribery, including authority and duty to report on various matters directly to the agencies which are responsible for monitoring and inspection of the organization's independence. Moreover, the Company has adopted the corruption risk assessment process and established the practices relating to supervision and control for prevention and monitoring of corruption risks, including guidelines for following up and evaluation of performance of compliance with the anti-corruption policy, by providing staff training to ensure their knowledge relating to the anti-corruption policy and practices at least once a year. The Company has then established the anti-corruption policy for ensuring strict adherence thereto and compliance therewith by all of the Company's directors, executives and staff. The following are the key practical guidelines:

1. The Company's directors, executives and staff of all levels should engage in activities with various agencies based on fairness, honesty, integrity, and transparency, provided that such activities must be proper in accordance with laws, policies, articles of association, rules announcements or accurate operational procedures.
2. The Company promotes and supports fair and honest treatments towards all its business alliances, including compliance with contractual obligations to the Company's stakeholders.
3. The Company promotes and supports awareness-raising among directors, executives and staff to ensure that they refrain from committing any fraud or corruption and realize negative impacts of corruption.
4. The Company supports and encourages its directors, executives and staff to refrain from receiving, agreeing to receive, providing any hospitality, gift/souvenir and any other payments which are extravagant and inappropriate from and to those who make business deals with the Company.
5. The Company arranges for staff training to educate them regarding the anti-corruption policy, practices and guidelines.

In this regard, the Company conducts supervision and monitoring to prevent any fraud or corruption by determining clear and concise procedures, and the internal unit has a duty to inspect the actual performance in order to prevent any fraud or corruption.

In 2020, the Company did not commit any misconduct in terms of fraud, corruption or ethics.

13. The Company has established a policy on information security, which is a key part in ensuring efficiency and reliability in the Company's business operations, and to that end, the Company is committed to developing the information security system for implementation, to rest assured that:

1. Access to the information system shall be strict to only authorized persons;
2. The information system has accuracy, reliability, and has the confidentiality of information;
3. The information system is always readily available for use;
4. The information security is regularly inspected;
5. The Company promotes staff's suitable knowledge, ability, and awareness as to information security.

The responsibility for the information security lies with everyone; it is then the duty of staff and third parties who are authorized to have access to the Company's information system to make every effort to ensure the Company's information security.

14. The Company has the corruption risk assessment process via the risk management working group which shall meet quarterly to report on the results, to management and the Corporate Governance and Risk Management Committee for further report to the Board of Directors, respectively, and also determines the practices relating to supervision and monitoring to prevent and follow up corruption risks, as follows:

1. Staff are prohibited from granting or offering any items or any other benefits to third parties, such as, government officials, agents, representatives, counterparts, etc., with the intention of inducing such third parties to take or omit to take any acts in violation of laws or contrary to their positions or functions or in exchange for undue privileges;
2. Staff are prohibited from demanding or receiving any items or any other benefits for personal gain or for gains of others in a manner that persuades them to abuse their duties or neglect to perform their duties;
3. Any business dealings in association with various agencies, such as, government agencies, state enterprises or private sector, etc., both local and international, must be transparent, fair and lawful in Thailand and foreign countries where such dealings take place;
4. Any fraudulent acts against duties are deemed to be a serious disciplinary misconduct.



15. The Company realizes the significance of communication with all groups of stakeholders to exchange information, as well as listening to opinions and suggestions of all groups of stakeholders for common interest. In case where any stakeholders are not fairly treated by the Company, they may contact or file complaints directly with the Company through the Audit Committee or via e-mail: [audit\\_committee@ckplc.com](mailto:audit_committee@ckplc.com), and/or through the Company Secretary or via e-mail: [company\\_secretary@ckplc.com](mailto:company_secretary@ckplc.com). In 2020, there was no any complaint.

16. The Company has a policy or guideline for protection of staff or any whistleblower who informs the Company of wrongdoing, by establishing measures to protect them under the criteria as follows:

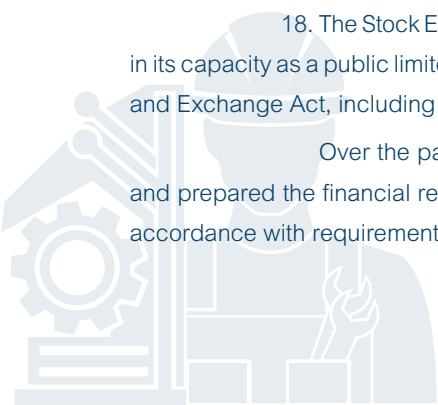
1. Any whistleblower or person who provides cooperation in fact-findings may choose not to disclose his/her identity if he/she considers such disclosure would cause insecurity or damage of any kind. However, if the whistleblower's identity is allowed to be disclosed, it will enable the organization to report on any relevant development and clarify the relevant facts;
2. The Company will not disclose name-surname, address, photograph, or any other data which may reveal the identity the whistleblower or person who provides cooperation in fact-findings;
3. The complaint or whistle-blow recipient will keep relevant information confidential and take into the safety account, whereby measures are established to protect the whistleblowing staff and a person who provides information, including cooperation in investigation, by which they will be protected from unfair treatment, such as, change of work position, job description, work place, work suspension, threat, disruption to work, employment termination, as a result of the complaint or whistleblowing report;
4. Any aggrieved parties will be relieved by means of proper and fair process.

17. The Company arranges for channels for all stakeholders, general public, and staff to make complaints on unfair treatment or to provide any clues relating to matters which may be considered illegal, and provides for solution process, including measures to protect the whistleblowing staff and notice of the results to the whistleblowers on a systematic and fair basis. Staff are provided with channels through which they can file their complaints and independently provide their opinions, as follows:

1. The complaint or whistle-blow recipient shall gather facts concerning violation of or non-compliance with the ethics;
2. The complaint or whistle-blow recipient shall report the facts to the independent directors with the duty to conduct an investigation of facts in order to consider the complaints, by dividing related matters into issues in terms of management, knowledge development, investigation of facts, etc.
3. As for the operational measures, the complaint or whistle-blow recipient shall propose the independent directors to conduct an investigation of facts and establish measures to resolve such violation or non-compliance with laws.
4. As for the report on the results, the complaint or whistle-blow recipient shall notify the whistleblower of the results should such whistleblower disclose his/her identity. In case of a significant matter, the results shall be reported to the Chairman of the Board of Directors and/or the Board of Directors.

18. The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Company, in its capacity as a public limited company listed on the Stock Exchange of Thailand, has strictly complied with the Securities and Exchange Act, including rules and regulations issued by the SET and the Office of the SEC.

Over the past period, the Company has disclosed its significant information via the SET's news system and prepared the financial reports and other reports, namely, connected transactions, minor shareholding distribution, in accordance with requirements of the SET and the Office of the SEC.





#### 4. Disclosure and Transparency

The Company realizes the significance of the good corporate governance by disclosing material information which affect or may affect change in the Company's securities value or investment decision-making or benefits of shareholders in order for shareholders and general investors to rapidly and equally acknowledge news and information.

The Company has the guidelines on disclosure of significant information relating to the Company to the public with accuracy, completeness, punctuality and transparency in accordance with requirements stipulated by the Office of the SEC and the Stock Exchange of Thailand through an easy access to information, namely, dissemination of information, both in Thai and English, on websites of the Stock Exchange of Thailand, the Office of the SEC, including the Company's website, with the practices as follows:

1. To ensure shareholders/investors' acknowledgement of the structure of ownership of business in which they have invested and their rights, compared with other shareholders, the Company discloses the most recent structure of major shareholders for those who utilize information to truly and clearly acknowledge shareholders; discloses shareholding of directors and executives, both direct and indirect, including information on structure of the business group and shareholding proportion, major risks in the Company's business operations.

2. The Board of Directors establishes a policy that the Company shall undertake activities with transparency and open for inspection with sufficient information disclosure to all relevant parties as well as monitoring to ensure disclosure of correct, complete, timely and reliable information, and everyone can equally access such information. In disclosing the Company's significant information, other than by way of dissemination under the specified criteria via the Stock Exchange of Thailand's channels, the Company also disseminates such information on the Company's website: [www.ch-karnchang.co.th](http://www.ch-karnchang.co.th), both Thai and English, such as, Annual Report, Annual Registration Statement (Form 56-1), Corporate Governance Policy, the Company's information, nature of business operations of the Company, financial statements, public relations news, shareholding structure, organization structure, business group structure, information relating to directors and executives, investor relations information, the Articles of Association, the meeting notice, the operational results, financial ratio, dividend payment record, together with other information, such as, corporate social responsibility activities, etc. In this regard, the Company regularly updates the website for up-to-date information and news for convenient access and to the best interest of users.

3. In respect of investor relations, the Board of Directors is well aware of the significance of accurate, complete, transparent, thorough and timely disclosure of information relating to the Company. Therefore, the Company has set up an Investor Relations unit to be specifically responsible for disclosure of information to shareholders and investors, both financial and non-financial, such as, financial report, operational results, financial ratio, dividend history and other information which may impact the Company's securities value. Such information and news in support of their decision making are published for investors and relevant parties through various channels and media of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including the Company's website at [www.ch-karnchang.co.th](http://www.ch-karnchang.co.th) in both Thai and English languages.

Those interested to receive information in support of investment may contact Khun Sawanya Trivisvavet, Investor Relations Manager, at Investor Relations, Telephone 0-2275-0026 ext. 2317-2319.

The provision of the Company's related information to securities analysts is also another main duty of the Investor Relations unit since the Company's information is made available in the Analyst Consensus to assist investors in making their decisions to invest. The Investor Relations staff are then assigned to provide such information to ensure correct understanding and maintain good relationships with securities analysts. Staff may review and correct the Analyst Consensus, as opposed to guiding or distorting the Analyst Consensus by securities analysts, or may revise only such facts which have been outdated or disclosed to the public, in which case, such revision is not treated as guiding investment.

Other than public disclosure, the Company also participates in various activities to serve as a disclosure channel to directly meet with investors and hear their opinions as well as create good relationships with investors via activities, such as, Roadshow, Opportunity Day, Company Visit, Analyst meeting, exhibition booths, etc.

In addition, the Company has set out a policy to rotate high level executives from the President, Executive Vice President, Vice President: Accounting, Vice President: Finance, and the Company Secretary to provide information and answer questions to investors, so that they would be personally aware of opinions and requirements of Thai and foreign investors. As for internal communication, the Investor Relations unit prepares IR Report, by collecting and summarizing questions and opinions of investors towards the Company's business operations for submission to the management on a monthly basis in order to present useful suggestions or feedbacks of investors to the management for further improvement of the operations. With such activities in various forms, the Company was therefore presented the awards, as follows:



#### Investor Relations Awards

- In 2017, the Company was presented with the Outstanding Investor Relations Awards in the category of companies listed on the Stock Exchange of Thailand with market capitalization ranging from Baht 30,000 - 100,000 Million in SET Awards 2017 Event.
- In 2018, the Company was presented with the Best Investor Relations Awards in the category of companies listed on the Stock Exchange of Thailand with market capitalization ranging from Baht 30,000 - 100,000 Million in SET Awards 2018 Event.
- In 2020, the Company was presented with the Outstanding Investor Relations Awards in the category of companies listed on the Stock Exchange of Thailand with market capitalization ranging from Baht 30,000 - 100,000 Million in SET Awards 2020 Event.

4. The Company discloses its financial information and reports the responsibilities of the Board of Directors towards the financial report, together with the auditor's report, the management discussion and analysis, general information and significant information in the Annual Report correctly, timely and in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5. The Company did disclose the roles and duties of the Board and various subcommittees, number of meetings and attendances of each director in 2020.

6. The Board of Directors and the management have prepared the report on securities holding and change in securities holding in accordance with the rules of the Office of the Securities and Exchange Commission. The Board of Directors has also set out a policy requiring directors and executives to make a report on each change in their share acquisition-disposition/securities holding to the Board of Directors' meeting.

Other than the report on securities trading of executives in accordance with the requirements of the Office of the SEC, in regard to other executives along with staff who are authorized to access the Company's material information which may influence securities price movements, securities trading by usage of inside information, such as, information on capital increase or decrease, dividend payment, the Company's operational results, joint investments, etc., is considered as taking advantage of general investors. In this respect, the Company prevents any insider trading of securities by requiring its executives to report on their securities trading in accordance with the rules as required by the SET, whereby all insiders should refrain from trading securities or should wait until the public has been informed of such information for a reasonable period of time.

7. The Board of Directors has set out a policy regarding report on interest of directors and executives by requiring directors and executives to report the Company of their personal interest or their related persons', which is related to the business operation and management of the Company or its subsidiaries, in accordance with the criteria, conditions

and methods as required and announced by the Capital Market Supervisory Board. Such report also includes a disclosure of information on directorship or executive position in other legal entities and information on their shareholding in other legal entities in excess of 10 percent of the total number of voting shares by both reporters and their related persons (spouse, child/adopted minor child and related legal entity) for submission to the Company Secretary for reference, and copies of such reports shall be submitted to the Chairman of the Board of Directors and the Chairman of Audit Committee within seven business days from the date of receipt thereof.

8. In regard to the policy on payment of remuneration for directors and executives, the Company establishes a clear and transparent policy on remuneration for directors and executives, subject to review by the Nomination and Remuneration Committee. The remuneration shall be at the same level as that in the same industry and sufficient to retain the qualified directors and the President, and remuneration for executives, excluding the President, shall be in accordance with the principles and policies determined by the Executive Board corresponding to the Company's operational results and performance of the executives, as per the details of Remuneration for Directors and Executives on pages 80 to 82.

9. The Company establishes a whistleblowing policy for the purpose of development of the Company's sustainable growth and prosperity. Such arrangement is a key mechanism which will help enable management, staff or stakeholders to report on acts in violation of the code of ethics, fraudulent acts, and other ethical issues, without identifying any whistleblower's name. The Company will also assure whistleblowers that the whistleblowing process is independent, reliable and dependable, together with a monitoring process for fact-findings or conclusion, including fair whistleblower protection measures.

10. The Company establishes the policy on connected transactions, which importantly, shall be subject to consideration and approval of the Board of Directors in compliance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In the case of execution of connected transactions, the Company shall disclose details of persons with whom the Company executes such connected transactions, relationship, transaction description, price conditions/policies and transaction value.

11. The Company formulates its objectives/goals in the long run to become the leading construction and regional infrastructure investment development business that provides quality and full services.

## 5. The Board of Directors' Responsibilities

The Board of Directors acknowledges its role and responsibilities to set policies and directions of the Company's operations under the laws, its business objectives, the Articles of Association, as well as resolutions of shareholders' meetings. The Board of Directors monitors and supervises the management to efficiently and effectively perform in compliance with the specified policies in order to protect the Company's interests, maximize its economic value and create wealth for shareholders based on Principles of the Corporate Governance Code. The Board of Directors monitors and supervises management to ensure that the strategies have been applied to the business for sustainable growth. In respect of the significance of the role and duties of the Board of Directors towards the Company and shareholders, the Board of Directors shall consist of qualified persons who have leadership, vision, knowledge, abilities and experience in various fields, honesty and integrity as well as independence on decision-making for the optimum benefits to the Company and shareholders as a whole.

The Board of Directors complies with the Principles of the Corporate Governance Code for Listed Companies in various aspects, as follows:

### 1. Structure of the Board of Directors

The Board of Directors consists of nine qualified members, with useful skills, knowledge and experience to efficiently perform their duties for the Company, comprising: six executive directors, three independent directors, in consistency with the proportion specified by the Office of the SEC. The Chairman of the Board of Directors is an independent

director by the definition of the SET and has no relationship with management and is not the President, so as to separate the policy-making and supervisory duty from the regular managerial duty. The Board of Directors clearly determines power and duties of the Chairman of the Board of Directors and the President.

The Company determines qualifications of “independent directors” stricter than the minimum requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors establishes the policy on limitation to the number of listed companies in which each director will hold office as director which shall not exceed five companies, without any exemption, since, after considering the matter, it is deemed that such number enables all directors to devote their time to regularly attend meetings. In this regard, the Board of Directors has not established the policy on limitation to the number of term of office as director since directors have a good understanding of the Company’s business and provide suggestions which are useful for both the Company and shareholders. Furthermore, the Board of Directors also appoints the Company Secretary in accordance with the guidelines under the Corporate Governance Code to provide suggestions relating to various laws and regulations as required by the Board of Directors and to supervise activities of the Board of Directors as well as coordinating to ensure compliance with the Board of Directors’ resolutions.

The Board of Directors establishes the policy on holding of office as director in other companies by the President, whereby the Board of Directors’ meetings shall be notified of reasons and details of companies in which he/she holds such office, which shall not exceed five listed companies.

## 2. Subcommittees

The Company establishes five subcommittees to closely monitor and supervise the operation and regularly report to the Board of Directors, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee. In this regard, the Board of Directors determines duties and responsibilities of each subcommittee. Furthermore, all subcommittees have reported to the Board of Directors on their respective self-performance evaluation results, as follows:

1) The Executive Board has performed its duties to provide useful suggestions and advice to management and consider scrutinizing works proposed to the Board, as well as providing beneficial opinions and instructions in terms of financial management.

2) The Audit Committee has performed its duties to review the reliability of the Company’s financial reports prior to submission to the Stock Exchange of Thailand, audit the internal control system, as well as considering the disclosure of connected transactions to ensure the accurate and complete information, and provide useful suggestions and advice to management in terms of good corporate governance.

3) The Nomination and Remuneration Committee has performed its duties to consider nomination criteria and procedures for qualified persons to hold the position of the Company’s directors and consider determining criteria on consideration of remuneration for directors and President.

4) The Corporate Governance and Risk Management Committee has performed its duties to provide suggestions, follow up performance under the Corporate Governance Code, monitor and review the Company’s overall risk management, strategies for risk management.

5) The Corporate Social and Environmental Responsibility Committee has performed its duties to provide suggestions, follow up performance to ensure achievement of the goals and the social and environmental policy as well as considering and following up progress of social and environmental works, together with evaluation of success.

## 3. Roles, Duties and Responsibilities of the Board of Directors

1) The Board of Directors comprises personnel having knowledge, ability, skills and experiences in various fields to exercise their judgment independently with leadership, who determine vision, missions, strategies, goals,

business plans and budget of the Company, and supervise the management to take actions in compliance with the business plans and forecast budget with efficiency and effectiveness so as to optimize the economic value to the business, including monitoring the operational results to meet the objectives and comply with the policies, rules, laws and other relevant regulations.

2) The Board of Directors establishes a corporate governance policy to which adherence by directors, management, and staff of the Company is required, and ensures that it has mechanism sufficient and conducive to the implementation, follows up performance, and also requires it to be reviewed at least once a year.

3) The Board of Directors has a duty to consider granting approval of important matters relating to the Company's operations, such as, vision and missions of the Company, strategies, financial target, action plan and budget, as well as supervising, controlling, monitoring to ensure management's compliance with the specified policies and plans with efficiency and effectiveness so as to enhance the optimum economic value to the business, and ensure that the operational results meet the objectives and comply with the policies, rules, laws, and relevant regulations. The Company did have its vision and missions reviewed and approved at least every five years. Subsequently, the Board of Directors' Meeting No. 7/2014 on December 18, 2014 resolved to grant approval for the Board of Directors to consider reviewing the Company's vision, missions or strategies in every previous accounting year in order for the Board of Directors to oversee and monitor the implementation of the Company's strategies.

4) The Company prepares its code of ethics since the year 2003, with the approval by the Board of Directors. The code of ethics contains proper conduct and practices for directors, executives and staff, and guidelines for conduct and treatment towards the Company, colleagues, third parties and society, in accordance with the best practices. In the past, all directors, executives and staff have been informed and well understood of the proper and ethical conduct and complied with such practices in the performance of their duties in line with the Company's missions, with honesty, integrity and equality, to build up confidence of shareholders and all groups of stakeholders, including the public and society.

The Company has the guidelines in support of compliance with the code of ethics, as well as following up performance, whereby the ethical compliance survey forms shall be sent yearly to all directors, executives and staff, and the results of the survey shall be then concluded as standard for strict adherence to the code of ethics.

In addition, the Company has determined to review its code of ethics on a regular basis, should it be found that any practices in its code of ethics do not cover its business operation, the amendment thereof shall be made promptly. Other than the provision for the annual survey on compliance with the Company's code of ethics for directors, executives and staff, in which they must sign to signify their responsibility for compliance with the Company's code of ethics, the Company also continues to encourage high and middle executives to undergo corporate governance training, in order to enhance their knowledge, understanding, vision and good attitude towards management in accordance with the Corporate Governance Code, to create leadership and to succeed to an office in management, as well as to further perform duties and push ahead the organization with morals and ethics.

5) The Board of Directors establishes the Internal Audit Office which shall report directly to the Audit Committee, with the duty to follow up and review the Company's operations, together with the operating system in various departments of the Company to ensure efficiency in compliance with the annual audit plan as approved by the Audit Committee. Last year, the Company never had records of violation of rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6) The Company establishes the Compliance Unit to perform the duty to provide suggestions and monitor to ensure the Company's compliance with laws, the Articles of Association, relevant rules and regulations, including disclosure and information memoranda.

7) The Board of Directors and the Audit Committee shall provide an opinion relating to adequacy of the internal control system in the Annual Report.



8) The Board of Directors properly considers the transactions which may have a conflict of interests or connected transactions or related party transactions under the best practices subject to review by the Audit Committee to ensure compliance with the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as the disclosure of information on the execution of such transactions which may have a conflict of interests to the public. In this regard, the Company establishes the policy, rules and regulations, and procedures for approval of the transactions which may have a conflict of interests for executives, staff and the relevant persons for compliance with the significant principles, as follows:

- (1) Compliance with the rules set out by the Stock Exchange of Thailand in the execution of connected transactions to propose the connected transactions to the Audit Committee for consideration and approval prior to seeking approval of the Board of Directors under the Corporate Governance Code.
- (2) Disclosure of information on the transactions which may have conflict of interest or connected transactions or related party transactions pursuant to the rules set out by the Office of the Securities and Exchange Commission/Stock Exchange of Thailand, in the Annual Registration Statement (Form 56-1) and the Annual Report, as well as disclosing the information of such transactions in the financial statements in accordance with the accounting standards.
- (3) In the consideration of the execution of the transactions which may have a conflict of interests, the Board of Directors shall carefully consider such transactions to ensure the benefits of the Company and shareholders as a whole, whereby the interested directors shall not attend the meeting nor vote on such agenda.

9) In respect of risk management, the Board of Directors follows up and acknowledges the Company's risk management plan from management's report on operational results in every the Board of Directors' meeting and from the Report of the Corporate Governance and Risk Management Committee. In this regard, the Company determines and assesses its business risks by establishing the efficient risk preventive measures and risk management systems for the entire organization.

#### **Risk Management Policy**

1. The Board of Directors, all executives, staff and units own the risks and have the duties to be responsible for, assess, follow up, and support the risk management process with efficiency.
2. All units of the Company shall have a risk management process, as well as having a systematic and continuous assessment and follow-up, subject to regular review at least once a year in line with business changes.
3. The risk assessment shall form an integral part of the annual work plan of all units, by considering all risks of the entire organization, taking into account such risk factors, both inside and outside the organization, including proper risk management.
4. The Corporate Governance and Risk Management Committee has the duties to assess the risk management and propose its opinion to the Board of Directors.
5. The organization culture will focus on common understanding and awareness of risks. The body of knowledge shall be established for staff at all levels to have access for study and research and sharing of experiences, which would pave the way for development and improvement of the risk management process to become an efficient mechanism in the strategic administration.

#### **10) Segregation of Roles and Duties between the Board of Directors and Management**

The Company has the roles and duties between the Board of Directors and management clearly segregated, namely, the Board of Directors shall have the duty to set out the Company's policies and supervise management's



operations while the Company's management shall have the duty to handle various administration affairs to ensure compliance with the policies set out by the Board of Directors. Therefore, the Chairman of the Board of Directors and the President shall be two different persons, and the Chairman of the Board of Directors shall be an independent director.

The Board of Directors consists of the Chairman of the Board of Directors and directors. The Company's management consists of the Chairman of the Executive Board, the President, Senior Executive Vice President: Operation Group, Senior Executive Vice President: Administration Group, Executive Vice President: Construction 1, Executive Vice President: Construction 2, Executive Vice President: Construction 3, Executive Vice President: Construction 4, Executive Vice President: Engineering, Executive Vice President: Business Development, Executive Vice President: Purchasing, Executive Vice President: Accounting and Finance, Executive Vice President: Human Resource and General Administration, and Executive Vice President: Internal Audit Office.

11) The Board of Directors has monitored and supervised to ensure the Company's strategic implementation by setting out policy formulation process which is clear and ready for implementation, jointly meeting among high level executives, management and workers, planning process and plan implementation process in close cooperation with each other to convey knowledge and understanding of plans or action plans to all related personnel, namely, those who have a duty to be responsible for doing various projects, those who have a duty to conduct inspection and evaluation, appointing a working group to follow up performance, in which case, if it is found that performance fails to meet the target, trying to modify the action plans to ensure achievement of the set target.

#### 4. Board of Directors' Meetings

The Company schedules the Board of Directors' meetings in advance for directors to manage their time to attend the meetings, except for special agenda, the Chairman of the Board of Directors or the directors in the number specified by law may convene additional meetings as necessary. The Board of Directors regularly meets every two months. The President Office shall deliver the notice of the meeting, together with agenda and supporting documents, at least seven days prior to the meeting date for the Board's review prior to attending each meeting.

The agenda shall be determined by mutual discussion between the Chairman of the Board of Directors and the President. In 2020, the Board of Directors convened a total of seven meetings, one of which was convened with non-executive director without the management's presence in order to allow directors to independently discuss and share opinions as well as efficiently following up performance of the management. Moreover, the Executive Board meets on a monthly basis. Most of the directors were able to attend the meetings, except where they were engaged by urgent business. In every meeting, the Chairman of the Board of Directors shall serve as the chairman of the meeting to ensure each item shall be carefully considered and all directors shall be allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the matters to the satisfaction prior to voting on each item. In this regard, the minutes of the meetings are recorded in writing and systematically kept for inspection.

Moreover, the Board of Directors sets out a policy to prohibit directors and executives who are connected persons or interested persons in relation to any items to be considered from attending the meeting or voting on such item. In considering a connected person and interested person, the Board of Directors shall take into account such report on interests which all directors and executives shall have a duty to submit in accordance with the Board of Directors' policy requiring directors and executives to report their personal interests in order to disclose such information to the Chairman of the Board of Directors and the Chairman of the Audit Committee. In addition, the Board of Directors establishes a policy relating to minimum quorum of a Board of Directors' meeting to pass resolutions, whereby the directors present at the meeting shall not be less than two-thirds of all directors.



Meeting attendance of each director (attendances/total number of meetings) must be summarized as follows:

Directors	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee
1. Mr. Aswin Kongsiri <sup>(1)</sup>	7/7		1/1			
2. Mr. Plew Trivisvavet	7/7	12/12		2/2	4/4	
3. Mr. Vitoon Tejatussanasoontorn	7/7		4/4	2/2	4/4	
4. Mr. Thawansak Sukhawun <sup>(2)</sup>	5/5		3/3	1/1	3/3	
5. Mr. Pavich Tongroach	7/7		4/4			2/2
6. Mr. Narong Sangsuriya	7/7	12/12		2/2	4/4	
7. Miss Supamas Trivisvavet	7/7	12/12			3/4	
8. Mr. Prasert Marittanaporn	7/7	12/12				2/2
9. Mr. Ratn Santaannop <sup>(3)</sup>	5/5	9/9				
10. Mr. Phongsarit Tantisuvanitchkul <sup>(4)</sup>	1/1					
11. Mr. Anukool Tuntimas	7/7	12/12				2/2

Remarks: <sup>(1)</sup> Mr. Aswin Kongsiri was appointed as Audit Committee Member on October 7, 2020.  
<sup>(2)</sup> Mr. Thawansak Sukhawun resigned his position as director on September 24, 2020.  
<sup>(3)</sup> Mr. Ratn Santaannop resigned his position as director on October 6, 2020.  
<sup>(4)</sup> Mr. Phongsarit Tantisuvanitchkul was appointed as director on October 7, 2020.

## 5. Evaluation of Performance of the Board of Directors and the President

The Board of Directors has a policy to evaluate performance of the Board of Directors as a whole, subcommittees and directors on an individual basis at least once a year, and also requires an annual evaluation of performance of the President in accordance with the criteria prescribed by the Nomination and Remuneration Committee, in order to ensure that the Board of Directors has jointly considered their performance and address problems in the previous year and to improve the effectiveness in the Board of Directors' performance. Moreover, the Board of Directors has required a review of the evaluation subjects to be suitable and in line with the roles, duties and responsibilities, and the guidelines of the Principles of Good Corporate Governance.

As for evaluation criteria, they are calculated as a percentage from the full score in each subject. The evaluation forms of the Board of Directors and the President will be sent back to the Company Secretary to process the overview and conclude the scores. The following is the scoring criteria for each scale:

Evaluation Criteria	Excellent	Very Good	Good	Fair
Score (percent)	90-100	80-89	70-79	0-69

### 5.1 Self-Evaluation of the Board of Directors

The self-evaluation of the Board of Directors as a whole is divided into six subjects, namely, 1) structure and qualifications of the Board of Directors; 2) roles, duties and responsibilities of the Board of Directors; 3) the Board of Directors' meetings; 4) directors' performance of duties; 5) relationship with management; and (6) self-development of directors and development of executives. In 2020, the Company delivered the board evaluation form to each director for evaluating the overall performance of the Board of Directors as a whole so that the evaluation results would be proposed to the Board of Directors to consider improving its performance, with the evaluation results of the Board of Directors as a whole making an average score of 98.57 percent which was at excellent level. In this regard, most of directors' opinions can be summarized as follows:

#### 1) Structure and Qualifications of the Board of Directors

Most directors were of the view that the structure and qualifications of the Board of Directors were excellent and suitable to the nature of business operations of the Company. The Board of Directors comprised personnel with sufficient knowledge, ability and experiences in a variety of fields to perform their overall duties efficiently. In this regard, the Board of Directors appointed another five subcommittees, namely, 1. the Audit Committee with the duty to help supervise and monitor the business as well as considering the appropriateness and justifications of various transactions for the optimum benefit of the Company; 2. the Nomination and Remuneration Committee with the duty to consider criteria and procedures for nomination of qualified persons to be appointed as the Company's directors based on transparency, fairness, without influence of any persons; 3. the Corporate Governance and Risk Management Committee with the duty to establish policies and directions of operations in respect of the good corporate governance of the Company, including risk management; 4. the Corporate Social and Environmental Responsibility Committee with the duty to establish guidelines and policies on corporate social and environmental activities; and 5. the Executive Board with the duty to supervise and provide suggestions to the management, and proceed with other matters as assigned by the Board of Directors.

#### 2) Roles, Duties and Responsibilities of the Board of Directors

Most directors were of the view that the roles, duties and responsibilities of the Board of Directors were excellent, namely, the Board of Directors gave priority and contributed sufficient time to consider significant matters relating to directions of the Company's business operations, review the corporate governance policy of the Company, as well as ensuring compliance with various policies, review of the code of business ethics and compliance. The Board of Directors, at the same time, set a policy to prevent a conflict of interests. As for connected transactions and transactions which might have a conflict of interest, the Board of Directors also followed the procedures by taking into account the optimum benefit of the Company. Furthermore, the Board of Directors has regularly reviewed the internal control system to ensure good and sufficient internal control system and appropriate risk management, as well as following up and monitoring the performance of duties of the management in accordance with the policies as assigned by the Board of Directors.

#### 3) Board of Directors' Meetings

Most directors were of the view that the Board of Directors' meetings were excellent, namely, the Company gave prior notice of annual schedule of the meetings to directors so that they would be able to manage their time to attend every meeting. The number of meetings and agenda were suitable, thereby supporting the Board of Directors to perform duties efficiently and enabling it to supervise and monitor the Company's business operations with success. Moreover, directors also received supporting documents prior to each meeting and had sufficient time to study additional information in preparation for each meeting. The supporting documents contained sufficient information for decision making and they could ask for additional information in support of decisions to the benefit of the Company. Furthermore, the atmosphere at each Board of Directors' meeting allowed all directors to express constructive opinions without any influence of any persons. In addition, directors could fully discuss significant issues at each meeting.

#### 4) Directors' Performance of Duties

Most directors were of the view that directors' performance of duties was excellent, namely, they were well prepared and sufficiently study information prior to each meeting and regularly attend the meetings. In addition, directors independently provided their opinions and impartially considered various matters and were independent on voting, including useful suggestions for the Company's operations; and understood the significance of each matter and properly contributed their time to consider such matter; and opened for different opinions among them without any conflict.

#### 5) Relationship with Management

Most directors were of the view that the relationship with management was excellent. Directors could straightforwardly discuss with the President and maintain good relationship with management, whereby the President could request directors' advice as and when necessary and the Board of Directors did not interfere in the performance of duties of the management. Moreover, the Board of Directors also participated in solving problems as appropriate in case the management's performance of duties did not meet the operational plans and forecast budget.

#### 6) Self-Development of Directors and Development of Executives

Most directors were of the view that the self-development of directors and development of executives were excellent, namely, directors understood their roles, duties and responsibilities, had sufficient knowledge and understanding of the Company's business, paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the state of competition, which would allow directors to efficiently perform their duties. In this regard, all directors were trained to ensure their understanding of performance of duties in the capacity of directors. Furthermore, in case of new directors, the Board of Directors would have the management provide documents or briefing for the new directors to understand the business and performance of duties as directors. In addition, the Board of Directors also set out the succession plan to ensure continuity of performance of duties of the Company's high level executives.

Procedures and process of the performance evaluation are as follows:

1. The Nomination and Remuneration Committee reviews the self-evaluation form to ensure its accuracy and completeness in accordance with the criteria stipulated by the regulatory bodies;
2. The Company Secretary delivers a self-evaluation form to each director to evaluate the overall performance of the Board of Directors;
3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation to the Nomination and Remuneration Committee;
4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgment and improvement of their performance to be more efficient.

#### 5.2 Individual Performance Evaluation of Directors

The Chairman of the Board of Directors has conducted the performance evaluation of all directors since 2013 onwards in accordance with the criteria as specified by the Nomination and Remuneration Committee, the results of which would be used to consider establishing guidelines for improvement and development of performance of the Company's directors. In this regard, the individual performance evaluation of directors shall be divided into six subjects, namely, 1) qualifications of directors; 2) roles, duties and responsibilities of directors; 3) the Board of Directors' meetings; 4) directors' performance of duties; 5) relationship with management; and 6) self-development of directors, with the results of individual evaluation of directors having an average score of 96.64 percent which was at excellent level. Procedures/process of the performance evaluation can be summarized as follows:

1. The Nomination and Remuneration Committee reviews the self-evaluation form to ensure its accuracy and completeness in accordance with the criteria stipulated by the regulatory bodies;

2. The Company Secretary delivers self-evaluation forms of all directors to the Chairman of the Board of Directors to evaluate the individual performance of each director;
3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation to the Nomination and Remuneration Committee;
4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgment and improvement of their performance to be more efficient.

### 5.3 Evaluation of Performance of Subcommittees

The Board of Directors arranges for evaluation of performance of five subcommittees, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee, the results of which would be used to consider establishing guidelines for improvement and development of the subcommittees' performance to achieve the greater efficiency. In this regard, the performance evaluation of the subcommittees shall be divided into six subjects, namely, 1) structure and qualifications of the subcommittees; 2) roles, duties and responsibilities of the subcommittees; 3) the subcommittees' meetings; 4) the subcommittee members' performance of duties; 5) relationship with the Board ; and 6) self-development of subcommittee members. The results of evaluation of the five subcommittees can be summarized as follows:

Evaluation of Performance of Subcommittees	Average Score (percent)	Level
The Executive Board	99.50	Excellent
The Audit Committee	99.31	Excellent
The Nomination and Remuneration Committee	98.28	Excellent
The Corporate Governance and Risk Management Committee	100.00	Excellent
The Corporate Social and Environmental Responsibility Committee	99.24	Excellent

The opinions of committee members can be summarized according to each subject, as follows:

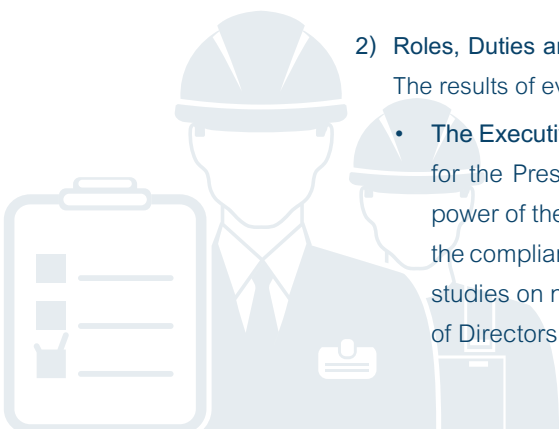
#### 1) Structure and Qualifications of the Subcommittees

The results of evaluation are excellent. All subcommittee members are of the opinion that the total number of all subcommittee members is appropriate to the nature of business operations of the Company, thereby allowing the subcommittees to perform the overall duties efficiently; and the subcommittees comprise personnel with sufficient knowledge and experience in a variety of fields, which enable them to perform the overall duties efficiently. In addition, the subcommittees also have the duties in providing assistance in the corporate governance, nominating qualified persons to hold offices as directors, with transparency and justice, without undue influence of any person, including appropriate and competitive remuneration sufficient to retain qualified directors, setting out policies and directions of the implementation in respect of the corporate governance of the Company, code of business ethics, as well as risk administration and management, taking care of and providing suggestions to the management, for the benefit of the Company's business operations under the good corporate governance.

#### 2) Roles, Duties and Responsibilities of the Subcommittees

The results of evaluation are excellent, which can be summarized as follows:

- **The Executive Board** has provided guiding policies, supervised, made suggestions and advice for the President and the management; has set up business plan, budget and managerial power of the Company as assigned by the Board of Directors; has inspected and followed up the compliance with the Company's policies and plans with efficiency; has conducted feasibility studies on new projects; and has reported on the Company's operational results to the Board of Directors.



