



รายงานประจำปี 2563

Annual Report 2020

บริษัท วิค จำกัด (มหาชน)

WIIK Public Company Limited

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Message from the Chairman

From the beginning of 2020, Thailand and all countries around the world have been affected by the COVID-19 epidemic situation. Especially, all tourism businesses were severely affected. The water management business of a subsidiary in Patong Municipality, Phuket Province also has been severely affected because Phuket is a tourist destination that focuses on foreign tourists. Every country has to protect its people from the COVID-19 virus, so control of virus epidemic areas is necessary to issue various measures which may affect the domestic economy, including restricting foreigners from traveling from their own country freely as usual.

However, the business operations of the Group consist of (1) PE pipe production and installation business operating under WIJK Public Company Limited and (2) Integrated water management business operating under WIJK Water Co., Ltd. In 2020, the water management business was affected by the COVID-19 epidemic situation, but the PE pipe production and installation business had outstanding performance. The Group had a net profit of 109.34 million Baht, increase from 21.57 million Baht in the year 2019. The increase rate is 406.91%.

On 9 October 2020, the Company got attention from a Chinese investor, China Lesso Group, a leader in building materials and interior decoration industries in mainland China. By giving Lesso (Thailand) Investment Limited (Hong Kong) invested in the Company newly issued ordinary shares of 140 million shares, at the offering price of 2 Baht per share, a total of 280 million Baht. The fund received from the capital increase was used for loan repayment to reduce interest expenses and enhance financial liquidity. Besides, the Company's business operations will benefit from collaboration between 2 groups (Synergy) such as increasing the business competitiveness, product development, and product value-added, including expanding markets both domestic and overseas.

Above all, the Company is determined to be a leader in quality of products and services, be honest and fair to customers, and pay attention to organization development. The Company has been certified as a member of the Private Sector Collective Action Coalition against Corruption (CAC) since 5 November 2018. The Company pay attention on review of good corporate governance policy and taking care of society and the environment.

The Board of Directors and the Company executives would like to thank all customers and shareholders for continuous supports, and thank all employees for their working hard. We hope that all of you continue to cooperate and be confident with the Company. We will together be successful in 2021.



Police General Chidchai Vanasatidya, Ph.D.

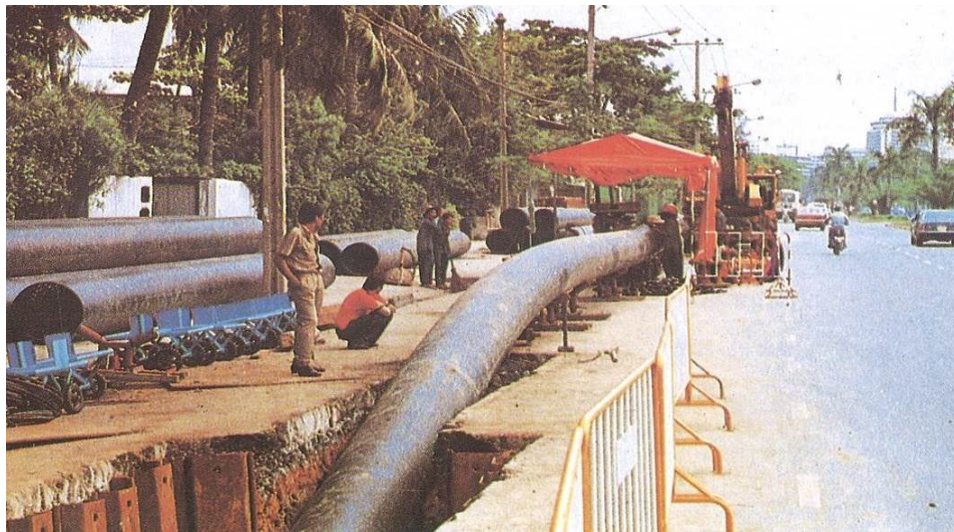
Chairman of the Board of Directors

WIIC Public Company Limited

1. Policy and Overview of the Business

1.1 Background

In 1980, WH Pipe International, who is in the group of KWH Pipe limited, the world leader in the field of Design, Manufacturer, Supply, and Installation of High Density Polyethylene (HDPE) pipe for more than 50 years from Finland, was invited by Metropolitan Waterworks Authority of Thailand (MWA) to submit a proposal to renew Bangkok's corroded cast-iron water pipe system in Rama IV, Rajdamri, and Charoenkrung roads. At that time the existing cast-iron pipelines had approximately 40% water loss. This was a turn-key project which included design, construction, and material supply. WH Pipe International had been awarded the project by offering relining installation method which feed the new HDPE pipes into the old and corroded cast-iron pipes. This technique reduces the scope of trench digging and eliminates leakage.



Unquestionably, the main reasons that made Metropolitan Waterworks Authority of Thailand trusted in WH Pipe International and its HDPE pipe, which last more than 50 years life span according to TIS Standards, would certainly be small water transport interruption during HDPE relining, low cost, fast installation of HDPE Pipeline and noticeably less interruption of traffic (due to few road surface excavation). These reasons would be contributed to the high rate of the success of this project as KWH Pipe Limited set up the first supply and installation of HDPE Pipe Company in Thailand named *Wiik & Hoeglund Company Limited* on April 4, 1983.

Wiik & Hoeglund Company Limited was established with initial capital of Baht 22 million and KWH Pipe Limited was a major shareholder, holding 90 percent of total shares. The Company has set up its first factory in Nava Nakorn Industrial Estate and later in 1989 moved to Bang Pu Industrial

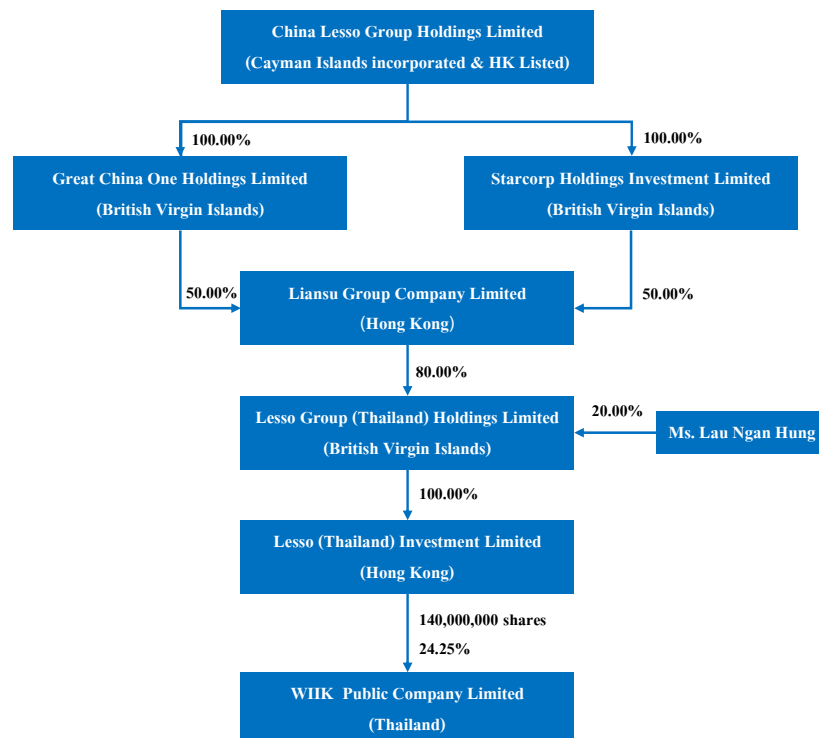
Estate with bigger production capacity in order to response to the rapid economy growth at that time.

The followings are vital moves of the company;

- On March 22, 1995 the company was registered as a public company and moved the factory to The Amata Nakorn Industrial Estate with higher production capacity. The Company is a first manufacturer of HDPE pipe who obtained quality assurance system certified to ISO 9003 in Thailand.
- In 1996, the Company was registered in the Stock Exchange of Thailand with registered capital of Baht 60 million which was equivalent to 600,000 shares of common stock. The first day of the Company's shares trading in the Stock Exchange Market was held on February 8, 1996. And after that, there are changes of capital as follows.
 - In 2006, the Company increased its capital from Baht60 million to Baht300 million and KWH Pipe Limited, was a major shareholder, holding 65.99% of shares.
 - After that, there was an increase in capital and offering PP shares, dividend payment with ordinary shares as well as the exercise of warrants. As of 31 December 2020, the registered capital is 725,335,328 Baht or 725,335,328 shares with a par value of 1 Baht each with details as follows:
 - 1) Paid-up ordinary shares of 577,427,042 shares.
 - 2) Ordinary shares issued to support the warrants of 147,908,286 shares.
- ISO standard that the company received.
 - In 1995 the Company was certified according to ISO 9003.
 - In 1999 the Company was certified according to ISO 9001.
 - In 2009, the Company was certified according to ISO14001.
- Changes in the shareholders
 - In 2013, KWH Pipe Limited and Uponor Infrastructure Solutions Segment merged into a new company under the name Uponor Infra Oy. Reflecting to this merge, Uponor Infra Oy was a major shareholder, holding 65.99 percent of KWH Pipe Limited in Finland.
 - In 2015, a group of Thai's investor in Thailand showed interest in WIik and purchased all of the Company's shares held by Uponor Infra Oy. However, WIik Public Company Limited and Uponor Infra Oy continue being partners and work together in Asia. Under the Licensing Agreement with the Uponor Infra Oy, the Company has continued its manufacturing and selling HDPE structured wall light weight pipe under WEHOLITE brand name solely.

In the year 2020, the Board of Directors approved the allocation and offering of 140,000,000 new ordinary shares to a specific investor (Private Placement) at the offering price of 2 Baht per share, with a par value of 1 Baht per share, a total of 280 million Baht to Lesso (Thailand) Investment Limited, an indirect subsidiary of China Lesso Group Holdings Limited. In this regard, such offering price of the newly issued ordinary shares at Baht 2 per share is lower than 90% of the market price of the Company's shares according to the SET Notification, which is equal to THB 2.4743 per share. Therefore, the issuance and allocation of the newly issued ordinary shares for offering to the Investor are deemed to be an offering of the newly issued shares at a low price and the Investor who has been allocated with 140,000,000 shares shall be prohibited from selling all such newly issued ordinary shares for 1 year from the date the Company's newly issued ordinary shares start trading on the SET (Silent Period) according to the SET Notification. Nonetheless, the Investor may gradually sell no more than 25% of the lock-up shares after the Company's newly issued ordinary shares have been traded on the SET for 6 months according to the SET Notification. The remaining 75% of ordinary shares will be sold after 1 year of prohibition expiration (30 November 2020 is the first trading date of the said ordinary shares). Lesso (Thailand) Investment Limited has voting rights equal to the shareholders of the Company under the Company's Articles of Association. They sent the representatives to take the position of the Company's director according to the shareholding proportion to help support and co-supervise the management of the Company.

Shareholding structure of China Lesso Group Holdings Limited



China Lesso Group Holdings Limited is a leading large-scale industrial group that manufactures building materials and interior decoration products in mainland China. It is listed on the main board of The Stock Exchange of Hong Kong Limited (stock name: China Lesso, stock code: 2128). China Lesso is one of the constituent stocks of the Hang Seng Composite Index – MidCap and is covered by Hong Kong Stock Exchange's Stock Connect. China Lesso Group provides over 10,000 types of quality products, including plastic piping system, sanitary ware products, integrated kitchens, systems of doors and windows, decorative plates, fire-fighting equipment, and sanitary materials, etc. They are widely applied to fields such as interior decoration, water supply, drainage, power supply and telecommunications, gas transmission, agriculture, aquaculture, floor heating and fire services. China Lesso Group is positioned as one of the manufacturers who offer the most comprehensive range of building materials and interior decoration products in China.

China Lesso Group has 25 advanced production bases in 16 provinces, namely Guangdong, Guizhou, Sichuan, Hubei, Jiangsu, Anhui, Zhejiang, Henan, Hebei, Jilin, Shaanxi, Xinjiang, Hainan, Yunnan, Shandong and Hunan.

China Lesso Group has established a nationwide sales network and has also developed long-term strategic partnerships with 2,276 independent and exclusive first-tier distributors to provide quality and comprehensive products as well as professional services for customers.

■ The Company's business expansion

- In 2016 the Company entered the water resources management business in order to meet the demand for water in the industrial sector through Wiik Water Company Limited (WW) which is a 100% shareholding subsidiary. Currently WW operates the water supply system for 4 Industrial Estate such as;
 - (1) Siam Eastern Industrial Park Mabyangporn Sub-district, Pluakdaeng District, Rayong Province
 - (2) Wellgrow Industrial Estate Homsil Sub-district, Bangpakong District, Chachoengsao Province.
 - (3) Thai Namsiri Intertex Company Limited, Wellgrow Industrial Estate, Bangsamak Sub-district, Bangpakong District, Chachoengsao Province.
 - (4) Chumnumsup industrial area, Khlongnueng Sub-district, Khlongluang District Pathumthani Province.
- Early 2019, Wiik Water Company Limited (WW) which is a 100% shareholding subsidiary, invested in WIik PT Company Limited (Formerly WOG ITR Water Solution

Company Limited) (“WIik PT”) with the objective of acquiring the right to be a service provider in accordance with the agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province (client) dated 16 July 2012, period of 30 years including ownership of the water treatment plant and other assets used in the business of WIik PT. At present, such agreement remains 22 years.

- Change of the Company’s name in the year 2019 as follows

<u>Former</u>	Wiik & Hoeglund Public Company Limited
<u>New</u>	WIik Public Company Limited

Currently WIik Public Company Limited is a manufacturer and supplier of PE pipe and fittings, Weholite Spiro, and WehoTank. The Company can produce Weholite Spiro pipe and Wehotank with size of Diameter 3,500 mm which is the largest PE pipe in the region. The quality of products and services are trusted internationally. The Company also creates opportunities with investment in water resources management which is related business and supports our core business to grow steadily in the future.

1.2 Overview of the Business

WIik Public Company Limited has played an important role in developing the quality of water supply infrastructure. The development affects and improves the quality of life of all Thai Citizen; especially the change from steel pipe to High Density Poly Ethylene pipe which is widely used in developed countries in Europe for more than 50 years. Superior to steel pipe, HDPE pipe is rust free, easy to be installed and can be used to transport the clean and safe tap water to the consumer. HDPE pipe has long life span and worth for its investment.

The Company realized that the management of water resources is essential for livelihood. The current global climate change has high impact on the rainfall and its variance. Therefore, with the high demand of clean water in both agricultural and industrial sectors, especially in dry season, the proper management in keeping and delivering water is highly required for Thailand.

The Company has foreseen this problem so expanding the business into a water management operator to meet the demand for water usage in agricultural & industrial sectors and for the consumer in a systematic way. The Company has set up WW (holding 100% of its’ own shares) for such improvement.

WW and its subsidiaries currently operates the water supply system for 5 Industrial Estate / government agencies such as;

- (1) Siam Eastern Industrial Park Mabyangporn Sub-district, Pluakdaeng District, Rayong Province.
- (2) Wellgrow Industrial Estate Homsil Sub-district, Bangpakong District, Chachoengsao Province.
- (3) Patong Municipality, Kathu District, Phuket Province.
- (4) Thai Namsiri Intertex Company Limited, Wellgrow Industrial Estate, Bangsamak Sub-district, Bangpakong District, Chachoengsao Province.
- (5) Chumnumsup industrial area, Khlongnueng Sub-district, Khlongluang District Pathumthani Province.

Including distribution of water supply system and integrated waste water treatment systems with modern technology and standard.

As the market leader for the HDPE pipe and fittings, the Company has 30-year experience in supplying its products in Thailand. The Company has also been recognized internationally in terms of products and product quality control. The Company is proud of obtaining the standard of environmental international ISO 14001 and believes that the Company will upgrade water management and produce quality water to allow the consumers to use quality and sufficient water in the future.