- **The Audit Committee** has ensured that the financial statements have been prepared in accordance with the generally accepted accounting standards; the internal audit tasks have been supervised and monitored for ensuring the appropriate and effective internal audit system; the execution of transactions which may have a conflict of interest has been considered under the specified procedures and for the utmost benefit to the Company; the Company has complied with the securities and exchange law and other applicable laws; and the nomination of candidates for appointment, determination of remuneration, and assessment of the auditor's performance are appropriate.
- The Nomination and Remuneration Committee has ensured that the appropriate criteria for nomination of directors have been determined; the qualified candidates have been considered and nominated for appointment as the Company's directors; the appropriate and transparent criteria for consideration of remuneration for directors have been determined; remuneration for directors has been considered under the specified criteria for submission to shareholders; the results of the President's performance have been assessed under the specified criteria; and remuneration for the President has been considered in line with the results of assessment.
- The Corporate Governance and Risk Management Committee has conducted studies and followed up movement, tendency and practice in respect of the good corporate governance; has improved and made suggestions on the Company's corporate governance policy; has followed up and evaluated the results under the Company's good corporate governance; has considered policies and work plans relating to risk management; has monitored and reviewed the Company's overall risk management, strategies for risk management; and has reported on risks and actions taken to minimize risks to the Board of Directors.
- The Corporate Social and Environmental Responsibility Committee has conducted studies and followed up movement as well as monitored progress of social and environmental works; has improved and made suggestions on the Company's environmental policy; has searched information or followed up significant news in respect of environment, changes in laws and regulations; and has considered setting out policies and action plans in respect of social and environmental works.

### 3) The Subcommittees' Meetings

The results of evaluation are excellent. Subcommittee members are given prior notice of the annual schedule of the subcommittees' meetings, so as to enable them to manage time to attend every meeting; the number of the subcommittees' meetings is suitable to support the performance of its duties efficiently and to supervise and monitor the Company's business operations successfully; the agenda of the subcommittees' meetings are suitable to support the performance of its duties efficiently; subcommittee members are also given supporting documents prior to each meeting and sufficient time to read such information in preparation for each meeting; the supporting documents contain sufficient information for subcommittee members' decision making; and the subcommittees can request any other necessary information in support of their decisions for the benefit to the Company. The atmosphere at each subcommittees' meeting allows all subcommittee members to express constructive opinions without undue influence of any person, thereby enabling subcommittee members to fully discuss significant issues in each subcommittees' meeting.

### 4) Subcommittee Members' Performance of Duties

The results of evaluation are excellent. Subcommittee members are well prepared and sufficiently study information prior to each subcommittees' meeting; subcommittee members have regularly attended the subcommittees' meetings, independently provide their opinions; subcommittee members impartially consider various matters and are independent in making decisions or passing resolutions without undue influence of any individual; subcommittee members have provided useful suggestions for the Company's operations; subcommittee members understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and subcommittee members accept different opinions among them without conflict.



### 5) Relationship with Management

The results of evaluation are excellent. Subcommittee members may straightforwardly discuss with the President; the subcommittees maintain a good relationship with management; and the President can request subcommittee members' advice as necessary; the subcommittees do not intervene with management's performance of duties; and the subcommittees participate in solving problems as appropriate in case management's performance does not meet the specified plans and budget.

### 6) Self-Development of Subcommittee Members and Development of Executives

The results of evaluation are excellent. Subcommittee members understand their roles, duties and responsibilities; subcommittee members have sufficient knowledge and understanding relating to the Company's business to ensure efficiency in their performance; subcommittee members have paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the status of competition, which allows subcommittee members to efficiently perform their duties; all subcommittee members undergo training to ensure their understanding of the performance of duties in their capacity as members; subcommittee members are well prepared and sufficiently study information prior to each subcommittees' meeting; subcommittee members have regularly attended the subcommittees' meetings; subcommittee members independently provide their opinions; subcommittee members impartially consider various matters and are independent in making decisions or passing resolutions without undue influence of any individual; subcommittee members have provided useful suggestions for the Company's operations; subcommittee members understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and subcommittee members accept different opinions among them without conflict.

Procedures and process of the performance evaluation are as follows:

1. The Subcommittees prepare a self-evaluation form in accordance with the good corporate governance principles of the Thai Institute of Directors Association and the guidelines for performance of the subcommittees;
2. The secretary to the subcommittees summarizes and reports the results of performance evaluation of the subcommittees for improvement of their performance to be more efficient.
3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation of the subcommittees to the Nomination and Remuneration Committee.
4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgement and improvement of their performance to be more efficient.

## 5.4 Evaluation of Performance of the President

Independent directors have continued to evaluate performance of the President every year from 2012 in accordance with the criteria as specified by the Nomination and Remuneration Committee. The Board of Directors has authorized the Nomination and Remuneration Committee to consider proposing to the Board of Directors for consideration and approval remuneration and other benefits as appropriate for the President, based on the results of annual performance evaluation. In this regard, the evaluation of performance of the President shall be divided into three chapters, namely, 1) progress of action plans and success of business goals; 2) performance measurement; and 3) CEO development. The results of evaluation of the President had an average score of 97.38 percent which was at excellent level. The independent directors' opinions can be summarized as follows:

### 1) Progress of Action Plans and Success of Business Goals

Evaluation based on Chapter 1: Progress of action plans and success of business goals, the independent directors have evaluated the performance of the President by taking into consideration the operations in 3 main areas, namely, operational results in 2020, finance, and development of personnel and technology, with the Company's operational results in all such three areas meeting the Company's goals so evaluated, especially in the area of development of personnel and technology, the President has continued to monitor and support development of personnel, and also paid attention to change of AI (Artificial Intelligence) which would impact on the organization in terms of personnel, including machinery and equipment required for construction work.

## 2) Performance Measurement

Evaluation based on Chapter 2: Performance measurement, the independent directors have conducted evaluation of the performance of the President by taking into consideration 10 topics, comprising:

- 1) Leadership
- 2) Determination of Strategies
- 3) Compliance with Strategies
- 4) Financial Planning and Performance
- 5) Relationship with the Board of Directors
- 6) Relationship with Third Parties
- 7) Management and Relationship with Personnel
- 8) Succession
- 9) Knowledge in terms of Products and Services
- 10) Personal Characteristics

In this regard, the results of evaluation based on Chapter 2: Performance measurement had an average score of 97.38 percent which was at excellent level.

## 3) CEO Development

Evaluation based on Chapter 3: CEO development, the independent directors have evaluated the President's performance based on the strengths that the President should further maintain, which lay in, such as, high knowledge and capability, commitment to self-development, good crisis management, and fostering the teamwork, etc. The matters of which the President should be aware for self-development in the next year included, for instance, preparedness to cope with future fluctuations in construction business under the New Normal in parallel with succession planning for key positions by taking into internal and external circumstances account, in an efficient manner, etc.

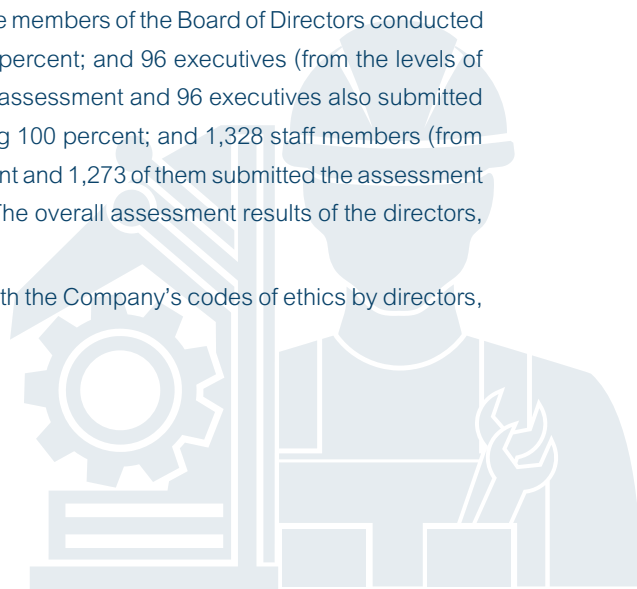
## 6. Assessment of Performance in Compliance with the Company's Code of Ethics

The Board of Directors sets out the Company's code of ethics as principles and goals of the Company's business operations, and guidelines for performance of all directors, executives and staff. Directors, executives and staff will assess their performance of compliance with the Company's code of business ethics every year.

For the purpose of communication and promotion of compliance with the Company's code of ethics, the Human Resources Department has defined the Company's written code of business ethics for the Company's directors, management, and staff, and to that end, training on compliance with the Company's code of business ethics is always provided for all. In 2020, there were 12 training sessions, in which 24 new staff were trained.

In addition, the Company has arranged for its directors, management and staff to assess the results of their own compliance with the Company's code of business ethics. In 2020, all nine members of the Board of Directors conducted such assessment and submitted the assessment results, representing 100 percent; and 96 executives (from the levels of section manager to the Chairman of the Executive Board), conducted such assessment and 96 executives also submitted such assessment results to the Human Resources Department, representing 100 percent; and 1,328 staff members (from the levels of division manager to operating officer) conducted such assessment and 1,273 of them submitted the assessment results to the Human Resources Department, representing 95.86 percent. The overall assessment results of the directors, management, and staff were considered excellent.

In this regard, the overall assessment results of compliance with the Company's codes of ethics by directors, management, and staff can be summarized as follows:



1. Compliance with the code of ethics: Understanding and adhering to the guidelines as specified in the Company's code of ethics.
2. Guidelines for business operations: Strictly complying with the laws applicable to the Company and the trading business under the desirable morality, including the Company's policies.
3. Conflict of interests: Not disclosing any confidential information of the Company to any third party; refraining from any act which will give rise to a conflict of interests between their own interest and the Company's interest; not involving in nor holding any share in any business which may have a conflict of interests with the Company.
4. Insider trading: Not disclosing any insider information which has not yet been disclosed to the public, which may affect the prices or trading of securities of the Company and its related companies.
5. Commitments to shareholders: Making an effort in best to create value added to the organization to ensure its capability to accommodate the business growth and expand its business with continuity and create value added to the shareholders in the long run.
6. Responsibilities for executives and staff: Setting out guidelines and practices for taking care of working environment to ensure safety for their life and properties at all times.
7. Commitments to communities, society and environment: Providing cooperation in making benefits for the communities, society and environment on an occasional and ready basis.
8. Disclosure of information and confidentiality: Complying with the policy to efficiently manage the Company's information, by disseminating necessary, correct and proper information to the public on an occasional basis; and not disclosing the Company's information which has not yet been disclosed to the public, including any personal information, nor using any information as known from performance of duties for their own interest.
9. The Company's assets: Setting out practices in taking care of the Company's assets to prevent them from loss, damage or misuse.
10. Gifts and parties: Setting out practices regarding giving of gifts and holding of parties by refraining from receiving any item or benefit from counterparts, contractual parties or persons who have connection with the Company's business, except during festival or according to custom, in which case, at the reasonable value as shall be considered by recipient.

## 7. Remuneration for Directors and Executives

Remuneration for directors :	The Company establishes a clear and transparent policy on remuneration for directors and the President in line with duties and responsibilities of each director as chairman or member of subcommittee, subject to review by the Nomination and Remuneration Committee. The remuneration shall be at the same level as that in the same industry and sufficient to retain the qualified directors.
Remuneration for President :	The Company formulates policies on remuneration for President. The Nomination and Remuneration Committee shall consider remuneration of the President in line with the Company's operational results in the short term and long term, and performance of the President for submission to the Board of Directors for consideration each year.
Remuneration for executives :	Remuneration for executives shall be in accordance with the principles and policies determined by the Board of Directors corresponding to the Company's operational results and performance of the executives.

## 8. Development of Directors and Executives

### • Training for Directors and Executives

The Board of Directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, involving both internal and external training courses. All directors must attend training for understanding of performance of their duties in their capacity as directors. The Board of Directors and the high level executives realize the significance of participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Directors Accreditation Program (DAP), The Role of Chairman (RCP), Audit Committee Program, Role of Compensation Committee (RCC).

In this regard, the Company has regularly sent directors and executives to attend training courses organized by the IOD and other institutions. In 2020, directors and executives attended various training courses, as follows:

Names of Directors and Executives	Training Date	Course / Organized by
1. Mr. Pornnarong Siriyothin	November 12, 2020	Management of Assets and Materials for Project Works (CK) / ERP Project Management Department
2. Dr. Anukool Tuntimas	September 18, 2020	Knowledge of Construction Laws / The Consulting Engineers Association of Thailand
	December 17, 2020	Taxation on Wages, Staff Welfare Personnel Department and Accounting Department Should Definitely Not Miss / Dharmniti Seminar and Training Co., Ltd.
3. Mrs. Rinrada Tangtrongkid	June 12, 2020	Guidelines for Financial Reporting of Companies Affected by COVID-19 / Thai Listed Companies Association
	August 25, 2020	Transfer Pricing between Related Companies / NYC Management Co., Ltd.
	November 7, 2020	CFO Refresher Course / Stock Exchange of Thailand
4. Mr. Wiboon Ungapipathanachai	August 25, 2020	Transfer Pricing between Related Companies / NYC Management Co., Ltd.
	September 18, 2020	Knowledge of Construction Laws / The Consulting Engineers Association of Thailand
	September 24, 2020	Self-Adaptation of Accountants to Accountants in the Digital Age for Presentation of Report on Financial Statement Analysis / Dharmniti Seminar and Training Co., Ltd.
	October 28, 2020	Property, Plant, Equipment in 2020 and Financial Reporting Standards related to Land and Building Tax Act / NYC Management Co., Ltd.
	November 5, 2020	Accounting Change Update in 2020 / Dharmniti Seminar and Training Co., Ltd.
	November 25, 2020	Corporate Income Tax and VAT Planning to Help Reduce the Tax Burden / Dharmniti Seminar and Training Co., Ltd.
	December 17, 2020	Taxation on Wages, Staff Welfare Personnel Department and Accounting Department Should Definitely Not Miss / Dharmniti Seminar and Training Co., Ltd.

- **Orientation for New Directors**

The Company also arranges for orientation for newly-appointed directors, whereby the Board of Directors assigns the Company Secretary to meet newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answer to questions, as well as preparing documents and briefing for new directors, such as, information relating to the Company, business overview, shareholding structure, organization structure, listed company director's handbook, the Corporate Governance Code, code of ethics, power and duties of the Board of Directors, the annual schedule of the Board of Directors' meetings. Meanwhile, the Company allows directors to attend any training course as suggested by the Office of the SEC and organized by the Thai Institute of Directors (IOD).)

## 9. Succession Plan

The Board of Directors sets out a succession plan for executive level and in the primary line of work, by significantly taking into account the performance, potentials and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions for succession in the event that the Managing Director or executives in the key positions are not able to perform duties.

An executive who has been assigned to succeed an office shall not only be qualified and experienced in an appropriate field, but also accept transfer of knowledge and experience by rotation to other related work units, as well as attending additional necessary training courses to be well prepared in the performance of duties in a higher position in the future, and to ensure smooth succession and continued management.

The Company sets up a human resource management system with sufficient allocation, control and following up of the assessment in respect of nomination process for qualified and knowledgeable persons as required; appropriate and fair remuneration; determination of duties and responsibilities, performance of personnel; performance standard; personnel development; and efficient communication, to ensure staff knowledge and skills, by applying a performance evaluation system in support of consideration of remuneration as appropriate for staff ability and performance.

## 9.2 Subcommittees

(1) The Company's management structure comprises the Board of Directors and five subcommittees, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee. The names of members of subcommittees, including authority and duties of the respective committees are as follows:

### A. Executive Board

The Board of Directors appoints the Executive Board to help give suggestions and advice to management and make other arrangements as assigned by the Board of Directors. As at December 31, 2020, the Executive Board consists of five members, namely:

Names	Positions
1. Mr. Plew Trivisvavet	Chairman of the Executive Board
2. Miss Supamas Trivisvavet	Executive Director
3. Mr. Narong Sangsuriya	Executive Director
4. Mr. Prasert Marittanaporn	Executive Director
5. Mr. Anukool Tuntimas	Executive Director

The Executive Board meets monthly for consideration of various matters within the scope of the authority assigned by the Board of Directors and for screening matters to be proposed to the Board of Directors for consideration and approval.

#### **Executive Board's Authority**

The Board of Directors authorizes the Executive Board to have the following authority:

- 1) Providing policy guidelines, appointing, prescribing powers and duties, supervising, monitoring, coordinating and prescribing powers and duties of special working groups or work management groups, as well as considering and approving various proposals submitted by the special working groups or the management groups;
- 2) Approving proposals submitted by various working groups for the purposes of management of work and business operations in accordance with the Company's objectives;
- 3) Conducting feasibility studies on new projects and having power to consider approving participation in various biddings, including operation of various projects as it deems appropriate, as well as entering into any juristic acts related thereto until completion;
- 4) Conducting feasibility studies on investment in new projects and having power to consider granting approval for the Company to invest or jointly invest with other persons, legal entities, groups of persons in various forms for conducting business in compliance with the objectives within the amount of not exceeding Baht 3,000 Million per project, including investment in other manners, such as, purchase of shares, exchange of shares with other legal entities as it deems appropriate, as well as entering into any juristic acts related thereto until completion;
- 5) Prescribing, considering, and approving regulations, rules, work management and business operation policy guidelines or any actions binding the Company;
- 6) Providing advice, consultation and determining policy guidelines and authorities of the President and special working groups;
- 7) Having power to approve, appoint, employ, remove, impose disciplinary action, determine salary, wages, benefits, bonus, allowances, and other remunerations, including expenses and facilities of the Company's officers or staff in the position of department directors or higher, including Assistant Managing Director, Deputy Managing Director or equivalent or various special working groups for specific operation;
- 8) Proceeding with other matters in accordance with the policy as assigned by the Board of Directors;
- 9) Having power to appoint any person or group of persons to operate the Company's business under control of the Executive Board or authorize such person or group of persons to take any action as the Executive Board deems appropriate, and change, amend, repeal and revoke such authority;
- 10) Having power to appoint the Chairman of the Advisory Committee or advisors or Advisory Committee for Executive Board as appropriate, and determine remuneration, allowances, benefits, facilities and other expenses of the Chairman of the Advisory Committee or advisors or the Advisory Committee as appropriate;
- 11) The Executive Board or the Chairman of the Executive Board has power to convene the Executive Board's meetings and/or determine rules and regulations of the meetings as it deems appropriate;
- 12) In the case that the Chairman of the Executive Board cannot perform duties, the Chairman of the Executive Board shall appoint a substitute to perform duties on his or her behalf on each occasion, whereby the substitute shall have authorities equal to the Chairman of the Executive Board;
- 13) Considering and approving for authorization of executives to operate and manage business in accordance with the relevant rules, regulations and requirements;



- 14) Having power to approve and withdraw money from all accounts of the Company, and use credits provided by all banks or financial institutions for the Company, including apply for opening accounts and/or apply for credits in various forms with all banks or financial institutions, as well as placing securities of the Company as collateral against such debts, regardless of whether or not it requires registration.

#### B. Audit Committee

The Board of Directors appoints the Audit Committee to help supervise and monitor the Company's business. Mr. Vitoon Tejatussanasoontorn, an independent director who has knowledge in accounting and finance, was appointed as Chairman of the Audit Committee. As at December 31, 2020, the Audit Committee consists of three independent directors, namely:

Names	Positions
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Audit Committee
2. Mr. Aswin Kongsiri	Audit Committee Member
3. Mr. Pavich Tongroach	Audit Committee Member

With a three-year term of office.

**Remark:** \* Serving as Audit Committee member with the knowledge and experience in review of the Company's financial statements.

The Audit Committee regularly meets at least every three months with the external auditor, internal auditor, management team and executives who are accountable for accounting and finance, for review of financial statements on a quarterly basis and report to the Board of Directors, or in case the management team would execute any connected transactions or transactions relating to acquisition or disposition of assets, which appropriateness, justification of such transactions and the utmost benefits of the Company shall be taken into account, the Chairman of the Audit Committee may convene an additional meeting. In 2020, the Audit Committee convened a total of four meetings.

#### Audit Committee's Authority

The Board of Directors authorizes the Audit Committee to have the authority as follows:

- 1) Reviewing to ensure that the Company's financial reports are accurate and adequate;
- 2) Reviewing to ensure that the Company's internal control and internal audit systems are suitable and effective, considering the independence of the internal audit unit as well as providing opinions on consideration for appointment, transfer, termination of employment of head of the internal audit unit or any other unit responsible for the internal audit;
- 3) Reviewing to ensure the Company's performance in compliance with the securities and exchange law, requirements of the SET and the laws relating to the Company's business;
- 4) Considering, selecting, submitting for appointment and termination of person who is independent to serve as the Company's auditor, proposing remuneration of such person as well as meeting with the auditor without the management team at least once a year;
- 5) Considering connected transactions or transactions which may have conflict of interest in compliance with the laws and requirements of the SET in order to ensure that such transactions are justified and of the utmost benefit to the Company;
- 6) Preparing reports of the Audit Committee to be disclosed in the Company's Annual Report, whereby such reports must be signed by the Chairman of the Audit Committee and be comprised of at least the following information:
  - (a) opinions on correctness, completeness, and reliability of the Company's financial reports;
  - (b) opinions on adequacy of the Company's internal control system;

- (c) opinions on compliance with the securities and exchange law, requirements of the SET or laws relating to the Company's business;
  - (d) opinions on appropriateness of the auditor;
  - (e) opinions on transactions which may have conflict of interest;
  - (f) number of meetings of the Audit Committee and attendance of each Audit Committee member;
  - (g) overall opinions or observations by the Audit Committee from the performance of duties in accordance with the charter;
  - (h) other matters that should be informed to shareholders and general investors within the scope of the authority and responsibilities assigned by the Board of Directors.
- 7) Performing any other activities as assigned by the Board of Directors of the Company and approved by the Audit Committee.

### C. Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to nominate and consider remuneration for directors and the President to ensure transparency and fairness. Mr. Vitoon Tejatussanasoontorn, an independent director, was appointed as Chairman of the Nomination and Remuneration Committee in line with the Corporate Governance Code stipulating that chairmen of subcommittees should be an independent director. As at December 31, 2020, the Nomination and Remuneration Committee consists of three members, namely:

Names	Positions
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Nomination and Remuneration Committee
2. Mr. Plew Trivisvavet	Nomination and Remuneration Committee Member
3. Mr. Narong Sangsuriya	Nomination and Remuneration Committee Member

With a three-year term of office.

In 2020, the Nomination and Remuneration Committee convened two meetings for nomination of qualified persons to be proposed and appointed as directors to replace those who were due to retire by rotation and for consideration of remuneration for directors for 2020 and bonus for 2019 for submission of the same to the 2020 Annual Ordinary General Meeting of Shareholders for consideration and approval, and consideration of remuneration for the President for submission of the same to the Board of Directors for consideration and approval.

### Nomination and Remuneration Committee's Authority

The Board of Directors authorizes the Nomination and Remuneration Committee to have the authority as follows:

- 1) Considering the nomination criteria and procedures, as well as selecting and proposing qualified persons to hold the position of the Company's directors to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for appointment;
- 2) Considering, selecting and proposing qualified persons to hold the position of the President to the Board of Directors for appointment;
- 3) Considering and determining criteria on consideration for remuneration for directors and the President;
- 4) Considering, determining and proposing remuneration for directors to the shareholders' meeting for approval;
- 5) Considering and reviewing rates of salary and other remuneration for the President and proposing the same to the Board of Directors for approval;
- 6) Proceeding with other matters as assigned by the Board of Directors.

#### D. Corporate Governance and Risk Management Committee

The Board of Directors appoints the Corporate Governance and Risk Management Committee to supervise and monitor performance of the directors and the management to ensure compliance with the Corporate Governance Code and to oversee and support the risk management to achieve success in the organizational level. As at December 31, 2020, the Corporate Governance and Risk Management Committee consists of four members, namely:

Names	Positions
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Corporate Governance and Risk Management Committee
2. Mr. Plew Trivisvavet	Corporate Governance and Risk Management Committee Member
3. Mr. Narong Sangsuriya	Corporate Governance and Risk Management Committee Member
4. Miss Supamas Trivisvavet	Corporate Governance and Risk Management Committee Member

With a three-year term of office.

The Corporate Governance and Risk Management Committee met to follow up and evaluate the results of compliance with the Corporate Governance Code and the risk management plan of the Company. In 2020, the Corporate Governance and Risk Management Committee convened four meetings.

#### Corporate Governance and Risk Management Committee's Authority

The Board of Directors authorizes the Corporate Governance and Risk Management Committee to have the authority as follows:

##### Corporate Governance

- 1) Determining and proposing policies and directions of operations in respect of the good corporate governance of the Company, including the code of business ethics, to the Board of Directors for consideration and approval for further compliance at all levels;
- 2) Supervising and monitoring the business operation of the Company and performance of the Board of Directors, the management and personnel of the Company to ensure compliance with Clause 1);
- 3) Evaluating and reviewing policies, directions, code of ethics, and best practices or practical guidelines in respect of the good corporate governance of the Company to ensure compliance with the international practices and recommendations of various institutions, as well as proposing the same to the Board of Directors for further consideration and approval;
- 4) Following up on movement, tendencies, as well as comparing performance in respect of the good corporate governance of the Company with the practices of other leading companies;
- 5) Overseeing and promoting performance of works to ensure proper compliance with the corporate governance policy on a continuous basis and suitability for the Company's business;
- 6) Giving advice to the Company, the Board of Directors, the management and working groups on the matters relating to the good corporate governance;
- 7) Reporting on the corporate governance of the Company to the Board of Directors on a regular basis, and immediately reporting to the Board of Directors for consideration in case there is any matter materially affecting the Company, as well as providing opinions on the practices and suggestions for improvement and resolution as appropriate;
- 8) Disclosing information relating to the good corporate governance of the Company to related parties and in the Annual Report, provided that it shall always be proposed to the Board of Directors for prior approval;
- 9) Establishing any working group as it deems appropriate.

### Risk Management

- 1) Determining policies and scope of risk management operations of the Company, as well as giving advice to the Board of Directors and the management on risk management;
- 2) Overseeing and supporting the risk management to ensure successful implementation by emphasizing the significance of and taking into account risk factors in support of the decision making as appropriate;
- 3) Considering the Company's material risks in line with the Company's business, e.g., in terms of investment, finance, security, law, rules and regulations, by suggesting measures to prevent and minimize risks to stay at an acceptable level, as well as following up, evaluating and improving the working plans for minimizing risks on a continual basis as appropriate to the condition of the business operation;
- 4) Reporting risk assessment results and operations for minimizing risks to the Board of Directors on a regular basis, and promptly reporting to the Board of Directors for consideration in case there is any matter materially affecting the Company;
- 5) Establishing any working group as it deems appropriate.

### E. Corporate Social and Environmental Responsibility Committee

The Board of Directors appoints the Corporate Social and Environmental Responsibility Committee to supervise the Company's operations in respect of the corporate social and environmental responsibility by focusing on the impact on its shareholders and stakeholders. As at December 31, 2020, the Corporate Social and Environmental Responsibility Committee consists of three members, namely:

Names	Positions
1. Mr. Pavich Tongroach	Chairman of the Corporate Social and Environmental Responsibility Committee
2. Mr. Prasert Marittanaporn	Corporate Social and Environmental Responsibility Committee Member
3. Mr. Anukool Tuntimas	Corporate Social and Environmental Responsibility Committee Member

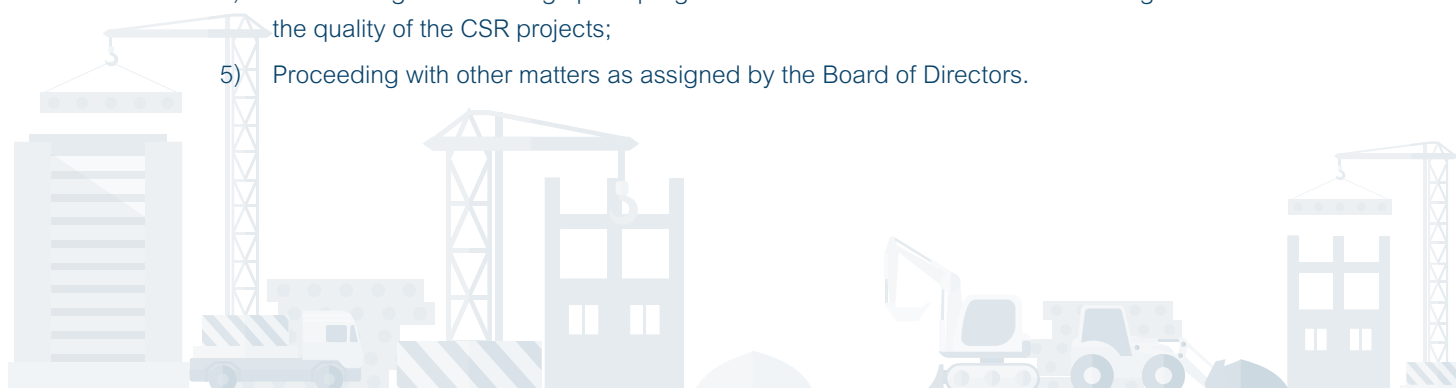
With a three-year term of office.

The Corporate Social and Environmental Responsibility Committee met to follow up progress of the social and environmental works of the Company. In 2020, the Corporate Social and Environmental Responsibility Committee convened one meeting.

### Corporate Social and Environmental Responsibility Committee's Authority

The Board of Directors authorizes the Corporate Social and Environmental Responsibility Committee to have the authority as follows:

- 1) Considering establishing the corporate social and environmental guidelines and policies for submission to the Board of Directors;
- 2) Considering and approving the Company's strategies to meet the CSR target and policies;
- 3) Considering the action plans and the annual budget for the CSR implementation for submission of the same to the Executive Board and the Board of Directors;
- 4) Considering and following up the progress of the CSR works as well as assessing the result and the quality of the CSR projects;
- 5) Proceeding with other matters as assigned by the Board of Directors.



### President's Authority

The Board of Directors authorizes the President to have the authority as follows:

- (1) Having authority to supervise and monitor all businesses of the Company to ensure compliance with the resolutions and policies of the Board of Directors and the Executive Board;
- (2) Having power to approve, appoint, remove, engage, impose disciplinary actions, determine salary, bonus, pension, welfare and other remuneration, including expenses and facilities of the Company's officers or staff in the position lower than division general manager downwards (excluding Senior Executive Vice President, Executive Vice President, and division manager or equivalent) and, if applicable, substitute any working groups, the Board of Directors/committees, management team, groups of persons or executives as appropriate;
- (3) Having power to approve any juristic acts binding upon the Company in the amount not exceeding Baht 60,000,000 (Sixty Million Baht Only) per transaction;
- (4) Having power to sign and affix the Company's seal on cheques and withdraw money from all accounts of the Company and utilize credit facilities available to the Company by all banks or financial institutions in the amount not exceeding Baht 60,000,000 (Sixty Million Baht Only) or equivalent per transaction;
- (5) Authorizing from time to time the Company's staff in the executive positions (Senior Executive Vice President, Executive Vice President, division manager or equivalent) to perform duties on behalf of the President in certain matters (such as purchase order, procurement, payment order) as appropriate;
- (6) Having power to issue, amend, add, update regulations, orders and work rules of the Company, such as, assignment, appointment, removal of staff and employees, including disciplinary punishment against them, determination of salary and other monies, together with various aid and welfare;
- (7) Having duty to propose the statement of financial position, the statement of income, the statement of changes in shareholders' equity, and the cash flow statement of the Company to the Board of Directors;
- (8) Conducting a feasibility study for new projects and having power to consider approving projects as assigned by the Executive Board;
- (9) Appointing a person acting in place of the President from time to time in the event that the President is unable to perform his/her duties, whereby such acting person shall have the same authority as the President;
- (10) Having power to appoint any persons or groups of persons to engage in the Company's business under the supervision of the President, or, if applicable, authorizing such persons to make arrangements as the President deems appropriate and having power to change, amend, revoke and repeal such authorization;
- (11) Proceeding with other matters as assigned by the Board of Directors or the Executive Board from time to time.

### 9.3 Nomination and Appointment of Directors and Top Management

#### (1) Nomination of Independent Directors

The Nomination and Remuneration Committee nominates directors who are qualified in terms of useful skills and experience for the Company and meet the full qualifications of independent director. The Company has adjusted the definition of the Company's independent directors to become stricter than the definition set out by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

#### Qualifications of Independent Directors

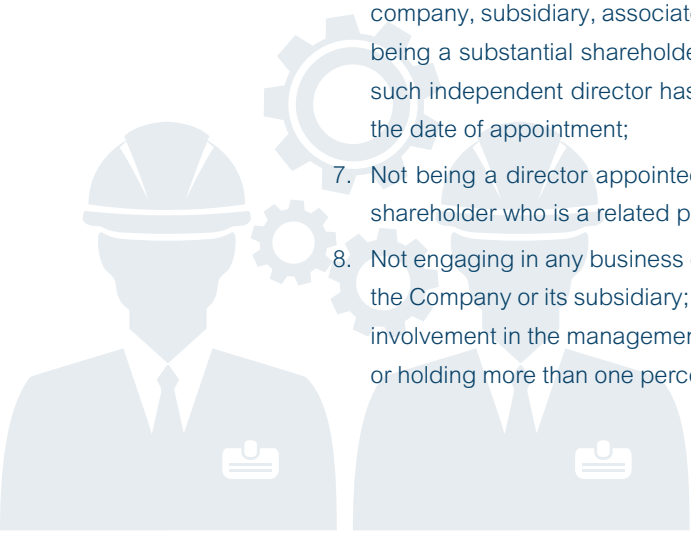
1. Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, including shares held by any related persons;

2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiary, associated company, subsidiary at the same level, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment, provided that such prohibited characteristics shall not apply to the independent director who has been a public servant or an advisor to a government authority which is the Company's major shareholder or controller;
3. Not being a person having relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring, executive, major shareholder, controller or person to be nominated as executive or controller of the Company or its subsidiary;
4. Not having or having had any business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;

The aforesaid business relationship shall include any transaction which is an ordinary course of business for the business operation of lease taking or lease out of immovable property, any transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower;

Such indebtedness shall be calculated in accordance with the calculation method for value of the connected transaction under the Notification of the Capital Market Supervisory Board governing Rules on Connected Transactions, mutatis mutandis. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to the date on which the business relationship with the same person occurs;

5. Not being or having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiary; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging





in any business of the same nature as and in material competition with the business of the Company or its subsidiary;

9. Not having any other characteristics preventing provision of independent opinions on the Company's operations.

## (2) Nomination of Directors and Top Management

### 2.1 Nomination of Directors

#### 2.1.1 Criteria

The Nomination and Remuneration Committee considers nominating 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, in accordance with the following criteria:

1. Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the Office of the SEC and rules of the SET.
2. Having knowledge, ability and experience in a variety of fields which will be beneficial and create value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative, and performance of duties with responsibility, due care, integrity and full-time contribution, etc.
4. In case of a director who retires by rotation, there should be consideration from his past records as to whether he performed duties as director with due care, integrity and full-time contribution.
5. In the nomination of directors, there should be consideration of the required qualifications taking into account necessary skills for the Board and qualifications in line with the Company's business strategies.

The Nomination and Remuneration Committee shall nominate such qualified persons to the Board of Directors for consideration for submission to the shareholders' meeting for appointment as directors.

#### 2.1.2 Nomination Procedures

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

1. Nominating qualified candidates to fill the vacancy.
2. Considering qualifications of candidates nominated by minor shareholders according to the Company's policy to allow shareholders to propose their nominations in advance (if any).
3. Proposing the nominations to the Board of Directors for consideration and appointment (in case of interim vacancy).
4. Considering proposing the nominations to the Board of Directors for consideration and approval for submission to the annual ordinary general meeting of shareholders for appointment.

Pursuant to the Articles of Association, at every annual general meeting, at least one-third of the number of directors shall vacate their office. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. Therefore, directors have a term of three years, and a retiring director may be re-elected. In this regard, the Company does not fix the number of terms of holding office as director or the number of other listed companies in which the directors will hold office as directors, but considers the suitability of appointment of directors who are due to retire by rotation to resume office.

Pursuant to the Articles of Association, the criteria and procedures for appointment of directors :

- ## 2.2 Nomination of President and Executives

- Besides, in nomination of directors, President, and high-ranking executives of the Company, the Board has analyzed and nominated persons who have experience, qualifications and skills essential for the business. The Board's policies stipulating that the structure of the Board of Directors shall be composed of those who possess various fields, whether it would be professional skills, expertise in specific fields, and gender, etc., have been established. The Board has analyzed vital skills as required by the Company for nomination of directors and also analyzed the members of the current Board of Directors, with the results that the current Board of Directors, as a whole, have experience, qualifications and skills as required by the Company.

[illegible][illegible]

#### 9.4 Supervision of Operations of Subsidiaries and Associated Companies

(1) The Board of Directors has its governance mechanism to monitor and supervise the management and responsibility for operations of subsidiaries and associated companies in order to protect interests in the Company's investments. The Company's representatives shall be assigned to hold office as directors, executives, or controllers in such companies according to the shareholding proportion. The Company specifies that the assignment of such representatives shall be subject to approval by resolution of the Board of Directors' meeting, and such persons who are appointed as directors in subsidiaries or associated companies shall have the duty to ensure the best interests of such subsidiaries or associated companies; provided that such appointed persons shall obtain approval from the Board of Directors of the Company prior to passing a resolution or exercising the voting right on significant matters at the same level as that shall be approved by the Board of Directors in the Company's operations. The Company sets out the scope of power, duties and responsibilities of directors and executives as the Company's representatives in such companies to control or participate in the determination of significant policies on their business operations, with the governance mechanism for accurate and full disclosure of financial position and operational results; execution of connected transactions between such companies and related persons; acquisition or disposition of assets; or execution of any other significant transactions of such companies. Rules and regulations relating to disclosure and execution of transactions above shall be similar to those of the Company.

Moreover, in case of a subsidiary, the Company has set up rules that persons who are appointed by such subsidiary shall monitor to ensure that such subsidiary has its articles of association regarding connected transactions, acquisition or disposition of assets, or any other material transactions of such subsidiary to ensure completeness and correctness, and using the criteria relating to the disclosure of information and the execution of the aforesaid transactions in the same manner as those of the Company, as well as monitoring to keep and make information and accounting records of such subsidiary available for the Company's review and use in support of the preparation of the consolidated financial statements in due course.

The Company determines that its subsidiaries and associated companies are required to notify the Company of their execution of connected transactions and transaction on acquisition or disposition of assets, as well as other transactions which are material to the subsidiaries' operations. Prior to execution of such transactions, each subsidiary shall obtain approval for execution of such transaction from the Company, in order to allow the Company to control and specify directions of the subsidiary's business operations. In the event that the subsidiaries and associated companies have the investment expansion plan or have conducted the feasibility study on any new project, the subsidiaries and associated companies shall propose such investment plan, project development schedule, and report on progress of the process and details of the investment plan, to enable the Company to assess the feasibility of the project, fund usage plan, and to closely follow up the progress, including material problems and obstacles which may arise from the development of the project.

(2) The Company has no any shareholders' agreement between the Company and other shareholders in respect of management of subsidiaries and associated companies which are material to the operations of the Group or administration or sharing of returns other than such normal returns from its shareholding.

#### 9.5 Control of Inside Information Usage

The Company determines its control of inside information usage in accordance with the Corporate Governance Code, as follows:

##### 1) Policy and monitoring of directors and executives

The Company must keep directors and executives informed of the SEC's applicable notifications requiring directors and executives to report on every change in their securities holdings to the SEC pursuant to Section 59 of the Securities and Exchange Act B. E. 2535 (1992) within three business days from the date of such change in securities holdings. The Company Secretary must be informed thereof to keep records of such change and summarize the number of securities holdings by directors and executives on an individual basis for submission to the Board of Directors for

acknowledgement in the next meeting. In addition, punishments in case of any violation or non-compliance with such rules are also informed. In this regard, the directors and executives have acknowledged and strictly comply with the policies and relevant laws regarding inside information usage.

- 2) Measures relating to protection of inside information
  1. Not using inside information for personal interests or others.
  2. Identifying and restricting persons who are authorized to access inside information, whereby the authorized persons shall not disclose such information to other persons until such information has been disclosed to the public in accordance with various regulations.
  3. Disclosing information which has a material effect on the operations via the SET's channel prior to disclosure to any specific groups of investors.
  4. Insiders should refrain from trading securities or should wait until the public has been informed of such information with a reasonable period of time to study such information.
- 3) Protection and prevention of inside information usage
  1. The Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or the interests of others. The work rules and regulations of the Company prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct.
  2. The Company has a control system for use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by setting authorization level of staff's access to the Company's information as appropriate for their responsibilities.
  3. The Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of the Securities and Exchange Act, including relevant rules and regulations.

In this regard, the Company's management has been conducted based on the Corporate Governance Code by realizing the significance of and responsibility for shareholders and stakeholders of the Company in order to reinforce the confidence of shareholders, investors and all related parties, together with the general practical guidelines regarding prevention of misuse of inside information by related persons, namely, the Board of Directors, management, and staff in work units related to such information (including their spouse and minor child), whereby the Company sets out the practical guidelines for all directors and executives so as to prevent misuse of inside information as follows:

1. Avoiding or refraining from trading the Company's securities during 30 days prior to disclosure of the quarterly and annual financial statements and during 24 hours after such disclosure;
2. Refraining from trading of the Company's securities, if they have access to any undisclosed information which may have an impact on the Company's securities price, until a lapse of 24 hours from the disclosure of all such information to the public;
3. Not allowing any executives who know or should have known that the Company will disseminate the material information which may have an impact on change in market price of the Company's securities, to purchase or sell the securities from the date on which he/she knows or should have known such information until the end of the day following the date of such disclosure and dissemination.

## 9.6 Remuneration for Auditor

- (1) Audit Fee



The Company and its subsidiaries paid the audit fee to:

- the Company's auditor, in the previous accounting period, amounting to Baht .....:.....
- the audit firm of which the auditor is a member, persons or businesses related to the auditor and the audit firm of which the auditor is a member, in the 2020 accounting period, amounting to Baht 10,632,000, and which was the same auditor as the one of the previous year.

- (2) non-audit fee
- None-

### 9.7 Application of the Corporate Governance Code for Listed Companies 2017

The Board of Directors has understood the roles, duties, benefits and principles of the Corporate Governance Code for Listed Companies 2017. After the promulgation of such Corporate Governance Code, the Corporate Governance and Risk Management Committee, as a subcommittee with the duty to supervise and monitor to ensure the Company's compliance with the Corporate Governance Code to promote and support the Company's business operations conducive to its sustainable value creation, reported to all directors of the Board of Directors on the promulgation of the Corporate Governance Code for Listed Companies 2017 as guidelines stipulated and announced by the Office of the SEC. The Board of Directors then assigned the management to inform all staff of the Company for acknowledgment and strict compliance therewith and also required that such compliance shall be evaluated at least once a year. In this regard, the Board of Directors then authorized the Corporate Governance and Risk Management Committee to consider and evaluate the application of the same for proposal to the Board of Directors for further consideration.

The Board of Directors' Meeting No. 7/2020 held on November 13, 2020 resolved to grant approval for the Board of Directors to consider reviewing the Company's corporate governance policy by applying the principles under the Corporate Governance Code for Listed Companies 2017 as appropriate to the Company's business context, and jointly evaluated the compliance with such Corporate Governance Code, thereby coming to an understanding on benefits and principles of the Corporate Governance Code which greatly created the sustainable value for the Company's business, as well as drawing up a plan to develop and add guidelines in aspects which the Company should have to improve and remedy to make it suitable for the Company's circumstances. Meanwhile, any principles which could not yet be or have not yet been applied were already recorded together with reasons as part of the resolutions of the Board of Directors.

An overview of the Company's compliance with the Corporate Governance Code for Listed Companies 2017 was in detail as follows:

Principles of the Corporate Governance Code	Scope
1. Establishing Clear Leadership Role and Responsibilities of the Board, contributing to the sustainable value creation for the business	The Board of Directors acknowledged and studied the CG Code and then authorized the Corporate Governance and Risk Management Committee to evaluate the compliance with such principle to rest assured that it obtained a satisfactory outcome of compliance.
2. Defining Objectives and Goals that Promote Sustainable Value Creation	The Board of Directors followed up and ensured implementation of the Company's strategies for the interests of all shareholders and stakeholders on a sustainable basis.
3. Enhancing the Board Effectiveness	The Board of Directors was composed of nine qualified persons, namely, six executive directors and three independent directors, to meet the requirements of stakeholders, as well as carrying out operations conducive to exercising their discretion independently.
4. Ensuring Effective CEO and People Management	The Company had the process for nomination and development of the President, high level executives, to ensure that they had knowledge, skills, experience and qualifications necessary for driving the organization into achievement of the goals, had the appropriate remuneration structure, and also followed up, took care of and developed its personnel to ensure that the Company had adequate personnel who had knowledge, skills, experience and motivation as appropriate.

Principles of the Corporate Governance Code	Scope
5. Nurturing Innovation and Responsible Business	The Company supported creating innovations which had value for the business alongside benefiting stakeholders of all groups, and also operated the socially and environmentally responsible business.
6. Strengthening Effective Risk Management and Internal Control System	The Company had the work-related risk management system in compliance with applicable laws, the Articles of Association, resolutions of the shareholders' meeting, together with policies or guidelines as specified, and also had the process for approval of significant transactions, such as, execution of transactions which materially affected the Company, or execution of transactions which might give rise to a conflict of interest.
7. Ensuring Disclosure and Maintaining Financial Integrity	The Company prepared the financial reports and disclosed material information with accuracy, adequacy, punctuality, and equality via appropriate channels; protected confidential information and information which had an influence on the securities prices, to ensure that the disclosed information reflected the practices or contributed to the sustainable value creation for the business.
8. Ensuring Engagement and Communication with Shareholders	The Board of Directors gave priority to the fundamental rights of shareholders in such a way as allowing the shareholders to send their questions and nominate qualified persons as directors in advance, etc., and to receive information and news of the Company rapidly, completely and adequately via easily accessible channels.

#### 9.8 Compliance with the Corporate Governance Code in other Matters

The Company has mostly complied with the Corporate Governance Code for Listed Companies 2017, except for the following:

1. Determination of the number of terms of holding of office as director and independent director.

The Board of Directors does not clearly determine any number of terms of holding of office as director. In regard to the determination of a term of consecutive holding of office as independent director of not exceeding nine years, the Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have knowledge and experiences in the Company's business operations, thereby maximizing value to shareholders.

2. The Board of Directors has not mostly comprised independent directors (namely, more than 50 percent) since it consists of independent directors equal to one-third of the total number of directors who are experienced, expert and independent in performance of the duties.

3. The Nomination and Remuneration Committee has not yet entirely or mostly comprised independent directors, and currently comprises independent directors equal to 33.33 percent.

4. There is no any female independent director on the Board of Directors since there have currently been the independent directors in a variety of fields.

5. The Board of Directors acknowledges the signing for anti-corruption campaign by participating in the private concerted efforts against corruption. However, it is deemed appropriate for the Executive Board and/or management to consult on such matter with Thai Contractors Association and companies in the construction industry in order to consider their participation in the campaign.

Last year, there was no case of fraudulent offence or ethical misconduct; there was no any resignation of non-executive director due to an issue related to the Company's corporate governance; and there was no case of negative effect on the Company's reputation due to failure of the Board of Directors' fiduciary duties.





## 10. Corporate Social Responsibility

The Company operates its business under the corporate social and environmental responsibility and takes into account the utmost benefits of all stakeholders. In 2020, the Company has prepared the Sustainable Development Report to disclose its economic, social and environmental information. This Sustainable Development Report has been prepared in Thai and English versions in the form of QR CODE, and available for download at [www.ch-karnchang.co.th/#/mission/growth-together](http://www.ch-karnchang.co.th/#/mission/growth-together).





## 11. Internal Control and Risk Management

### 11.1 Summary of Opinions of the Board of Directors regarding the Company's Internal Control System

The Board of Directors continuously realizes the significance of the internal control system to prevent and minimize potential risks, by assigning the Audit Committee comprising independent directors to review the evaluation of the internal control system, with the Internal Audit Department reporting directly to the Audit Committee to perform the duty to review the operation systems in various departments of the Company in accordance with the annual audit plan as approved by the Audit Committee, for the purpose of ensuring that the work performance is efficient and effective, that the Company's resources are used cost-efficiently, that the financial reporting is properly controlled to ensure correctness, reliability and timeliness, that it complies with the policy and conforms with the provisions of the laws and regulations of the relevant authorities and agencies, and that the efficiency of the internal control system is regularly reviewed, to ensure the best interest of the shareholders on the basis of fair returns to all stakeholders. In addition, the Audit Committee has the duty to consider selecting and nominating the auditor, including the audit fee; and consider disclosing the Company's correct and complete information in case of connected transactions and transactions which may have a conflict of interest.

In 2020, the Audit Committee convened four meetings, in which the Company's management and the auditor of EY Office Limited attended each and every meeting, and a meeting with the auditor without the management's presence for consideration of the financial statements for 2020 so as to independently make inquiries on audit plan and other matters found during the audit.

With regard to risk management, the Company recognizes the significance of the use of the risk management in its administration, by assigning the Corporate Governance and Risk Management Committee to monitor and review the Company's overall risk management to ensure that the risks are managed to stay at an acceptable level. The Company's management considers the risk factors currently being encountered or expected to be encountered by the Company, analyzes the impact and the possibility of such risks, and establishes measures to prevent and manage such risks to stay at an acceptable level in line with the Company's policy, and then submits the same to the Corporate Governance and Risk Management Committee for consideration of their adequacy and suitability. In addition, the risk management system shall be reviewed and evaluated for its effectiveness every year and every interval in which the risk level has changed, subject to regular monitoring on a quarterly basis by the Internal Audit Department for report on the results of such monitoring to the management and the Corporate Governance and Risk Management Committee for acknowledgement and for further report of the same to the Board of Directors for acknowledgement as a whole.

In the Board of Directors' Meeting No. 1/2021 on March 1, 2021, the Board of Directors evaluated the adequacy and suitability of the Company's internal control system from the evaluation report by the Audit Committee in various aspects based on the Internal Control Adequacy Evaluation Form, comprising five elements, namely, corporate internal control; risk assessment; operational control; information technology and communications system; and monitoring system, together with the report on risk management results by the Corporate Governance and Risk Management Committee, which in its opinion, the Company's internal control system was adequate and suitable to the business operation without any material fault, which could prevent the Company's and the subsidiaries' assets from misuse or unauthorized use by the executives; the Company's financial reports were correct, reliable and in accordance with the generally accepted accounting standards and the financial reporting standards; and the Company operated its business in full compliance with the securities and exchange law and other relevant laws.

The Board of Directors, the Audit Committee and the auditor were of the common opinion that the Company's business operations were conducted in accordance with the good corporate governance principles, with transparency, and the internal control system was suitable, effective, which could prevent the Company's assets from misuse or unauthorized use by the executives or staff.

## 11.2 The Head of Internal Audit Unit

is Mr. Wiboon Ungapipathanachai, Executive Vice President: Internal Audit Department. The Audit Committee is of the view that Mr. Wiboon Ungapipathanachai has knowledge, abilities and work experience and is qualified to efficiently perform duties as the Head of Internal Audit Unit. The appointment, removal and transfer of a person holding office as Head of Internal Audit Unit shall be subject to the Audit Committee's approval.

The Head of Compliance Unit is Mrs. Thipwaree Athagrisna, Legal Manager, who shall be responsible for compliance matters in cooperation with the Office of President, and in coordination with the Company Secretary.



## Audit Committee's Report

The Audit Committee of CH. Karnchang Public Company Limited, as appointed by the Company's Board of Directors, comprises three qualified independent directors, namely, Mr. Vitoon Tejatussanasoontorn, as Chairman of the Audit Committee, Mr. Aswin Kongsiri and Mr. Pavich Tongroach, as Audit Committee Members, with the Executive Vice President: Internal Audit Office serving as secretary to the Audit Committee.

The Audit Committee has performed its duties within the scope, duties and responsibilities as assigned by the Company's Board of Directors in accordance with the regulations of the Stock Exchange of Thailand, as well as provision of relevant suggestions on various matters, which have been fully cooperated by the Company's management, internal auditors and auditor. In 2020, the Audit Committee held four meetings with the management, internal auditors and auditor as appropriate, including a meeting with the auditor without the management's presence for independent discussion on material information in preparation of financial statements and sharing of opinions. The essence can be summarized as follows:

1. **Review of the quarterly financial statements and the financial statements for 2020**, by making inquiries and taking into consideration the clarifications of the management and the auditor in respect of accuracy and completeness of the financial statements and sufficiency of information disclosure. The Audit Committee was of the opinion in line with the auditor that the said financial statements were fairly accurate in all material aspects in compliance with generally accepted accounting standards.
2. **Review of the compliance with the provisions of laws and the Company's internal control system**, it was of the opinion according to the assessment that the internal control system was sufficient, proper and effective, without any material fault, to help support the operations to achieve the specified goal. The Company properly maintained its property and carried out operations in compliance with the law on securities and exchange and the relevant rules and regulations on its business. The authorization and approval were systematically conducted in accordance with the good internal control system, and the corporate governance was transparent, as well as being amended to efficiently conform to the changed situation.
3. **Review of the internal audit**, by taking into consideration the mission, scope of work, duties, responsibilities and independence of the Internal Audit Department in conformity with the guidelines on internal audit of the Stock Exchange of Thailand. The Audit Committee was of the opinion that the Company's internal audit system was sufficient and proper, including the consideration for approval of the appointment of Vice President: Internal Audit Department and secretary to the Audit Committee. The Audit Committee was of the opinion that the Company's internal audit system was sufficient, proper and efficient in accordance with the international standards.
4. **Review of the risk management**, in order to ensure its connection with the internal control system to manage general risks. The Company has specified objectives and criteria for assessment of the overall risks and risk levels, risk assessment and rating, determination of management plan on existing risks, and preparation of report on risk assessment and management plan on existing risks. The Audit Committee was of the opinion that the Company had the efficient and effective risk management system, with its objectives, risk indication, risk assessment, risk management, and monitoring of progress on a quarterly basis, determination of its risk appetite and risk tolerance, including regular review of the risks in line with the current situation.

5. **Review of the good corporate governance**, by reviewing the Company's operations in compliance with the law on securities and exchange, rules and regulations of the Office of the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand, and other laws relating to the Company's business operations, including obligations which may arise from agreements executed with third parties, it was found that the Company duly and properly complied with the relevant laws and requirements in a timely manner.
6. **Review and provision of an opinion on the connected transactions or transactions which may have a conflict of interest, including disclosure of such transactions** in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The auditor was of the opinion that the transactions with material aspects executed with the related companies had already been disclosed and shown in the financial statements and notes to the financial statements. The Audit Committee was of the opinion in line with the auditor, as well as providing an opinion that such transactions were reasonable and for the optimum benefit to the Company's business operations, with the accurate and complete information disclosure.
7. **Consideration, selection, nomination of the auditor and proposal of the audit fee**, by taking into account the performance of the auditor in the previous year, reliability, capability to provide service and consultation on accounting standards, auditing and certification of the financial statements in a timely manner, the Audit Committee then provided an opinion to the Company's Board of Directors to seek approval of the Shareholders' Meeting for appointment of either Ms. Siraporn Ouaanunkun or Mr. Chatchai Kasemsrithanawat or Ms. Chonlaros Suntiasvaraporn of EY Office Limited as the Company's auditor for 2021, with the audit fee in the amount not exceeding Baht 3,900,000 per year.

Given the performance of duties within the scope of responsibilities as assigned by the Board of Directors to independently provide opinions and suggestions in the equal interests of all stakeholders, the Audit Committee was of the view that the Company's financial reports were correct, reliable and in line with the generally accepted accounting standards and financial reporting standards, with sufficient risk management, proper internal control system and effective internal audit, with its operations in accordance with the good corporate governance principles and in proper compliance with the laws and requirements relating to the Company's business operations in all respects.



(Mr. Vitoon Tejatussanasoontorn)  
Chairman of the Audit Committee

## 12. Connected Transactions

12.1 Connected Transactions between the Company, Subsidiaries, Associated and Related Companies (Only connected transactions with a value of Baht 500,000 or higher are shown) in 2020 and 2019 can be summarized, as follows:

Name of Interested or Related Party/Company		Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
<b>1. Bangkok Expressway and Metro Public Company Limited</b>						Unit: Million Baht
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management	<ul style="list-style-type: none"> <li>- This is an associated company.</li> <li>- The Company holds shares representing 31.32 percent in Bangkok Expressway and Metro Public Company Limited.</li> <li>- Two executive directors of the Company, namely, Mr. Piew Trisavet and Mr. Phongsant Tanisuvantichkul, serve as directors in Bangkok Expressway and Metro Public Company Limited.</li> <li>- A director of Bangkok Expressway and Metro Public Company Limited, namely, Mrs. Payao Maritanaporn, is the spouse of Mr. Prasert Maritanaporn, a director of the Company.</li> </ul>	1.1	The Company Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out construction of a connection between the SI Rat - Outer Ring Road Expressway and the SI Rat Expressway in the north (heading to Chaeng Watthana), with a value of Baht 275 Million.	<b>Revenues from construction contracts</b> 17.6 <b>Contract Liabilities</b> 0.9	23.5 18.5	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and potential, knowledge, expertise and has responsibility for completing the work with success on schedule. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		1.2	The Company Bangkok Expressway and Metro Public Company Limited engaged the Company to manage the Project for supply and installation of the M&E Systems for the MRT Purple Line, Bang Yai - Rat Burana (Bang Yai - Bang Sue Section), Contract 4, Concession for Supply of M&E Systems and O&M Services (Khlong Bang Phai Station - Tao Poon Station), with a value of Baht 13,980 Million (excluding interest and financial fee).	<b>Revenues from construction contracts</b> 110.6 <b>Contract liabilities</b> 69.4	719.4 180.0	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and potential, knowledge, expertise and has responsibility for completing the work with success on schedule. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		1.3	The Company Bangkok Expressway and Metro Public Company Limited engaged the Company to provide maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section, with a value of Baht 1,590 Million.	<b>Revenues from construction contracts</b> 106.2 <b>Trade Receivables</b> 37.5 <b>Contract Liabilities</b> 399.4	127.8 74.9 268.1	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, expertise and familiarity with equipment, including Civil Infrastructure, the Company then has readiness to manage the maintenance services and the Company is capable of completing the work on schedule. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		1.4	The Company Bangkok Expressway and Metro Public Company Limited engaged the Company to provide maintenance services on Civil Infrastructure and E&M Systems for the M.R.T. Chaloem Ratchamongkhon Line Project, with a value of Baht 4,048 Million.	<b>Revenues from construction contracts</b> 634.6 <b>Trade receivables</b> 290.5 <b>Contract assets</b> 105.2	235.2 55.2 209.9	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, expertise and familiarity with equipment, including Civil Infrastructure, the Company then has readiness to manage the maintenance work. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management	<ul style="list-style-type: none"><li>- This is an associated company.</li><li>- The Company holds shares representing 31.32 percent in Bangkok Expressway and Metro Public Company Limited.</li><li>- Two executive directors of the Company, namely, Mr. Plew Trisavevat and Mr. Phongsarit Tantisuwanitchkul, serve as directors in Bangkok Expressway and Metro Public Company Limited.</li><li>- A director of Bangkok Expressway and Metro Public Company Limited, namely, Mrs. Payao Maritanaporn, is the spouse of Mr. Prasert Maritanaporn, a director of the Company.</li></ul>	1.5 The Company	Revenues from construction contracts	5,873.9	<p>In the Audit Committee's Opinions:</p> <ul style="list-style-type: none"><li>- This transaction is an ordinary course of business.</li><li>- This project is of a nature in which the Company has experience, potential, knowledge, expertise and has responsibility for carrying out the work with success and the Company is capable of completing the work on schedule.</li><li>- The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.</li><li>- This transaction provides a credit term of 30-45 days.</li></ul>
		<ul style="list-style-type: none"><li>- Bangkok Expressway and Metro Public Company Limited engaged the Company for the project management, including supply, installation, testing M&amp;E Systems and commissioning of the MRT Blue Line Extension Project, including installation and supply of Facilities necessary for Through Operation with the M.R.T. Chaloem Ratchamongkhon Line Project, with the value of Baht 21,393 Million (including additional works).</li></ul>	2,350.1	Trade receivables	
			Contract liabilities	1,601.6	
			675.0		

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
1. Bangkok Expressway and Metro Public Company Limited (continued)	Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management	1.7 The Company - Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out repair of structure of the Si Rat Expressway, Period 4, Phase 1, Sector A, with a value of Baht 25.9 Million.	Contract assets 0.0	1.3	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, expertise and familiarity with equipment, including Civil Infrastructure, the Company then has readiness to manage the maintenance work. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		1.8 The Company - Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out construction and improvement of the Si Rat - Outer Ring Road Expressway, and repair of the structure of the Si Rat Expressway, with a value of Baht 779.6 Million.	Revenues from construction contracts 372.8	618.9	
			Trade receivables 2.1	91.7	
			Contract assets 11.8	41.3	
			Contract liabilities 25.4	318.5	
		1.10 The Company - Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out repair of structure of the Si Rat Expressway, Period 4, Phase 3, Sector B (Urupong - Bang Khlo), and improvement of the structures of the Si Rat Expressway and the Si Rat - Outer Ring Road Expressway, with a value of Baht 237.3 Million.	Revenues from construction contracts 649.7	0.0	
			Trade receivables 10.1	0.0	
			Contract assets 38.4	0.0	
			Contract liabilities 120.9	0.0	
		1.11 The Company - The Company received dividend from its shareholding in Bangkok Expressway and Metro Public Company Limited.	Dividend income 430.8	712.2	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management		1.12 CH. Kamchhang-Tokyu Construction Co., Ltd. The company received dividend from its shareholding in Bangkok Expressway and Metro Public Company Limited.	Dividend 12.3	Income 20.5	In the Audit Committee's Opinions: - CH. Kamchhang-Tokyu Construction Co., Ltd. earned a return on investment at the same rate as other shareholders of Bangkok Expressway and Metro Public Company Limited.
		1.13 The Company - CH. Kamchhang Public Company Limited acquired 65 million ordinary shares in Bangkok Expressway and Metro Public Company Limited in 2019.	Investments in associated company 0.0	Investments in associated company 709.2	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This is an investment in a company with stability and good operational results.
		1.14 CH. Kamchhang-Tokyu Construction Co., Ltd. The company disposed of six million ordinary shares in Bangkok Expressway and Metro Public Company Limited in 2019.	Gain on sales of investments in associated company 0.0	Gain on sales of investments in associated company 48.0	In the Audit Committee's Opinions: - CH. Kamchhang-Tokyu Construction Co., Ltd. earned a return from sales of investments at market price.
		1.15 CH. Kamchhang-Tokyu Construction Co., Ltd. The company acquired six million ordinary shares in Bangkok Expressway and Metro Public Company Limited in 2019.	Investments in associated company 0.0	Investments in associated company 67.9	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This is an investment in a company with stability and good operational results.

Unit: Million Baht

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
<b>2. Nam Ngum 2 Power Company Limited</b> Production and distribution of electricity in Thailand and overseas	<ul style="list-style-type: none"> <li>- This is a related company.</li> <li>- SouthEast Asia Energy Limited (a subsidiary of CK Power Public Company Limited) holds shares representing 75 percent.</li> <li>- Three executive directors of the Company, namely, Mr. Plew Trivisavet, Mr. Narong Sangsuriya, and Mr. Prasert Manitapanom, serve as directors in Nam Ngum 2 Power Company Limited.</li> <li>- A director of Nam Ngum 2 Power Company Limited, namely, Mr. Thanawat Trivisavet, a son of Mr. Plew Trivisavet, serves as a director of the Company.</li> </ul>	2.1 CH. Karnchang (Lao) Co., Ltd. Nam Ngum 2 Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, to carry out improvement of voltage and construction of the 230/500 kV Nabong Substation, with a value of Baht 799.85 Million and USD 53.48 Million.	<b>Revenues from construction contracts</b> 0.0	17.3	In the Audit Committee's Opinions: <ul style="list-style-type: none"> <li>- This transaction is an ordinary course of business.</li> <li>- This project is of a nature in which the Company has experience, potential knowledge, expertise and has responsibility for carrying out the work with success, and the Company is capable of completing the work on schedule.</li> <li>- The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>
<b>3. Xayaburi Power Company Limited</b> Operation of study, survey, and design business for the Hydroelectric Power Dam Construction Project in the Mekong River, Xayaburi, with the Government of the Lao People's Democratic Republic	<ul style="list-style-type: none"> <li>- This is an associated company of the Company's associated company, namely, CK Power Public Company Limited, which holds shares representing 37.50 percent.</li> <li>- An executive director of the Company, namely, Mr. Plew Trivisavet, serves as a director in Xayaburi Power Company Limited.</li> <li>- A director of Xayaburi Power Company Limited, namely, Mr. Thanawat Trivisavet, is a son of Mr. Plew Trivisavet, a director of the Company, and is a brother of Miss Supamas Trivisavet, a director of the Company.</li> </ul>	3.1 CH. Karnchang (Lao) Co., Ltd. Xayaburi Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, to carry out construction of the Xayaburi Hydroelectric Power Project, with a value of approximately Baht 71,225 Million and USD 711 Million, in which additional works were included.	<b>Revenues from construction contracts</b> 1,935.9 <b>Contract liabilities</b> 2,013.8	4,248.5 3,944.4	In the Audit Committee's Opinions: <ul style="list-style-type: none"> <li>- This project is of a nature in which CH. Karnchang (Lao) Co., Ltd. has potential knowledge, expertise to carry out the work properly, and has responsibility, readiness to promptly start the work, and the work value is reasonable in an ordinary course of business.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>
		3.2 The Company - The Company leased out area and rendered public utilities services for Xayaburi Power Company Limited.	<b>Space rental and service income</b> 3.2	3.3	In the Audit Committee's Opinions: <ul style="list-style-type: none"> <li>- Xayaburi Power Company Limited took on lease from the Company, covering an area of 239.72 square meters, at the rental and service fee of Baht 215,743.50 per month, with the contract having a lease term of three years from April 19, 2018 to April 18, 2021.</li> <li>- The rate is close to market rate in an ordinary course of business.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
3. Xayaburi Power Company Limited		3.3 The Company - The Company extended the loan to Xayaburi Power Company Limited in the amount of Baht 13,547 Million.	Interest income 558.0 Loans and interest receivable 13,109.5	765.2 12,551.5	In the Audit Committee's Opinions: - The Company provided the sponsor support for Xayaburi Power Company Limited under the Sponsors Support Agreement which the Company and shareholders in Xayaburi Power Company Limited executed with the banks (financial institution creditors loan-lending to the Xayaburi Hydroelectric Power Project) in the amount of Baht 13,547 Million, at the interest rate during construction not exceeding MLR plus 0.25 percent per annum, and at the interest rate not exceeding MLR upon commercial operation of the Xayaburi Hydroelectric Power Project by 2019, which the repayment of all loans is scheduled to be made by 2031.
4. Bangkok Metro Networks Limited		4.1 The Company - The Company leased out area and rendered public utilities services for Bangkok Metro Networks Limited.	Space rental and service income 8.9	8.4	In the Audit Committee's Opinion: - Bangkok Metro Networks Limited took on lease from the Company, as follows: 1) 725 square meters at the rental and service fee rate of Baht 580,000 per month, with the contract having a lease term of three years from July 10, 2016 to July 9, 2019; and at the rental and service fee rate of Baht 638,000 per month, with the contract having a lease term of three years from July 10, 2019 to July 9, 2022. - The rate is close to market rate in an ordinary course of business.
Operation of service business for common areas and public utilities in the metro	- This is a subsidiary of the Company's associated company, namely, Bangkok Expressway and Metro Public Company Limited, which holds shares representing 90.52 percent. - An executive director of the Company, namely, Mr. Phongsarit Tantissuvanitchkul, serves as a director of Bangkok Metro Networks Limited. - A director of Bangkok Metro Networks Limited, namely, Mr. Nattavut Trivisavet, a son of Mr. Plew Trivisavet, a director of the Company, and is a brother of Miss Supamas Trivisavet, a director of the Company.				

Unit: Million Baht

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
<b>5. TTW Public Company Limited</b>					
Operation of concession business for water production and distribution in Samut Sakhon Province and certain areas of Nakhon Pathom Province for the Provincial Waterworks Authority (PWA).	<ul style="list-style-type: none"> <li>- This is a related company.</li> <li>- The Company holds shares representing 19.40 percent.</li> <li>- Two executive directors of the Company, namely, Mr. Piew Trivisavet and Mr. Phongsant Tantisuwanitchkul, serve as directors in TTW Public Company Limited.</li> <li>- A director of TTW Public Company Limited, namely, Mrs. Payao Maritanaporn, is the spouse of Mr. Prasert Maritanaporn, a director of the Company.</li> <li>- A director of TTW Public Company Limited, namely, Miss Walainut Trivisavet, is the spouse of Mr. Anukod Tuntimas, a director of the Company.</li> </ul>	5.1 The Company - The Company received dividend from its shareholding in TTW Public Company Limited.	Dividend income 464.4	464.4	In the Audit Committee's Opinions: - The Company earned a return on investment at the same rate as other shareholders of TTW Public Company Limited.
		5.2 The Company - TTW Public Company Limited engaged the Company to carry out construction of the Water Treatment Plant No. 2 to enhance the water production capacity in Samut Sakhon - Nakhon Pathom Provinces, with a value of Baht 3,206.6 Million.	Revenues from construction contracts 3.8  Contract liabilities 0.8	12.6  4.6	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, potential, knowledge, expertise, and has responsibility for completing the work on schedule. - The Company earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		5.3 The Company - TTW Public Company Limited engaged the Company to carry out construction of the raw water intake relocation project by way of construction of a new building, with a value of Baht 138.1 Million.	Revenues from construction contracts 0.0	3.0	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, potential, knowledge, expertise and has responsibility for completing the work on schedule. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		5.4 The Company - TTW Public Company Limited engaged the Company to carry out construction of the tap water distribution and intake system improvement project, with a value of Baht 38 Million.	Revenues from construction contracts 0.2  Contract liabilities 1.3	15.7  1.6	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, potential, knowledge, expertise and has responsibility for completing the work on schedule. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		5.5 The Company - TTW Public Company Limited engaged the Company to carry out the improvement project of machinery, equipment of tap water production and transmission-distribution systems for the Banglen Water Treatment Plant, Phase 1, with a value of Baht 349.6 Million.	Revenues from construction contracts 235.3  Trade receivables 0.0  Contract assets 35.0  Contract liabilities 31.4	83.0  8.0  10.7  79.9	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, potential, knowledge, expertise and has responsibility for completing the work on schedule. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.



Unit: Million Baht

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value		Necessity / Justification
			Value of 2020	Value of 2019	
6. Pathum Thani Water Co., Ltd. Operation of concession business for water production and distribution in Pathum Thani-Rangsit for the Provincial Waterworks Authority (PWA).	<ul style="list-style-type: none"> <li>- This is a related company.</li> <li>- TTW Public Company Limited holds shares representing 99 percent.</li> <li>- A director of Pathum Thani Water Co., Ltd., namely, Miss Walaiut Trivisvavet, is the spouse of Mr. Anukool Turtimas, a director of the Company.</li> <li>- A directors of the Company, namely, Mr. Phongsant Tantisuwanitchkul, serve as directors in Pathum Thani Water Co., Ltd.</li> </ul>	<p>6.1 The Company Pathum Thani Water Co. Ltd. engaged the Company to carry out improvement of the tap water production and transmission-distribution systems for the Pathum Thani Water Treatment Plant, both civil and pipeline works, including mechanical and electrical works, with a value of Baht 339.9 Million.</p>	Revenues from construction contracts		<p>In the Audit Committee's Opinions:</p> <ul style="list-style-type: none"> <li>- This transaction is an ordinary course of business.</li> <li>- This project is of a nature in which the Company has experience, potential, knowledge, expertise and has responsibility for completing the work on schedule.</li> <li>- The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>
			262.7	0.0	
			Trade receivables		
			52.0	0.0	
			Contract assets		
7. CK Power Public Company Limited Operation of business as a holding company, holding shares in companies operating core businesses in the production and distribution of electricity	<ul style="list-style-type: none"> <li>- This is an associated company.</li> <li>- The Company holds shares representing 30.67 percent.</li> <li>- Four executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Maritanapom, and Miss Supamas Trivisvavet, serve as directors in CK Power Public Company Limited.</li> <li>- A director of CK Power Public Company Limited, namely, Mr. Thanawat Trivisvavet, is the son of Mr. Plew Trivisvavet, a director of the Company, and is the brother of Miss Supamas Trivisvavet, a director of the Company.</li> </ul>	<p>7.1 The Company The Company leased out area and rendered public utilities services for CK Power Public Company Limited.</p>	Space rental and service income	11.7	<p>In the Audit Committee's Opinions:</p> <ul style="list-style-type: none"> <li>- CK Power Public Company Limited took on lease from the Company as follows:</li> <li>1) 642.50 square meters at the rental and service fee rate of Baht 301,975 per month, with the contract having a lease term of three years from September 1, 2020 to August 31, 2023;</li> <li>2) 479.43 square meters at the rental and service fee rate of Baht 225,332 per month, with the contract having a lease term of three years from April 1, 2020 to March 31, 2023.</li> <li>3) 468.92 square meters at the rental and service fee rate of Baht 234,460 per month, with the contract having a lease term of three years from June 1, 2020 to May 31, 2023.</li> <li>4) 301.84 square meters at the rental and service fee rate of Baht 141,864 per month, with the contract having a lease term of three years from January 1, 2020 to December 31, 2022.</li> <li>- The rate is close to market rate in an ordinary course of business.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>
			Other receivables	0.8	
7.2 The Company The Company received dividend from its shareholding in CK Power Public Company Limited.			Dividend income	56.2	<p>In the Audit Committee's Opinions:</p> <ul style="list-style-type: none"> <li>- The Company has earned a return on investment at the same rate as other shareholders of CK Power Public Company Limited.</li> </ul>
			77.8		
7.3 The Company CH. Kamchang Public Company Limited exercised its rights under all warrants to purchase 586,685,870 newly-issued ordinary shares of CK Power Public Company Limited in 2019.			Investments in associated companies	3,520.1	<p>In the Audit Committee's Opinions:</p> <ul style="list-style-type: none"> <li>- This is an investment in a company with stability and good operational results.</li> </ul>
			0.0		

Unit: Million Baht

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
8. Expert Transport Co., Ltd. Operation of the large-scale transportation business	<ul style="list-style-type: none"> <li>- This is a related company.</li> <li>- Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 90.00 percent.</li> <li>- Three executive directors of the Company, namely, Mr. Plew Trivisavet, Mr. Narong Sangsuriya, and Mr. Prasert Maritlanaporn, serve as directors in Expert Transport Co., Ltd.</li> <li>- An executive of the Company, namely, Mr. Sittidej Trivisavet, is a director in Expert Transport Co., Ltd.</li> </ul>	8.1 The Company The Company leased out area and rendered public utilities services for Expert Transport Co., Ltd.	Space rental and service income 2.3 18.8 <b>Other receivables</b>	5.8 17.1	In the Audit Committee's Opinions: - Expert Transport Co., Ltd. took on lease for a total area of 1,073.82 square meters at the rental and service fee rate of Baht 451,004.40 per month, with the contract having a lease term of three years from January 1, 2018 to December 31, 2020. - The rate is close to market rate in an ordinary course of business. - This transaction provides a credit term of 30-45 days.
			Rental expenses 0.3	0.5	
		8.2 The Company The Company charged Expert Transport Co., Ltd. for the public utilities.			