1.3 Goals and Strategies for Operation

On 23 December 2020, the Board of Directors' Meeting No.10/2020 reviewed the Company's vision and mission as follows.

Vision

"Committed to continuous and sustainable growth in the PE pipe manufacturing and installation business including comprehensive water resource management"

Mission

- (1) The Company strives to increase the sales of high quality HDPE pipe and fittings and maintain the image of high quality HDPE pipe and fittings leader.
- (2) The Company is a leader in the HDPE pipe industry in terms of engineering, design and installation of HDPE piping systems.
- (3) The Company will create revenue and margin from the growth of water management business.

- (4) Generate return to shareholders continuous and steady by adhering to the principle of treating all stakeholders fairly and equally.

Strategy Leading to Sustainability

- (1) Focus on running the Company's core business to grow steadily in the future.
- (2) Increase the potential in both domestic and foreign markets.
- (3) Create opportunities by investing in water resources management which relates and supports the existing company's core business to grow steadily in the future.
- (4) Promote Product Research and the Development that meet market needs with the cost competitive advantage.
- (5) Develop knowledge and skill of engineering design, installation of pipes, and water supply.

1.4 Changes and key developments

1) Changes in share capital and issuance of securities

Year 2016

- ❖ On February 29, 2016 the Board of Directors Meeting No. 1/2016 approved to allocate the newly shares to the private placement of 75,000,000 shares at the offering price of Baht 3 per share for 2 investors according to the resolutions of the EGM No.1/2015 on June 3, 2015 as follows.

Investor Name	Number of shares	Offering Price (Baht)	Total Value (Baht)
1. Mrs.Monthira Padungrat	30,000,000	3.00	90,000,000
2. Mr. Jirayu Assanuwong	45,000,000	3.00	135,000,000
Total	75,000,000	3.00	225,000,000

However, the resolution of shares allocation to the Private Placement with the remaining of 70 million shares, the offer period expired on June 2, 2016 (after 1 year from the date of the resolution to issuance and offering such shares). The Company proceeded to reduce registered capital in 2017.

Year 2017

The Annual General Meeting of Shareholders 2017 on April 3, 2017, approved the following resolutions:

- ❖ Approved the capital reduction of Baht 189,975,200 from the existing registered capital of Baht 664,892,534 to be the new registered capital of Baht 474,917,334 by reduce non-paid up ordinary shares of 189,975,200 shares with a par value of Baht 1 per share, consisted of (1) ordinary shares to support the allocation of the new ordinary shares offered via General Mandate in the amount of 119,975,200 shares and (2) remaining ordinary shares to support the allocation of new ordinary shares offered via Private Placement in the amount of 70,000,000 shares according to the resolutions of the EGM No.1/2015 on June 3, 2015. The Company registered the decrease in share capital with the Ministry of Commerce on April 7, 2017.

Year 2018

- ❖ On 27 April 2018, the Annual General Meeting of Shareholders 2018 approved the capital increase as general mandate of Baht 149,975,200 by issuing and allocating not more than 149,975,200 new ordinary shares with a par value of Baht 1 per share by the General Mandate as follows.
 - (1) Not exceeding 112,481,400 newly issued ordinary shares will be allocated to existing shareholders of the Company in proportion to their shareholding (Right Offering: RO)
 - (2) Not exceeding 37,493,800 newly issued ordinary shares will be allocated to specific investors under a Private Placement scheme (Private Placement: PP)

The Company registered the capital increase with the Ministry of Commerce on 24 May 2018.
- ❖ On 15 June 2018, the last exercise date, 533 WIIC-W1 warrants were exercised to 533 ordinary shares by 2 warrant holders at a price of Baht 5 per share. On 29 June 2018, the Company registered the increase in its paid up share capital with the Ministry of Commerce and the 99,962,603 unexercised WIIC-W1 warrants still outstanding lost their status as securities listed on the Stock Exchange of Thailand, effective from 16 June 2018.
- ❖ On 13 December 2018, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions.
 - Approved the cancellation of allocation of the newly issued ordinary shares offered via General Mandate not exceeding 149,975,200 new ordinary shares. Because the Company currently has sufficient funds to expand its business, so there is no need to raise capital by issuing and offering of such newly issued ordinary shares

- Approved the decrease in the Company's registered capital from Baht 624,892,534 to be Baht 374,938,533 by canceling the ordinary shares which had not been issued amounting to 249,954,001 shares at a par value of Baht 1 each as follows.
 - (1) Ordinary shares reserved for the allocation of new ordinary shares by the General Mandate of 149,975,200 shares from the cancellation of the capital increase.
 - (2) Ordinary shares reserved for the exercise of WIIC-W1 99,978,801 shares which was expired on June 16, 2018.

The Company registered the decrease in its registered capital with the Ministry of Commerce on 25 December 2018.

- Approved the issuance and allocation of warrants to buy ordinary shares of the Company No.2 ("WIIC-W2") ("Warrant") in the amount of not exceeding 124,979,511 units for free to the existing shareholders by determining the list of shareholders entitled to receive the warrants on 21 December 2018 (Record date) at the ratio of 3 existing ordinary share for 1 unit of warrant. 1 unit of warrant can purchase 1 new ordinary share at a price of 5.00 Baht per share.
- Approved the increase of the Company's registered capital from Baht 374,938,533 to be Baht 499,918,044 by issuing 124,979,511 new ordinary shares at par value of Baht 1 each to reserve the exercise of the warrants to buy the ordinary shares of the Company No.2 ("WIIC-W2") in the amount of 124,979,511 shares. The Company registered the increase in its registered capital with the Ministry of Commerce on 28 December 2018.

Year 2019

- ❖ On 23 April 2019, the Annual General Meeting of Shareholders for the year 2019 approved the increase of the Company's registered capital of 85,418,531 Baht from 499,918,044 Baht to 585,336,575 Baht by issuing 85,418,531 shares with a par value of 1.00 Baht each. The Company registered the capital increase with the Ministry of Commerce on May 15, 2019 with details of allocation as follows.
 - (1) To support the payment of stock dividends by paying ordinary shares to the existing shareholders of the Company at the rate of 6 existing shares per 1 stock dividend, a total of 62,489,756 shares with a par value of 1 Baht per share. Total value of 62,489,756 Baht. Later, on May 22, 2019, the Company

paid stock dividends of 62,488,509 shares and the Company registered the increase in paid-up capital with the Ministry of Commerce on May 30, 2019. The remaining was 1,247 shares and the Company proceeded to reduce registered capital in 2019.

- (2) To support the adjustment of the warrants to purchase ordinary shares of the Company No. 2 (WIIC-W2) in an amount not exceeding 22,928,775 shares.

❖ On 18 December 2019, the Extraordinary General Meeting of Shareholders No. 1/2019 approved the following resolutions:

- Approve the reduction of the registered capital of 1,247 Baht from the formerly registered capital of 585,336,575 Baht to the newly registered capital of 585,335,328 Baht by canceling the remaining ordinary shares from the payment of dividends of 1,247 shares, with a par value of 1.00 Baht per share. The Company registered capital reduction with the Ministry of Commerce on December 23, 2019.
- Approve the capital increase of the Company of 140,000,000 Baht from the formerly registered capital of 585,335,328 Baht to the registered capital of 725,335,328 Baht by issuing 140,000,000 ordinary shares with a par value of 1.00 Baht per share for sale to private placement at the price of 1.50 Baht per share to Mr. Saithsiri Saksitthisereekul or the other persons that the Board of Directors deems appropriate and authorize the Board of Directors or the authorized directors on behalf of the Company have the power to consider, allocate and offer for sale at one time or divided into partly offering as appropriate. The Company registered the capital increase with the Ministry of Commerce on December 25, 2019.