Unit: Million Baht

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2019	Necessity / Justification
9. Bang Pa-in Land Development Co., Ltd.  Operation of Bang Pa-in Industrial Estate	<ul style="list-style-type: none"> <li>- This is a related company.</li> <li>- CK Office Tower Co., Ltd., as a shareholder in the Company, holds shares representing 25 percent.</li> <li>- Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 25 percent.</li> <li>- Two executive directors of the Company, namely, Mr. Plew Trivisavet and Miss Supamas Trivisavet, serve as directors in Bang Pa-in Land Development Co., Ltd.</li> </ul>	9.1 The Company The Company leased out area and rendered public utilities services for Bang Pa-in Land Development Co., Ltd.	Space rental and service income 1.1	0.4	In the Audit Committee's Opinions: <ul style="list-style-type: none"> <li>- Bang Pa-in Land Development Co., Ltd. took on lease from the Company for a total area of 173.79 square meters at the rental and service fee rate of Baht 72,991.80 per month, with the contract having a lease term of three years from January 1, 2016 to December 31, 2020.</li> <li>- The rate is close to market rate in an ordinary course of business.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>
		9.2 The Company The Company took on lease of area and used public utilities services and purchased supply from Bang Pa-in Land Development Co., Ltd.	Space rental and service income 0.1	0.4	In the Audit Committee's Opinions: <ul style="list-style-type: none"> <li>- The Company took on lease of area and paid electricity and water costs to Bang Pa-in Land Development Co., Ltd. for the construction of the Cogeneration Power Plant Phase 2 and the construction of the Water Treatment Plant No. 2.</li> <li>- The rate is close to market rate in an ordinary course of business.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>
		9.3 The Company Bang Pa-in Land Development Co., Ltd. engaged the Company to carry out design and construction of dikes and drainage system for the Bang Pa-in Industrial Estate Restoration Project, with a value of Baht 665.4 Million.	Retention receivable 0.0	7.4	In the Audit Committee's Opinions: <ul style="list-style-type: none"> <li>- This transaction is an ordinary course of business.</li> <li>- This project is of a nature in which the Company has experience and the Company is capable of completing the project on schedule.</li> <li>- The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.</li> <li>- This transaction provides a credit term of 30-45 days.</li> </ul>
		9.4 The Company CH. Kamchang Public Company Limited purchased 13 plots of land located in Tambon Bang Krasan, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province, from Bang Pa-in Land Development Co., Ltd., covering the total area of 56,101 square wah, at the total price of Baht 320 Million.	Property, plant and equipment 0.0	320.0	In the Audit Committee's Opinions: <ul style="list-style-type: none"> <li>- This transaction is an ordinary course of business.</li> <li>- This land would be used as mechanical center, storage of construction materials, construction of structures, buildings, camps for staff and workers in order to accommodate equipment, machinery of the Company for completed works to ensure that they are taken care of, improved and repaired for further usage in next projects, and to accommodate the Company's operations and work expansion in the future.</li> <li>- In this regard, the purchase price of the land is lower than the market prices appraised by the independent appraiser, i.e., Thai Surveyor &amp; Advisory Co., Ltd. (a company is on the list of valuation companies in capital market and principal values approved by the Office of the Securities and Exchange Commission) at Baht 322,580,000. The independent appraiser chose to use the value appraisal method, namely, Market Approach, as appropriate to characteristics of the assets since the asset is vacant land, with adequate information for market comparison.</li> </ul>

Unit: Million Baht

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2020	Transaction Value of 2020	Necessity / Justification
10. Mahasiri Siam Co., Ltd. Operation of business as a holding company. Service to serve as a consultant management.	<ul style="list-style-type: none"> <li>Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 14.61 percent.</li> <li>Two executive directors of the Company, namely, Mr. Plew Trivisavet and Miss Supamas Trivisavet, serve as directors in Mahasiri Siam Co., Ltd.</li> </ul>	10.1 The Company CH. Karnchang Public Company Limited purchased seven plots of land located in Tambon Bueng Kham Phroi, Amphoe Lam Luk Ka, Pathum Thani Province, from Mahasiri Siam Co., Ltd., covering the total area of 12,511 square wah, at the total price of Baht 280 Million.	Property, plant and equipment 0.0	280.0	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This land would be used for the purpose of commercial development in the future. In this regard, the purchase price of the land is lower than the market price appraised by the independent appraiser, i.e., That Surveyor & Advisory Co., Ltd. (a company is on the list of valuation companies in capital market and principal values approved by the Office of the Securities and Exchange Commission) at Baht 281,497,500. The independent appraiser chose to use the value appraisal method, namely, Market Approach, as appropriate to characteristics of the assets since the asset is vacant land, with adequate information for market comparison.
11. Bangpa-in Cogeneration Limited Operation of electricity production and distribution business, including business relating to electric power and other energy.	<ul style="list-style-type: none"> <li>This is a subsidiary of OK Power Public Company Limited.</li> <li>OK Power Public Company Limited (an associated company of CH. Karnchang Public Company Limited) holds shares representing 65.00 percent.</li> </ul>	11.1 The Company The Company leased out area and rendered public utilities services for Bangpa-in Cogeneration Limited.  The Company leased out vehicles for Bangpa-in Cogeneration Limited.	Space rental and service income 0.0  Other rental income 0.6	0.3  0.6	In the Audit Committee's Opinions: - Bangpa-in Cogeneration Limited took on lease from the Company for a total area of 140.91 square meters at the rental and service fee rate of Baht 59,182.20 per month in 2018 and Baht 23,672.88 in 2019, because in 2019, the office was pending improvement, and terminated the lease on such area from December 31, 2019. - The rate is close to market rate in an ordinary course of business. - This transaction provides a credit term of 30-45 days.
		11.2 The Company Bangpa-in Cogeneration Limited engaged the Company to carry out construction of the Bangpa-in Cogeneration Power Plant Phase 2 (BIC-2), with a value of Baht 4,211.3 Million.	Revenues from construction contracts 1.1  Contract liabilities 0.5	1.7  1.6	In the Audit Committee's Opinions: - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience, potential, knowledge, expertise and has responsibility for completing the work on schedule. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.

## 12.2 Opinions of the Board and the Audit Committee

- The Company's contracts with its related companies to carry out construction on a subcontract basis are undertaken at reasonable prices, whereby the costs of relevant projects under such contracts were reviewed and deemed appropriate by the Company's engineers and based on an ordinary course of business.
- Project management fees are derived from transactions where the Company arranged for personnel to various related companies and joint ventures for the purpose of project management, whereby the Company entered into contracts for management fees with those related companies and joint ventures, and such management fees covered salaries, bonuses, benefits and other management expenses.
- Service fees are derived from transactions where the Company leased out to joint ventures and subsidiaries equipment and machinery at the rental rates close to market rates, which are according to an ordinary course of business.
- Costs of goods are derived from transactions where the Company traded goods with related companies at the price close to market price, which are according to an ordinary course of business.
- Accounts receivable in the form of intercompany loans bear interest at an appropriate rate and subject to an ordinary course of business. Connected transactions are submitted to the meeting of the Board of Directors or the Executive Board, for consideration in respect of their suitability.

## 12.3 Measures or Procedures for Approval of Connected Transactions

The Company has complied with the relevant rules, regulations and requirements of the Securities and Exchange Commission. As for any transactions that might give rise to a conflict of interest and require approval of the Board of Directors and of the Audit Committee, the Company has already complied with such rules, regulations or requirements, whereby the grant of approval for the said connected transactions shall take into account the optimum benefits to the Company, fairness and justifications of the transactions as well as based on market prices in the ordinary course of business. In addition, the interested parties or those who might have a conflict of interest in such connected transactions shall not be allowed to participate in the consideration and approval of the connected transactions so as to ensure the fairness and the optimum benefits to the Company. As for any connected transactions falling under the criteria as specified in the regulations, notifications, orders, requirements or rules of the Stock Exchange of Thailand, the Company has complied with the applicable requirements of the Stock Exchange of Thailand.

## 12.4 Policy or Trend of Future Connected Transactions

The policy on consideration and approval of connected transactions with related businesses shall comply with the procedures that require consideration by the Board of Directors and the Audit Committee while those who have interests or might have a conflict of interest in connected transactions shall not be allowed to participate in the approval of such connected transactions. The criteria used by the Board of Directors and the Audit Committee as guidelines in the consideration is that related businesses are required to propose competitive products or services in terms of price and quality. On the contrary, should the Company be to render services to any related businesses, the Company is required to propose price and quality in line with standards or market price without giving any favorable benefit to the related businesses, which may result in transfer of benefits to those who might have a conflict of interest with the Company.

Future connected transactions in the form of loans tend to be loans among the Company, subsidiaries and joint ventures for the purpose of financial support in business operations so as to support and facilitate their operations, which will be deemed as an ordinary course of business. Consideration and approval for such transactions will be mainly based on the optimum benefits of the Company. However, for the loans between the Company, subsidiaries or joint ventures, and related companies in which the Company's major shareholders, directors or executives hold shares, the Company group has no policy to extend any intercompany loans in the future.



# Part 3

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financial statements



## 13. Financial Highlights

### Summary of Financial Information under the Consolidated Financial Statements

Item	Amount (Million Baht)		
	2018	2019	2020
Assets	83,500.54	82,585.59	82,774.02
Liabilities	57,671.82	54,773.07	56,503.38
Shareholders' equity	25,828.72	27,812.52	26,270.64
Total revenues	31,175.57	24,796.51	18,442.22
Gross profit	2,316.64	1,974.96	1,405.25
Net profit Equity attributable to owners of the Company	2,494.31	1,777.78	612.16
Earnings per share (Baht)	1.47	1.05	0.37

### Summary of Financial Information under the Separate Financial Statements

Item	Amount (Million Baht)		
	2018	2019	2020
Assets	77,443.27	73,091.66	75,722.83
Liabilities	53,489.80	48,667.52	52,945.35
Shareholders' equity	23,953.47	24,424.14	22,777.48
Total revenues	24,454.30	20,041.46	14,294.63
Gross profit	1,688.12	1,454.44	1,050.80
Net profit	1,240.04	452.29	93.66
Earnings per share (Baht)	0.73	0.27	0.06

## 14. Management Discussion and Analysis

### 14.1 Overview

#### Summary of Operation Overview and Factors Contributing to Significant Changes

CH. Karnchang Public Company Limited operates its core business of two categories, namely, the construction business and the regional basic infrastructure investment and development business, in order to strengthen its competitive edge and sustainable and steady growth.

In 2020, the Company signed many construction agreements which would help generate the steady income for the Company Group, namely:

- The Additional Work under the Agreement for Project Management, Supply, Installation, Testing and Commissioning of M&E Equipment for the MRT Blue Line Extension Project with Bangkok Expressway and Metro Public Company Limited, with the estimated contract value of Baht 293 Million (exclusive of VAT).
- The EPC Contract for Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant with Pathum Thani Water Company Limited, with the estimated contract value of Baht 340 Million (exclusive of VAT).
- The Contract for Construction and Improvement of the Structure and System Work of the Si Rat Expressway with Bangkok Expressway and Metro Public Company Limited, with the estimated contract value of Baht 831 Million (exclusive of VAT).
- The Contract for Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60<sup>th</sup> Birthday Anniversary with Chulabhorn Royal Academy, with the estimated contract value of Baht 4,042 Million (inclusive of VAT).
- The Contract for Maintenance and Improvement of the Structures and System Works of the Si Rat Expressway and the Si Rat - Outer Ring Road Expressway with Bangkok Expressway and Metro Public Company Limited, with the estimated contract value of Baht 920 Million (exclusive of VAT).
- The Contract for Maintenance and Improvement of the Structures of the Udon Rattaya Expressway with Northern Bangkok Expressway Company Limited, with the estimated contract value of Baht 86 Million (exclusive of VAT).

With respect to the basic infrastructure investment and development business, there were significant changes as follows:

- In the third quarter of 2020, the Company disposed of 100 Million ordinary shares in CK Power Public Company Limited, in the total amount of approximately Baht 534 Million, and recognized the gain on sales of investments in the amount of approximately Baht 275 Million, thereby resulting in a decrease in its shareholding proportion in such company from 31.90 percent to 30.67 percent. However, with the Company's long-term investment policy, the disposition of such ordinary shares was considered insignificant when compared to the number of ordinary shares currently held by the Company.
- On November 11, 2020, the Executive Board's Meeting resolved to grant approval for the Company to acquire 415,000 ordinary shares in Luang Prabang Power Company Limited from PT Sole Company Limited, as the Company's business alliance in the power project development in the Lao People's Democratic Republic (Lao PDR), representing 10 percent of the registered capital of Luang Prabang Power Company Limited, and with the value amounting to USD 99,600 or equivalent to Baht 3.14 Million. In this regard, Luang Prabang Power Company Limited is in the process of feasibility study and development of Luang Prabang Hydroelectric Power Project in the Lao PDR, which is the large Run-of-River project in the Mekong River, to raise water level without diversion of water from the Mekong River and without water retention, with the installed capacity of approximately 1,460 MW.

In 2020, the situation of the outbreak of the Coronavirus Disease 2019 or COVID-19 had unprecedentedly caused extensive disruption to people's lives and business operations, the Company therefore implemented various measures to enable the Company to continue the business (details of the measures to handle the COVID-19 situation are indicated in the caption of Business Policy and Overview). In addition, the Company has always emphasized on maintaining liquidity by way of relatively high cash holdings, appropriate allocation of short-term and long-term debt obligations, along with certain undrawn long-term credit facilities from financial institutions, as a result, the Company's liquidity and debt servicing capacity have not been affected at all despite the high volatility in the money market and capital market during the year. Moreover, the Company has implemented a risk management strategy by increasing income generation channels through expansion of investment to the low volatile infrastructure concession business, thereby generating steady income in the long run in the form of dividend and share of profit for the Company, as a result, the Company has not been materially affected directly by the situation of the outbreak of the COVID-19, whether in terms of various provisions or changes in fair value, as well as contingent liabilities. Nonetheless, the Company resisted an indirect impact through a decrease in share of profit from an associated company, i.e., Bangkok Expressway and Metro Public Company Limited, which had been affected by the curfew and work-from-home measures thereby causing people to travel less. Notwithstanding, after the government's relaxation of its lockdown measures, the number of expressway users and the number of MRT passengers almost returned to normal.

In spite of the fact that, in 2020, the government would be able to push through the bidding for the construction of some infrastructure projects, the outbreak of the COVID-19 and other specific factors, such as, a change in investment styles, budget allocation, area expropriation and handover, led to a schedule delay in the bidding for many government construction projects, as such, the remaining projects in hand of the Company were not very high, let alone a decrease in revenues from construction contracts in 2020. Nevertheless, the Company firmly believes that in 2021, there will be a significant progress in the pending projects on the Company's bid schedule, especially the electric train and double track railway projects, with the Company's strategy to focus on bidding for the construction of infrastructure projects for the sake of well-being of Thai people, while expanding investment to the Lao PDR to diversify risks and find additional business opportunities, with the Company's expectation that they will have greater clarity.

Additional information on the business overview is given in the sections entitled Business Policy and Overview and Nature of Business Operations; additional information on economic and industrial conditions is given in the section entitled Trend of Growth and Development of Construction Industry; and additional information on the Company's policies and strategies is given in the section entitled Business Policy and Overview.

#### **Auditor's Observation**

In the auditor's report, attention should be drawn to Note 17 to the consolidated financial statements regarding the dispute over a competing road with Udon Raththaya Expressway involving a subsidiary of Bangkok Expressway and Metro Public Company Limited (an associated company), including the mutual agreement for settlement of all disputes with the government agency. Currently, all disputes between each other have been already settled and such subsidiary has already filed the withdrawal of execution of the judgment of the Supreme Administrative Court. In this regard, the auditor's opinion was not modified in respect of this matter. Such observation is not directly relevant to the Company but it is considered a material transaction of the Company's associated company which has an effect on the consolidated financial statements and separate financial statements of the Company through the share of profit from investments in associated company and dividend income.

#### **Criteria for Selecting or Changing Material Accounting Policies**

In 2020, CKST Joint Venture had reviewed the service life of machinery and equipment, as such, the estimated service life of such assets decreased from five years to the end of the construction project term. Such change was retrospective from January 1, 2020. Such Joint Venture therefore adjusted the depreciation of machinery and equipment to reflect their new estimated service life, which such change having no material impact on net profit.

### Non-Recurring Transactions

In 2020, the Company had its non-recurring transactions in relation to investments in associated companies, comprising:

- The sales of investments in CK Power Public Company Limited in the amount of 100 Million shares and the recognition of the gain on sales of investments in the amount of approximately Baht 275 Million; and
- The effect of the curfew and work-from-home measures due to the COVID-19 situation on the operational results of Bangkok Expressway and Metro Public Company Limited, thereby affecting the share of profit from investments in associated companies and net profit of the Company.

## 14.2 Operational Results and Profitability

Consolidated Income Statement Unit: Million Baht	Year		Change	
	2020	2019	Amount	%
Revenues from construction contracts	16,745.77	23,002.94	(6,257.17)	(27.20)
Other income	1,696.44	1,793.57	(97.13)	(5.42)
<b>Total revenues</b>	<b>18,442.21</b>	<b>24,796.51</b>	<b>(6,354.30)</b>	<b>(25.63)</b>
Cost of construction services	15,340.52	21,027.98	(5,687.46)	(27.05)
Administrative expenses	2,027.42	2,429.56	(402.14)	(16.55)
<b>Total expenses</b>	<b>17,367.94</b>	<b>23,457.54</b>	<b>(6,089.60)</b>	<b>(25.96)</b>
Operating profit	1,074.27	1,338.97	(264.70)	(19.77)
<u>Plus</u> Share of profit from investments in associated companies	856.62	1,806.24	(949.62)	(52.57)
<u>Less</u> Finance cost	1,275.61	1,225.80	49.81	4.06
Corporate Income Tax	28.36	126.39	(98.03)	(77.56)
<b>Net profit</b>	<b>626.92</b>	<b>1,793.02</b>	<b>(1,166.10)</b>	<b>(65.04)</b>
<u>Less</u> Non-controlling interests of the subsidiaries	14.76	15.24	(0.48)	(3.16)
<b>Equity holders of the Company</b>	<b>612.16</b>	<b>1,777.78</b>	<b>(1,165.62)</b>	<b>(65.57)</b>

### Overall Performance

The Company and its subsidiaries had revenues from construction contracts in the amount of Baht 16,745.77 Million, a decrease by Baht 6,257.17 Million from the previous year representing 27.20 percent; gross profit margin in 2020 equal to 8.39 percent, a decrease from the previous year which was equal to 8.59 percent; net profit attributable to equity holders of the Company amounting to Baht 612.16 Million, a decrease by Baht 1,165.62 Million from the previous year representing 65.57 percent, mainly due to a decrease in revenue from construction contracts and a decrease in share of profit from investments in associated companies, resulting from the fact that in the previous year, Bangkok Expressway and Metro Public Company Limited had a special gain on reclassification of investment in TTW Public Company Limited from an investment in an associated company to an available-for-sale investment, with such transaction not being executed in 2020, let alone the fact that the operating results of Bangkok Expressway and Metro Public Company Limited were affected by the situation of the outbreak of the COVID-19, thereby causing people to reduce their travel during the national lockdown.

### Total Revenues

Revenues from construction contracts amounted to Baht 16,745.77 Million or representing 90.80 percent of the total revenues, a decrease by Baht 6,257.17 Million from the previous year representing 27.20 percent, due to the fact that the Construction Project of Double Track Railroad, Chira Junction - Khon Kaen Section, and the Xayaburi Hydroelectric Power Plant Construction Project had already been delivered in 2019, not to mention many projects in the late stages, for instance, the Agreement for Project Management, Supply, Installation, Testing and Commissioning of M&E Equipment for the MRT Blue Line Extension Project (at the rate of 99 percent progress) and the Bang Pa-in - Nakhon Ratchasima (Korat) Motorway Project (at the rate of 97 percent progress), while new projects are still in the early stages, such as, the Rama III - Dao Khanong - Western Outer Ring Road Expressway Project, Contract 4 (at the rate of 35 percent progress), and the Contract for Construction of Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn's 60<sup>th</sup> Birthday Anniversary (at the rate of 0.5 percent progress).

Other income amounted to Baht 1,696.44 Million, a decrease by Baht 97.13 Million from the previous year representing 5.42 percent, resulting from a decrease in interest income from Xayaburi Power Company Limited, due to receipt of a partial loan repayment in the previous year and a reduced interest rate after commencement of the commercial operation. On the other hand, the Company had an increase in gain on sales of investments in associated companies from the sales of investments in CK Power Public Company Limited.

### Gross Profit

The Company and its subsidiaries incurred costs of construction services in the total amount of Baht 15,340.52 Million, a decrease by Baht 5,687.46 Million from the previous year representing 27.05 percent; had gross profit in the amount of Baht 1,405.25 Million, a decrease by Baht 569.71 Million from the previous year representing 28.85 percent, due to a decrease in revenues from construction contracts, with the gross profit margin for 2020 equaling 8.39 percent, a decrease from the previous year which was equal to 8.59 percent. The decrease in the gross profit margin was caused by the percentage change in income of each project at the construction progress rate.

### Administrative Expenses

Administrative expenses amounted to Baht 2,027.42 Million, a decrease by Baht 402.14 Million from the previous year representing 16.55 percent, resulting from a decrease in employee-related expenses, specific business tax on interest income from Xayaburi Power Company Limited and project fees in the Lao PDR.

The Company and its subsidiaries did not incur explicit costs for research and development of technology and innovation under the guidelines of the National Science and Technology Development Agency (NSTDA). Instead, the Company has supported and promoted development of the Company's personnel to ensure their ability to conduct study and research for new knowledge, experimental development, create new products or processes, or improve the existing products or production process through application of their scientific and technological knowledge, thereby achieving the aims of the personnel development policy to create new technologies and innovations in work operations. The Company's continued human resource development then incurred such costs which were included in the human resource development policy.

### Share of Profit from Investments in Associated Companies

	2020	2019	Change	
			Million Baht	%
Bangkok Expressway and Metro Public Company Limited	659.12	1,560.38	(901.26)	(57.76)
CK Power Public Company Limited	204.33	250.88	(46.55)	(18.55)
Kamala Senior Living Co., Ltd.	(6.83)	(5.02)	(1.81)	(36.06)
<b>Total Share of Profit from Investments in Associated Companies</b>	<b>856.62</b>	<b>1,806.24</b>	<b>(949.62)</b>	<b>(52.57)</b>

Share of profit from investments in associated companies amounted to Baht 856.62 Million, a decrease by Baht 949.62 Million representing 52.57 percent when compared to that of the previous year, due to the fact that in the previous year, Bangkok Expressway and Metro Public Company Limited had a special gain on reclassification of investment in TTW Public Company Limited from an investment in an associated company to an available-for-sale investment, with such transaction not being executed in 2020, let alone the fact that the operating results of Bangkok Expressway and Metro Public Company Limited were affected by the situation of the outbreak of the COVID-19, thereby causing people to reduce their travel during the national lockdown. In respect of CK Power Public Company Limited, its operating results declined, due to the fact that in 2019, Xayaburi Power Company Limited, as an associated company of CK Power Public Company Limited, had gain on exchange which was a one-time transaction, while its performance in the ordinary course of business increased, due to the Xayaburi Hydroelectric Power Project's ability to produce and sell electricity for the full year, despite the amount of water less than the average in 2020.

#### **Finance Cost**

Finance cost amounted to Baht 1,275.61 Million, an increase by Baht 49.81 Million when compared to the previous year representing 4.06 percent, due to an increase in debentures and bank loans.

#### **Corporate Income Tax**

Corporate income tax amounted to Baht 28.36 Million, a decrease by Baht 98.03 Million when compared to the previous year representing 77.56 percent.

#### **Return on Equity through DuPont Analysis**

The profitability ratio in 2020 reduced, with the net profit margin in 2020 equal to 3.32 percent compared to the previous year which was equal to 7.17 percent, a decrease by 3.85 percent, due to a decrease in revenues from construction contracts and share of profit from associated companies, thereby affecting the net profit of the Company. The efficiency ratio reduced, with the assets turnover in 2020 equal to 0.22 times, a decrease from the previous year which was equal to 0.30 times, due to a decrease in revenues from construction contracts. At the end of 2020, the asset-to-equity ratio was 3.15 times, an increase from the previous year which was equal to 2.97 times, mainly due to an increase in debt burden from debentures and loans from financial institutions. In summary, the Company and its subsidiaries had the return on equity ratio in 2020 equal to 2.26 percent, a decrease from the previous year which was equal to 6.63 percent.

### **14.3 Asset Management Capacity**

Total assets of the Company and its subsidiaries as at December 31, 2020 amounted to Baht 82,774.02 Million, an increase by Baht 188.43 Million, representing 0.23 percent when compared to the end of the previous year.

The asset values of the Company and its subsidiaries under the consolidated financial statements reflected value close to fair value since the Company and its subsidiaries arranged for the assessment of value of various assets. In addition, if it was expected which asset value would be impaired, the Company and its subsidiaries would set aside a provision to ensure that asset value under the financial statements did not materially differ from fair value. The components of the major assets and the reasons for the change are as follows:

#### **Trade and other receivables**

As of December 31, 2020, the Company and its subsidiaries had trade receivables in the amount of Baht 2,422.17 Million, an increase by Baht 38.99 Million from the previous year, divided into 16.19 percent for the trade receivables from related companies, such as, Bangkok Expressway and Metro Public Company Limited, TTW Public Company Limited, and 83.81 percent for trade receivables from unrelated companies, such as, Mass Rapid Transit Authority of Thailand; and other



receivables in the amount of Baht 1,237.12 Million, a decrease by Baht 22.29 Million from the previous year, therefore, the total receivables amounted to Baht 3,659.29 Million, which was close to 2019, an increase by Baht 16.70 Million or representing 0.46 percent.

Trade of the Company were mostly from construction services. Normally, the credit term granted by the Company to its customers is 30-60 days. For the year 2020, the Company and its subsidiaries had an average collection period of 52.37 days, a decrease of 9.03 days from 2019.

Trade accounts receivable were stated at the net realizable value. Allowance for doubtful accounts was provided by the Company and its subsidiaries for the estimated losses that might incur from uncollectible receivables. The allowance was generally based on collection history and analysis of debt aging (the analysis of debt aging is shown in Note 9 to Financial Statements).

#### Contract assets/contract liabilities

The contract assets comprised unbilled receivables and retention receivables while the contract liabilities comprised construction revenue received in advance and advance received from employers. As at December 31, 2020, the Company and its subsidiaries had the contract assets in the amount of Baht 2,058.75 Million, an increase by Baht 292.69 Million from the end of the year 2019, representing 16.57 percent; and the contract liabilities in the amount of Baht 7,508.55 Million, a decrease by Baht 3,264.25 Million, representing 30.30 percent, resulting from the construction progress during the year.

	2020	2019	Change	
	Million Baht	Million Baht	Million Baht	%
<b>Contract Assets</b>				
Unbilled receivables	1,522.50	1,127.63	394.87	35.02
Retention receivables	536.25	638.43	(102.18)	(16.00)
<b>Total contract assets</b>	<b>2,058.75</b>	<b>1,766.06</b>	<b>292.69</b>	<b>16.57</b>
<b>Contact Liabilities</b>				
Construction revenue received in advance	6,471.38	9,116.37	(2,644.99)	(29.01)
Advance received from employers	1,037.17	1,656.43	(619.26)	(37.39)
<b>Total contract liabilities</b>	<b>7,508.55</b>	<b>10,772.80</b>	<b>(3,264.25)</b>	<b>(30.30)</b>

#### Assets recognized from costs to fulfil contracts with customers

Assets recognized from costs to fulfil contracts with customers amounted to Baht 1,141.76 Million, used to generate resources or improve resources of the Company for the purpose of being used in fulfilling the performance obligations in the future. Such costs was expected to be recoverable as an asset and recognized as an expense in a systematic manner and in line with the contractual revenue recognition model. Such costs were directly related to contracts which were expected to arise and the Company was able to particularly specify that such costs were related to contracts.

#### Advance payment to subcontractors

Advance payment to subcontractors amounted to Baht 4,238.41 Million, an increase by Baht 899.07 Million from the previous year representing 26.92 percent, used for preparation of upcoming construction work.

**Current tax assets**

Current tax assets amounted to Baht 197.33 Million, a decrease by Baht 168.82 Million from the previous year representing 46.11 percent, due to a decrease in revenues from construction contracts, thereby resulting in a decrease in withholding tax during the year.

**Long-term loans to associated company and interest receivable**

As at December 31, 2020, the Company had long-term loans to associated company amounting to Baht 10,028.18 Million and interest receivable amounting to Baht 3,081.32 Million, totaling Baht 13,109.50 Million. On May 16, 2016, the Board of Directors' Meeting resolved to grant approval for the Company to provide sponsors support to Xayaburi Power Company Limited (CK Power Public Company Limited's associated company). Thereafter, on May 17, 2016, the Company signed the Sponsors Loan Agreement with such company, under which the Company would extend loans in the amount of approximately Baht 13,547 Million to such company for use in construction of additional works of the Xayaburi Hydroelectric Power Project. Such loans are to carry the interest at the Minimum Loan Rate plus 0.25 percent (MLR + 0.25%) per annum during the project construction period and at the Minimum Loan Rate (MLR) during the period of the project's Commercial Operation Date. The loan repayment was scheduled to be made and due in full by no later than 2031, at the same rate as that of loans from the lending banks for this project. In this regard, Xayaburi Power Company Limited would repay the loans and interest from the remaining cash after fulfillment of all provisions in the long-term loan agreements of the lending banks (see details in Note 7 f) to Financial Statements).

**Investments in associated companies**

As at December 31, 2020, the Company and its subsidiaries had investments in associated companies under the consolidated financial statements amounting to Baht 27,478.28 Million, a decrease from the end of 2019 by Baht 371.01 Million, representing 1.33 percent, per the details as follows:

	2020	2019	2020	2019	Change	
	percent	percent	Million Baht	Million Baht	Million Baht	%
Bangkok Expressway and Metro Public Company Limited	32.21	32.21	20,643.20	20,896.62	(253.42)	(1.21)
CK Power Public Company Limited	30.67	31.90	6,824.69	6,938.49	(113.80)	(1.64)
Kamala Senior Living Co., Ltd.	20.00	20.00	7.35	14.18	(6.83)	(48.17)
Luang Prabang Power Company Limited	10.00	-	3.04	-	3.04	N/A
<b>Total</b>			<b>27,478.28</b>	<b>27,849.29</b>	<b>(371.01)</b>	<b>(1.33)</b>

The decrease in investments in associated companies was caused by the Company's sales of investments in CK Power Public Company Limited during the year (see details of change in investments in associated companies in Note 17 to Financial Statements), and the value measurement of the financial assets invested in by Bangkok Expressway and Metro Public Company Limited which was reflected in other comprehensive income.

The Company is certain that the associated companies have a strong financial position and have business opportunities to expand their businesses in their respective industries. That is, Bangkok Expressway and Metro Public Company Limited and CK Power Public Company Limited are the SET-listed companies with their respective market prices higher than the book value in the Company's financial statements, while Kamala Senior Living Co., Ltd. and Luang Prabang Power Company Limited are still in the phase of business development by specialized personnel. For that reason, the Company then feels certain that the book value has reflected the appropriate value in accordance with financial reporting standards.

**Other non-current financial assets**

Other non-current financial assets are classified in accordance with Thai Financial Reporting Standard No. 9: Financial instruments, most of which were formerly classified as other long-term investments. (see details of other non-current financial assets in Note 18 to Financial Statements)

**Property, plant and equipment**

Property, plant and equipment amounted to Baht 11,193.95 Million, an increase by Baht 29.98 Million, representing 0.27 percent, with the property, plant and equipment being stated at cost net of accumulated depreciation and impairment loss. (see details of property, plant and equipment in Note 20 to Financial Statements)

**Withholding income tax**

Withholding income tax amounted to Baht 146.40 Million, an increase by Baht 79.67 Million or representing 119.39 percent as compared to the end of the previous year. It was the withholding income tax of the previous year which was pending refund from the Revenue Department.

**14.4 Liquidity and Adequacy of Investments****Sources and uses of funds**

In 2020, the Company and its subsidiaries had net cash used in operating activities amounting to Baht 6,559.04 Million, mainly due to a decrease in construction revenue received in advance. While an increase in the depreciation by Baht 199.72 Million was partially caused by CKST Joint Venture's review of the service life of machinery and equipment. Net cash from investing activities amounted to Baht 1,303.26 Million from sales of investments in associated companies and dividend income, and net cash from financing activities amounted to Baht 4,081.06 Million, due to an increase in bank loans and debentures, thereby resulting in a decrease in net cash by Baht 1,029.16 Million.

**Suitability of the capital structure, debt service coverage ratio and fulfillment of borrowing conditions**

As at December 31, 2020, the Company and its subsidiaries had total liabilities amounting to Baht 56,503.38 Million, an increase from the end of the previous year by Baht 1,730.31 Million or representing 3.16 percent; interest-bearing liabilities as at the end of 2020 equal to Baht 42,527.12 Million, consisting of short-term loans from financial institutions amounting to Baht 147.08 Million, lease liabilities amounting to Baht 123.86 Million, long-term loans from financial institutions amounting to Baht 6,877.22 Million, and debentures amounting to Baht 35,378.96 Million, divided into 9.15 percent for short-term interest-bearing liabilities and 90.85 percent for long-term interest-bearing liabilities, an increase by Baht 5,523.02 Million from the end of the previous year representing 14.93 percent, mostly resulting from an increase in long-term loans and debentures (see details of short-term loans from financial institutions, long-term loans and debentures in Notes 22, 25 and 26, respectively to Financial Statements); debt service coverage ratio equal to 2.07 times, a decrease by 0.91 times as compared to 2019, resulting from a decrease in net profit.

Shareholders' equity amounted to Baht 26,270.64 Million, a decrease by Baht 1,541.88 Million from the previous year, or representing 5.54 percent. The Company had the significant change, namely, the Company repurchased 36 million shares or representing 2.13 percent of all shares of the Company, in the total value of approximately Baht 674.41 Million, as a result, in the shareholders' equity, the treasury stocks with minus Baht 674.41 Million were shown. In respect of retained earnings, the Company allocated Baht 674.41 Million for the retained earnings as a treasury stocks reserve until sale of all the repurchased shares or reduction of the paid-up capital. Furthermore, in 2020, the net profit attributable to equity holders of the Company amounted to Baht 612.16 Million and the dividend payment amount to Baht 338.78 Million during the year. While other components of the shareholders' equity decreased by Baht 1,094.57 Million, mainly due to a decrease in the value measurement of investment.

The Company and its subsidiaries had a net debt to equity ratio under the consolidated financial statements as at December 31, 2020 equal to 1.32 times, an increase from the end of the previous year which was equal to 1.00 times. The said net debt to equity ratio was still lower than the conditions of issuance of debentures and bank requiring that it must not exceed 3.00 times.

#### **Investment expenditure**

In 2020, the Company made an increased investment in property, plant and equipment by Baht 686.74 Million for purchase of machinery to support construction works, renovate office buildings, develop land, and also invested in Luang Prabang Power Company Limited amounting to Baht 3.14 Million, which in the future, it was expected to have investments of similar nature in order to accommodate the construction business and the expansion of the infrastructure concession business, with such investments being mostly funded by long-term loans and debentures.

#### **Adequacy of liquidity and ability to provide additional funding sources**

The working capital ratio under the consolidated financial statements as at December 31, 2020 was equal to 1.34 times, an increase from the end of the previous year which was equal to 1.06 times, and the quick ratio was equal to 0.77 times, an increase from the end of the previous year which was equal to 0.71 times, due to the fact that the Company and its subsidiaries had a decrease in current liabilities and cash cycle at approximately 1.48 days, which was equal to previous year (average collection period - average payment period).

The Company is confident that the Company has the liquidity sufficient for its operations and has the ability to settle debts while complying with significant borrowing conditions, as well as providing additional funding sources. As at the end of 2020, the Company had undrawn long-term credit facilities under the loan agreements in the amount of Baht 700 Million.

#### **Factors which may affect credit score**

Currently, the Company has received the company and credit ratings from TRIS Rating at A with a stable outlook. A factor which may contribute to the Company's rating upgrade is the Company's ability to materially increase cash flows and reduce its debts. On the other hand, a negative factor against the credit rating is a dramatic decline in cash flows from operating activities of the Company, which may be caused by delays and costs of construction in major projects significantly higher than projected, or by a massive reduction in the operating results or large-scale investments, or the Company's provision of financial support of high value to companies in the group.

### **14.5 Liabilities commitments and off-balance sheet obligations**

The Company has disclosed its commitments in Note 37 to Financial Statements.

### **14.6 Factors affecting commitments to work operations in the future**

Despite the fact that in the midst of problems from the COVID-19 situation which has forced the government to increase a huge budget to provide assistance to directly affected people and businesses, the government is able to push through many large-scale infrastructure projects successfully, such as, the U-Tapao International Airport and Eastern Airport City Development Project, the Laem Chabang Port Project, the Bangkok-Nakhon Ratchasima High Speed Rail Project, the 3<sup>rd</sup> Runway of Suvarnabhumi Airport Project, and many other projects which are in the open bid process continuously until 2021. Such situation has posed a challenge for finding a balance between solving immediate problems and enhancing the country's long-term potential. In spite of the fact that some construction projects have to be somewhat delayed, the Company firmly believes that in 2021, the government remains committed to giving priority to driving the economy amid the current economic slowdown through investments in infrastructure projects. In this connection, there are still numerous projects which the government sector has made the efforts to push through to ensure investment continuity, for instance, the MRT Orange Line (West Section) Project, Bang Khun Non - Thailand Cultural Centre, the MRT Purple Line Project, Tao Poon - Rat Burana Section, the MRT Red Line Project, the Double Track Railway Project, Denchai-Chiang Rai-Chiang Khong, the Double Track Railway Project, Ban Phai-Nakhon Phanom, the Don Mueang Airport Extension Project, etc., all of which are of critical importance to transportation not only in Bangkok but for Thailand in general.

## Report on Responsibilities of the Board of Directors towards the Financial Report

The Company's Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure good management in accordance with laws, objectives and Articles of Association of the Company, as well as resolutions of the shareholders' meetings with integrity and prudence. The Board of Directors protects the benefits of the Company, shareholders and general investors by ensuring that the Company's financial report contains accurate and full accounting records that reflect the Company's actual financial position and operational results.

The Company's Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the SET to review and ensure the accuracy and sufficiency of the financial report, including accurate and complete disclosure of connected transactions or transactions with possible conflict of interest, in compliance with the requirements of the SET and relevant rules and regulations. In this regard, the Audit Committee has already reported their performance to the Company's Board of Directors.

The Company's Board of Directors is of the opinion that the financial statements for 2020 of the Company and the subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditor, reflect accurate financial position and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.



(Miss Supamas Trivisvavet)  
President



(Mr. Prasert Marittanaporn)  
Director

CH. Karnchang Public Company Limited and its subsidiaries

Report and consolidated financial statements

31 December 2020



## Independent Auditor's Report

To the Shareholders of CH. Karnchang Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of CH. Karnchang 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 CH. Karnchang 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 CH. Karnchang Public Company Limited and its subsidiaries and of CH. Karnchang 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.

### Emphasis of matter

I draw attention to Note 17 to the consolidated financial statements regarding the dispute over a competing road with Udon Ratthaya Expressway involving a subsidiary of Bangkok Expressway and Metro Public Company Limited (an associated company) including the agreement with the Government agency to settle all disputes, all disputes have been completely settled and the subsidiary has cancelled enforcement in accordance with the judgement of the Supreme Administrative Court in the current year. My opinion is not modified in respect of this matter.

**Key Audit Matters**

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

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 these matters. 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 matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

*Recognition of revenue from construction contracts*

The Group disclosed its policies on recognition of revenue from construction contracts, estimation of construction project costs and provision for losses on construction projects in Note 5 and Note 6 to the financial statements. I identified the recognition of revenue from construction contracts and the estimates of possible losses from construction contracts to be areas of significant risk in audit. This is because the amount of revenue from construction contracts that the Group recognises in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimates of possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion of construction work, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction contracts and the estimates of possible losses from construction contracts.

I examined the recognition of revenue from construction contracts and the provision for losses on construction projects by assessing and testing the effectiveness of the internal controls put in place by the Group over the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from construction projects 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 read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, checked estimates of project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred. In addition, I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.

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

I am responsible for the audit resulting in this independent auditor's report.

Chatchai Kasemsrithanawat  
Certified Public Accountant (Thailand) No. 5813

EY Office Limited  
Bangkok: 1 March 2021



## CH. Karnchang Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	7,565,841,469	8,595,002,465	6,656,747,098	4,723,564,670
Current investments		-	565,067,902	-	516,270,102
Investments in fixed income open-ended fund	10	201,027,215	-	200,164,352	-
Trade and other receivables	9	3,659,289,970	3,642,589,530	3,371,030,205	3,361,384,441
Short-term loans to related parties and interest receivable	7	62,207,986	54,058,959	1,066,543,973	-
Contract assets	11	2,058,753,282	1,766,058,726	1,807,867,333	1,621,998,370
Construction materials and supplies		377,025,991	411,243,025	40,165,515	65,180,588
Costs to fulfil contracts with customers	12	1,141,759,737	-	-	-
Advance payment to subcontractors		4,238,406,349	3,339,344,612	860,625,185	331,667,085
Current tax assets		197,326,083	366,150,879	139,304,586	314,722,213
Other current assets	13	331,989,812	213,576,439	314,194,524	198,209,281
Total current assets		19,833,627,894	18,953,092,537	14,456,642,771	11,132,996,750
Non-current assets					
Restricted bank deposits	14	15,000,000	15,000,000	-	-
Long-term loans to associated company and interest receivable	7	13,109,495,092	12,551,523,036	13,109,495,092	12,551,523,036
Investments in subsidiaries	15	-	-	306,476,900	306,476,901
Investments in associated companies	17	27,478,276,579	27,849,288,381	27,473,357,155	27,781,320,155
Other long-term investments	18	-	10,854,172,820	-	10,810,572,820
Other non-current financial assets	18	9,778,157,460	-	9,726,507,460	-
Investment properties	19	727,046,830	748,227,955	684,224,431	706,545,857
Property, plant and equipment	20	11,193,954,060	11,163,970,424	9,465,050,868	9,441,715,811
Right-of-use assets	24	120,983,173	-	120,983,173	-
Intangible assets	21	33,618,940	34,323,452	33,295,522	33,817,470
Advances for future projects		136,152,043	93,042,473	136,152,043	93,042,473
Withholding tax deducted at source		146,399,263	66,726,982	43,603,439	15,359,824
Deferred tax assets	32	156,642,635	166,292,205	126,008,672	133,701,561
Other non-current assets		44,663,821	89,928,780	41,035,583	84,586,785
Total non-current assets		62,940,389,896	63,632,496,508	61,266,190,338	61,958,662,693
Total assets		82,774,017,790	82,585,589,045	75,722,833,109	73,091,659,443

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

## CH. Karnchang Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	22	147,073,239	1,874,121,311	-	830,000,000
Trade and other payables	23	2,635,842,117	2,573,806,731	1,958,910,399	2,267,857,014
Current portion of lease liabilities	24	72,396,380	28,604	72,396,380	28,604
Current portion of long-term loans	25	600,000,000	525,000,000	600,000,000	525,000,000
Current portion of debentures	26	3,070,000,000	1,000,000,000	3,070,000,000	1,000,000,000
Contract liabilities	11	7,508,550,165	10,772,796,076	5,364,990,941	6,694,939,289
Retention for construction		487,046,846	603,556,731	278,862,081	480,034,361
Income tax payable		6,277,692	28,983,468	6,277,692	28,983,468
Unbilled output tax		162,036,847	163,912,780	141,062,271	142,226,198
Derivative liabilities		-	288,732,190	-	128,633,795
Other current liabilities		68,385,783	77,813,405	53,062,712	63,811,326
Total current liabilities		14,757,609,069	17,908,751,296	11,545,562,476	12,161,514,055
Non-current liabilities					
Lease liabilities, net of current portion	24	51,462,830	-	51,462,830	-
Long-term loans, net of current portion	25	6,277,223,470	1,726,290,137	6,277,223,470	1,726,290,137
Debentures, net of current portion	26	32,308,962,408	31,878,660,386	32,308,962,408	31,878,660,386
Provision for long-term employee benefits	27	888,603,061	820,670,404	596,186,954	515,927,052
Deferred tax liabilities	32	2,219,521,899	2,438,699,968	2,165,951,341	2,385,129,410
Total non-current liabilities		41,745,773,668	36,864,320,895	41,399,787,003	36,506,006,985
Total liabilities		56,503,382,737	54,773,072,191	52,945,349,479	48,667,521,040

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

## CH. Karnchang Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
1,693,899,970 ordinary shares of Baht 1 each		1,693,899,970	1,693,899,970	1,693,899,970	1,693,899,970
Issued and fully paid-up					
1,693,896,872 ordinary shares of Baht 1 each		1,693,896,872	1,693,896,872	1,693,896,872	1,693,896,872
Share premium		4,869,410,139	4,869,410,139	4,869,410,139	4,869,410,139
Treasury stocks	29	(674,407,440)	-	(674,407,440)	-
Retained earnings					
Appropriated					
Statutory reserve	28	185,892,313	174,889,997	169,389,997	169,389,997
Treasury stocks reserve	29	674,407,440	-	674,407,440	-
Unappropriated		13,850,811,377	14,313,297,802	7,413,144,282	8,374,477,830
Other components of shareholders' equity		5,246,614,275	6,341,179,879	8,631,642,340	9,316,963,565
Equity attributable to owners of the Company		25,846,624,976	27,392,674,689	22,777,483,630	24,424,138,403
Non-controlling interests of the subsidiaries		424,010,077	419,842,165	-	-
Total shareholders' equity		26,270,635,053	27,812,516,854	22,777,483,630	24,424,138,403
Total liabilities and shareholders' equity		82,774,017,790	82,585,589,045	75,722,833,109	73,091,659,443
		-	-	-	-

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

## CH. Karnchang 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
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from construction contracts		16,745,774,040	23,002,938,634	12,101,306,784	17,570,178,522
Other income					
Project management income	7	195,644,722	186,181,923	195,644,722	186,181,923
Rental income		63,236,963	87,268,984	70,195,089	96,198,083
Interest income	7	642,055,572	876,189,381	643,864,409	850,599,023
Dividend income	7	464,621,690	464,636,565	984,251,495	1,233,030,553
Gain on sales of investments in associated companies	17	275,191,010	47,693,516	222,786,290	-
Others		55,691,707	131,602,892	76,585,302	105,267,277
<b>Total revenues</b>		<b>18,442,215,704</b>	<b>24,796,511,895</b>	<b>14,294,634,091</b>	<b>20,041,455,381</b>
<b>Expenses</b>					
Cost of construction services		15,340,523,312	21,027,975,348	11,050,502,921	16,115,734,178
Administrative expenses		2,027,423,743	2,429,563,516	1,864,357,323	2,140,157,426
<b>Total expenses</b>		<b>17,367,947,055</b>	<b>23,457,538,864</b>	<b>12,914,860,244</b>	<b>18,255,891,604</b>
<b>Operating profit</b>		<b>1,074,268,649</b>	<b>1,338,973,031</b>	<b>1,379,773,847</b>	<b>1,785,563,777</b>
Share of profit from investments in associated companies	17	856,622,333	1,806,244,729	-	-
Finance cost		(1,275,614,284)	(1,225,801,951)	(1,263,455,054)	(1,208,924,552)
(for construction segment and investment segment)					
<b>Profit before income tax expenses</b>		<b>655,276,698</b>	<b>1,919,415,809</b>	<b>116,318,793</b>	<b>576,639,225</b>
Income tax expenses	32	(28,359,993)	(126,393,756)	(22,656,724)	(124,347,165)
(for construction segment and investment segment)					
<b>Profit for the year</b>		<b>626,916,705</b>	<b>1,793,022,053</b>	<b>93,662,069</b>	<b>452,292,060</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) from cash flow hedges, net of income tax		206,986,150	18,066,800	185,004,126	(1,084,143)
Gain on changes in value of available-for-sale investments, net of income tax		-	856,651,411	-	866,407,377
Share of other comprehensive income from associates		(551,025)	105,476,914	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		206,435,125	980,195,125	185,004,126	865,323,234
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Loss on changes in value of equity investments designated at fair value - net of income tax		(869,802,945)	-	(869,802,945)	-
Actuarial gain (loss), net of income tax		(25,966,122)	42,094,640	(36,624,628)	-
Share of other comprehensive income from associates		(430,613,379)	(24,988,157)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(1,326,382,446)	17,106,483	(906,427,573)	-
<b>Other comprehensive income for the year</b>		<b>(1,119,947,321)</b>	<b>997,301,608</b>	<b>(721,423,447)</b>	<b>865,323,234</b>
<b>Total comprehensive income for the year</b>		<b>(493,030,616)</b>	<b>2,790,323,661</b>	<b>(627,761,378)</b>	<b>1,317,615,294</b>

## CH. Karnchang Public Company Limited and its subsidiaries

## Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	612,157,746	1,777,781,990	93,662,069	452,292,060
Non-controlling interests of the subsidiaries	14,758,959	15,240,063		
	<u>626,916,705</u>	<u>1,793,022,053</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(507,254,528)	2,778,187,953	(627,761,378)	1,317,615,294
Non-controlling interests of the subsidiaries	14,223,912	12,135,708		
	<u>(493,030,616)</u>	<u>2,790,323,661</u>		
<b>Earnings per share</b>	33			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.37	1.05	0.06	0.27
Weighted average number of ordinary shares (shares)	<u>1,676,445,283</u>	<u>1,693,896,872</u>	<u>1,676,445,283</u>	<u>1,693,896,872</u>

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

CH. Karnchang 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 equity												
	Other comprehensive income				Share from associates				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
	Issued and fully paid-up share capital	Share premium	Treasury stocks	Retained earnings	Surplus (deficit) on changes in value of equity investments designated at fair value	Cash flow hedge reserve	Share of other comprehensive income from associates	Surplus on change in interest of investment				Total other components of shareholders' equity	
Statutory reserve	Appropriated reserve	Treasury stock reserve											
<b>Balance as at 1 January 2019</b>	1,693,896,872	4,869,410,139	-	-	13,365,043,548	5,119,521,689	(230,570,426)	428,619,802	-	5,317,771,955	25,421,011,821	407,706,457	25,828,718,278
Dividend paid (Note 36)	-	-	-	-	(846,944,932)	-	-	-	-	-	(846,944,932)	-	(846,944,932)
Profit for the year	-	-	-	-	1,777,781,990	-	-	-	-	-	1,777,781,990	15,240,063	1,793,022,053
Other comprehensive income for the year	-	-	-	-	17,417,196	861,041,596	18,066,800	103,880,371	-	982,988,767	1,000,405,983	(3,104,355)	997,301,608
Total comprehensive income for the year	-	-	-	-	1,795,199,186	861,041,596	18,066,800	103,880,371	-	982,988,767	2,778,187,953	12,135,708	2,790,323,661
Surplus on change in interest of investment	-	-	-	-	-	-	-	-	40,419,847	40,419,847	40,419,847	-	40,419,847
<b>Balance as at 31 December 2019</b>	1,693,896,872	4,869,410,139	-	-	-	5,980,563,285	(212,503,426)	532,700,173	40,419,847	6,341,179,879	27,392,674,689	419,842,165	27,812,516,854
<b>Balance as at 1 January 2020</b>	1,693,896,872	4,869,410,139	-	-	14,313,297,802	5,980,563,285	(212,503,426)	532,700,173	40,419,847	6,341,179,879	27,392,674,689	419,842,165	27,812,516,854
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	(28,401,926)	(522,406)	-	2,149,827	-	1,627,421	(26,774,595)	-	(26,774,595)
<b>Balance as at 1 January 2020 - as restated</b>	1,693,896,872	4,869,410,139	-	-	14,284,895,876	5,980,040,879	(212,503,426)	534,850,000	40,419,847	6,342,807,300	27,365,900,184	419,842,165	27,785,742,349
Dividend paid (Note 36)	-	-	-	-	(338,777,625)	-	-	-	-	-	(338,777,625)	-	(338,777,625)
Profit for the year	-	-	-	-	612,157,746	-	-	-	-	-	612,157,746	14,758,959	626,916,705
Other comprehensive income for the year	-	-	-	-	(23,736,646)	(869,802,945)	206,986,150	(432,858,833)	-	(1,095,675,628)	(1,119,412,274)	(635,047)	(1,119,947,321)
Total comprehensive income for the year	-	-	-	-	588,421,100	(869,802,945)	206,986,150	(432,858,833)	-	(1,095,675,628)	(507,254,526)	14,223,912	(493,030,616)
Transfer to statutory reserve of the subsidiaries	-	-	-	-	(11,002,316)	-	-	-	-	-	-	-	-
Treasury stocks (Note 29)	-	-	-	-	(674,407,440)	-	-	-	-	-	(674,407,440)	-	(674,407,440)
Transfer to retained earnings due to sales of investments in associated company	-	-	-	-	-	1,681,782	-	1,041,433	(1,588,630)	(517,397)	1,164,385	-	1,164,385
Decrease in non-controlling interests of the subsidiaries from dividend payment of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(10,056,000)	(10,056,000)
<b>Balance as at 31 December 2020</b>	1,693,896,872	4,869,410,139	-	-	13,850,811,377	5,110,237,934	(6,517,276)	103,032,600	38,861,017	5,246,614,275	25,846,624,976	424,010,077	26,270,635,053

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



CH. Kamchang 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									
	Issued and fully paid-up share capital	Share premium	Treasury stocks	Retained earnings		Unappropriated	Other components of equity			Total shareholders' equity
				Statutory reserve	Treasury stock reserve		Surplus (deficit) on changes in value of equity investments designated at fair value	Cash flow hedge reserve	Total other components of shareholders' equity	
<b>Balance as at 1 January 2019</b>	1,693,896,872	4,869,410,139	-	169,389,997	-	8,769,130,702	8,641,077,592	(189,437,261)	8,451,640,331	23,953,468,041
Dividend paid (Note 36)	-	-	-	-	-	(846,944,932)	-	-	-	(846,944,932)
Profit for the year	-	-	-	-	-	452,292,060	-	-	-	452,292,060
Other comprehensive income for the year	-	-	-	-	-	-	866,407,377	(1,084,143)	865,323,234	865,323,234
Total comprehensive income for the year	-	-	-	-	-	452,292,060	866,407,377	(1,084,143)	865,323,234	1,317,615,294
<b>Balance as at 31 December 2019</b>	1,693,896,872	4,869,410,139	-	169,389,997	-	8,374,477,830	9,507,484,969	(190,521,404)	9,316,963,565	24,424,138,403
<b>Balance as at 1 January 2020</b>	1,693,896,872	4,869,410,139	-	169,389,997	-	8,374,477,830	9,507,484,969	(190,521,404)	9,316,963,565	24,424,138,403
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	-	(5,185,924)	(522,406)	-	(522,406)	(5,708,330)
<b>Balance as at 1 January 2020 - as restated</b>	1,693,896,872	4,869,410,139	-	169,389,997	-	8,369,291,906	9,506,962,563	(190,521,404)	9,316,441,159	24,418,430,073
Dividend paid (Note 36)	-	-	-	-	-	(338,777,625)	-	-	-	(338,777,625)
Profit for the year	-	-	-	-	-	93,662,069	-	-	-	93,662,069
Other comprehensive income for the year	-	-	-	-	-	(36,624,628)	(869,802,945)	185,004,126	(684,798,819)	(721,423,447)
Total comprehensive income for the year	-	-	-	-	-	-	(869,802,945)	185,004,126	(684,798,819)	(627,761,378)
Treasury stocks (Note 29)	-	-	(674,407,440)	-	674,407,440	-	-	-	-	(674,407,440)
<b>Balance as at 31 December 2020</b>	1,693,896,872	4,869,410,139	(674,407,440)	169,389,997	674,407,440	7,413,144,282	8,637,159,618	(5,517,278)	8,631,642,340	22,777,483,630

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

## CH. Karnchang 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
<b>Cash flows from operating activities</b>				
Profit before tax	655,276,698	1,919,415,809	116,318,793	576,639,225
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	725,973,786	526,251,420	663,091,875	436,467,696
Withholding tax deducted at source written off	6,104	1,258,665	6,104	1,515
Dividend income	(464,621,690)	(464,636,565)	(984,251,495)	(1,233,030,553)
Gain on sales of current investments	-	(6,040,975)	-	(5,927,914)
Gain on sales of investments in fixed income open-ended fund	(1,046,836)	-	(1,046,836)	-
Gain on sales of investments in associated companies	(275,191,010)	(47,693,516)	(222,786,290)	-
Allowance for expected credit losses (reversal)				
(2019: Allowance for doubtful accounts)	(5,350)	7,944,467	(5,350)	7,944,467
Allowance for loss on diminution in value of other long-term investments	-	2,280,000	-	-
Gain on sales of investment properties	-	(37,422,500)	-	-
Gain on sales of property, plant and equipment	(9,680,426)	(7,639,412)	(10,814,672)	(4,931,701)
Loss on written off of property, plant and equipment	10,449,884	14,116,597	3,571,085	652,119
Transfer equipment to cost of construction services	5,141,398	35,782,060	5,141,398	35,782,060
Unrealised loss (gain) on exchange	(593,083)	(927,306)	667,132	(1,278,298)
Unrealised gain on changes in value of investments in marketable securities	-	(2,817,909)	-	(2,170,750)
Unrealised gains on changes in value of investments in fixed income open-ended fund	(254,987)	-	(164,353)	-
Loss (gain) from foreign exchange contracts	(751,358)	751,358	(751,358)	751,358
Share of profit from investments in associated companies	(856,622,333)	(1,806,244,729)	-	-
Provision for long-term employee benefits	76,152,647	122,577,547	54,447,311	40,299,497
Amortisation of deferred front end fee and deferred debenture issuing cost	10,603,828	11,597,930	10,506,355	9,992,930
Interest expenses	1,260,022,880	1,207,950,334	1,247,961,121	1,192,677,935
Profit from operating activities before changes in operating assets and liabilities	1,134,860,152	1,476,503,275	881,890,820	1,053,869,586
Operating assets (increase) decrease				
Trade and other receivables	(577,365,655)	2,991,543,696	(584,156,442)	3,653,540,368
Contract assets	(292,694,556)	2,122,637,121	(185,868,964)	2,034,181,460
Construction materials and supplies	34,217,034	352,264,822	25,015,072	346,015,461
Costs to fulfil contracts with customers	(1,141,759,737)	-	-	-
Advance payment to subcontractors	(899,061,737)	1,178,144,974	(528,958,099)	1,518,233,076
Other current assets	(132,158,927)	188,721,994	(129,748,138)	187,353,914
Advances for future projects	(43,109,570)	8,805,144	(43,109,570)	8,805,144
Other non-current assets	34,892,711	(9,133,725)	33,293,763	(9,114,521)
Operating liabilities increase (decrease)				
Trade and other payables	(39,836,332)	(2,824,724,817)	(442,997,750)	(2,751,217,007)
Contract liabilities	(3,264,245,911)	(295,327,306)	(1,329,948,348)	(1,576,808,009)
Retention for construction	(116,146,528)	(95,234,983)	(201,172,280)	(54,030,928)
Other current liabilities	(9,879,839)	(233,466,783)	(12,165,412)	(254,416,900)
Cash paid for long-term employee benefits	(40,543,074)	(118,592,709)	(19,968,194)	(59,618,685)
Cash flows from (used in) operating activities	(5,352,831,969)	4,742,140,703	(2,537,893,542)	4,096,792,959
Cash paid for interest expenses	(1,211,061,108)	(1,225,964,854)	(1,198,999,350)	(1,210,692,455)
Cash refund (paid for) corporate income tax	4,851,962	(88,490,152)	71,095,832	(100,977,432)
<b>Net cash flows from (used in) operating activities</b>	<b>(6,559,041,115)</b>	<b>3,427,685,697</b>	<b>(3,665,797,060)</b>	<b>2,785,123,072</b>

## CH. Karnchang 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
<b>Cash flows from investing activities</b>				
Cash payment for purchase of current investments	-	(4,175,642,568)	-	(4,150,642,568)
Cash receipt from sales of current investments	-	4,003,296,348	-	3,975,296,349
Cash payment for purchase of investment in fixed income open-ended fund	(200,000,000)	-	(200,000,000)	-
Cash receipt from sales of investment in fixed income open-ended fund	556,264,509	-	508,238,938	-
Decrease (increase) in short-term loans to related parties	(5,400,000)	213,836,767	(1,050,000,000)	240,061,150
Decrease in long-term loans to associated company	-	2,286,580,000	-	2,286,580,000
Decrease in long-term loans to related company	-	3,600,000	-	3,600,000
Dividend from subsidiary, associated and related companies	985,631,351	1,253,662,346	984,251,495	1,233,030,553
Cash receipt from sales of investments in associated companies	533,786,290	68,253,045	533,786,290	-
Purchase of investments in associated companies	(3,037,000)	(4,297,204,408)	(3,037,000)	(4,229,319,123)
Purchase of other long-term investments	-	(205,750,000)	-	(200,000,000)
Purchase of investment in equity instruments	(8,050,000)	-	-	-
Increase in investment properties	-	(1,270,644)	-	-
Increase in property, plant and equipment	(587,507,532)	(2,243,596,416)	(559,133,130)	(2,219,257,534)
Increase in intangible assets	(4,296,421)	(158,800)	(4,296,421)	(54,800)
Proceeds from sales of investment properties	-	37,922,500	-	-
Proceeds from sales of property, plant and equipment	35,868,144	106,843,023	33,386,684	101,728,543
<b>Net cash flows from (used in) investing activities</b>	<b>1,303,259,341</b>	<b>(2,949,628,807)</b>	<b>243,196,856</b>	<b>(2,958,977,430)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(1,952,179,357)	(4,288,956,601)	(830,000,000)	(5,067,699,110)
Cash receipt from long-term loans	5,150,000,000	1,776,900,000	5,150,000,000	1,776,900,000
Repayment of long-term loans	(525,000,000)	(375,000,000)	(525,000,000)	(375,000,000)
Cash receipt from issuance of debentures	4,993,729,000	9,988,000,000	4,993,729,000	9,988,000,000
Repayment of debentures	(2,500,000,000)	(6,650,000,000)	(2,500,000,000)	(6,650,000,000)
Cash payment of lease liabilities	(62,253,260)	-	(62,253,260)	-
Dividend payment	(338,777,625)	(846,944,932)	(338,777,625)	(846,944,932)
Dividend payment of subsidiary	(10,056,000)	-	-	-
Cash payment for treasury stocks	(674,407,440)	-	(674,407,440)	-
<b>Net cash flows from (used in) financing activities</b>	<b>4,081,055,318</b>	<b>(396,001,533)</b>	<b>5,213,290,675</b>	<b>(1,174,744,042)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>145,565,460</b>	<b>(36,876,087)</b>	<b>142,491,957</b>	<b>(26,467,606)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,029,160,996)</b>	<b>45,179,270</b>	<b>1,933,182,428</b>	<b>(1,375,066,006)</b>
Cash and cash equivalents at beginning of year	8,595,002,465	8,549,823,195	4,723,564,670	6,098,630,676
<b>Cash and cash equivalents at end of year</b>	<b>7,565,841,469</b>	<b>8,595,002,465</b>	<b>6,656,747,098</b>	<b>4,723,564,670</b>
	-	-	-	-
<b>Supplemental disclosures of cash flows information</b>				
Non-cash transactions				
Increase in equipment from other payables and trust receipt payables	99,231,959	-	46,620,991	-
Transfer equipment to cost of construction services	5,141,398	35,782,060	5,141,398	35,782,060
Increase in right-of-use assets from lease liabilities	41,552,584	-	41,552,584	-

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

**CH. Karnchang Public Company Limited and its subsidiaries****Notes to consolidated financial statements****For the year ended 31 December 2020****1. General information****1.1 Corporate information**

CH. Karnchang Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder of the Company is Mahasiri Siam Company Limited, which was also incorporated in Thailand. The Company is principally engaged in the provision of construction services. The registered office of the Company is at 587 Suthisarn Winitchai Road, Khwaeng Ratchadapisek, Khet Dindaeng, Bangkok.

**1.2 Coronavirus disease 2019 pandemic**

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

**2. Basis of preparation**

- 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 CH. Karnchang Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”) (collectively as “the Group”):

Name of entity	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
<b><u>Investments in subsidiaries (held by the Company)</u></b>				
CH. Karnchang Realstate Company Limited (included equity interest in Prompratarn Construction Company Limited and Prasertwit Construction Company Limited)	Investment company	Thailand	99.00	99.00
CH. Karnchang-Tokyu Construction Company Limited	Construction	Thailand	55.00	55.00
CH. Karnchang (Lao) Company Limited	Construction	The Lao People's Democratic Republic	100.00	100.00
<b><u>Investments in subsidiaries (held by subsidiary company)</u></b>				
Prompratarn Construction Company Limited (99.00 percent held by CH. Karnchang Realstate Company Limited)	Construction and construction equipment rental service	Thailand	98.01	98.01
Prasertwit Construction Company Limited (99.00 percent held by CH. Karnchang Realstate Company Limited)	Construction and construction equipment rental service	Thailand	98.01	98.01

On 10 August 2020, Prasertwit Construction Company Limited entered into an agreement of entire business transfer to CH. Karnchang Realstate Company Limited, its parent company, in accordance with a resolution passed by the Board of Directors meeting of Prasertwit Construction Company Limited. All assets and liabilities were transferred to CH. Karnchang Realstate Company Limited on 1 September 2020.

On 8 September 2020, the Extraordinary General Meeting of shareholders of Prasertwit Construction Company Limited acknowledged the entire business transfer transactions and approved the dissolution of its company. This company registered its dissolution with Ministry of Commerce on 8 September 2020 and is currently in the process of liquidation.

- 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 as from 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) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately 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 associates under the cost method.

2.4 The Company has joint arrangements which assessed as joint operations between the Company and other joint operators. The Company recognises its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, to the separate financial statements, the details as follows:

Name of entity	Nature of business	Country of incorporation	Interest in joint operations	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
Joint Venture BBCD Bilfinger Berger AG, CH. Karnchang Public Company Limited and Dyckerhoff & Widmann AG (hereinafter called "Joint Venture BBCD")	Construction	Thailand	84.74	84.74
CKTC Joint Venture	Construction	Thailand	70.00	70.00
CH. Karnchang-Krungthon Engineers Joint Venture	Construction	Thailand	-	60.00
Joint Venture CKCH	Construction	Thailand	70.00	70.00
CKST Joint Venture	Construction	Thailand	60.00	60.00

On 21 December 2020, a Board of Directors meeting of CH. Karnchang-Krungthon Engineers Joint Venture approved the dissolution of CH. Karnchang-Krungthon Engineers Joint Venture and this joint venture registered its dissolution on 30 December 2020.



### 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
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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. These 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 investments in available-for-sale securities - The Group's available-for-sale investments in fixed income open-ended fund are measured at fair value through other comprehensive income. The Group has elected to irrevocably classify these investments as financial assets at fair value through profit or loss. The surplus (deficit) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.

- Classification and measurement of non-listed equity investments - The Group has decided to measure these investments at fair value and classify them as financial assets at fair value through other comprehensive income.
- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider the allowance for expected credit losses of trade receivables.

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.

### **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.

### **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 Pandemic. Its objectives are to alleviate some of the impacts 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 and fair value measurement of unquoted equity investments.

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 that became 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 to 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 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 is 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 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 effect of		
		Financial reporting		
		standards related		
	31 December	to financial		1 January
	2019	instruments	TFRS 16	2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	565,068	(565,068)	-	-
Investments in fixed income open-ended fund	-	555,990	-	555,990
Other current assets	213,576	-	(5,516)	208,060
<b>Non-current assets</b>				
Investments in associated companies	27,849,288	(21,067)	-	27,828,221
Other long-term investments	10,854,173	(10,854,173)	-	-
Other non-current financial assets	-	10,857,543	-	10,857,543
Right-of-use assets	-	-	167,446	167,446
Other non-current assets	89,929	-	(10,257)	79,672
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	29	-	58,781	58,810
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	-	-	92,892	92,892
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	14,313,298	(28,402)	-	14,284,896
Other components of shareholders' equity	6,341,180	1,627	-	6,342,807

(Unit: Thousand Baht)

	Separate financial statements			
		The effect of		
		Financial reporting		
		standards related		
	31 December	to financial		1 January
	2019	instruments	TFRS 16	2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	516,270	(516,270)	-	-
Investments in fixed income open-ended fund	-	507,192	-	507,192
Other current assets	198,209	-	(5,516)	192,693
<b>Non-current assets</b>				
Other long-term investments	10,810,573	(10,810,573)	-	-
Other non-current financial assets	-	10,813,943	-	10,813,943
Right-of-use assets	-	-	167,446	167,446
Other non-current assets	84,586	-	(10,257)	74,329
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	29	-	58,781	58,810
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	-	-	92,892	92,892
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	8,374,478	(5,186)	-	8,369,292
Other components of shareholders' equity	9,316,963	(522)	-	9,316,441

#### 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:

	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht)
	Retained earnings	Other components of shareholders' equity	Retained earnings	Other components of shareholders' equity	
Fair value measurement of non-listed equity investments	(5,708)	-	(5,708)	-	
Classification of available-for-sale investments as financial assets at fair value through profit or loss	522	(522)	522	(522)	
Share of profit (loss) from investments in associated companies	(23,216)	2,149	-	-	
Impacts of the adoption of financial reporting standards related to financial instruments	(28,402)	1,627	(5,186)	(522)	



- 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:

	Consolidated financial statements					(Unit: Thousand Baht)	
	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
<b>Financial assets as at 1 January 2020</b>							
Cash and cash equivalents	8,595,002	-	-	-	8,595,002	8,595,002	
Investments in fixed income open-ended fund	555,990	555,990	-	-	-	555,990	
Trade and other receivables	3,642,589	-	-	-	3,642,589	3,642,589	
Short-term loans to related parties and interest receivable	54,059	-	-	-	54,059	54,059	
Restricted bank deposits	15,000	-	-	-	15,000	15,000	
Long-term loans to associated company and interest receivable	12,551,523	-	-	-	12,551,523	12,551,523	
Other non-current financial assets	10,857,543	-	-	10,857,543	-	10,857,543	
<b>Total financial assets</b>	<b>36,271,706</b>	<b>555,990</b>	<b>10,857,543</b>	<b>24,858,173</b>	<b>36,271,706</b>		

(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
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	4,723,565	-	-	4,723,565	4,723,565
Investments in fixed income open-ended fund	507,192	507,192	-	-	507,192
Trade and other receivables	3,361,384	-	-	3,361,384	3,361,384
Long-term loans to related parties and interest receivable	12,551,523	-	-	12,551,523	12,551,523
Other non-current financial assets	10,813,943	-	10,813,943	-	10,813,943
<b>Total financial assets</b>	<b>31,957,607</b>	<b>507,192</b>	<b>10,813,943</b>	<b>20,636,472</b>	<b>31,957,607</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss. However, the Group has derivative liabilities which applied hedge accounting amounting to Baht 289 million (Separate financial statements: Baht 129 million).

## 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	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	197,059	185,722
Less: Short-term leases and leases of low-value assets	(20,341)	(9,004)
Less: Option to terminate lease	(3,141)	(3,141)
Less: Contracts reassessed as service agreements	(7,685)	(7,685)
Less: Deferred interest expenses	(14,219)	(14,219)
Increase in lease liabilities due to the adoption TFRS 16	151,673	151,673
Hire purchase creditor as at 31 December 2019	29	29
Lease liabilities as at 1 January 2020	151,702	151,702
Weighted average incremental borrowing rate (percent per annum)	3.44	3.44
Comprise of:		
Current lease liabilities	58,810	58,810
Non-current lease liabilities	92,892	92,892
	151,702	151,702

## 5. Significant accounting policies

### 5.1 Revenue and expense recognition

#### a) Revenues from construction contracts

The Group has determined that its 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, 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 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.

**b) Sales of construction materials**

Sales of construction materials are recognised at the point in time when control of goods are 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.

**c) Services revenue**

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

**d) Rental income**

Rental income is recognised on the straight-line basis over the lease term.

**e) 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).

**f) Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

**g) Dividends**

Dividends are recognised when the right to receive the dividends is established.

## 5.2 Cash and cash equivalents

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

## 5.3 Contract assets/Contract liabilities

### *Contract assets*

A contract asset is the excess of cumulative revenue earned over the billings to date. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

### *Contract liabilities*

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

## 5.4 Costs to fulfil contracts with customers

The Group recognises costs to fulfil contracts with customers as an asset, provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

## 5.5 Construction materials and supplies

Construction materials and supplies are valued at the lower of cost (under the weighted average method) or net realisable value and are charged to construction costs whenever consumed.

## 5.6 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries 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, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years and 35 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land classified as investment properties.

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 year when the asset is derecognised.

## 5.8 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Condominium building	35 years
Buildings and construction	3, 5 to 9, 20 and 30 years
Land improvement	5, 20 and 30 years
Building improvements	10 and 20 years
Machinery and equipment	2 to 15 years
Furniture, fixtures and office equipment	2, 5 and 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets of the Group with finite useful lives comprise computer software, and have useful lives of 5, 19 and 20 years.

## 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 buildings	2 and 3	years
Machinery	2	years
Motor vehicles	2 to 4	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 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 is 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.

### **The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

### **5.11 Related party transactions**

Related parties comprise individuals or enterprises 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 Group's operations.

### **5.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Group functional currency.

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 intangible 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***

#### *Defined contribution plans*

The Group and its employees have jointly established provident funds. The funds are monthly contributed by employees and by the Group. The fund's assets are held in separate trust funds and the Group's contributions are recognised as expenses when incurred.

#### *Defined benefit plans*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is 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.

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 it recognises 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 reduce 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 designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

***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 security investments held for trading and financial assets with cash flows that are not solely payments of principal and interest.

**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.

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).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables 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 securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) 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.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) 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 marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. 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 Derivatives and hedge accounting**

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **Hedge accounting**

The Group applies hedge accounting by using cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

### ***Cash flow hedges***

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

### **5.19 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 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 reflect the satisfaction of the performance obligation, the management determines the stage of completion 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. Significant judgements is required in determining the contract costs incurred for work performed to date, estimated total contract revenue and construction costs, and the recoverability of the contract costs to complete, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies past experience, historical information and information from the project engineers or the work of specialists (if any).

### Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables 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.

### Impairment of equity investments

The Group treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

### Joint arrangements

Management applied judgement to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement. On this basis, the management of the Company determined that the Company has 5 investments in joint venture agreements that are joint operations (between the Company and other joint operators) in accordance with TFRS 11.



**Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the managements are required to make estimates of the useful lives and residual values of the Group's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the managements are 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.

**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 other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

**Provision for losses on construction projects**

Management applied 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.

**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.



## 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 Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Rental and transportation income	-	-	-	2	Close to service fee charged to third parties
Space rental and service income	-	-	7	7	Based on contracts
Interest income	-	-	17	-	Interest rate of MLR
Dividend income	-	-	11	-	As declared
Other income	-	-	33	16	Based on contracts and cost plus margin
Cost of construction services	-	-	134	700	Based on contracts
<b><u>Transactions with associated companies</u></b>					
Revenues from construction contracts	6,044	11,172	4,132	6,906	Based on construction contracts
Rental and transportation income	1	1	1	1	Based on contracts
Space rental and service income	26	24	26	24	Based on contracts
Interest income	561	767	558	765	Interest rates of 5% and MLR (2019: 5%, MLR and MLR + 0.25%)
Dividend income	-	-	508	768	As declared
Other income	-	1	-	1	Based on contracts
Cost of construction services	-	1	-	1	Based on contracts
Sales of land	-	38	-	-	Close to market price

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<b>Transactions with related parties</b>					
Revenues from construction contracts	502	114	502	114	Based on construction contracts
Project management income	196	186	196	186	Based on contracts and agreed between the parties
Rental and transportation income	1	5	1	5	Close to service fee charged to third parties
Space rental and service income	3	6	3	6	Based on contracts
Interest income	-	4	-	4	Interest rates of 3.1% and MLR - 0.01%
Dividends income	465	465	465	465	As declared
Other income	13	32	13	32	Based on contracts and cost plus margin
Cost of construction services	395	240	395	240	Close to prices charged by third parties and based on contracts
Administrative expenses	10	1	10	1	Agreed between the parties
Dividend payment	10	-	-	-	As declared
Sales of equipment	10	42	10	42	Agreed between the parties
Purchases of equipment	10	13	10	13	Agreed between the parties
Purchases of land	-	600	-	600	Close to market price

The balances of the accounts as at 31 December 2020 and 2019 between the Group and those related parties are as follows:

**a) Trade receivables - related parties (Note 9)**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Associated company</b>				
- Bangkok Expressway and Metro Public Company Limited	340,095	677,193	340,095	677,193
<b>Related parties (common directors)</b>				
- TTW Public Company Limited	-	7,994	-	7,994
- Pathum Thani Water Company Limited	51,980	-	51,980	-
	51,980	7,994	51,980	7,994
Total trade receivables - related parties	392,075	685,187	392,075	685,187

**b) Retention receivables - related parties**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Joint arrangement</b>	-	408	-	408
<b>Associated company</b>				
- Bangkok Expressway and Metro Public Company Limited	50,783	44,252	50,783	44,252
<b>Related parties</b> (common directors)				
- Bangpa-in Land Development Company Limited	-	7,418	-	7,418
- TTW Public Company Limited	34,969	10,688	34,969	10,688
- Pathum Thani Water Company Limited	18,485	-	18,485	-
	<u>53,454</u>	<u>18,106</u>	<u>53,454</u>	<u>18,106</u>
Total retention receivables - related parties	<u>104,237</u>	<u>62,766</u>	<u>104,237</u>	<u>62,766</u>

**c) Other receivables - related parties (Note 9)**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Subsidiaries</b>	-	-	71,019	32,853
<b>Joint arrangements</b>	19,258	27,766	19,258	27,766
<b>Associated companies</b>				
- Bangkok Expressway and Metro Public Company Limited	10	1,449	10	1,449
- CK Power Public Company Limited	603	757	603	757
- Xayaburi Power Company Limited	93	634	93	116
- Other associated companies	159	121	159	121
	<u>865</u>	<u>2,961</u>	<u>865</u>	<u>2,443</u>
<b>Related parties</b> (common directors)				
- Expert Transport Company Limited	18,761	17,128	18,761	17,128
- Other related companies and related parties	256	259	256	259
	<u>19,017</u>	<u>17,387</u>	<u>19,017</u>	<u>17,387</u>
<b>Other joint operator</b>				
- CH. Thavee Construction Company Limited	-	1,085	-	1,085
Total other receivables - related parties	39,140	49,199	110,159	81,534
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(211)	(216)	(211)	(216)
Total other receivables - related parties, net	<u>38,929</u>	<u>48,983</u>	<u>109,948</u>	<u>81,318</u>

**d) Advance payment to subcontractor - related parties**

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Subsidiary</b>		-	-	1,177	41,618
<b>Other joint operator</b>					
- Sino-Thai Engineering and Construction Public					
Company Limited		112,992	-	112,992	-
<b>Total advance payment to subcontractor - related parties</b>		<b>112,992</b>	<b>-</b>	<b>114,169</b>	<b>41,618</b>

**e) Short-term loans to related parties and interest receivable**

Loans to related parties are subject to interest rates at Minimum Loan Rate (MLR) and 5 percent per annum and are due at call.