However, this capital increase, the Company do not practice complied with the Notification of the Capital Market Supervisory Board No. ThorJor. 72/2015 regarding permission for listed companies to offer newly issued shares to specific investors and the Notification of the Capital Market Supervisory Board No. ThorJor. 73/2015 regarding the items in the notice of the shareholders' meeting of listed companies to request approval for the issuance and offering of securities, so the said resolution is not allowed by the Office of the Securities and Exchange Commission causing the Company to cancel the capital increase. The Company will propose to the Annual General Meeting of Shareholders 2020 to consider and approve the reduction of registered capital as well as proposing to consider and approve the new capital increase following the relevant announcement.

Year 2020

- ❖ On 11 May 2020, the Annual General Meeting of the Company's Shareholders approved the following resolutions.
 - Approved the decrease in the Company's registered capital from Baht 725,335,328 to be Baht 585,335,328 by canceling allotment the ordinary shares for offering to the Private Placement at a price of Baht 1.50 per share, amount of 140,000,000 shares with a par value of Baht 1 per share. The Company registered the decrease in its registered capital with the Ministry of Commerce on 22 May 2020.
 - Approved the issuance and allocation of not exceeding 140,000,000 new ordinary shares with a par value of Baht 1 per share, to offer to the Private Placement, by authorised to the Board of Director of the Company to determine the offering price at the market price during the offering period and not the low price according to SEC ruling.
 - Approved the increase of the Company's registered capital from Baht 585,335,328 to be Baht 725,335,328 by issuing 140,000,000 new ordinary shares at par value of Baht 1 each to reserve the offering of newly issued ordinary shares offered to the Private Placement. The Company registered the increase in its registered capital with the Ministry of Commerce on 28 May 2020.
- ❖ On 9 October 2020, the Board of Directors approved the allocation and offering of 140,000,000 new ordinary shares at the offering price of 2 Baht per share, with a par value of 1 Baht per share, a total of 280 million Baht to Lesso (Thailand) Investment Limited (Private Placement). The Company received payment for capital increase shares and registered the increase of paid-up capital with the Ministry of Commerce on 27 October 2020 and the said ordinary shares have the silent period for 1 year from the date the Company's newly issued ordinary shares start trading on the SET. 30 November 2020 is the first trading date of the said ordinary shares (Details as mentioned in clause 1.1 background, page 6).

2) Changes of debt issuance

Year 2016

- ❖ On May 16, 2016 the Board of Directors Meeting No. 2/2016 approved the issuance and offering for sale of bill of exchange ("B/E") to the investor in general sale offering or the

placement of institutional investors or high net worth investors to increase the financial liquidity of the Company at a particular time, not more than 600 million Baht without collateral by the interest rate of 4 percent per year and in March 2017, the Company has fully paid the bills of exchange repayment.

Year 2017

- ❖ On 3 April 2017, the Annual General Meeting of the shareholders 2017 approved the issuance and offering of debentures of not exceeding 1,000 million Baht or equivalent for use in general business operations and/or repaying loans and/or for the investment of the Company and its subsidiaries and/or use as working capital of the Company and its subsidiaries or for other purposes as the Board of Directors deems appropriate. The Board of Directors and/or the Executive Committee have the power to consider and determine other details and conditions relating to the issuance and offering of debentures.

Year 2018

- ❖ On 14 June 2018, the Company issued and sold debentures worth 150 million Baht, which is a type of specifying the name of the holder, unsubordinated, unsecured and there are representatives of debenture holders with interest at a rate of 6 percent per year, paying interest every 3 months and matured on June 13, 2019, by the resolution of the Annual General Meeting of Shareholders 2017 on 3 April 2017. The Company has completely repaid.

Year 2019

- ❖ On 9 August 2019, the meeting of the Board of Directors No. 4/2019 approved the ratification of the issuance and offering of the bill of exchange of not exceeding 150 million Baht. The Company's bills of exchange are unsecured with interest rate at 7 percent per year and matured on 3 December 2019. The Company has made full repayment.

Year 2020

-None-

3) The Key Development during the past 5 years

Year 2016

- ❖ On February 29, 2559 the Extraordinary General Meeting of Shareholders No. 1/2016 of Wiik Water Company Limited (a subsidiary) approved the capital increase of Baht

31,747,200 from the existing of Baht 18,252,800 baht to Baht 50,000,000 by issuing 317,472 ordinary shares with par value of 100 Baht per share. The payment of capital increase and registration with the Ministry of Commerce completed on May 16, 2016.

- ❖ On May 17, 2016 Wiik Water Company Limited (WW) which is a 100% shareholding subsidiary, signed an agreements granting the right on water supply system management for Siam Eastern Industrial Park. The details are as follows.

Project Name	: Potable Water System Management for Siam Eastern Industrial Park (SEP)
Location	: Siam Eastern Industrial Park Mabyangporn Sub-district, Pluakdaeng District, Rayong Province.
Total investment of WW	: Compensation for transferring the right of asset possession and cost of upgrading the system, approximately 140 million Baht.
Agreement Period	: 20 years and begin recognizing revenue in June 2016 onwards.
Value of minimum income throughout maturity	: 1,365.07 Million Baht

- ❖ On October 21, 2016, Wiik Water Company Limited (WW) which is a 100% shareholding subsidiary, signed an agreement on design, construction, and operation of potable water system for Wellgrow Industrial Estate. The details are as follows.

Project Name	: design, construction, and operation of potable water system for Wellgrow Industrial Estate.
Location	: Wellgrow Industrial Estate Homsil Sub-district, Bangpakong District, Chachoengsao Province.
Total investment of WW	: Construction cost of potable water supply plant approximately 135 million Baht.
Agreement Period	: 20 years and begin recognizing revenue on 5 June 2017 onwards.
Value of minimum income throughout maturity	: 1,034.78 Million Baht

Year 2017

- ❖ On March 8, 2017, the Annual General Meeting of Shareholders 2017 of Wiik Water Company Limited (a subsidiary) approved the increase of registered capital from Baht 50,000,000 to Baht 170,000,000 by issuing 1,200,000 new ordinary shares with par value of Baht 100 per share. The offering price is Baht 117 per share (book value as of December 31, 2016), totaling Baht 140,400,000. The first payment will be made 25% of the capital increase, the remaining assign to the Board of Directors to call for share payment as needed, the details of share payment and registration with the Ministry of Commerce as follows:

Date	Share payment (percent)	Money received (Baht)	Registration with the Ministry of Commerce
March 8, 2017	25	35,100,000	March 10, 2017
April 3, 2017	50	70,200,000	April 4, 2017
May 23, 2017	25	35,100,000	June 1, 2017
Total	100	140,400,000	-

- ❖ In the year 2017, the Company restructured its business operations to be clearly as follows.

Companies	Business Restructuring	
	Before	After
WIJK	<ul style="list-style-type: none"> ■ Production and distribution of HDPE pipes and fittings business 	<ul style="list-style-type: none"> ■ Production and distribution of HDPE pipes and fittings business ■ Welding, installation and design of HDPE pipe system business
WW	<ul style="list-style-type: none"> ■ Welding, installation and design of HDPE pipe system business ■ Water management business 	<ul style="list-style-type: none"> ■ Water management business

- ❖ On November 23, 2017, Wiik Water Company Limited (a subsidiary) was signed the contract for construction of water supply by Ultra Filtration (UF) system construction of central wastewater treatment system at TFD 2 Industrial Estate with the total value of Baht 92.52 million.

Year 2019

- ❖ On 4 January 2019, Wiik Water Company Limited (WW), a 100% shareholding subsidiary purchased ordinary shares of WOG ITR Water Solution Company Limited ("ITR") of 48,571 shares with a par value of Baht 100 per share, representing 100% of the paid-up capital

from the existing shareholders amount of Baht 35 million and provide financial assistance to ITR of Baht 265 million (after becoming a subsidiary) to pay the following:

- (1) To repay loans and interest from WOG Technologies (Thailand) Company Limited ("WOG THAI") (The Existing shareholder) amount of Baht 42 million.
- (2) To repay creditors arising from the purchase of assets used in ITR's business operations to WOG Technologies (Thailand) Company Limited ("WOG THAI") at a total price of Baht 223 million (VAT included).

❖ On 23 January 2019, the Extraordinary General Meeting of Shareholders No.1/2019 of ITR (Indirect subsidiary), approved the following.

- (1) Approved an increase of Baht 55,750,000 in the registered capital, from Baht 4,857,100 to Baht 60,607,100, by issuing 557,500 new ordinary shares at a par value of Baht 100 per share to comply with the conditions of the Board of Investment including making a strong capital base and enhancing the liquidity of future business of that company. The shares are required the first capital paid-up 50 percent of the new registered capital and the payment for the remainder will be requested by the Board of Director upon the necessity. There are details of the call for payment of additional capital and registered with the Ministry of Commerce as follows.

Date	Share payment (percent)	Money received (Baht)	Registration with the Ministry of Commerce
22 February 2019	50	27,875,000	1 March 2019
21 May 2019	50	27,875,000	29 May 2019
Total	100	55,750,000	-

Year 2020

❖ On 23 December 2020, the Board of Directors' Meeting of WIJK Water Co., Ltd. ("Subsidiary") No. 5/2020 approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the capital increase of 90,000,000 Baht from 170,000,000 Baht to 260,000,000 Baht by issuing 900,000 new ordinary shares with a par value of 100 baht per share, at the offering price of 166 Baht per share, scheduled to call the Extraordinary General Meeting of Shareholders No. 1/2021 on the date 9 February 2021.

❖ On 23 December 2020, the Board of Directors' Meeting No.10/2020 approved the following transactions:

- (1) Approved WIJK Water Company Limited ("Subsidiary"), a 100% shareholding subsidiary to increase the capital of 900,000 shares with a par value of 100.00 Baht per share, from 1,700,000 shares to 2,600,000 shares.
- (2) Approved the Company to subscribe of 450,000 newly issued ordinary shares of a subsidiary with a par value of 100.00 Baht per share at an offering price of 166.00 Baht per share, a total of 74.70 million Baht.
- (3) Approved the Company to waive the right to purchase 450,000 newly issued ordinary shares of a subsidiary.
- (4) Approved WIJK Water Company Limited to allocate the remaining 450,000 newly issued ordinary shares to specific directors, executives, and employees of the Company and subsidiaries of 13 persons and 7 investors who are not related to the Company.

Year 2021

- ❖ On 9 February 2021, the Extraordinary General Meeting of Shareholders of WIJK Water Company Limited ("Subsidiary") No.1/2021 approved to increase in registered capital of 90,000,000 Baht from 170,000,000 Baht to 260,000,000 Baht by issuing 900,000 new ordinary shares with a par value of 100 Baht per share at the offering price of 166 Baht per share, including authorizing the authorized directors of the subsidiary to have the power to act necessary or relevant for the achievement of the aforementioned capital increase.
- ❖ On 12 February 2021, the Company notified the intention to purchase additional shares of the Subsidiary in the amount of 450,000 ordinary shares of Baht 166 per share, a total of Baht 74,700,000, and to waive the right to purchase the remaining 450,000 ordinary shares. On 16 February 2021, the Company made an initial payment of 25 percent of total payment for the shares, or a total of Baht 18,675,000.

The authorized Director of Wiik Water Co., Ltd. (the Subsidiary), who has been authorized by the Extraordinary General Meeting of the Shareholders, allocated the remaining new ordinary shares to directors, executives, and employees of the Company and the Subsidiary, totaling 13 persons, and to 7 investors who are not related to the Company. The Subsidiary received the initial payment of 25 percent of total payment, or a total of Baht 37,350,000 and registered the increase in its registered capital with the Ministry of Commerce on 23 February 2021.

4) Change of the name and the head office

WIik Public Company Limited (Parent Company)

- ❖ On 1 November 2016, the company changed the head office location as follows.
90 CW Tower A, 35th Floor, Ratchadapisek Rd., Huaykwang, Huaykwang, Bangkok 10310.
- ❖ On 18 December 2019, the Extraordinary General Meeting of Shareholders No.1/2019 approved the change of the Company's name as follows.
Former Wiik & Hoeglund Public Company Limited
New WIik Public Company Limited

The Company registered the change of the Company's name with the Ministry of Commerce on 25 December 2019. However, the Company still uses the securities name "WIik" as before.

Wiik Water Company Limited (Subsidiary)

- ❖ On 15 September 2017, Wiik Water Company Limited relocated its head office as follows.
90 CW Tower B, 21st Floor, Ratchadapisek Rd., Huaykwang, Huaykwang, Bangkok 10310.

WIik PT Company Limited (Indirect subsidiary)

- ❖ On 19 March 2019, WIik PT Company Limited relocated its head office as follows.
90 CW Tower B, 21st Floor, Ratchadapisek Rd., Huaykwang, Huaykwang, Bangkok 10310.
- ❖ On 21 June 2019, the Extraordinary General Meeting of Shareholders No. 2/2019 of WOG ITR approved the change of the Company's name as follows:
Former WOG ITR Water Solution Company Limited
New WIik PT Company Limited

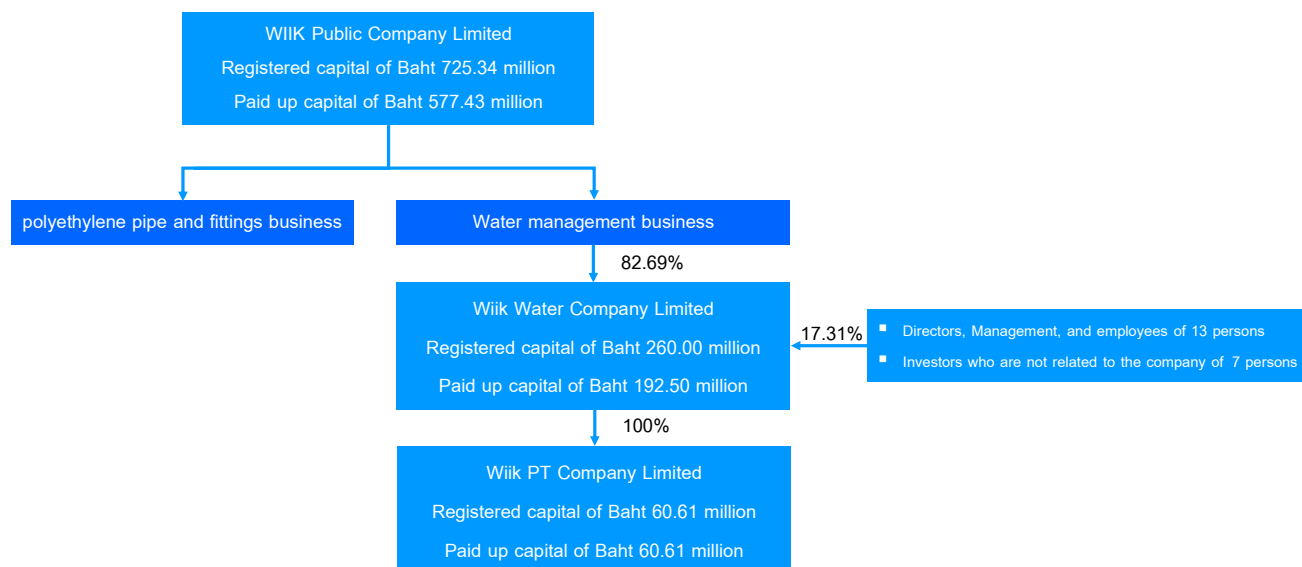
The Subsidiary registered the change of Company's name with the Ministry of Commerce on 25 June 2019.

1.5 Shareholding Structure of the Group

As of 23 February 2021, the Company operates in 2 business segments:

- (1) group of polyethylene pipe and fittings business
- (2) group of Water management business which operated by Wiik Water Co.,Ltd. (WW)

The Group's operations are divided into the following groups:



Note: It has no persons with conflicts of interest hold more than 10% of the shares in subsidiaries and associates.