As at 31 December 2020 and 2019, the balances of short-term loans to related parties and interest receivable between the Group and those related parties and the movement are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Loans	Related by	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Kamala Senior Living Company Limited	Associated company				
- Loans		51,200	5,400	-	56,600
- Interest receivable		2,859	2,749	-	5,608
		<b>54,059</b>	<b>8,149</b>	<b>-</b>	<b>62,208</b>

		(Unit: Thousand Baht)			
		Separate financial statements			
Loans	Related by	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
CH. Karnchang (Lao) Company Limited	Subsidiary				
- Loans		-	1,050,000	-	1,050,000
- Interest receivable		-	16,544	-	16,544
		<b>-</b>	<b>1,066,544</b>	<b>-</b>	<b>1,066,544</b>

**f) Long-term loans to associated company and interest receivable**

As at 31 December 2020 and 2019, the balances of long-term loans to associated company and interest receivable between the Company and the associated company and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
<b>Loans:</b>				
- Xayaburi Power Company Limited	10,028,180	-	-	10,028,180
<b>Interest receivable:</b>				
- Xayaburi Power Company Limited	2,523,343	557,972	-	3,081,315
	<u>12,551,523</u>	<u>557,972</u>	<u>-</u>	<u>13,109,495</u>

On 16 May 2016, a meeting of the Company's Board of Directors passed a resolution to provide financial support to Xayaburi Power Company Limited (an associated company of CK Power Public Company Limited), and on 17 May 2016, the Company entered into a Sponsor Loan Agreement under which it will provide loans of Baht 13,547 million to that company to fund additional construction work on the Xayaburi Hydroelectric Power Project. The loans are to carry interest at the Minimum Loan Rate plus 0.25 percent (MLR + 0.25%) per annum during the construction period and the Minimum Loan Rate (MLR) from the Commercial Operation Date (within the year 2019). The loans are to be repaid in accordance with the loan repayment schedule for the loans from the financial institutions for this project and full settlement is to be made no later than 2031, however, that the payment of interest and principal will be subject to the cash flows available to the shareholders after fulfillment of all conditions stipulated in the long-term loan agreements.

As at 31 December 2020, Xayaburi Power Company Limited has drew Baht 13,028 million of these loans from the Company.

**g) Trade accounts payable - related parties (Note 23)**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Subsidiary</b>	-	-	2,733	44,865
<b>Joint arrangements</b>	10,392	4,030	10,392	4,030
<b>Associated company</b>	-	7,308	-	101
<b>Related parties</b> (common directors)	39	43	39	43
<b>Other joint operator</b>				
- Sino-Thai Engineering and Construction				
Public Company Limited	2,479	2,812	2,479	2,812
<b>Total trade accounts payable - related parties</b>	<u>12,910</u>	<u>14,193</u>	<u>15,643</u>	<u>51,851</u>

**h) Amounts due to related party (Note 23)**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Joint arrangement</b>	<u>28</u>	<u>186</u>	<u>28</u>	<u>186</u>

**i) Advances received from employers - related parties**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Associated company</b>				
- Bangkok Expressway and Metro Public Company Limited	10,829	11,342	10,829	11,342
<b>Related companies</b> (common directors)				
- Pathum Thani Water Company Limited	14,695	-	14,695	-
- TTW Public Company Limited	-	46,694	-	46,694
	<u>14,695</u>	<u>46,694</u>	<u>14,695</u>	<u>46,694</u>
<b>Total advances received from employers - related parties</b>	<u>25,524</u>	<u>58,036</u>	<u>25,524</u>	<u>58,036</u>



**j) Retention for construction - related parties**

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Subsidiary</b>	-	-	98	46,665
<b>Other joint operator</b>				
- Krungthon Engineers Company Limited	-	408	-	408
Total retention for construction - related parties	-	408	98	47,073

Directors and management's remuneration

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		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	219	203	185	172
Post-employment benefits	14	19	12	12
Total	233	222	197	184

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Notes 22 and 37.3 to the financial statements.

**8. Cash and cash equivalents**

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	11,157	11,175	8,960	7,612
Bank deposits	7,554,684	8,583,827	6,647,787	4,715,953
Total	7,565,841	8,595,002	6,656,747	4,723,565

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 to 2.00 percent per annum (2019: between 0.05 to 1.60 percent per annum) (Separate financial statements: 0.05 to 0.60 percent per annum (2019: 0.10 to 1.60 percent per annum)).

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	339,431	610,317	339,431	610,317
Past due				
Up to 3 months	52,644	74,870	52,644	74,870
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables - related parties	<u>392,075</u>	<u>685,187</u>	<u>392,075</u>	<u>685,187</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,933,031	1,383,369	1,581,137	1,078,929
Past due				
Up to 3 months	3,991	216,000	-	216,000
3 - 6 months	-	-	-	-
6 - 12 months	-	682	-	-
Over 12 months	93,074	97,948	93,074	93,074
Total trade receivables - unrelated parties	<u>2,030,096</u>	<u>1,697,999</u>	<u>1,674,211</u>	<u>1,388,003</u>
Total trade receivables	<u>2,422,171</u>	<u>2,383,186</u>	<u>2,066,286</u>	<u>2,073,190</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	39,140	49,199	110,159	81,534
Other receivables - unrelated parties	1,205,865	1,216,131	1,202,523	1,212,632
Interest receivable	52	2,018	-	1,972
Total other receivables	<u>1,245,057</u>	<u>1,267,348</u>	<u>1,312,682</u>	<u>1,296,138</u>
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	<u>(7,938)</u>	<u>(7,944)</u>	<u>(7,938)</u>	<u>(7,944)</u>
Total other receivables - net	<u>1,237,119</u>	<u>1,259,404</u>	<u>1,304,744</u>	<u>1,288,194</u>
Total trade and other receivables - net	<u>3,659,290</u>	<u>3,642,590</u>	<u>3,371,030</u>	<u>3,361,384</u>

## 10. Investments in fixed income open-ended fund

Investments in fixed income open-ended fund are measured at fair value through profit or loss (FVTPL).

## 11. Contract assets/Contract liabilities

### 11.1 Contract balances

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Contract assets				
Unbilled receivables	1,522,502	1,127,630	1,455,149	1,051,686
Retention receivables	536,251	638,429	352,718	570,312
Total contract assets	2,058,753	1,766,059	1,807,867	1,621,998
Contract liabilities				
Construction revenue received in advance	6,471,383	9,116,364	4,359,404	5,089,511
Advance received from employers	1,037,167	1,656,432	1,005,587	1,605,428
Total contract liabilities	7,508,550	10,772,796	5,364,991	6,694,939

### 11.2 Revenue recognised in relation to contract balances

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Revenue recognised that was included in				
contract liabilities at the beginning of the year	7,789,744	9,167,664	5,745,834	6,403,614
Revenue recognised from changes in variable				
considerations of performance obligations				
satisfied in previous years	-	15,786	-	-

### 11.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totalling Baht 29,404 million (2019: Baht 37,380 million) and separate financial statements totaling Baht 24,852 million (2019: Baht 31,690 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 (2019: 4 years).

#### 11.4 Contract assets - unbilled receivables

As at 31 December 2020, the balances of unbilled receivables amounted to approximately Baht 1,523 million and separate financial statement approximately Baht 1,455 million is expected to bill with customers within 1 year (2019: the balances of unbilled receivables amounted to approximately Baht 861 million and separate financial statement approximately Baht 785 million is expected to bill with customers within 1 year and the remaining balance of Baht 267 million is expected to bill to customers after one year).

#### 12. Cost to fulfil contract with customers

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	-	-
Additions	1,141,760	-
Net book value at end of year	<u>1,141,760</u>	<u>-</u>

#### 13. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Prepaid expenses	55,376	70,079	50,993	64,125
Refundable input tax	199,688	27,478	199,409	27,116
Unbilled input tax	73,890	110,062	63,776	103,898
Others	<u>3,036</u>	<u>5,957</u>	<u>17</u>	<u>3,070</u>
Total other current assets	<u>331,990</u>	<u>213,576</u>	<u>314,195</u>	<u>198,209</u>

#### 14. Restricted bank deposits

The outstanding balances represent bank deposit accounts which have been pledged with banks to secure short-term credit facilities and the issuance of bank guarantees for construction contracts, bidding, advance payment bond, retention and issuance of other bank guarantees of a subsidiary.

## 15. Investments in subsidiaries

15.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Separate financial statements						(Unit: Thousand Baht)	
	Paid-up capital		Shareholding percentage		Cost			Dividend received during the years
	<u>2020</u>	<u>2019</u>	<u>2020</u> (%)	<u>2019</u> (%)	<u>2020</u>	<u>2019</u>		
CH. Karnchang Realstate Company Limited	160,000	160,000	99.00	99.00	158,400	158,400	-	-
CH. Karnchang-Tokyu Construction Company Limited	200,000	200,000	55.00	55.00	110,000	110,000	11,000	-
CH. Karnchang (Lao) Company Limited								
(paid-up share capital of USD 1,000,000)	39,636	39,636	100.00	100.00	39,636	39,636	-	-
Total					308,036	308,036	11,000	-
Less: Allowance for loss on investments in subsidiary					(1,559)	(1,559)		
Total investments in subsidiaries - net					306,477	306,477		

15.2 Details of investment in subsidiary that have material non-controlling interests.

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(%)	(%)						
CH. Karnchang-Tokyu Construction Company Limited	45.00	45.00	424	418	15	15	9	-

15.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling.

Summarised information about financial position.

	(Unit: Million Baht)	
	CH. Karnchang-Tokyu	
	Construction Company Limited	
	<u>2020</u>	<u>2019</u>
Current assets	800	698
Non-current assets	1,431	1,745
Current liabilities	(747)	(619)
Non-current liabilities	(240)	(321)

Summarised information about comprehensive income.

	(Unit: Million Baht)	
	For the years ended 31 December	
	CH. Karnchang-Tokyu	
	Construction Company Limited	
	<u>2020</u>	<u>2019</u>
Revenue	2,856	1,926
Profit	33	28
Other comprehensive income	11	-
Total comprehensive income	44	28

Summarised information about cash flow.

	(Unit: Million Baht)	
	For the years ended 31 December	
	CH. Karnchang-Tokyu	
	Construction Company Limited	
	<u>2020</u>	<u>2019</u>
Cash flow from operating activities	61	52
Cash flow from investing activities	5	9
Cash flow from (used in) financing activities	4	(64)
Net increase (decrease) in cash and cash equivalents	70	(3)



## 16. Joint arrangements - joint operations

Financial information of the Company only and the joint arrangements which are the joint operations in 5 entities as described in Note 2.4 to the financial statements are presented including in the separate financial statement as below.

(Unit: Million Baht)

	As at 31 December 2020		
	The Company only	The joint arrangements	Separate financial statement
<b>Summarised information about financial position:</b>			
Current assets	10,145	4,361	14,457
Non-current assets	60,591	705	61,266
Current liabilities	7,531	4,064	11,546
Non-current liabilities	41,343	57	41,400
Unappropriated retained earnings	6,498	932	7,413

(Unit: Million Baht)

	For the year ended 31 December 2020		
	The Company only	The joint arrangements	Separate financial statement
<b>Summarised information about profit or loss:</b>			
Total revenues	9,385	5,270	14,295
Total expenses	(8,164)	(5,087)	(12,915)
Operating profit	1,221	183	1,380
Finance cost	(1,259)	(4)	(1,263)
Profit (loss) before income tax expenses	(38)	179	117
Income tax expenses	25	(48)	(23)
Profit (loss) for the year	(13)	131	94

(Unit: Million Baht)

	As at 31 December 2019			
	The Company only	The joint arrangements	Elimination entries	Separate financial statement
Current assets	6,061	5,121	(49)	11,133
Non-current assets	61,099	892	(32)	61,959
Current liabilities	7,057	5,487	(382)	12,162
Non-current liabilities	36,488	24	(6)	36,506
Unappropriated retained earnings	7,566	499	309	8,374

**Summarised information about financial position:**

Current assets	6,061	5,121	(49)	11,133
Non-current assets	61,099	892	(32)	61,959
Current liabilities	7,057	5,487	(382)	12,162
Non-current liabilities	36,488	24	(6)	36,506
Unappropriated retained earnings	7,566	499	309	8,374

(Unit: Million Baht)

	For the year ended 31 December 2019			
	The Company only	The joint arrangements	Elimination entries	Separate financial statement
Total revenues	13,053	7,833	(845)	20,041
Total expenses	(11,079)	(7,520)	343	(18,256)
Operating profit	1,974	313	(502)	1,785
Finance cost	(1,188)	(29)	8	(1,209)
Profit before income tax expenses	786	284	(494)	576
Income tax expenses	(11)	(113)	-	(124)
Profit for the year	775	171	(494)	452

**Summarised information about profit or loss:**

Total revenues	13,053	7,833	(845)	20,041
Total expenses	(11,079)	(7,520)	343	(18,256)
Operating profit	1,974	313	(502)	1,785
Finance cost	(1,188)	(29)	8	(1,209)
Profit before income tax expenses	786	284	(494)	576
Income tax expenses	(11)	(113)	-	(124)
Profit for the year	775	171	(494)	452

## 17. Investments in associated companies

### 17.1 Details of associated companies:

Company's name	Nature of business	Country of incorporation	Consolidated financial statements						(Unit: Thousand Baht)	
			Shareholding percentage		Cost		Carrying amounts based on equity method			
			<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>		
			(%)	(%)						
Bangkok Expressway and Metro Public Company Limited	Construction and management of the expressway, the operation of metro services and commercial development	Thailand	32.21	32.21	20,771,096	20,771,096	20,643,197	20,896,620		
(31.32 percent held by the Company and 0.89 percent indirectly held by a subsidiary)										
CK Power Public Company Limited	Making investment in other companies	Thailand	30.67	31.90	7,749,962	8,060,962	6,824,689	6,938,487		
Kamala Senior Living Company Limited	Development and management of elderly residential project	Thailand	20.00	20.00	20,000	20,000	7,354	14,181		
(20.00 percent indirectly held by a subsidiary)										
Luang Prabang Power Company Limited	Generating and sale of electricity	The Lao People's Democratic Republic	10.00	-	3,037	-	3,037	-		
Total					28,544,095	28,852,058	27,478,277	27,849,288		

Company's name	Nature of business	Country of incorporation	Separate financial statements								(Unit: Thousand Baht)
			Shareholding percentage		Cost	Allowance for loss on investments		Carrying amounts based on cost method - net			
			2020	2019		2020	2019	2020	2019		
			(%)	(%)							
Bangkok Expressway and Metro Public Company Limited	Construction and management of the expressway, the operation of metro services and commercial development	Thailand	31.32	31.32	20,020,286	20,020,286	(299,928)	(299,928)	19,720,358	19,720,358	
CK Power Public Company Limited	Making investment in other companies	Thailand	30.67	31.90	7,749,962	8,060,962	-	-	7,749,962	8,060,962	
Luang Prabang Power Company Limited	Generating and sale of electricity	The Lao People's Democratic Republic	10.00	-	3,037	-	-	-	3,037	-	
Total					27,773,285	28,081,248	(299,928)	(299,928)	27,473,357	27,781,320	

## 17.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)					
	Consolidated		Separate			
	financial statements		financial statements			
	Share of profit (loss) from investments in associated companies during the years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2020	2019	2020	2019	2020	2019
Bangkok Expressway and Metro Public Company Limited	659,117	1,560,376	(448,253)	93,920	430,841	712,218
CK Power Public Company Limited	204,332	250,884	17,089	(13,431)	77,789	56,176
Kamala Senior Living Company Limited	(6,827)	(5,015)	-	-	-	-
Luang Prabang Power Company Limited	-	-	-	-	-	-
Total	856,622	1,806,245	(431,164)	80,489	508,630	768,394

## 17.3 Fair value investments in listed associates

The fair values of investments in associated companies that are listed on the Stock Exchange of Thailand are based on the latest bid price of the last working days of December 2020 and 2019, as quoted on the Stock Exchange of Thailand. Such fair values are as follow:

Company's name	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Fair values as at 31 December		Fair values as at 31 December	
	2020	2019	2020	2019
Bangkok Expressway and Metro Public Company Limited	40,867	53,669	39,733	52,180
CK Power Public Company Limited	11,119	12,861	11,119	12,861
Total	51,986	66,530	50,852	65,041

## 17.4 Summarised financial information about material associates

## Summarised information about financial position

(Unit: Million Baht)

	Bangkok Expressway and Metro Public Company Limited and its subsidiaries		CK Power Public Company Limited and its subsidiaries	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current assets	5,044	4,447	10,566	6,606
Non-current assets	108,572	107,249	56,472	57,585
Current liabilities	(13,734)	(11,429)	(6,275)	(3,394)
Non-current liabilities	(61,849)	(61,445)	(25,725)	(25,250)
<b>Net assets</b>	<b>38,033</b>	<b>38,822</b>	<b>35,038</b>	<b>35,547</b>
Equity attributable to non-controlling interests of the subsidiaries				
in associated companies	(42)	(42)	(11,264)	(11,998)
<b>Net assets of the Company</b>	<b>37,991</b>	<b>38,780</b>	<b>23,774</b>	<b>23,549</b>
Shareholding percentage (%)	32.21	32.21	30.67	31.90
<b>Share of net assets</b>	<b>12,237</b>	<b>12,491</b>	<b>7,291</b>	<b>7,512</b>
Elimination entries and others	8,406	8,406	(466)	(574)
<b>Carrying amounts of associates based on equity method</b>	<b>20,643</b>	<b>20,897</b>	<b>6,825</b>	<b>6,938</b>

## Summarised information about comprehensive

(Unit: Million Baht)

	For the years ended 31 December			
	Bangkok Expressway and Metro Public Company Limited and its subsidiaries		CK Power Public Company Limited and its subsidiaries	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue	14,323	20,404	7,188	8,843
Profit	2,055	5,452	198	1,083
Other comprehensive income	(1,392)	321	67	(47)
Total comprehensive income	663	5,773	265	1,036



### **Bangkok Expressway and Metro Public Company Limited**

The Company is subject to restrictions on the sale, transfer or creation of obligations with respect to some share certificates for its investment in Bangkok Expressway and Metro Public Company Limited, in compliance with a condition of the Company's long-term loans and debentures.

A subsidiary has pledged some of the share certificates for its investment in Bangkok Expressway and Metro Public Company Limited with a bank to secure its short-term loans from the bank.

#### Dispute over the competing road with Udon Ratthaya Expressway of a subsidiary of Bangkok Expressway and Metro Public Company Limited

On 21 September 2018, the Supreme Administrative Court ruled to affirm the Judgement of the Administrative Court to enforce the arbitral award of the arbitral tribunal requiring Expressway Authority of Thailand ("EXAT") to compensate a subsidiary of Bangkok Expressway and Metro Public Company Limited for the deficient revenue from the projection under the Bang Pa-In - Pak Kret Expressway Agreement in total of Baht 1,790 million with interest. On 2 October 2018, the Council of Ministers' Meeting passed a resolution to require that the Government agency may conduct a negotiation with its disputing party to alleviate the damage of the Government and to ensure justice to the people. As at result, EXAT, Bangkok Expressway and Metro Public Company Limited and the subsidiary entered into a process to negotiate the settlement of all disputes. On 6 January 2020, EXAT, Bangkok Expressway and Metro Public Company Limited and the subsidiary reached agreements to settle all disputes, subject to the approval of the Cabinet. The substance of the agreements was as follows;

- 1) EXAT, Bangkok Expressway and Metro Public Company Limited and the subsidiary agreed to settle all existing disputes and potential future disputes over the same issues in relation to the Concession Agreements.
- 2) The disputes were settled by extending the concessions without requiring investment in and improvement of the Second Stage Expressway, and construction of the Double Deck, with the terms of all three agreements comprised of the Second Stage Expressway Agreement (Sector A, B and C), the Agreement for the Extension of the Second Stage Expressway System (Sector D), and the Bang Pa-In - Pak Kret Expressway Agreement, extended until 31 October 2035.

- 3) Bangkok Expressway and Metro Public Company Limited and the subsidiary retain all rights to extend the concessions specified in the existing agreements. The remaining periods of the existing agreements are 4 years and 4 months for the Second Stage Expressway Agreement, 11 years and 6 months for the Extension of the Second Stage Expressway Agreement (Sector D) and 10 years and 11 months for the Bang Pa-In - Pak Kret Expressway Project Agreement, commencing from the end of the amended agreements (31 October 2035).
- 4) The toll rates are to be increased every 10 years by fixed amounts specified in the agreements.

On 18 February 2020, the Cabinet passed a resolution to amend the concession agreements in order to settle all disputes for both the Second Stage Expressway Project (Sector A, B, C and D) and the Bang Pa-In - Pak Kret Expressway Project (the Udon Ratthaya Expressway). On 20 February 2020, Bangkok Expressway and Metro Public Company Limited and the subsidiary and EXAT signed these Concession Agreements (Amendment).

EXAT, Bangkok Expressway and Metro Public Company Limited and the subsidiary has completed settlement of all disputes and the subsidiary of Bangkok Expressway and Metro Public Company Limited has cancelled enforcement in accordance with the judgement of the Supreme Administrative Court in the first quarter of 2020. As a result of the above events, the Second Stage Expressway Project Agreement (Sector A, B, C and D) (Amendment) of Bangkok Expressway and Metro Public Company Limited and EXAT and the Bang Pa-In Pak Kret Expressway Project Agreement (the Udon Ratthaya Expressway) (Amendment) of the subsidiary of Bangkok Expressway and Metro Public Company Limited and EXAT became effective.

### **CK Power Public Company Limited**

During the third quarter of 2020, the Company sold 100 million ordinary shares of CK Power Public Company Limited at a total price of Baht 534 million and recorded gains on sales of investments in the associated company of approximately Baht 275 million in profit or loss in the consolidated financial statements (Separate financial statements: Baht 223 million) for the year 2020. As a result, the Company's interest in the equity of this company decreased from 31.90 percent to 30.67 percent.

### **Luang Prabang Power Company Limited**

On 11 November 2020, the Company's Executive Committee Meeting passed a resolution approving an acquisition of 10 percent of the registered share capital, or 415,000 ordinary shares, of Luang Prabang Power Company Limited from PT Sole Company Limited for a total of USD 0.10 million or equivalent to Baht 3 million. The transaction was completed on 19 November 2020. Furthermore, CK Power Public Company Limited (an associated company) held 42 percent of the registered share capital of this company and since the Company has the significant influence over such company, it is therefore classified Luang Prabang Power Company Limited as associated company.

**18. Other non-current financial assets/Other long-term investments**Other non-current financial assets

(Unit: Thousand Baht)

	31 December 2020	
	Consolidated financial statements	Separate financial statements
<b>Equity instruments designated at FVOCI</b>		
TTW Public Company Limited	9,521,156	9,521,156
Eastern High-Speed Rail Linking Three Airports Company Limited	200,000	200,000
Saha Tokyu Corporation Company Limited	30,400	-
JR Kyushu Capital Management (Thailand) Company Limited	21,250	-
Others	5,351	5,351
<b>Total</b>	<b>9,778,157</b>	<b>9,726,507</b>

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Group considers these investments to be strategic in nature.

Other long-term investments

(Unit: Thousand Baht)

	31 December 2019	
	Consolidated financial statements	Separate financial statements
<b>Investments in available-for-sale</b>		
TTW Public Company Limited	10,604,865	10,604,865
<b>Other investments</b>		
Eastern High-Speed Rail Linking Three Airports Company Limited	200,000	200,000
Saha Tokyu Corporation Company Limited	22,350	-
JR Kyushu Capital Management (Thailand) Company Limited	21,250	-
Others	5,708	5,708
<b>Total other investments</b>	<b>249,308</b>	<b>205,708</b>
<b>Total other long-term investments</b>	<b>10,854,173</b>	<b>10,810,573</b>

## 19. 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			Separate financial statements		
	Land and improvement	Building for rent	Total	Land and improvement	Building for rent	Total
31 December 2020:						
Cost	670,121	190,419	860,540	589,232	239,223	828,455
<u>Less</u> Accumulated depreciation	(23,229)	(64,151)	(87,380)	(23,229)	(79,168)	(102,397)
<u>Less</u> Allowance for impairment loss	(46,113)	-	(46,113)	(41,834)	-	(41,834)
Net book value	<u>600,779</u>	<u>126,268</u>	<u>727,047</u>	<u>524,169</u>	<u>160,055</u>	<u>684,224</u>
31 December 2019:						
Cost	670,366	209,335	879,701	589,476	258,139	847,615
<u>Less</u> Accumulated depreciation	(20,928)	(64,432)	(85,360)	(20,927)	(78,308)	(99,235)
<u>Less</u> Allowance for impairment loss	(46,113)	-	(46,113)	(41,834)	-	(41,834)
Net book value	<u>603,325</u>	<u>144,903</u>	<u>748,228</u>	<u>526,715</u>	<u>179,831</u>	<u>706,546</u>

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	748,228	569,553	706,546	529,781
Purchase of land	-	1,271	-	-
Transfers from property, plant and equipment				
- book value at transfer date	-	187,424	-	187,424
Transfers to property, plant and equipment				
- book value at transfer date	(13,782)	(366)	(13,782)	(366)
Disposal of land	-	(500)	-	-
Depreciation charged	(7,399)	(9,154)	(8,540)	(10,293)
Net book value at end of year	<u>727,047</u>	<u>748,228</u>	<u>684,224</u>	<u>706,546</u>

The fair value of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land and land improvement	1,556	1,566	1,236	1,236
Building for rent	220	241	276	298

The fair values have been determined based on valuations performed by an independent valuer, using the market prices.

[illegible]





[illegible]



During the second quarter of 2020, CKST Joint Venture reviewed the useful lives of its machinery and equipment, and this resulted in decreasing in the estimated useful lives of the assets from 5 years to construction project end date, which have been reflected retrospectively, as from 1 January 2020. CKST Joint Venture has adjusted depreciation of machinery and equipment for the year 2020 to reflect the new estimated useful lives, and this had no any significant impact to net profit for the year ended 31 December 2020.

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) of those assets amounted to approximately Baht 3,514 million (2019: Baht 4,327 million) (Separate financial statements: Baht 1,387 million (2019: Baht 2,205 million)).

The Company is subject to restrictions on the sale, transfer or creation of obligations with respect to certain plots of land belonging to the Company, in compliance with a condition of the Company's long-term loans and debentures.

## 21. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost	158,711	153,181	155,414	149,883
Accumulated amortisation	(125,092)	(118,858)	(122,118)	(116,066)
Net book value	<u>33,619</u>	<u>34,323</u>	<u>33,296</u>	<u>33,817</u>
Amortisation expenses included in the profit or loss for the year	<u>6,431</u>	<u>6,978</u>	<u>6,248</u>	<u>6,793</u>

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	34,323	40,138	33,817	39,551
Acquisition of computer software	3,474	1,163	3,474	1,059
Transfer from property, plant and equipment - net book value at transfer date	2,253	-	2,253	-
Amortisation	(6,431)	(6,978)	(6,248)	(6,793)
Net book value at end of year	<u>33,619</u>	<u>34,323</u>	<u>33,296</u>	<u>33,817</u>

## 22. Short-term loans from financial institutions

		(Unit: Thousand Baht)			
		Consolidated		Separate financial	
		financial statements		statements	
	Interest rate (% per annum)	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term loans from banks	1.6 and MLR - margin	90,000	66,000	-	-
Trust receipts	LIBOR + margin and MLR - margin	57,073	978,121	-	-
Bills of exchange	1.67 - 2.105	-	830,000	-	830,000
Total		<u>147,073</u>	<u>1,874,121</u>	<u>-</u>	<u>830,000</u>

Parts of the short-term loans from financial institutions of the Company are secured by the transfer of rights over collection of revenues from construction projects.

Short-term loans from financial institutions of subsidiary are secured by certain share certificates of Bangkok Expressway and Metro Public Company Limited owned by a subsidiary, the transfer of the rights over saving deposits of a subsidiary, the transfer of bank guarantees provided by subcontractors and are guaranteed by the Company and subsidiary' shareholders.

Trust receipts of the subsidiary are guaranteed by the Company.

**23. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties (Note 7)	12,910	14,193	15,643	51,851
Trade payables - unrelated parties	2,156,725	2,094,247	1,538,794	1,816,928
Amounts due to related party (Note 7)	28	186	28	186
Accrued interest expenses	205,976	157,496	205,976	157,496
Accrued expenses	229,648	285,583	181,866	222,409
Other payables	30,555	22,102	16,603	18,987
Total trade and other payables	<u>2,635,842</u>	<u>2,573,807</u>	<u>1,958,910</u>	<u>2,267,857</u>

**24. Leases****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 - 4 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 and separate financial statements			
	Land and			
	buildings	Machinery	Motor vehicles	Total
1 January 2020 (Note 4)	5,459	14,067	147,920	167,446
Additions	13,322	-	28,230	41,552
Decrease from contract cancellation	(619)	-	(1,756)	(2,375)
Depreciation for the year	(5,385)	(7,095)	(73,160)	(85,640)
31 December 2020	<u>12,777</u>	<u>6,972</u>	<u>101,234</u>	<u>120,983</u>



**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	<u>2020</u>	<u>2019</u>
Lease payments	132,223	29
Less: Deferred interest expenses	(8,364)	-
Total	123,859	29
Less: Portion due within one year	(72,396)	(29)
Lease liabilities - net of current portion	51,463	-

A maturity analysis of lease payments is disclosed in Note 39.2 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Depreciation expense of right-of-use assets	85,640	85,640
Interest expense on lease liabilities	7,182	7,182
Expense relating to short-term leases	62,380	47,362
Expense relating to leases of low-value assets	14,189	14,189

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 146 million (Separate financial statements: Baht 131 million), including the cash outflow related to short-term leases and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 42 million (Separate financial statements: Baht 42 million).

## 25. Long-term loans

As at 31 December 2020 and 2019, the balances of the long-term loans are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2020</u>	<u>2019</u>
Long-term loans	6,877,223	2,251,290
Less: Current portion	(600,000)	(525,000)
Long-term loans - net of current portion	<u>6,277,223</u>	<u>1,726,290</u>

Movements in the long-term loans account during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2020	2,255,000
Add: Issuance during the year	5,150,000
Less: Repayment during the year	(525,000)
	6,880,000
Less: Deferred front end fees	(2,777)
Balance as at 31 December 2020	<u>6,877,223</u>

As at 31 December 2020, the Company's long-term loans from bank comprise six credit facilities from local commercial banks. The balance of loans amounting to Baht 6,450 million, on which interest is charged at the Minimum Loan Rate minus margin (MLR - margin) per annum and the loan principals are to be repaid in semi-annual and quarterly base. Full settlements of these loans are to be made within November 2021 to March 2027. The balance of loans amounting to Baht 430 million carry interest at 2.35 percent per annum and full settlement of these loans are to be made within November 2022.

Under the loan agreement, the Company is required to comply with the same conditions and restrictions as those applicable for the Company's debentures (as described in Note 26 to the financial statements) and to maintain a certain debt to equity ratio.

As at 31 December 2020, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 700 million (2019: Baht 2,150 million).

## 26. Debentures

						(Unit: Thousand Baht)	
						Consolidated and separate	
						financial statements	
Debentures	Life	Date of issue	Maturity date	Interest rate		2020	2019
				(% p.a.)			
1	7 years	26 May 2016	26 May 2023	3.22		1,000,000	1,000,000
2	8 years	7 June 2016	7 June 2024	3.50		500,000	500,000
3	8 years	8 July 2016	8 July 2024	3.51		1,500,000	1,500,000
4	10 years	8 July 2016	8 July 2026	3.82		2,700,000	2,700,000
5	11 years 8 months	8 July 2016	8 March 2028	3.99		800,000	800,000
6	11 years	11 July 2016	11 July 2027	3.95		1,000,000	1,000,000
7	11 years	8 November 2016	8 November 2027	4.05		-	1,000,000
8	11 years	17 November 2016	17 November 2027	4.05		-	500,000
9	4 years	26 May 2017	26 May 2021	2.97		2,250,000	2,250,000
10	7 years	26 May 2017	26 May 2024	3.80		1,600,000	1,600,000
11	3 years	3 November 2017	3 November 2020	2.24		-	1,000,000
12	8 years	3 November 2017	3 November 2025	3.34		1,000,000	1,000,000
13	10 years	3 November 2017	3 November 2027	3.65		1,000,000	1,000,000
14	4 years	23 May 2018	23 May 2022	2.48		1,600,000	1,600,000
15	5 years	23 May 2018	23 May 2023	2.74		2,700,000	2,700,000
16	3 years	25 July 2018	25 July 2021	2.60		820,000	820,000
17	4 years	25 July 2018	25 July 2022	2.80		910,000	910,000
18	10 years	25 July 2018	25 July 2028	4.00		1,020,000	1,020,000
19	3 years	28 June 2019	28 June 2022	2.46		3,000,000	3,000,000
20	5 years	28 June 2019	28 June 2024	2.90		3,500,000	3,500,000
21	10 years	28 June 2019	28 June 2029	3.66		3,500,000	3,500,000
22	3 years	14 August 2020	14 August 2023	2.31		500,000	-
23	5 years	14 August 2020	14 August 2025	3.12		3,000,000	-
24	10 years	14 August 2020	14 August 2030	3.50		1,500,000	-
Total						35,400,000	32,900,000
Less: Deferred debenture issuing costs						(21,038)	(21,340)
Less: Current portion of debentures						(3,070,000)	(1,000,000)
Debentures - net of current portion						32,308,962	31,878,660

Movements in the debentures account during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2020	32,900,000
Add: Issuance of debentures during the year	5,000,000
Less: Repayment debentures during the year	(2,500,000)
	35,400,000
Less: Deferred debenture issuing costs	(21,038)
Balance as at 31 December 2020	35,378,962

All debentures of the Company are unsecured, registered, senior debentures with trustees and with a par value of Baht 1,000 each. The interest is payable every 3 months and 6 months throughout the life of the debenture.

The conditions of the debentures include covenants that, among other things, prohibit the Company from selling, transferring or creating any commitments with respect to some share certificates for its investment in an associated company and some plots of land of the Company and require it to maintain a certain debt to equity ratio.

## 27. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Defined benefit obligation at beginning of year</b>	820,670	858,780	515,927	535,246
Current service cost	62,518	88,633	44,739	41,077
Interest cost	13,980	15,314	10,053	9,437
Past service costs and gains or losses on settlement	(345)	18,631	(345)	(10,214)
Actuarial (gain) loss arising from				
Demographic assumptions changes	129	(8,881)	149	-
Financial assumptions changes	12,280	13,343	10,480	-
Experience adjustments	19,914	(46,557)	35,152	-
Benefits paid during the year	(40,543)	(118,593)	(19,968)	(59,619)
<b>Provisions for long-term employee benefits at end of year</b>	<u>888,603</u>	<u>820,670</u>	<u>596,187</u>	<u>515,927</u>

The Group expects to pay Baht 56 million of long-term employee benefits during the next year (Separate financial statements: Baht 43 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 1.8 - 13.0 years (2019: 4.0 - 10.7 years) and separate financial statements is 9.2 years (2019: 10.6 years).

Significant actuarial assumptions are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	0.59 - 1.61	1.61 - 2.65	1.37	2.65
Future salary increase rate - average (depending on age of employees)	5.00 - 6.00	0 - 6.00	5.00	6.00
Staff turnover rate - average	0.76 - 34.38	0 - 28.65	2.87 - 34.38	2.87 - 25.79

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				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(51.45)	59.73	(33.58)	38.64
Salary increase rate	56.76	(50.11)	36.84	(32.78)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(38.30)	44.43	(27.48)	31.85

(Unit: Million Baht)

As at 31 December 2019				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(49.13)	56.83	(30.38)	34.79
Salary increase rate	63.91	(55.97)	41.29	(36.49)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(53.08)	49.99	(34.35)	36.17

**28. 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. At present, the statutory reserve has fully been set aside.

According to the Thai Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least 5 percent of its net profit each time the subsidiaries pay out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve cannot be used for dividend payment.

**29. Treasury stocks**

On 30 January 2020, the meeting of the Company's Board of Directors approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 3,000 million or 169,389,000 shares, which is approximately 10 percent of total issued shares at par value of Baht 1 per share by repurchasing in the Stock Exchange of Thailand. The repurchase period is from 2 March 2020 to 1 September 2020.

The Company has to disclose the proposed share repurchase scheme not less than 14 days prior to the date on which the shares will be repurchased. The repurchase price in the Stock Exchange of Thailand shall not be exceeding 115 percent of the average closing stock price prior to 5 working days on date of share repurchase and the repurchase period shall not exceed 6 month. The Company's Board of Directors would reconsider the periods of shares resell after 6 months from the date of complete the repurchasing of shares but not more than 3 years. The reselling price would not be less than 85 percent of the average closing stock price prior to 5 working days on date of sale of treasury stocks. If after the end of the period of the program, the Company does not resell or fails to resell all treasury stocks within the period of the program, the Company shall reduce its paid-up and registered capital by way of writing off registered shares.

As at 31 December 2020, the Company had an outstanding treasury stocks of 36,000,000 shares in the account with an average cost of Baht 18.73 per shares at total cost of Baht 674,407,440. The treasury stocks of 36,000,000 shares have a par value of Baht 1 per share with Baht 674,407,440 had been appropriated from retained earnings to reserve for treasury stocks. The Company can hold treasury stocks not longer than 3 years after the date of complete the repurchasing of shares.