Details of subsidiaries

(1) WIik Water Company Limited

❖ Shareholding

WIik Public Company Limited is a major shareholder in 82.69% shareholding.

❖ Nature of Business

Operates water management business both fully integrated of tap water and wastewater treatment.

❖ Financial Highlights

Million Baht	2020	2019	2018
Total assets	882.00	771.94	634.59
Total liabilities	622.82	518.85	386.63
Shareholders' Equity	259.18	253.09	247.96
Debt to equity ratio	2.40	2.05	1.56
Total revenue	244.87	186.13	201.99
Net profit	4.62	5.14	24.01
Earnings per share	2.72	3.02	14.12

Note The year 2019 – 2020 are consolidated financial statements.

(2) WIik PT Company Limited

❖ Shareholding

WIik Water Company Limited (WW) is a major shareholder in 100% shareholding starting from 4 January 2019.

❖ Nature of Business

Operates tap water production business with ultra filtration and reverse osmosis systems.

❖ Financial Highlights

Million Baht	2020	2019	2018
Total assets	291.00	276.20	302.68
Total liabilities	242.72	219.39	306.35
Shareholders' Equity	48.28	56.81	(3.67)
Debt to equity ratio	5.03	3.86	(83.47)
Total revenue	20.07	36.05	17.08
Net profit	(8.53)	4.73	3.11
Earnings per share	(14.08)	7.81	64.06

2. Type of Business

2.1 Revenue Structure

Revenue from business operations of the Company and subsidiaries during the year 2018 - 2020 could be classified by business segment as follows.

Product line / Business Group	Operated by	% Share holding	Revenue (Million Baht)					
			2020	%	2019	%	2018	%
1. Revenue from pipe production and distribution business	WIJK	-						
1.1 Sales	WW*	100%	1,085.18	66.87	897.77	71.63	890.39	72.88
1.2 Installation income			283.80	17.49	131.92	10.53	112.09	9.18
1.3 Transportation services income			3.20	0.24	27.73	2.21	11.23	0.92
Total			1,372.18	84.55	1,057.42	84.37	1,013.71	82.98
2. Revenue from water management business	WW*	100%						
2.1 Revenue from production and distribution of tap water	WPT	100%	134.95	8.32	138.99	11.09	97.73	8.00
2.2 Revenue from sale and installation of water production system			109.91	6.77	46.96	3.75	102.71	8.41
Total			244.86	15.09	185.95	14.84	200.44	16.41
3. Other income of the WIJK Group	WIJK	-						
3.1 Dividend income	WW*	100%	-	-	0.32	0.03	1.66	0.14
3.2 Interest income	WPT	100%	1.10	0.07	0.84	0.07	1.77	0.14
3.3 Others			4.75	0.29	8.81	0.70	4.06	0.33
Total			5.85	0.36	9.97	0.80	7.49	0.61
Grand total			1,622.89	100.00	1,253.34	100.00	1,221.64	100.00

Note. * As of 23 February 2021, the shareholding in WIJK Water Company Limited is 82.69%

2.2 Group of polyethylene pipe and fittings business




1) Products and Services




WIIC Public Company Limited (the Company) is the manufacturer and supply high quality of plastic pipes and fittings for various types of application. The Company's products are produced from High Density Polyethylene (HDPE) resin. The Company's HDPE solid wall pipe (W-HQ Pipe) are OD16mm. – OD1600mm. in size and HDPE structured wall pipe (Weholite) ranking in size from ID300mm. – 3,500mm. for drainage & sewage, and water tank (Weho Tank). The Company's HDPE pipe and fittings are easy to be installed in both on ground and underground without considering the type of soils.



It also provides service of the consultancy, advisory, servicing of HDPE pipe installation. Business scope in details is described as follows;


- The installation and welding of HDPE pipe and fittings
- The full service of HDPE pipeline installation (turn-key contractor) for the private sector which is starting from the services of HDPE pipeline system design, trenching and backfilling, HDPE pipeline and equipment installation, HDPE pipe and fittings welding.
- The installation of HDPE pipeline related equipment such as Air Release Valve or Gate Valve.
- The Consultancy of HDPE pipe and fittings installation.

Products and Services in group of polyethylene pipe and fittings business

Products & Services	Qualification	The usage
<p>(1) Solid Wall Pipe</p> <p>High Quality HDPE pipe (W-HQ pipe)</p>   	<p>The Company's HDPE solid wall pipe (W-HQ Pipe) is produced from High Density Polyethylene, also known as HDPE pipe, which is now widely used in both Government and Private Sectors in the field of water pipeline system, sewage, and cable conduit, etc. The Company's HDPE pipe and fittings are suitable in corrosive of acid and chemical environment. They are Corrosion & Abrasion resistance, light weight, flexibility, easy to bend and transport, long service life, and high impact strength.</p>	<ul style="list-style-type: none"> ● Raw and Portable Water Pipe ● Drainage and Sewage Pipe ● Electrical and Phone Cables Conduit ● Submarine Pipe ● Repair Pipe (relining) ● Mining <p>Generally HDPE pipe can be divided into categories based on usage and the size of the pipe below;</p> <ul style="list-style-type: none"> ● 16-110 mm outside diameter pipes used for drinking water pipes and sewage for small size of projects. ● 110-315 mm outside diameter pipes used in village and industrial estate as main pipeline for water transport and drainage. ● 110-200 mm diameter pipes of size are commonly used as electrical and phone conduit. ● 315-1600 mm outside diameter pipes used as main pipeline for water transport and drainage.

Products & Services	Qualification	The usage
<p data-bbox="178 321 640 349">(2) Structured Wall HDPE pipe (Weholite)</p>   	<p data-bbox="724 321 1339 1219">Structured Wall or double layer HDPE Weholite pipe is made from High Density Polyethylene (HDPE) resin. The HDPE resin selected by the Company passes the high quality control according to the International Standards. It makes the Company's HDPE pipe superior to other types of pipes. The Weholite HDPE pipe's weight is also 2-10 times lighter than other types with service life more than 50 years; likewise the cost of installation and demolition for repair is also lower than other types of pipe. Weholite HDPE pipe is well designed and provides all technical advantages of equivalent polyethylene solid wall pipes but with substantial saving in weight combining greater ease of installation and transportation with increased cost effectiveness. Additionally, Weholite HDPE pipe has low friction loss and can transport more quantity of water compared to other pipes with the same diameter. Weholite HDPE pipe can be produced in many colors according to the customers' requirement. Length per pipe 6-15M. is available.</p> <p data-bbox="724 1256 1108 1284">Internal diameter 300 mm - 3500 mm.</p>	<ul data-bbox="1365 329 1711 743" style="list-style-type: none"> ● Drainage pipe ● Sewage pipe ● Intake & Outfall pipe ● Culvert pipe ● Manhole ● Ventilation pipe ● Relining pipe ● Combined Sewage Overflow

Products & Services	Qualification	The usage
<p>(3) HDPE water tank (WehoTank)</p> 	<p>WehoTank is the development of Structured Wall or double layer HDPE Weholite pipe which is also made from High Density Polythylene (HDPE) and high standard resin. WehoTank is high quality, clean, and leakproof double layer water tank. WehoTank is also easy to be installed in both on ground and underground, non-toxicity, corrosion resistance, and has long service life for more than 50 years. It is one of a best and cost effective of investments. WehoTank's tank wall is special designed and suitable for water management in the community and industry and best fit for water collection as Rainwater Tank, Sewage Tank, Waste Water treatment Tank, and Bio-Gas Tank.</p>	<ul style="list-style-type: none"> ● Water Storage Tank ● Rainwater Collection Tanks (Rain Storm) ● Wastewater Treatment Tank (CSO) ● Septic Tank ● Retaintion Tank ● Chemical Storage Tank ● Bio-Gas Tank or Scrubber Tank). ● Pontoon & Boat lift
<p>(4) Phone Cable and Cable Conduit (W-HQ CONDUIT)</p> 	<p>W-HQ CONDUIT is produced from High Density Polyethylene (HDPE) resin. The HDPE resin selected by the Company passes the high quality control according to the International Standards. It can be assured that it is a high quality HDPE pipe with the high Mechanical properties and great physics. It is suitable for underground pipes usage and can be used as an insulating and protective sheath for covering cables, telephone lines and cables Fiber Optic.</p>	<p>High Density Polyethylene pipe for Phone Cable and Cable Conduit.</p>

Products & Services	Qualification	The usage
<p data-bbox="176 321 697 394">(5) HDPE Pipe Welding Service; inclusive of pipeline installation service</p> 	<p data-bbox="722 321 1333 456">There are many ways to install HDPE pipe, such as welding or connecting by using fittings; however, Butt Fusion Welding is widely used nowadays.</p>	<p data-bbox="1358 321 1944 662">Connecting HDPE Pipe by using Butt Fusion systems is widely used and well known. The welding process is to create heat at both ends of HDPE pipe and melt them with the suitable level of pressure. Quality at welding part totally depends on welding machine, welding factors and experienced welders.</p>

2) Market and Competition

2.1) Marketing

Products and Services Strategies

WIJK Public Company Limited, We are manufacturer and distributor of PE pipe and pipe fitting under Weholite Spiro and WehoTank brand. We produce the largest PE pipe in this region. Our Weholite Spiro and Wehotank has a diameter of 3,500 mm. Our products and services is international world class quality. We had over 30 years' experience in manufacturing and our staffs are competent in engineering and fully technical support to customers.

The Company has a policy to implement international production quality, comply and certified under ISO 9001: 2008, ISO 14001: 2004 for the manufacture of PE pipes and pipe fittings. Our Products produce under standard Production procedure according to customer requirements such as ISO 982-2556, ISO 4427-2, ASTM D3035, DIN 8074, ASTM F714, AS / NZS 4130 and EN 12201-2 and concentrate on quality control products procedure. Starting from the selection and inspection of resin. In order to obtain the high quality polyethylene raw material in the production process. Quality control in the manufacturing process (In Process Quality Control) until inspection before delivery to customer (Final Inspection) using standardized tests are internationally recognized. Ensure that your products and services are of the highest quality. Throughout the period of use.

In addition, we are flexible to comprehensive range of customer requirements level from less complicated tasks which the competition is high to the job requires expertise. And high technology engineering which the competition is not very high, such as the pipe under the sea, sewer drains into the sea for a power plant and large petrochemical industries.

Price Strategies

The company had to competing with cheap priced products from low quality HDPE pipes in Thailand. Some manufacturers used low quality raw materials to produce cheap price products to fight against us to present their products in public and private projects.

The company insist to our policy of excellence quality. To ensure the confidence and safety in term of use is important. We also environmental care in term of the quality of life for Thai people in Thailand. The company has no plans to produce low-quality goods to compete with existing products in the market, the company will provide pricing flexibility (Flexible prices) to increase orders and production capabilities. Full capacity utilization for we are able to reduce production cost per unit

In addition, each year the R&D department will develop HDPE pipes and fittings from normal standard type to special type which is suitable for each type of use. It also increases the potential to compete with competitors in the same industry and increase the opportunity to sell to replace other materials such as steel pipe, concrete pipe, and GRP pipe.

Place Strategies

The company will follow the news of the tender for construction. Water Supply System through media such as internet, newspapers and publicity. It specifies the basic properties of the project. In order to know the information of the contractors participating in the above projects, our sales department will contact all the patriciate's contractors to offer our products and services, emphasizing the feasible will get the contract. Mostly we will sell our products and services to government contractors who winning bid project for Metropolitan Waterworks Authority (MWA), the Provincial Waterworks Authority (PWA), and various local authorities.

Promotion Strategies

HDPE pipe is High Density Polyethylene pipe it was proven in global project that it has excellent properties and can be used for a long time and it's difficult to find replacement products. However, the company still has competition in terms of cheap price and low quality HDPE pipes from Thai supplier. Some manufacturers use low-quality raw materials to produce pipes and fittings to offer their products in public and private projects. The use of low quality HDPE pipes has affected the confidence of the company's high quality HDPE pipes, such as: (1) Leakage of pipes; Affect inconvenient and unsafe to use water to consume (2) The engineering/maintenance department responsible for and the extended network of water supply had to spend a lot of budget to repair damaged pipe. It is not good investing to use low quality pipe and short hose life. (3) High quality standard HDPE pipe manufacturer impact by unfair price competition. To avoid from the said problem. The Company has organized activities to communicate with customers in the private sector and government agencies by providing knowledge events. To educate the customer to decide to buy high quality products which it's worth the investment in every project.

In addition, the Company has a marketing and PR strategy concentrate on high quality standards. Efficient work system to make our customer satisfied. We focus to providing good service for after sales service to establish good relationship with our customers. In addition, the Company has focused on expanding its customer base to cover a wider range of businesses. According to expanding business base policy we will expanding to high level environmental engineering

management, which include customers in the business sector and good growth potential such as the energy sector and industrial estates sector.

2.2) Target Group

(A) The Following Government Agencies for the projects of raw and portable water pipe, phone cable and electrical cable conduit, sewage pipe installation, wastewater and Septic Tanks;

- Provincial Waterworks Authority
- Provincial Electricity Authority
- Royal Irrigation Department
- Metropolitan Electricity Authority
- Electricity Generating Authority of Thailand
- Land development Department
- Telephone Organization of Thailand
- Department of Water Resources
- Communications Authority of Thailand
- Metropolitan Waterworks Authority
- Department of Local Administration
- Ministry of Public Health

(B) Private Sectors for the projects of raw water & Portable water pipes, sewage, fire water pipe, Water Tank, and Water treatment tank;

- Factory and Industrial Estate
- Residential
- Airport & Stadium
- Retailers

(C) Specific Group of Business that requires;

- The Horizontal Directional Drilling of HDPE pipe.
- Pipe Relining.
- Perforated pipe for underground drainage.
- Reserve water systems for private groups.
- The Submarine.

- (D) International Markets such as Philippines, Vietnam, Cambodia, Laos, India, Indonesia, and Myanmar. The target groups are big construction companies who have foreign fund, Both Government and Private Sectors that have the projects of water allocation and water treatment; including the mining.
- (E) Wholesale markets and Dealers for the following projects
- Water pipe inside the plant
 - Sewage pipeline projects in villages, Industrial Estates and factories.
 - Water Tank and Water Treatment Tank.

Customer Satisfaction Assessment 2020

In 2020, the Company assessed customer satisfaction by sampling customers who have the sales order and customers who bid more than 200,000 Baht including new customers total of 21 customers. The average score of customer satisfaction was 4.6 points as follows.

Customer Requirement			Satisfaction Mean
Personnel	1	Salespersons have the knowledge, understanding, answer questions about pipe products and equipment.	4.7
	2	Salespersons respond quickly to requests.	4.7
	3	Salespersons can describe the process of selling a water pipeline project.	4.6
	4	Salespersons can respond to customer complaints and solve problems quickly and efficiently.	4.7
Products	5	Quality of products meet the requirements.	4.7
	6	A variety of products covered the demand.	4.3
Delivery	7	Delivery can be delivered on time.	4.6
	8	Delivery department coordinate delivery of products efficiently.	4.5
	9	Delivery is complete and accurate, no damage was found during transportation	4.7
Services	10	Delivery of documents related to sales.	4.5
	11	Documentation can support sales of pipe products and equipment.	4.7
	12	After-sales service helps to get information and news of the Company continuously.	4.8

- Note
1. Satisfaction score has a maximum score of 5 points each.
 2. The Company began the customer satisfaction assessments in 2017 with an average score of 4.38 points. In subsequent years, customer service quality was improved and in 2020 the score was 4.6 points as detailed above.

2.3) Competition within the Industry

Enhancing the quality and standard of Public Utilities; especially the metropolitan waterworks, is important and directly affects the quality of life of people in the country. All concerned parties shall sincerity cooperate for this enhancement.