### 30. Accounts receivable - claims for additional costs

In 2000, Joint Venture BBCD had claimed for payment of additional construction costs from the Expressway Authority of Thailand (the employer). The employer's consulting engineer considered the joint venture's claims and issued a letter confirming its acceptance of the additional costs. Subsequently, the Arbitral Tribunal issued its award, ruling that the employer was to pay the joint venture for such additional costs and accrued interest. Later the employer sent a letter to the joint venture informing that, after consideration, the employer had decided to comply with the arbitral award. Consequently, the joint venture had recorded such amounts as asset and income in the financial statements of 2001. The Company's interest in the joint operation is approximately Baht 2,500 million.

As a result of the delay in the payment, the joint venture filed a lawsuit against the employer with a Civil Court to order compliance with the arbitral award. On 30 December 2003, the court ruled in favor of the joint venture, ordering compliance with the arbitral award requiring the Expressway Authority of Thailand (the employer) to pay the joint venture in accordance with the arbitral award. Subsequently, in January 2004, the employer appealed the ruling to the Supreme Court of Thailand.

On 15 February 2007, the Supreme Court handed down a judgment reversing that of the Civil Court enforcing the arbitral award requiring the employer to make payments to the Joint Venture BBCD. The joint venture therefore recorded allowance for doubtful accounts for the full amount of the accounts receivable recorded in respect of the claim for additional costs as an expense in the profit or loss of 2006, with the Company's interest in the joint operation being approximately Baht 2,500 million.

Subsequently, after the management of the Company carefully reviewed the details of the Supreme Court's judgment, on 11 February 2008 a lawsuit was filed against the employer with the Civil Court, to recover costs paid by the Joint Venture BBCD from the employer, on the grounds of undue enrichment. Such costs and accrued interest calculated up to the date of filing of the lawsuit amounted to approximately Baht 3,400 million (per the Company's interest in the joint operation).

On 15 September 2011, the Civil Court handed down a judgment ruling that the employer was to pay the Joint Venture BBCD Baht 1,750 million (per the Company's interest in the joint operation) together with interest at a rate of 7.5 percent per annum on the principal from 15 February 2007 to the date that employer pays the debt to the Joint Venture BBCD. The employer and the Joint Venture BBCD appealed the ruling to the Appeal Court.

On 27 December 2013, the Appeal Court overturned the judgment made in favor of the Joint Venture BBCD. Subsequently, in February 2014 the joint venture filed an appeal with the Supreme Court, petitioning it to enforce the employer's payment of all additional costs and accrued interest until payment is made.

Subsequently, on 22 June 2017, the Supreme Court upheld the judgment of the Appeal Court, dismissing the petition of the Joint Venture BBCD and this is a final judgement. The management of the Company then consulted with legal advisor to explore legal means to proceed with the case. In the current year, the legal advisor studied the case and advised that the Joint Venture BBCD had no further grounds on which to sue for payment. After careful consideration, the management of the Company decided to cease the lawsuit against the employer and the Joint Venture BBCD therefore wrote off the claims for additional costs and reversed allowance for doubtful account in the same amount, based on the Company's interest in the joint operation being approximately Baht 2,516 million. These transactions had no effect on profit or loss for the year 2020.

### 31. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	2,519,724	2,975,899	1,676,616	1,751,844
Depreciation and amortisation	725,974	526,251	663,092	436,468
Construction materials and consumables used and subcontractors costs	13,139,888	17,930,317	9,797,198	14,377,458
Repair and maintenance expenses	40,628	63,721	26,393	25,186

### 32. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Current income tax charge	60,164	116,743	53,619	107,993
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(31,804)	9,651	(30,962)	16,354
<b>Income tax expense reported in profit or loss</b>	<u>28,360</u>	<u>126,394</u>	<u>22,657</u>	<u>124,347</u>

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		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax relating to				
Gain on changes in value of available-for-sale investments	-	214,162	-	216,602
Loss from the change in value of equity investments measured at FVOCI	(217,618)	-	(217,618)	-
Gain (loss) from cash flow hedges	46,251	(271)	46,251	(271)
Actuarial loss	(6,357)	-	(9,156)	-
	<u>(177,724)</u>	<u>213,891</u>	<u>(180,523)</u>	<u>216,331</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	655,277	1,919,416	116,319	576,639
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	131,055	383,883	23,264	115,328
Effects of:				
Non-deductible expenses	35,895	20,063	35,455	19,621
Additional expense deduction allowed	(5,947)	(5,924)	(4,837)	(4,839)
Exemption of income	(101,684)	(92,927)	(202,172)	(246,606)
Additional taxable income	206	21,315	206	21,315
Profit of a subsidiary granted tax-exemption privileges	(28,952)	(52,857)	-	-
Share of profit from investments in associated companies	(171,324)	(361,249)	-	-
Deferred tax assets which were not recognised during the year				
- Tax losses	169,875	214,800	168,796	213,951
- Allowance for doubtful accounts	-	1,589	-	1,589
Others	(764)	(2,299)	1,945	3,988
Total	<u>(102,695)</u>	<u>(257,489)</u>	<u>(607)</u>	<u>9,019</u>
Income tax expenses reported in profit or loss	<u>28,360</u>	<u>126,394</u>	<u>22,657</u>	<u>124,347</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Deferred tax assets</b>				
Property, plant and equipment	12,512	9,598	4,008	1,094
Provision for long-term employee benefits	141,316	127,112	119,186	103,185
Derivative liabilities	-	25,576	-	25,576
Others	2,815	4,006	2,815	3,847
Total	<u>156,643</u>	<u>166,292</u>	<u>126,009</u>	<u>133,702</u>
<b>Deferred tax liabilities</b>				
Unrealised gain on changes in fair value of investments	2,212,861	2,431,562	2,159,290	2,377,991
Amortisation of deferred debenture issuing costs	4,208	4,268	4,208	4,268
Others	2,453	2,870	2,453	2,870
Total	<u>2,219,522</u>	<u>2,438,700</u>	<u>2,165,951</u>	<u>2,385,129</u>

As at 31 December 2020, the Group has unused tax losses totaling Baht 2,576 million (2019: Baht 1,767 million) (Separate financial statements: Baht 2,560 million (2019: Baht 1,751 million)), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 2,576 million (2019: Baht 1,767 million) (Separate financial statements: Baht 2,560 million (2019: Baht 1,751 million)) will expire by 2025.

### 33. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares held by external shareholders (excluding the weighted average number of treasury stock during the year).

### 34. Segment information

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

The Group is principally engaged in construction and provision of related services and investment in infrastructure, and the two geographic areas in which these activities are carried on are Thailand and the Lao People's Democratic Republic, where operations are carried out by a subsidiary.

The performance of operating segments is measured on a basis consistent with that used to determine the profit or loss of the operations reported in the financial statements. The profit or loss of the investment in infrastructure business segment comprised dividend income, share of profit or loss from investments under the equity method, gains or losses on sales of investments and related finance costs.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue, profit and total assets information regarding the Group operating segments for the years ended 31 December 2020 and 2019:

	(Unit: Million Baht)					
	Construction and related service segment		Investment in infrastructure business segment		Consolidated	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenue</b>						
Revenue from external customers	17,141	23,517	1,301	1,280	18,442	24,797
Share of profit from investments						
in associated companies	-	-	857	1,806	857	1,806
Administrative expenses	1,388	1,711	639	719	2,027	2,430
Finance cost	605	524	671	702	1,276	1,226
<b>Segment operating profit (loss)</b>	<b>(193)</b>	<b>253</b>	<b>848</b>	<b>1,666</b>	<b>655</b>	<b>1,919</b>
Unallocated expenses:						
Income tax expenses					(28)	(126)
Profit for the year					627	1,793

## Geographic information for construction and related service segment

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Revenue from external customers is based on locations of the customers		
Thailand	15,182	19,228
The Lao People's Democratic Republic	1,959	4,289
Total	<u>17,141</u>	<u>23,517</u>

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Non-current assets*		
Thailand	10,594	10,490
The Lao People's Democratic Republic	1,662	1,639
Total	<u>12,256</u>	<u>12,129</u>

\*Other than financial instruments and deferred tax assets.

## Major customers

In 2020, the Group had revenues from provision of construction services to major customers, which consisted of a group of government agencies and two private customers, amounting to Baht 7,356 million, Baht 4,242 million and Baht 1,936 million, respectively, arising from the construction and related service segment (2019: revenues from provision of construction services to major customers, which consisted of a group of government agencies and two private customers, amounting to Baht 9,825 million, Baht 7,624 million and Baht 4,249 million, respectively).

**35. Provident funds**

The Group and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the funds monthly at the rates of 2 to 10 percent of basic salary and their employees contribute to the funds monthly at the rates of 2 to 15 percent of basic salary. The funds, which are managed by Krung Thai Asset Management Public Company Limited and TISCO Asset Management Company Limited (Separate financial statements: Krung Thai Asset Management Public Company Limited) will be paid to employees upon termination in accordance with the fund rules. The contribution for the years 2020 and 2019 were recognised as expenses amounting to Baht 87.2 million and Baht 86.5 million, respectively (Separate financial statements: Baht 74.8 million and Baht 73.9 million, respectively).



### 36. Dividends payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	The 2018 Annual General Meeting of the shareholders on 30 April 2019	508.2	0.30
Interim dividends for 2019	Board of Directors Meeting on 21 August 2019	338.7	0.20
Dividend payment for the year ended 31 December 2019		846.9	0.50
Interim dividends for 2019	Board of Directors Meeting on 7 April 2020	338.8	0.20
Dividend payment for the year ended 31 December 2020		338.8	0.20

### 37. Commitments and contingent liabilities

#### 37.1 Capital commitments

As at 31 December 2020, the Company had capital commitment of approximately Baht 301 million (2019: Baht 100 million and Japanese Yen 9 million), relating to the improvement of area for storage of construction equipment.

#### 37.2 Service commitments and other commitments

As at 31 December 2020, the Group has the following service commitments and other commitments:

- a) The Group has commitments totaling Baht 11,650 million, USD 21 million and Japanese Yen 4 million (2019: Baht 9,259 million, Euro 32 million, USD 27 million and Japanese Yen 16 million) (Separate financial statements: Baht 11,060 million, USD 2 million and Japanese Yen 4 million (2019: Baht 8,565 million, Euro 32 million, USD 4 million and Japanese Yen 16 million)) in respect of project construction costs and services, which the Group had already entered into agreements.
- b) The Company has a commitment in respect of its undertakings to provide financial support to an associated company, as stipulated in the conditions in the agreement (as described in Note 7 f))
- c) The subsidiary has a commitment to inject capital of Baht 223 million (2019: Baht 229 million) into an associated company for used in the development and management of the elderly residential project.

### 37.3 Related party guarantees

As at 31 December 2020, the Company has provided guarantees totaling Baht 6,387 million (2019: Baht 19,953 million) for bank credit facilities on behalf of a subsidiary.

### 37.4 Bank guarantees

As at 31 December 2020 and 2019, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. The details of bank guarantees are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Guarantee of construction contracts, bidding and debt repayment	6,504	10,505	6,062	10,104
Guarantee of advance payment bond and retention	6,520	8,371	4,157	5,896
Other guarantees	141	95	131	80
	<u>13,165</u>	<u>18,971</u>	<u>10,350</u>	<u>16,080</u>

## 38. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or disclosed the fair value using different levels of inputs as follows:

	(Unit: Million Baht)							
	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Assets measured at fair value</b>								
Financial assets measured at fair value through profit or loss								
Held for trade investments								
Equity instruments	-	9	-	-	-	-	-	9
Investment in fixed income open-ended fund	-	-	201	-	-	-	201	-
Financial assets measured at fair value through other comprehensive income								
Available-for-sale investments								
Equity instruments	-	10,605	-	-	-	-	-	10,605
Debt instruments	-	-	-	556	-	-	-	556
Equity instruments (Note 18)	9,527	-	-	-	251	-	9,778	-

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Liabilities measured at fair value</b>								
Derivatives liabilities								
Foreign exchange contracts	-	-	-	289	-	-	-	289
<b>Assets for which fair value are disclosed</b>								
Investment in associated companies	51,986	66,530	-	-	-	-	51,986	66,530
Investment properties	-	-	1,776	1,807	-	-	1,776	1,807
<b>Liabilities for which fair value are disclosed</b>								
Debentures	-	-	36,097	33,872	-	-	36,097	33,872

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Assets measured at fair value</b>								
Financial assets measured at fair value through profit or loss								
Held for trade investments								
Equity instruments	-	9	-	-	-	-	-	9
Investment in fixed income open-ended fund	-	-	200	-	-	-	200	-
Financial assets measured at fair value through other comprehensive income								
Available-for-sale investment								
Equity instruments	-	10,605	-	-	-	-	-	10,605
Debt instruments	-	-	-	507	-	-	-	507
Equity instruments (Note 18)	9,527	-	-	-	200	-	9,727	-
<b>Liabilities measure at fair value</b>								
Derivatives liabilities								
Foreign exchange contracts	-	-	-	129	-	-	-	129
<b>Assets for which fair value are disclosed</b>								
Investment in associated companies	50,852	65,041	-	-	-	-	50,852	65,041
Investment properties	-	-	1,512	1,534	-	-	1,512	1,534
<b>Liabilities for which fair value are disclosed</b>								
Debentures	-	-	36,097	33,872	-	-	36,097	33,872

During the current year, there were no transfers within the fair value hierarchy.

### 39. Financial instruments

#### 39.1 Derivatives designated as hedging instruments

##### Cash flow hedges

##### Foreign currency risk

The Group designated foreign exchange forward contracts and cash in foreign currency as hedging instruments in cash flow hedges forecasted purchases denominated in foreign currency. These forecasted transactions are highly probable. When the Group has both cash inflows and cash outflows in the same foreign currency, the Group reduces the foreign currency risk by entering into foreign exchange forward contracts or holding cash in such currency in amounts close to the net forecasted transactions. When the Group has only cash outflows in foreign currency, the Group enters into foreign exchange forward contracts or holds cash in such currency to cover most of the forecasted purchases in foreign currency.

Derivatives held as hedging instruments as at 31 December 2020 consisted of cash in foreign currency for the highly probable forecasted purchases, amounting to USD 1.66 million and EUR 0.01 million, which maturity is in 2021.

The impact of hedged items on the statement of financial position as at 31 December 2020 is, as follows:

	Change in fair value used for measuring ineffectiveness	(Unit: Million Baht)	
		Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Highly probable forecasted purchases	6.90	6.90	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2020 and the effect of the cash flow hedge in the statement of comprehensive income for the year ended 31 December 2020 are, as follows:

Consolidated financial statements							(Unit: Million Baht)		
	Notional amounts	Carrying amount	Changes in fair value used for		Effectiveness recognised in equity	Ineffectiveness recognised in profit or loss	Line item in profit or loss	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
			measuring ineffectiveness						
Hedging instruments of the risk arising from highly probable forecast purchases									
- Cash in foreign currency	50.90	49.92	(0.98)		(0.98)	-	Gain (loss) on exchange rate	158.02	Cost of construction services
- Foreign exchange forward contracts	-	-	(5.92)		(5.92)	-	Gain (loss) on exchange rate	(411.49)	Cost of construction services
Total	50.90	49.92	(6.90)		(6.90)	-		(253.47)	

(Unit: Million Baht)

		Separate financial statements						
		Changes in fair value used for		Effectiveness recognised in equity	Ineffectiveness recognised in profit or loss	Line item in profit or loss	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
		Carrying amount	measuring ineffectiveness					
Notional amounts								
Hedging instruments of the risk arising from highly probable forecast purchases								
- Cash in foreign currency	50.90	49.92	(0.98)	(0.98)	-	Gain (loss) on exchange rate	1.77	Cost of construction services
- Foreign exchange forward contracts	-	-	(5.92)	(5.92)	-	Gain (loss) on exchange rate	(233.26)	Cost of construction services
Total	50.90	49.92	(6.90)	(6.90)	-		(231.49)	



## 39.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans, investments, trade and other payables, loans from financial institutions, debentures and lease liabilities. The financial risks associated with these financial instruments and how the Group manages them is described below.

### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, contract assets, loans, cash deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted under liquidity risk.

#### ***Trade and other receivables, contract assets and loans to***

The Group manages the credit risk relates to trade receivables, contract assets and loans by most of the Group's construction contracts are with government agencies and large private companies that are creditworthy and have low credit risk. The Group considers other receivables and loans to related companies to be transactions with companies that have low credit risk and the ability to service debt. In addition, the Group regularly monitors their debt service capability; therefore, the Group does not expect to incur any significant losses in respect of these allowance for expected credit losses.

#### **Bank deposits and investments in fixed income open-ended fund**

The Group manages the credit risk of bank deposits and investments in fixed income open-ended fund by entering into agreements with counterparties that are banks and financial institutions with high credit ratings assigned by international credit-rating agencies.

### **Market risk**

The Group has two types of market risk comprising foreign currency risk and interest rate risk.

#### ***Foreign currency risk***

The Group's exposure to foreign currency risk relates primarily to construction contracts, payments for goods and services and assets and liabilities denominated in foreign currency.

The Group uses foreign exchange forward contracts and cash in foreign currency as hedging instruments for forecasted purchases, covering the period from the date on which the cashflows were estimated to the date that foreign currency payments in are made to creditors.

As at 31 December 2020 and 2019 The Group had the financial assets and liabilities that were in foreign currencies as follows:

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	7	12	7	34	30.21	30.11
Euro	-	20	-	6	36.82	33.68
Japanese Yen	30	9	34	44	0.29	0.28
Lao Kip	9,774	1,990	7	12	0.0032	0.0034

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	2	3	-	-	30.21	30.11
Euro	-	20	-	6	36.82	33.68
Japanese Yen	30	9	34	45	0.29	0.28

The Group consider that sensitivity of the Group's profit before tax to a reasonably change in above foreign currencies exchanges rates affected as at 31 December 2020 is not material.

### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash deposits at banks, loans, loans from financial institutions, debentures and lease liabilities. Some of the financial assets and financial liabilities bear floating interest rates which expose the Group to cash flow as the minimal risk. However, the Group has a policy to have most financial liabilities bear fixed interest rates to lower the interest risk.

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)

	2020						
	Consolidated financial statements						
	Fixed interest rates						
	Within		Over	Floating	Non-interest		Effective
	1 year	1-5 years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	27	-	-	7,343	196	7,566	0.05 to 2.00
Investments in fixed income							
open-ended fund	-	-	-	-	201	201	-
Trade and other receivables	-	-	-	-	3,659	3,659	-
Short-term loans to related party							
and interest receivable	62	-	-	-	-	62	5.00
Restricted bank deposits	15	-	-	-	-	15	0.20
Long-term loans to associated							
company and interest receivable	-	-	-	13,109	-	13,109	MLR
Other non-current financial assets	-	-	-	-	9,778	9,778	-
	104	-	-	20,452	13,834	34,390	
<b>Financial liabilities</b>							
Short-term loans from financial	50	-	-	97	-	147	1.6, MLR - margin
institutions							and LIBOR + margin
Trade and other payables	-	-	-	-	2,636	2,636	-
Lease liabilities	72	52	-	-	-	124	3.44
Retention for construction	-	-	-	-	487	487	-
Long-term loans	-	430	-	6,447	-	6,877	2.35 and
							MLR - margin
Debentures	3,070	20,798	11,511	-	-	35,379	2.31 to 4.00
	3,192	21,280	11,511	6,544	3,123	45,650	

(Unit: Million Baht)

	2019						
	Consolidated financial statements						
	Fixed interest rates						
	Within		Over	Floating	Non-interest		Effective
	1 year	1-5 years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	8,494	101	8,595	0.05 to 1.60
Current investments	-	-	-	-	565	565	-
Trade and other receivables	-	-	-	-	3,643	3,643	-
Short-term loans to related party							
and interest receivable	54	-	-	-	-	54	5.00
Restricted bank deposits	15	-	-	-	-	15	0.90
Long-term loans to associated							
company and interest receivable	-	-	-	12,552	-	12,552	MLR
Other long-term investments	-	-	-	-	10,854	10,854	-
	69	-	-	21,046	15,163	36,278	
Financial liabilities							
Short-term loans from financial	830	-	-	1,044	-	1,874	1.67, 2.105,
institutions							LIBOR + 2.75 and
							MLR - margin
Trade and other payables	-	-	-	-	2,574	2,574	-
Retention for construction	-	-	-	-	604	604	-
Long-term loans	-	430	-	1,821	-	2,251	2.35 and
							MLR - margin
Debentures	1,000	19,359	12,520	-	-	32,879	2.24 to 4.05
	1,830	19,789	12,520	2,865	3,178	40,182	

(Unit: Million Baht)

	2020						
	Separate financial statements						
	Fixed interest rates						
	Within		Over	Floating	Non-interest		Effective
	1 year	1-5 years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	6,622	35	6,657	0.05 to 0.60
Investments in fixed income open-ended fund	-	-	-	-	200	200	-
Trade and other receivables	-	-	-	-	3,371	3,371	-
Short-term loans to related company and interest receivable	-	-	-	1,067	-	1,067	MLR
Long-term loans to associated company and interest receivable	-	-	-	13,109	-	13,109	MLR
Other non-current financial assets	-	-	-	-	9,727	9,727	-
	-	-	-	20,798	13,333	34,131	
Financial liabilities							
Trade and other payables	-	-	-	-	1,959	1,959	-
Lease liabilities	72	52	-	-	-	124	3.44
Retention for construction	-	-	-	-	279	279	-
Long-term loans	-	430	-	6,447	-	6,877	2.35 and MLR - margin
Debentures	3,070	20,798	11,511	-	-	35,379	2.31 to 4.00
	3,142	21,280	11,511	6,447	2,238	44,618	

(Unit: Million Baht)

	2019						
	Separate financial statements						
	Fixed interest rates						
	Within		Over	Floating	Non-interest		Effective
	1 year	1-5 years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	4,690	34	4,724	0.10 to 1.60
Current investments	-	-	-	-	516	516	-
Trade and other receivables	-	-	-	-	3,361	3,361	-
Long-term loans to associated company and interest receivable	-	-	-	12,552	-	12,552	MLR
Other long-term investments	-	-	-	-	10,811	10,811	-
	-	-	-	17,242	14,722	31,964	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	830	-	-	-	-	830	1.67 and 2.105
Trade and other payables	-	-	-	-	2,268	2,268	-
Retention for construction	-	-	-	-	480	480	-
Long-term loans	-	430	-	1,821	-	2,251	2.35 and MLR - margin
Debentures	1,000	19,359	12,520	-	-	32,879	2.24 to 4.05
	1,830	19,789	12,520	1,821	2,748	38,708	

*Analysis of interest rate sensitivity*

The sensitivity of the Group's profit before tax to a reasonably possible change in the interest rates on that portion of floating-rate loans to related parties and loans from financial institutions affected as at 31 December 2020, presented that for each 1 percent increase or decrease in the interest rate per annum would result in an increase or decrease in the profit before tax by Baht 35 million.

The above analysis has been prepared assuming that the amounts of the floating-rate loans to related parties and loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of loans to related parties and loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for full 12-month period of sensitivity calculation. This information is not a forecast or prediction of the future market conditions and should be used with caution.



## Liquidity risk

The Group gives high priority to liquidity management by holding appropriate levels of cash and cash equivalents along with other liquid assets and arranging sufficient credit facilities with financial institutions. In addition, the Group has access to a wide range of funding sources. The Group regularly monitors the adequacy of liquidity and adjusts its liquidity management strategy on a timely basis.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	Less than	1 to 5		
	1 year	years	> 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions and interest	148	-	-	148
Trade and other payables	2,636	-	-	2,636
Lease liabilities	77	55	-	132
Retention for construction	141	255	91	487
Long-term loans and interest	737	5,465	1,275	7,477
Debenture and interest	4,157	23,814	12,565	40,536
<b>Total non-derivatives</b>	<b>7,896</b>	<b>29,589</b>	<b>13,931</b>	<b>51,416</b>

(Unit: Million Baht)

	Separate financial statements			
	Less than	1 to 5		
	1 year	years	> 5 years	Total
<b>Non-derivatives</b>				
Trade and other payables	1,959	-	-	1,959
Lease liabilities	77	55	-	132
Retention for construction	24	188	67	279
Long-term loans and interest	737	5,465	1,275	7,477
Debenture and interest	4,157	23,814	12,565	40,536
<b>Total non-derivatives</b>	<b>6,954</b>	<b>29,522</b>	<b>13,907</b>	<b>50,383</b>

### **39.3 Fair values of financial instruments**

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

### **40. Capital management**

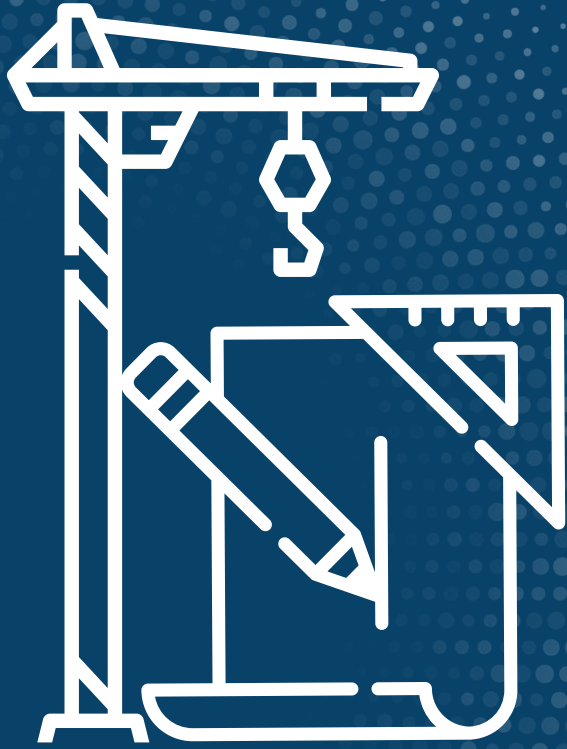
The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. The Group has to maintain a debt-to-equity ratio as stipulated in long-term loan agreements and condition of debentures.

### **41. Events after the reporting period**

- 41.1 In January 2021, Luang Prabang Power Company Limited (an associated company) called for an additional capital from the Company who holds 10 percent of its share capital for the total amount of Baht 516.8 million. The Company paid for the additional capital on 18 January 2021.
- 41.2 On 1 March 2021, a meeting of the Company's Board of Directors' No. 1/2021 passed a resolution approving the payment of a dividend of Baht 0.20 per share or a total of Baht 331.6 million, to the shareholders in respect of the profit for the year 2020. The resolution will be proposed to the Annual General Meeting of the Company's shareholders for the year 2021 for approval.

### **42. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 1 March 2021.



# Part 4

## Attachment

- 258 **Attachment 1**
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# Attachment 1

## Details of the Company's Directors, Executives, Controllers and Company Secretary

1. Information of the Company's Directors, Executives, Controllers and Company Secretary are as follows:

<b>1. Mr. Aswin Kongsiri</b>			
<b>Position</b>	Chairman of the Board of Directors/Audit Committee Member		
<b>Appointment Date as Director</b>	October 10, 1994		
<b>Age</b>	75 years		
<b>Education/Training</b>	- B.A. (Hons.) in Philosophy, Politics and Economics, Oxford University, England		
	- National Defence Course for the Joint State Private Sector, Class 6, National Defence College		
	- Banff School of Advanced Management, Canada		
	- Chairman 2000 Course (Class 5/2001), Thai Institute of Directors Association		
	- Director Certification Program (DCP 11/2001), Thai Institute of Directors Association		
	- "Ethics: CG Conscience" Program, Stock Exchange of Thailand		
	- Corporate Governance VS Corporate Performance: Duty or Choice? Program, Thai Institute of Directors Association		
	- Directing in the year of the Rooster : Hot Issues and Outlook for 2017, Thai Institute of Directors Association		
	- Nomination Committee Best Practice Guideline, Thai Institute of Directors Association		
	- "Story Telling for Leaders", Thai Institute of Directors Association		
	- EY Center for Board Matters "Critical insights for Boards and Audit Committees", EY Office Limited		
	- Audit Committee's Role in Compliance and Ethical Culture Oversight, Thai Institute of Directors Association		
	- Independent Director Forum 1/2018: Tough Boardrooms Situations - Independents Share Lessons Learned		
	- Collective Action Against Corruption Conference 1/2018		
	- Board Matters and Trends (BMT 6/2018), Thai Institute of Directors Association		
	- Chairman Forum 'Digital Transformation A must for all companies'		
<b>Shareholding (%)</b>	- None -		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years <u>Listed Companies:</u></b>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2020-Present	Audit Committee Member	CH. Karnchang Plc.
	2007-Present	Chairman of the Board of Directors	CH. Karnchang Plc.
	2005-Present	Independent Director, Chairman of the Nomination and Corporate Governance Committee, and Chairman of the Risk Management Committee	Bangkok Aviation Fuel Services Plc.
	1999-Present	Independent Director and Chairman of the Audit Committee	OHTL Plc.
	1994-Present	Independent Director	CH. Karnchang Plc.
	1981-Present	Independent Director, Audit Committee Member, and Chairman of the Nomination and Remuneration Committee	Padaeng Industry Plc.
	2009-2012	Vice Chairman of the Board of Directors	Electricity Generating Plc.
	2009-2012	Director, Audit Committee Member, and Chairman of the Board of Directors	Thoresen Thai Agencies Plc.
	2005-2010	Director and Executive Director	Krung Thai Bank Plc.
	2001-2012	Independent Director	Electricity Generating Plc.
	1999-2003	Director and Executive Director	Siam Commercial Bank Plc.
	1993-2020	Independent Director and Chairman of the Audit Committee	Thai Reinsurance Plc.
	2020-Present	Chairman of the Board of Directors	BAFS Clean Energy Corporation Limited Co., Ltd.
	2010-Present	Chairman of the Board of Directors	Thai Orix Leasing Co., Ltd.
	2008-2018	Chairman of the Board of Directors	Ton Poh Thailand Fund
	2011-2014	Monetary Policy Committee Member	The Bank of Thailand
	2006-2008	Member of the National Legislative Assembly	The National Legislative Assembly
	1990-1998	Director and General Manager	Industrial Finance Corporation of Thailand

<b>2. Mr. Plew Trivisvavet</b>			
<b>Position</b>	Director / Chairman of the Executive Board / Nomination and Remuneration Committee Member / Corporate Governance and Risk Management Committee Member / Authorized Signatory Director		
<b>Appointment Date as Director</b>	October 10, 1994		
<b>Age</b>	75 years		
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Honorary Doctorate (Civil Engineering), Rajamangala University of Technology Isan</li> <li>- Honorary Doctorate (Civil Engineering), Nakhon Phanom University</li> <li>- Honorary Doctorate (Civil Engineering), Kasetsart University</li> <li>- Honorary Doctorate of Sciences (Engineering), Thai-Nichi Institute of Technology</li> <li>- M.Sc. (Electrical Engineering), Osaka University, Japan</li> <li>- B.A. (Electrical Engineering), Osaka University, Japan</li> <li>- Director Accreditation Program (DAP 18/2004), Thai Institute of Directors Association</li> <li>- Director Certification Program (DCP 50/2004), Thai Institute of Directors Association</li> <li>- Finance for Non-Finance Directors (FND 13/2004), Thai Institute of Directors Association</li> <li>- Capital Market Academy Leadership Program, Capital Market Academy (CMA 4/2007)</li> <li>- National Defence Course (Class 366), National Defence College</li> <li>- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)</li> <li>- Thailand Energy Academy Course for Management, Class 10/2017, Thailand Energy Academy (TEA)</li> <li>- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)</li> </ul>		
<b>Shareholding (%)</b>	0.840		
<b>Family Relationship among Directors and Executives</b>	Miss Supamas Trivisvavet's father, Mr. Sittidej Trivisvavet's uncle, Mr. Nattavut Trivisvavet's father		
<b>Experience in Last Five Years Listed Companies:</b>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2016-Present	Director and Chairman of the Executive Board	Bangkok Expressway and Metro Plc.
	2011-Present	Director and Chairman of the Executive Committee	CK Power Plc.
	2007-Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
	2006-Present	Director	TTW Plc.
	2003- Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
	1994-Present	Chairman of the Executive Board	CH. Karnchang Plc.
	1998-2015	Chairman of the Board of Directors and Chairman of the Executive Committee	Bangkok Metro Plc.
	1998-2015	Director and Chairman of the Executive Board	Bangkok Expressway Plc.
	1994-2015	Chief Executive Officer	CH. Karnchang Plc.
<b>Other Companies:</b>	2010-Present	Director and Chairman of the Executive Committee	Xayaburi Power Company Limited
	2006-Present	Director and Chairman of the Executive Committee	Nam Ngum 2 Power Company Limited
	2004-Present	Director and Chairman of the Executive Committee	SouthEast Asia Energy Limited
	1996-Present	Chairman of the Board of Directors and Chairman of the Executive Committee	Northern Bangkok Expressway Company Limited
	1994-Present	Director	CH. Karnchang Holding Co., Ltd.
	1992-Present	Director	CK. Office Tower Co., Ltd.
	1991-Present	Director and Chairman of the Board of Directors	CH. Karnchang Real Estate Co., Ltd.
	1990-Present	Director	Expert Transport Co., Ltd.
	1988-Present	Director	Bang Pa-in Land Development Co., Ltd.
	1983-Present	Director	Mahasiri Siam Co., Ltd.
	1981-Present	Director and Chairman of the Board of Directors	CH. Karnchang-Tokyu Construction Co., Ltd.

3. Mr. Vitoon Tejatussanasoontorn			
<b>Position</b>	Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee / Chairman of the Corporate Governance and Risk Management Committee		
<b>Appointment Date as Director</b>	April 30, 1999		
<b>Age</b>	80 years		
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- B.A. in Commerce, Thammasat University</li> <li>- Director Certification Program (DCP 2/2000), Thai Institute of Directors Association</li> <li>- IOD Chartered Directors, Thai Institute of Directors Association, Class 1/2007</li> <li>- Audit Committee Program (ACP 27/2009), Thai Institute of Directors Association</li> <li>- Advanced Audit Committee Programs (AACP 3/2010), Thai Institute of Directors Association</li> <li>- Role of Compensation Committee Program (RCC 12/2011), Thai Institute of Directors Association</li> <li>- New Auditor's Report: What's in it for you?, Thai Institute of Directors Association, in association with Federation of Accounting Professions under the Royal Patronage of His Majesty the King</li> <li>- Directors Compensation Survey 2016, Thai Institute of Directors Association</li> <li>- Seminar on Accounting in Preparation for Change of Financial Reporting Standard, EY Office Limited</li> <li>- "Story Telling for Leaders", Thai Institute of Directors Association</li> <li>- Nomination Director Event 1/2017 on Nomination Committee Best Practice Guideline, Thai Institute of Directors Association</li> <li>- Seminar on Accounting, "Business in Era of Unusual Variations", EY Office Limited</li> </ul>		
<b>Shareholding (%)</b>	0.009		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years</b> <u>Listed Companies:</u>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2016-Present	Chairman of the Audit Committee	Bangkok Expressway and Metro Plc.
	2015-Present	Director and Nomination and Remuneration Committee Member	Bangkok Expressway and Metro Plc.
	2014-Present	Chairman of the Nomination and Remuneration Committee	CH. Karnchang Plc.
	2007-Present	Chairman of the Corporate Governance and Risk Management Committee	CH. Karnchang Plc.
	1999-Present	Director and Chairman of the Audit Committee	CH. Karnchang Plc.
	1991-Present	Deputy Senior Managing Director	AGC Flat Glass (Thailand) Plc.
	2005-2015	Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member	Bangkok Metro Plc.
<u>Other Companies:</u>	1987-Present	Director	Diachrome Chemicals Limited
	2004-Present	Director	Asahi Glass Foundation of Thailand
	1988-Present	Director and Executive Director	Pattaya Estate Co., Ltd.
	1988-Present	Director and Executive Director	Kiarti Thaneey Country Club Co., Ltd.
	2015-2018	Director and Chairman of the Audit Committee	Thaisri Insurance Plc.



<b>4. Mr. Pavich Tongroach</b>			
<b>Position</b>	Director / Audit Committee Member / Chairman of the Corporate Social and Environmental Responsibility Committee		
<b>Appointment Date as Director</b>	October 12, 2007		
<b>Age</b>	74 years		
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Doctor of Philosophy (Ph.D.) in Brain Pharmacology, The University of London, U.K.</li> <li>- Post-doctoral Research on brain function at Faculty of Medicine, University of Tokyo, Japan</li> <li>- Master of Science (M.Sc.) in Brain Biology, The University of London, U.K.</li> <li>- Bachelor of Pharmacy, Chulalongkorn University</li> <li>- Director Certification Program (DCP 131/2010), Thai Institute of Directors Association</li> <li>- National Defence Course (Class 4212), National Defence College</li> <li>- Financial Statements for Directors Program (FSD 26/2014), Thai Institute of Directors Association</li> </ul>		
<b>Shareholding (%)</b>	- None -		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years</b>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
<b>Listed Companies:</b>	2014-Present	Audit Committee Member	CH. Karnchang Plc.
	2014-Present	Chairman of the Corporate Social and Environmental Responsibility Committee	CH. Karnchang Plc.
	2007-Present	Director	CH. Karnchang Plc.
	2005-2006	Director	MCOT Plc.
<b>Other Companies:</b>	2018-Present	Chairman of the Board of Directors	Bioborne Co., Ltd.
	2013-Present	Honorary Director	National Research Council of Thailand
	2004-Present	Adjunct Professor	Naresuan University
	2003-Present	Distinguished Scholar	Chulalongkorn University
	2007-2011	Member and Vice Chairman	Higher Education Commission
	2011-2019	President of the Nakhon Phanom University Council	Nakhon Phanom University
	2005-2008	Chairman of the Nakhon Pathom Rajabhat University Council	Nakhon Pathom Rajabhat University
	2008-2014	Chairman of the Kalasin Rajabhat University Council	Kalasin Rajabhat University
	2007-2010	President	The Pharmacy Council
	2007	Director, Chairman of the Nomination and Remuneration Committee, and Chairman of the Audit Committee	Thailand Post Co., Ltd.
	2005-2006	President and Vice Chairman of the University Council	Nakhon Phanom University
	2005	President and Vice Chairman of the University Council	Princess of Narathiwat University
	2005	Acting President	King Mongkut's Institute of Technology Ladkrabang
	2004-2006	Secretary	Higher Education Commission
	1995-2003	President	Maha Sarakham University

<b>5. Miss Supamas Trivisvavet</b>			
<b>Position</b>	Director / Executive Director / Corporate Governance and Risk Management Committee Member / President / Authorized Signatory Director		
<b>Appointment Date as Director</b>	July 1, 2015		
<b>Age</b>	46 years		
<b>Education/Training</b>	- Doctor of Philosophy in Public Administration (2004), University of Southern California, U.S.A., Dean's Merit Scholarship		
	- Master of Public Policy (1999), Duke University, U.S.A.		
	- Bachelor of Arts, Chulalongkorn University (1995)		
	- Developing Corporate Governance Policy Program 2008, Thai Institute of Directors Association		
	- Director Certification Program (DCP 106/2008), Thai Institute of Directors Association		
	- Current Issue Seminar Program (R-CIS 2/2010), Thai Institute of Directors Association		
	- Company Secretary Program (CSP 37/2010), Thai Institute of Directors Association		
	- Special Seminar Program (RSS 1/2011), Thai Institute of Directors Association		
	- Board Reporting Program (BRP 33/2010), Thai Institute of Directors Association		
	- Effective Minute Taking (EMT 16/2010), Thai Institute of Directors Association		
	- Company Secretary Forum (R-CSF 1/2013), Thai Institute of Directors Association		
	- Capital Market Academy Leadership Program (CMA 22/2016), Capital Market Academy		
	- Executive Program on the Rule of Law and Development (RoLD), Class 1/2017, Thailand Institute of Justice (Public Organization)		
	- Workshop for Emerging Leaders on the Rule of Law & Policy Program, in association with the Institute for Global Law and Policy, Harvard Law School, Thailand Institute of Justice (Public Organization), for 2017		
	- Design Thinking Workshop Program, Thailand Institute of Justice (Public Organization)		
	- Kick off SAP Ariba SAP		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
<b>Shareholding (%)</b>	0.100		
<b>Family Relationship among Directors and Executives</b>	Mr. Plew Trivisvavet's daughter Mr. Nattavut Trivisvavet's elder sister		
<b>Experience in Last Five Years Listed Companies:</b>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2018-Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
	2015-Present	Director, Executive Director, and President	CH. Karnchang Plc.
	2012-Present	Director and Executive Committee	CK Power Plc.
	2009-2012	Executive Vice President: Office of President	CH. Karnchang Plc.
<b>Other Companies:</b>	2019-Present	Director for the term of 2019-2021	Thai Listed Companies Association
	2019-Present	Executive Committee No. 23	Chulalongkorn University Arts Alumni Association
	2017-Present	Director	Kamala Senior Living Co., Ltd.
	2017-Present	Director	CH. Karnchang Real Estate Co., Ltd.
	2016-Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
	2016-Present	Director	Mahasiri Siam Co., Ltd.
	2016-Present	Director	CH. Karnchang Holding Co., Ltd.
	2016-Present	Director	CK. Office Tower Co., Ltd.
	2008-Present	Director	Bang Pa-in Land Development Co., Ltd.
	2008-Present	Director	Cholavet Civil Co., Ltd.
	2008-2009	Lecturer of Graduate School of Public Administration	National Institute of Development Administration
	1999-2000	Research Assistant	The World Bank Office, Thailand

6. Mr. Narong Sangsuriya			
<b>Position</b>	Director / Executive Director / Nomination and Remuneration Committee Member / Corporate Governance and Risk Management Committee Member / Authorized Signatory Director		
<b>Appointment Date as Director</b>	October 10, 1994		
<b>Age</b>	76 years		
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Bachelor of Engineering (Civil), Chulalongkorn University</li> <li>- Director Certification Program (DCP 54/2005), Thai Institute of Directors Association</li> <li>- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)</li> <li>- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)</li> </ul>		
<b>Shareholding (%)</b>	0.030		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years</b> <u>Listed Companies:</u>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2012-Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
	2011-Present	Director	CK Power Plc.
	2007-Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
	1994-Present	Director and Executive Director	CH. Karnchang Plc.
	2000-2015	Director	TTW Plc.
<u>Other Companies:</u>	2016-Present	Director	Expert Transport Company Limited
	2006-Present	Director	Nam Ngum 2 Power Company Limited
	2004-Present	Director	SouthEast Asia Energy Limited
	1991-Present	Director	Royal Rayong Real Estate International Co., Ltd.
	1990-Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
	2009-2015	Director	Bangpa-in Cogeneration Limited



7. Mr. Prasert Marittanaporn			
Position	Director / Executive Director / Corporate Social and Environmental Responsibility Committee Member / Authorized Signatory Director		
Appointment Date as Director	April 28, 2006		
Age	64 years		
Education/Training	- Master of Business Administration, Kasetsart University		
	- Bachelor of Accounting, Chulalongkorn University		
	- Director Certification Program (DCP 54/2005), Thai Institute of Directors Association		
	- Role of the Compensation Committee Program (RCC 6/2008), Thai Institute of Directors Association		
	- Capital Market Academy Leadership Program (CMA 9/2009), Capital Market Academy		
	- Successful Formulation & Execution of Strategy Program (SFE 6/2010), Thai Institute of Directors Association		
	- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)		
	- Basic Knowledge on Trade Finance and Prevention of Risk from Exchange Rate Program, Krung Thai Bank Plc.		
	- IFRS 9 Program, Krung Thai Bank Plc.		
	- Strategy for Selection of Suitable Investment Plan for Staff Program Krungthai Asset Management Public Company Limited		
Shareholding (%)	- None -		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years <u>Listed Companies:</u>	Period	Position	Organization/Company
	2011-Present	Director	CK Power Plc.
	2007-Present	Executive Director	CH. Karnchang Plc.
	2006-Present	Director	CH. Karnchang Plc.
	2010-Present	Corporate Social and Environmental Responsibility Committee Member	CH. Karnchang Plc.
	2009-2015	Senior Executive Vice President: Administration Group	CH. Karnchang Plc.
	2001-2008	Executive Vice President: Accounting and Finance	CH. Karnchang Plc.
	2000-2012	Director	TTW Plc.
<u>Other Companies:</u>	2017-Present	Director	CH. Karnchang Real Estate Co., Ltd.
	2008-Present	Director	Nam Ngum 2 Power Company Limited
	2007-Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
	2004-Present	Director	SouthEast Asia Energy Limited
	1994-Present	Director	Cholavet Civil Co., Ltd.
	1991-Present	Director	Royal Rayong Real Estate International Co., Ltd.
	1990-Present	Director	Expert Transport Company Limited

8. Mr. Phongsarit Tantisuvanitchkul			
Position	Director / Senior Executive Vice President: Operation Group		
Appointment Date	October 7, 2020		
Age	48 years		
Education/Training	- Master of Engineering, University of Michigan Ann Arbor		
	- Bachelor of Engineering, Kasetsart University		
	- Understanding the Fundamental of Financial Statements Program (UFS 9/2007), Thai Institute of Directors Association		
	- Finance for Non-Finance Directors Program (FND 35/2007), Thai Institute of Directors Association		
	- Director Certification Program (DCP 155/2012), Thai Institute of Directors Association		
Shareholding (%)	0.009		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years <u>Listed Companies:</u>	Period	Position	Organization/Company
	2020-Present	Director	CH. Karnchang Plc.
	2016-Present	Director and Executive Director	Bangkok Expressway and Metro Plc.
	2016-Present	Senior Executive Vice President: Operation Group	CH. Karnchang Plc.
	2016-Present	Director and Chairman of the Executive Committee	TTW Plc.
	2011-2015	Executive Vice President: Business Development	CH. Karnchang Plc.
	2014-2015	Director	Bangkok Metro Plc.
	2020-Present	Chairman of the Board of Directors	Pathum Thani Water Co., Ltd.
	2019-Present	Director	Eastern High-Speed Rail Linking Three Airports Company Limited
	2017-Present	Director and Chairman of the Board of Directors	Bangkok Metro Networks Limited
	2016- Present	Director and Executive Director	Northern Bangkok Expressway Company Limited
	2016- Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
	2009-2017	Director and Executive Director	Bangkok Metro Networks Limited
	2012-2015	Director	Transit Expert Co., Ltd.

<b>9. Mr. Anukool Tuntimas</b>			
<b>Position</b>	Director / Executive Director / Corporate Social and Environmental Responsibility Committee Member / Authorized Signatory Director		
<b>Appointment Date as Director</b>	April 28, 2006		
<b>Age</b>	53 years		
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Doctor of Laws (LL.D.), Ramkhamhaeng University</li> <li>- Doctor of Business Administration, University of South Australia</li> <li>- Master of Engineering (Engineering Management), Dhurakij Pundit University</li> <li>- Master of Laws, Chulalongkorn University</li> <li>- Master of Business Administration, Kasetsart University</li> <li>- Barrister at Law, The Institute of Legal Education</li> <li>- Bachelor of Laws, Chulalongkorn University</li> <li>- Bachelor of Business Administration (Accounting and Finance), Ramkhamhaeng University</li> <li>- National Defence Course (Class 61), National Defence College</li> <li>- Director Certification Program (DCP 43/2004), Thai Institute of Directors Association</li> <li>- Advanced Audit Committee Programs (AACP 1/2009), Thai Institute of Directors Association</li> <li>- Corporate Governance and Social Responsibility Program (CSR 1/2007), Thai Institute of Directors Association</li> <li>- Finance for Non-Finance Directors Program (FND 38/2007), Thai Institute of Directors Association</li> <li>- Role of the Compensation Committee Program (RCC 9/2009), Thai Institute of Directors Association</li> <li>- Tackling Corruption through Public-Private Collaboration Program, Thai Institute of Directors Association</li> <li>- Director Certification Program Update (DCPU 2/2014), Thai Institute of Directors Association</li> <li>- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)</li> <li>- Boards that Make a Difference Program (BMD 1/2016), Thai Institute of Directors Association</li> <li>- Legal Update : Criminal Liabilities of Directors, Thai Institute of Directors Association</li> <li>- Cultural Intelligence for Global Leaders: Developing the Capability to Lead Across Cultures, Thailand Management Association (TMA)</li> <li>- Thailand Insurance Leadership Program, Class 7, Advanced Insurance Institute</li> <li>- IFRS 9 Program, Krung Thai Bank Plc.</li> <li>- Leadership Communication Batch#8 (Certificate Program 2018), Thailand Management Association (TMA)</li> <li>- Knowledge of Construction Laws Program, Consulting Engineers Association of Thailand</li> <li>- Taxation on Wages, Staff Welfare Personnel Department and Accounting Department Should Definitely Not Miss, Dharmniti Seminar and Training Co., Ltd.</li> </ul>		
<b>Shareholding (%)</b>	- None -		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years <u>Listed Companies:</u></b>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2014-Present	Corporate Social and Environmental Responsibility Committee Member	CH. Karnchang Plc.
	2007-Present	Executive Director	CH. Karnchang Plc.
	2006-Present	Director	CH. Karnchang Plc.
	2001-Present	Executive Vice President: Human Resource and General Administration	CH. Karnchang Plc.
	2004-2012	Director and Executive Committee Member	Bangkok Metro Plc.
<b><u>Other Companies:</u></b>	2009-2017	Director	Bangkok Metro Networks Limited
	2004-2008	Director	Metro Mall Development Limited
	2004-2008	Director	Triads Networks Co., Ltd.
	2004-2008	Director	BMCL Network Limited
	2004-2006	Director and Vice President, Academic Affairs	Lawyers Association of Thailand



<b>10. Mr. Sittidej Trivisvavet</b>			
<b>Position</b>	Senior Executive Vice President: Administration Group		
<b>Appointment Date</b>	February 16, 2016		
<b>Age</b>	67 years		
<b>Education/Training</b>	- Bachelor of Business Administration in Construction Management, Sukhothai Thammathirat Open University		
	- Director Certification Program (DCP 127/2010), Thai Institute of Directors Association		
	- Advanced Certificate Course in Promotion of Peaceful Society, King Prajadhipok's Institute		
	- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)		
	- Organizational Changes in Thailand 4.0 Program, CH. Karnchang Plc.		
	- IFRS 9 Program, Krung Thai Bank Plc.		
	- Kick off SAP Ariba SAP		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
<b>Shareholding (%)</b>	0.118		
<b>Family Relationship among Directors and Executives</b>	Mr. Plew Trivisvavet's nephew		
<b>Experience in Last Five Years</b> <u>Listed Company:</u>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2016-Present	Senior Executive Vice President: Administration Group	CH. Karnchang Plc.
	2009-2015	Executive Vice President: Purchasing	CH. Karnchang Plc.
<u>Other Companies:</u>	2000-Present	Director	Expert Transport Co., Ltd.
	1994-Present	Director	Vetprasert Co., Ltd.
	1979-Present	Director	Songvet Co., Ltd.

11. Mr. Pornnarong Siriyothin			
Position	Executive Vice President: Construction 1		
Appointment Date	February 16, 2016		
Age	70 years		
Education/Training	- Bachelor of Engineering (Irrigation Engineering), Kasetsart University		
	- Innovations for Unpredictable Ground Condition and Water Ingress Program, The Engineering Institute of Thailand (EIT)		
	- Seminar on Japanese Construction Technology in Thailand 2018 Program, Advanced Construction Technology Center		
	- IFRS 9 Program, Krung Thai Bank Plc.		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
	- Management of Assets and Materials for Project Works Program, (CK) ERP Project Management Department		
Shareholding (%)	- None -		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years	Period	Position	Organization/Company
<u>Listed Company:</u>	2016-Present	Executive Vice President: Construction 1	CH. Karnchang Plc.
	1990-2015	Project Manager	CH. Karnchang Plc.
<u>Other Companies:</u>	1981-1990	Project Manager	Sanga Machinery Ltd. Part.
	1979-1981	Civil Engineer, Level 5	Office of Central Land Consolidation, Office of the Permanent Secretary for Ministry of Agriculture and Cooperatives
	1975-1979	Civil Engineer, Level 4	Royal Irrigation Department
	1973-1975	Irrigation Engineer	Royal Irrigation Department

12. Mr. Prapon Chanpradubfa			
Position	Executive Vice President: Construction 2		
Appointment Date	February 16, 2016		
Age	65 years		
Education/Training	- Bachelor of Business Administration in Construction Management, Sukhothai Thammathirat Open University		
	- Seminar on Japanese Construction Technology in Thailand 2018 Program, Advanced Construction Technology Center		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
Shareholding (%)	- None -		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years <u>Listed Company:</u>	Period	Position	Organization/Company
	2016-Present	Executive Vice President: Construction 2	CH. Karnchang Plc.
	1982-2015	Project Manager	CH. Karnchang Plc.
<u>Other Company:</u>	- None -		



13. Mr. Phairat Prom-in			
<b>Position</b>	Executive Vice President: Construction 3		
<b>Appointment Date</b>	February 16, 2016		
<b>Age</b>	62 years		
<b>Education/Training</b>	- Bachelor of Engineering (Civil), Songklanakarin University		
	- Innovations for Unpredictable Ground Condition and Water Ingress Program, The Engineering Institute of Thailand (EIT)		
	- IFRS 9 Program, Krung Thai Bank Plc.		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
<b>Shareholding (%)</b>	- None -		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years</b> <u>Listed Company:</u>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2016-Present	Executive Vice President: Construction 3	CH. Karnchang Plc.
	2014-2015	Si Rat Expressway Construction Project Manager	CH. Karnchang Plc.
	2011-2014	MRT Purple Line Project 1 Manager	CH. Karnchang Plc.
<u>Other Companies:</u>	1981-1990	Site Engineer, Civil Unit	The Electricity Generating Authority of Thailand
	1980-1981	Supervising Engineer	Italian-Thai Development Corporation Limited

14. Mr. Thammanoon Surarat			
Position	Executive Vice President: Construction 4		
Appointment Date	February 16, 2016		
Age	76 years		
Education/Training	- Bachelor of Engineering, Civil Engineering, Chulalongkorn University		
	- Safety Officer in Management Level Course, Class 4, SAFETECH-Safety and Environment Technology Center		
	- Construction Management for Thai Construction Industry Program, King Mongkut's University of Technology Thonburi		
	- Taiwan High-Speed Railway Track Construction Program, The Engineering Institute of Thailand		
	- Challenges of Thai Tunnel Engineers from Diversion Tunnel Construction for the Nam Ngum 2 Hydroelectric Power Project Program, The Engineering Institute of Thailand		
Shareholding (%)	- None -		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years <u>Listed Company:</u>	Period	Position	Organization/Company
	2016-Present	Executive Vice President: Construction 4	CH. Karnchang Plc.
	1995-2015	Project Manager	CH. Karnchang Plc.
	<u>Other Company:</u> - None -		



15. Mr. Watchara Sanghattawattana			
Position	Executive Vice President: Engineering		
Appointment Date	July 25, 2011		
Age	62 years		
Education/Training	- Bachelor of Engineering (Civil), Chiang Mai University		
	- Director Certification Program (DCP 155/2012), Thai Institute of Directors Association		
	- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)		
	- Things to Know about Investment Promotion Program, The Board of Investment of Thailand		
	- EEC Mega Infrastructure Project Development: An Innovation Approach by New Space Technology Frontier Program, GISTDA		
	- IFRS 9 Program, Krung Thai Bank Plc.		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
Shareholding (%)	- None -		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years <u>Listed Company:</u>	Period	Position	Organization/Company
	2011-Present	Executive Vice President: Engineering	CH. Karnchang Plc.
	1997-2011	Business Development Manager	CH. Karnchang Plc.
<u>Other Company:</u>	- None -		





16. Mr. Pichai Cheybumroong			
Position	Executive Vice President: Purchasing		
Appointment Date	February 16, 2016		
Age	60 years		
Education/Training	- Bachelor of Engineering (Civil Engineering), King Mongkut's Institute of Technology Ladkrabang		
	- Reinforced-Concrete Structure Repair Program, The Engineering Institute Of Thailand		
	- Pre-Injection Technology Program, The Engineering Institute of Thailand		
	- The Leadership Grid Program, Grid Thailand		
	- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)		
	- Anti-Corruption and Prevention of Bribe Offering or Acceptance Program, Office of the National Anti-Corruption Commission (NACC)		
	- Things to Know about Investment Promotion Program, The Board of Investment of Thailand		
	- Customs Rates, Tariffs, and Formality relating to Import of Products from Overseas for Construction Business Program, The Customs Department		
	- Construction Price Estimation Program, Kasetsart University		
	- Kick off SAP Ariba SAP		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
	- Smart Contractor Convention 2019, The Siam Cement Public Company Limited.		
	- An Exclusive Invitation : EC&O Innovation Day 2019, SAP Thailand Ltd.		
Shareholding (%)	0.009		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years <u>Listed Company:</u>	Period	Position	Organization/Company
	2016-Present	Executive Vice President: Purchasing	CH. Karnchang Plc.
	2009-2015	Vice President: Purchasing/Procurement	CH. Karnchang Plc.
<u>Other Company:</u>	- None -		

<b>17. Mrs. Rinrada Tangtrongkid</b>			
<b>Position</b>	Executive Vice President: Accounting and Finance		
<b>Appointment Date</b>	February 16, 2016		
<b>Age</b>	60 years		
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Master of Business Administration, Kasetsart University</li> <li>- Bachelor of Accountancy, Ramkhamhaeng University</li> <li>- Director Certification Program (DCP 234/2017), Thai Institute of Directors Association</li> <li>- Anti-Corruption: The Practical Guide Program, Class 35/2016, Thai Institute of Directors Association</li> <li>- Strategic CFO in Capital Markets Program, Class 3/2016 Stock Exchange of Thailand</li> <li>- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)</li> <li>- Strategic Planning for Executive / Strategic Center Program, 2014</li> <li>- Anti-Corruption and Prevention of Bribe Offering or Acceptance Program, Office of the National Anti-Corruption Commission (NACC)</li> <li>- Basic Knowledge on Trade Finance and Prevention of Risk from Exchange Rate Program, Krung Thai Bank Plc.</li> <li>- Things to Know about Investment Promotion Program, The Board of Investment of Thailand</li> <li>- "Story Telling for Leaders" Program, Thai Institute of Directors Association</li> <li>- Mergers &amp; Acquisitions : Financial, Legal and Tax Strategies and Planning, Omega World Class Research Institute</li> <li>- Customs Rates, Tariffs, and Formality relating to Import of Products from Overseas for Construction Business Program, The Customs Department</li> <li>- e-Tax Invoice and e-Receipt Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- IFRS 9 Program, Krung Thai Bank Plc.</li> <li>- Innovation-Driven New Investing Strategies to keep pace with the World Business Program, the Stock Exchange of Thailand</li> <li>- Kick off SAP Ariba SAP</li> <li>- Update Accounting Standard for 2019 Program, NYC Management Co., Ltd.</li> <li>- Situational Leadership Workshop, Slingshot Group Co., Ltd.</li> <li>- Strategic Financial Leadership Program 2019, Thai Listed Companies Association</li> <li>- Deferred Tax Program, NYC Management Co., Ltd.</li> <li>- Insight Financial Management Program, Stock Exchange of Thailand</li> <li>- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)</li> <li>- Cash Budgeting for Top Executives' Planning and Decision Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- Strategy for Selection of Suitable Investment Plan for Staff Program, Krungthai Asset Management Public Company Limited</li> <li>- TFRS 9: International Financial Reporting Standard No. 9 - Financial Instruments Program, Ernst &amp; Young Thailand</li> <li>- Guidelines for Financial Reporting of Companies Affected by COVID-19 Program, Thai Listed Companies Association</li> <li>- Transfer Pricing between Related Companies Program, NYC Management Co., Ltd.</li> <li>- CFO Refresher Course, Stock Exchange of Thailand</li> </ul>		
<b>Shareholding (%)</b>	- None -		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years Listed Company:</b>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2016-Present	Executive Vice President: Accounting and Finance	CH. Karnchang Plc.
	1990-2015	Vice President: Accounting	CH. Karnchang Plc.
<b>Other Company:</b>	- None -		

<b>18. Mr. Wiboon Ungapipathanachai</b>			
<b>Position</b>	Executive Vice President: Internal Audit Office		
<b>Appointment Date</b>	February 16, 2016		
<b>Age</b>	65 years		
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Bachelor of Science (Accounting), Kasetsart University</li> <li>- Project Management Program, Chulalongkorn University</li> <li>- Internal Audit Program, Chulalongkorn University</li> <li>- International Accounting Standard Program, Ernst &amp; Young Thailand</li> <li>- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery Program, Office of the National Anti-Corruption Commission (NACC)</li> <li>- Director Certification Program (DCP 234/2017), Thai Institute of Directors Association</li> <li>- Anti-Corruption and Prevention of Bribe Offering or Acceptance Program, Office of the National Anti-Corruption Commission (NACC)</li> <li>- Things to Know about Investment Promotion Program, The Board of Investment of Thailand</li> <li>- "Story Telling for Leaders" Program, Thai Institute of Directors Association</li> <li>- Property, Plant and Equipment for 2017 and Financial Reporting Standard and Taxes Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- Key Finance for Accountants Program, NYC Management Co., Ltd.</li> <li>- Accounting X-Ray for Construction Business Program, NYC Management Co., Ltd.</li> <li>- Problems and Practices on Expenditures for Investment under the New Law, Impacts on Bookkeeping Program, NYC Management Co., Ltd.</li> <li>- Customs Rates, Tariffs, and Formality relating to Import of Products from Overseas for Construction Business Program, The Customs Department</li> <li>- Withholding Tax Deducted at Source and Specific Business Tax, Full Version Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- Now Analysis &amp; Knowing the Future through Financial Statements Program, NYC Management Co., Ltd.</li> <li>- Direct and Indirect Utilization of Statement of Cash Flows Program, NYC Management Co., Ltd.</li> <li>- Financial Information Analysis and Financial Forecasting for Managerial Decision Making Program, NYC Management Co., Ltd.</li> <li>- Customs Duty Accountants Need to Know Program, NYC Management Co., Ltd.</li> <li>- IFRS 9 Program, Krung Thai Bank Plc.</li> <li>- 63 Accounting Techniques and Taxes for Foreign Exchange Rate-Related Business Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- TFRS 15: Revenue from Contracts with Customers Program, NYC Management Co., Ltd.</li> <li>- Kick off SAP Ariba SAP</li> <li>- Update Accounting Standard for 2019 Program, NYC Management Co., Ltd.</li> <li>- Deferred Tax Program, NYC Management Co., Ltd.</li> <li>- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)</li> <li>- Cash Budgeting for Top Executives' Planning and Decision Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- TFRS 9: International Financial Reporting Standard No. 9 - Financial Instruments Program, Ernst &amp; Young Thailand</li> <li>- Transfer Pricing between Related Companies Program, NYC Management Co., Ltd.</li> <li>- Knowledge of Construction Laws Program, The Consulting Engineers Association of Thailand</li> <li>- Self-Adaptation of Accountants to Accountants in the Digital Age for Presentation of Report on Financial Statement Analysis Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- Property, Plant, Equipment in 2020 and Financial Reporting Standards related to Land and Building Tax Act Program, NYC Management Co., Ltd.</li> <li>- Accounting Change Update in 2020 Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- Corporate Income Tax and VAT Planning to Help Reduce the Tax Burden Program, Dharmniti Seminar and Training Co., Ltd.</li> <li>- Taxation on Wages, Staff Welfare Personnel Department and Accounting Department Should Definitely Not Miss Program, Dharmniti Seminar and Training Co., Ltd.</li> </ul>		
<b>Shareholding (%)</b>	- None -		
<b>Family Relationship among Directors and Executives</b>	- None -		
<b>Experience in Last Five Years</b> <b>Listed Company:</b>	<b>Period</b>	<b>Position</b>	<b>Organization/Company</b>
	2016-Present	Executive Vice President: Internal Audit Office	CH. Karnchang Plc.
	2008-2015	Vice President: Internal Audit Department	CH. Karnchang Plc.
<b>Other Company:</b>	- None -		

19. Mr. Keerati Luangchookiat			
Position	Executive Vice President: Business Development		
Appointment Date	January 1, 2018		
Age	47 years		
Education/Training	- Master of Project Management, Northwestern University		
	- Master of Business Administration, Chulalongkorn University		
	- Bachelor of Engineering (Civil Engineering), Chulalongkorn University		
	- Sustainability Reporting Guidelines Program, Thaipat Institute (Public-Interest Organization)		
	- Construction Engineering, The Ohio State University		
	- Construction control and management, The Engineering Institute Of Thailand Under H.M. The King's Patronage		
Shareholding (%)	0.003		
Family Relationship among Directors and Executives	- None -		
Experience in Last Five Years <u>Listed Company:</u>	Period	Position	Organization/Company
	2018-Present	Executive Vice President: Business Development	CH. Karnchang Plc.
	2014-2017	Project Manager	CH. Karnchang Plc.
<u>Other Company:</u>	- None -		



20. Mr. Nattavut Trivisvavet			
Position	Company Secretary		
Appointment Date	June 26, 2013 (Details of duties and responsibilities of Company Secretary appear on page 80 of the Annual Report)		
Age	41 years		
Education/Training	- Master of Management Science & Engineering, Stanford University, U.S.A.		
	- Bachelor of Science in Electrical Engineering, Brown University, U.S.A.		
	- Bachelor of Fine Arts in Visual Art, Brown University, U.S.A.		
	- Company Secretary Program (CSP 51/2013), Thai Institute of Directors Association		
Shareholding (%)	0.146		
Family Relationship among Directors and Executives	Mr. Plew Trivisvavet's son Miss Supamas Trivisvavet's brother		
Experience in Last Five Years <u>Listed Company:</u>	Period	Position	Organization/Company
	2013-Present	Company Secretary	CH. Karnchang Plc.
	2012-Present	Vice President: Office of President	CH. Karnchang Plc.
	2012-2013	Assistant Secretary of the Board of Directors	CH. Karnchang Plc.
	2011-2012	Vice President: Strategy and Planning	CH. Karnchang Plc.
<u>Other Companies:</u>	2017-Present	Director	CH. Karnchang Real Estate Co., Ltd.
	2015-Present	Director and Managing Director	Bangkok Metro Networks Limited
	2009-2011	Valuation AVP	Barclays Capital Inc, New York, NY
	2006-2009	Valuation Senior Associate	International Fund Services (State Street), New York, NY

## 2. Directors, Executives and Controllers Holding Positions as Directors or Executives in Subsidiaries, Associated Companies or Related Companies

Director Name	CH. Karnchang Public Company Limited	Subsidiaries			
		CH. Karnchang-Tokyu Construction Co., Ltd.	CH. Karnchang Real Estate Co., Ltd.	CH. Karnchang (Lao) Co., Ltd.	Phrompratharn Construction Co., Ltd.
Mr. Aswin Kongsiri	X	-	-	-	-
Mr. Plew Trivisvavet	/, //, o	X	X	-	-
Mr. Vitoon Tejatussanasonorn	/	-	-	-	-
Mr. Pavich Tongroach	/	-	-	-	-
Miss Supamas Trivisvavet	/, //, o	/	/	-	-
Mr. Narong Sangsuriya	/, //, o	/	-	-	-
Mr. Prasert Marittanaporn	/, //, o	/	/	-	-
Mr. Phongsarit Tantisuvanitchkul	/, o	/	-	-	-
Mr. Anukool Tuntimas	/, //, o	-	-	-	-
Mr. Sittidej Trivisvavet	o	-	-	-	-
Mr. Pornnarong Siriyothin	o	-	-	-	-
Mr. Prapon Chanpradubfa	o	-	-	-	-
Mr. Phairat Prom-in	o	-	-	-	-
Mr. Thammanoon Surarat	o	-	-	-	-
Mr. Watchara Sanghattawattana	o	-	-	-	-
Mr. Phichai Choeibamrung	o	-	-	-	-
Mrs. Rinrada Tangtrongkid	o	-	-	-	-
Mr. Wiboon Ungapipathanachai	o	-	-	-	-
Mr. Keerati Luangchookiat	o	-	-	-	-

Remark: X = Chairman; / = Director; // = Executive Director; /// = Managing Partner; O = Executive



Director Name	CH. Karnchang Public Company Limited	Associated Companies		Related Companies					
		Bangkok Expressway and Metro Public Company Limited	CK Power Public Company Limited	TTW Public Company Limited	Bangkok Metro Networks Limited	CH. Karnchang Holding Co., Ltd.	Royal Rayong Real Estate International Co., Ltd.	SouthEast Asia Energy Limited	Xayaburi Power Company Limited
Mr. Aswin Kongsiri	X	-	-	-	-	-	-	-	-
Mr. Plew Trivisavet	/, //, o	/, //	/, //	/	-	/	/	/, //	/, //
Mr. Vitoon Tejtatussanasoontorn	/	/	-	-	-	-	-	-	-
Mr. Pavich Tongroach	/	-	-	-	-	-	-	-	-
Miss Supamas Trivisavet	/, //, o	-	/, //	-	-	/	-	-	-
Mr. Narong Sangsuriya	/, //, o	-	/	-	-	-	/	/	-
Mr. Prasert Maritanaporn	/, //, o	-	/	-	-	-	/	/	-
Mr. Phongsarit Tantisuvanitchkul	/, o	/, //	-	/, //	X	-	-	-	-
Mr. Anukool Tuntimas	/, //, o	-	-	-	-	-	-	-	-
Mr. Sittidej Trivisavet	o	-	-	-	-	-	-	-	-
Mr. Pornnarong Siriyothin	o	-	-	-	-	-	-	-	-
Mr. Prapon Chanpradubfa	o	-	-	-	-	-	-	-	-
Mr. Phairat Prom-in	o	-	-	-	-	-	-	-	-
Mr. Thammanoon Surarat	o	-	-	-	-	-	-	-	-
Mr. Watchara Sanghattawattana	o	-	-	-	-	-	-	-	-
Mr. Phichai Choeibamrung	o	-	-	-	-	-	-	-	-
Mrs. Rinrada Tangtrongkid	o	-	-	-	-	-	-	-	-
Mr. Wiboon Ungapipathanachai	o	-	-	-	-	-	-	-	-
Mr. Keerati Luangchookiat	o	-	-	-	-	-	-	-	-

Remark: X = Chairman; / = Director; // = Executive Director; O = Executive

Director Name	CH. Karnchang Public Company Limited	Related Companies						
		Northern Bangkok Expressway Co., Ltd.	CK. Office Tower Co., Ltd.	Expert Transport Co., Ltd.	Mahasiri Siam Co., Ltd.	Pathum Thani Water Co., Ltd.	Bang Pa-in Land Development Co., Ltd.	Kamala Senior Living Co., Ltd.
Mr. Aswin Kongsiri	X	-	-	-	-	-	-	-
Mr. Plew Trivisavet	I, II, o	-	/	/	/	-	/	-
Mr. Vitoon Tejtussanasontorn	/	-	-	-	-	-	-	-
Mr. Pavich Tongroach	/	-	-	-	-	-	-	-
Miss Supamas Trivisavet	I, II, o	-	/	-	/	-	/	/
Mr. Narong Sangsuriya	I, II, o	-	-	/	-	-	-	-
Mr. Prasert Marittanaporn	I, II, o	-	-	/	-	-	-	-
Mr. Phongsarit Tantisuwanitchkul	I, o	I, II	-	-	-	X	-	-
Mr. Anukool Tuntimas	I, II, o	-	-	-	-	-	-	-
Mr. Sittidej Trivisavet	o	-	-	/	-	-	-	-
Mr. Pornnarong Siriyothin	o	-	-	-	-	-	-	-
Mr. Prapon Chanpradubfa	o	-	-	-	-	-	-	-
Mr. Phairat Prom-in	o	-	-	-	-	-	-	-
Mr. Thammanoon Surarat	o	-	-	-	-	-	-	-
Mr. Watchara Sanghattawattana	o	-	-	-	-	-	-	-
Mr. Phichai Choeibamrung	o	-	-	-	-	-	-	-
Mrs. Rinrada Tangtrongkid	o	-	-	-	-	-	-	-
Mr. Wiboon Ungapipathanachai	o	-	-	-	-	-	-	-
Mr. Keerati Luangchookiat	o	-	-	-	-	-	-	-

Remark: X = Chairman; / = Director; // = Executive Director; O = Executive

## Attachment 2

### Details of Directors of Subsidiaries

Subsidiary Name	Director Name	CH. Karmchang-Tokyu Construction Co., Ltd.	CH. Karmchang Real Estate Co., Ltd.	CH. Karmchang (Lao) Co., Ltd.	Phrompratham Construction Co., Ltd.
Mr. Yim Trivisvavet		-	-	-	/
Mrs. Ornanong Trivisvavet		-	-	-	-
Mr. Plew Trivisvavet		X	X	-	-
Miss Supamas Trivisvavet		/	/	-	-
Mr. Nattavut Trivisvavet		-	/	-	-
Mr. Narong Sangsuriya		/	-	-	-
Mr. Prasert Marittanaporn		/	/	-	-
Mr. Phongsarit Tantisuvanitchkul		/	-	-	-
Miss Khajornwit Sae-chia		/	-	-	-
Mr. Hideo Miyagawa		/	-	-	-
Mr. Tsuneo Izuka		/	-	-	-
Mr. Mitsuhiro Terada		/	-	-	-
Mr. Pruitt Boonkasemsanti		/	-	-	-
Mr. Shigehiko Shibusawa		/	-	-	-
Mr. Ratn Santaannop		-	-	/	-

Remark X = Chairman; / = Director.

## Attachment 3

### Details of Head of Internal Audit Unit and Head of Compliance Unit

#### 1. Head of Internal Audit Unit

Name-Surname	Mr. Wiboon Ungapipathanachai
Position	Executive Vice President: Internal Audit Office
Education	<ul style="list-style-type: none"> <li>Bachelor of Science (Accountancy) Kasetsart University</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>2016 - Present Executive Vice President: Internal Audit Office</li> <li>2008 - 2015 Vice President: Internal Audit Department</li> </ul>
Related Training	<ul style="list-style-type: none"> <li>Project Management Program Chulalongkorn University</li> <li>Internal Audit Program Chulalongkorn University</li> <li>International Accounting Standards</li> <li>Property, Plant and Equipment for 2017 and Financial Reporting Standard and Taxes</li> <li>Key Finance for Accountants</li> <li>Problems and Practices on Expenditures for Investment under New Law, Impacts on Bookkeeping</li> <li>Now Analysis &amp; Knowing the Future through Financial Statements</li> </ul>
Duties and Responsibilities	<ol style="list-style-type: none"> <li>Internal audit works               <ol style="list-style-type: none"> <li>Preparing the annual internal audit plan;</li> <li>Supervising the review of performance, adequacy and appropriateness of the internal control system of the Company's internal work systems in compliance with the plan;</li> <li>Concluding the results, together with observations and suggestions for improvement of the audited works, as well as following up the suggested improvement;</li> <li>Reporting on the audit results to management and the Audit Committee.</li> </ol> </li> <li>Works in support of the Audit Committee               <ol style="list-style-type: none"> <li>Reviewing the annual and quarterly financial statements;</li> <li>Preparing information in support of the selection and nomination of the Company's auditor;</li> <li>Reviewing the disclosure of information to ensure compliance with the rules and regulations and the good corporate governance principles;</li> <li>Coordinating and organizing the Audit Committee's meetings.</li> </ol> </li> <li>Other works as assigned by the Audit Committee.</li> </ol>

## 2. Head of Compliance Unit

<b>Name-Surname</b>	Mrs. Thipwaree Athagrisna
<b>Position</b>	Vice President: Legal Department
<b>Education</b>	<ul style="list-style-type: none"> <li>• Master of Laws Ramkhamhaeng University</li> <li>• Bachelor of Laws Thammasat University</li> </ul>
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>• 2016 - Present Vice President: Legal Department</li> <li>• 2008 - 2015 Compliance Manager</li> <li>• 2006 - 2007 Legal Manager</li> </ul>
<b>Related Training</b>	<ul style="list-style-type: none"> <li>• Corporate Secretary Development Program (CSDP 15) Thai Listed Companies Association</li> <li>• Company Secretary Program (CSP 29/2009) Thai Institute of Directors Association</li> <li>• Board Reporting Program (BRP 4/2010) Thai Institute of Directors Association</li> <li>• Effective Minute Taking (EMT 18/2012) Thai Institute of Directors Association</li> </ul>
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Reviewing the appropriateness and adequacy of the Company's good corporate governance policy, as well as their revisions to meet the international practices for good corporate governance;</li> <li>2. Reviewing with management as to compliance with the good corporate governance principles as specified by the Company and disclosed in the Annual Report;</li> <li>3. Providing suggestions for preparation of the Company's corporate governance development plan in compliance with the good corporate governance principles;</li> <li>4. Providing advice and suggestions on the good corporate governance practices to the Board of Directors.</li> </ol>



## CH.Karnchang Public Company Limited

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Certificate No. TH02/4359



Certificate No. TH02/4358