Thailand has developed the waterworks systems steadily; especially the enhancement of water pipe quality by changing the iron-cast steel pipe to HDPE pipe which is widely used in developed countries. Countries in Europe, for instance, has been using HDPE pipe in their waterworks for more than 50 years. Corrosion problem in iron-steel pipe is solved and cleaned & safe water are transported throughout the plumbing system. HDPE pipe is worth the investment since it is easy to install, saves pipeline installation time and has long service life.

Thailand faced the several obstacles in using HDPE pipe; especially the quality of HDPE Pipe. Some of contractors tend to use low quality of HDPE pipe in order to minimize the cost. The low price is the main reason for them to use HDPE pipe made from recycle material. As a result, many of the problems occur such as;

- Pipe leaks or cracks which creates the inconvenience and unsafe water for all users.
- The agency who is responsible for the production and expansion of the water supply would spend an extra time and cost to repair the damaged pipe. It is not worth it to invest on the short service life pipe.
- HDPE pipe manufacturer who is producing high quality of HDPE pipe according to quality standards is facing unfair price competition.

WIIC Public Co., Ltd. is emphasizing on its quality of HDPE pipe and provides the clients the confidence in using its products. This idea also increases the quality of life of people in Thailand.

There is growth from the growth of public utility in ASEAN countries; such as Vietnam, Myanmar, Laos, Indonesia, Philippines, and India.

In addition, the company has been developing the pipeline system and water storage systems (Wehotank), a tank for storing water, sewage, chemicals and gas. The Company is increasing sales with existing clients and continuously seeking for new clients.

Type of product competition

Usage	Outside diameter	Competitive products
1. Water pipe in household.	Approximately 16-63 mm.	<ul style="list-style-type: none"> ● PPR pipe ● PVC pipe ● PB pipe
2. Small sizes of pipe for water transport or sewage in household or small projects.	Approximately 16-110 mm.	<ul style="list-style-type: none"> ● AC pipe ● PVC pipe ● PB pipe ● W-HQ Pipe
3. Medium size of main distribution pipeline or sewage in village or industrial estate.	Approximately 110-315 mm.	<ul style="list-style-type: none"> ● PVC pipe ● Weholite ● Double wall pipe ● W-HQ Pipe ● AC pipe ● Reinforced concrete pipe
4. Main Pipeline for water transport.	Approximately 315-1,600 mm.	<ul style="list-style-type: none"> ● Mild Steel pipe ● PVC pipe ● GRP pipe ● W-HQ Pipe ● AC pipe
5. Big size of pipe for portable and raw water, sewage in industrial estate or community.	Approximately 315-3,500 mm.	<ul style="list-style-type: none"> ● Steel Pipe ● Reinforced concrete pipe ● Glass Reinforce Fiber Pipe (GRP) ● W-HQ Pipe ● Weholite
6. Phone or Electrical Cables conduit.	Approximately 32-200 mm.	<ul style="list-style-type: none"> ● PVC pipe ● FRP pipe ● Double wall pipe ● W-HQ Conduit

Usage	Outside diameter	Competitive products
7. Big size of water tank for factory, industrial estate or household.	Approximately 10-120 cubic meters.	<ul style="list-style-type: none"> ● Fiberglass tank ● Steel tank ● HDPE WehoTank ● Reinforced concrete tank ● Stainless steel tank

3) Procurement of Products or Services

3.1) Manufacturing

The Company factory is located at 7/214 Moo 6 Amata City (Rayong) District Mabyangporn Daeng district, Rayong 21140. The Company has setup both the short and long term plan by analyzing market conditions and its competition. Also evaluating the volume of outstanding orders. The Company is planning on studying the annual investment plans for next following years as well.

Production capacity and utilization

Production		2020				2019				2018			
		Production capacity	Actual production volume	Utilization rate (%)	Production volume increase (%)	Production capacity	Actual production volume	Utilization rate (%)	Production volume increase (%)	Production capacity	Actual production volume	Utilization rate (%)	Production volume increase (%)
SOLID WALL PIPE	(ton)	27,000.00	17,999.54	66.66	19.98	24,470.00	15,001.94	61.31	3.76	24,470.00	14,457.80	59.08	3.92
WEHOLITE PIPE	(ton)	4,030.00	738.34	18.32	(13.46)	4,030.00	853.22	21.17	53.16	4,030.00	557.06	13.82	(24.15)
HDPE BEND	(piece)	5,400.00	4,745.00	87.87	93.83	5,400.00	2,448.00	45.33	(14.91)	5,400.00	2,877.00	53.28	(11.12)
HDPE TEE	(piece)	3,600.00	2,211.00	61.42	21.55	3,600.00	1,819.00	50.53	45.29	3,600.00	1,252.00	34.78	9.44
STUBEND	(piece)	18,000.00	16,320.00	90.67	47.99	13,500.00	11,028.00	81.69	26.09	13,500.00	8,746.00	64.79	(11.41)
REDUCER	(piece)	2,200.00	765.00	34.77	31.67	2,000.00	581.00	29.05	10.25	2,000.00	527.00	26.35	(4.87)
WEHOTANK	(tank)	96.00	45.00	46.88	(10.00)	96.00	50.00	52.08	108.33	96.00	24.00	25.00	(25.00)
SPECIAL FITTINGS	(piece)	15,000.00	9,969.00	66.46	(20.36)	15,000.00	12,517.00	83.45	108.30	15,000.00	6,009.00	40.06	(9.58)

3.2) Procurement of Raw Material

The main raw material used to produce HDPE pipes is HDPE resin from both domestic and import markets. HDPE resin is by-product from Oil industry which Thailand mostly imports from other countries. There are 3 resin manufacturers around Rayong Province area, IRPC Public Company Limited, SCG Performance Chemical Co., Ltd. (SCG), and PTT Polymer Marketing Co., Ltd. (PTT). In 2020, a 95% of total HDPE resin used by the Company to produce HDPE Pipe is coming from domestic source.

In terms of price effectiveness, the shortage of raw material, price changing of world oil price, and the change of foreign exchange rates are major factors that impact the price of HDPE resin.

3.3) Environmental impact

WIik Public Company Limited cares about environment and has set up the high standard of waste management from the production as follows;

- To manage the waste that can be re-used. The waste from the production of pipes and fittings is called Rework which will go through the recycling process and will be produced as recycled resin to be re-used. The Company will use recycled resin at the suitable ratio and that is recycled by the Company only.
- To manage the waste that cannot be re-used. The waste that cannot be re-used in the production process; such as sawdust; will be sold as low grade resin.
- Waste from packaging and other equipment will be sold to the Industrial Waste Treatment and Disposal company who is approved and controlled by Department of Industrial Works.
- To conduct the suitable and effective wastes handling training to all staff so that they can understand the management of both hazardous and non-hazardous industrial waste.
- To continuously encourage all staff to reduce waste.

2.2 Group of Water management business

1) Products and Services



Wiik Water Company Limited (the Subsidiary) operates water management business essentially such as designs, contract manufacturing, concession, and distribution of fully integrated clean water production system and wastewater treatment system with modern technology and standards as follows.






- Water supply system from surface water. the Subsidiary specializes in water management, so the surface water system that the Subsidiary uses, will be designed to suit the needs of Customers. Design and construction will take into account the amount of water demand and raw water quality. Tap water produced by ultra filtration technology (UF), will have quality as standard defined. The Subsidiary has designed the station both permanently installed and movable station types.
- Water supply system from brackish water. the Subsidiary introduced the technology of water production from brackish water by UF and RO type which is the largest water supply station from brackish water in Thailand at Wellgrow Industrial Estate.
- Recycled Water. the Subsidiary can design, construct and manage recycled water system by using water from households and industry through a highly efficient recycling system until water has the quality and safety according to the customer requirements.
- Wastewater treatment system. the Subsidiary uses modern wastewater treatment technology such as physical wastewater treatment, chemical wastewater treatment, and biological wastewater treatment including using of membrane technology in wastewater treatment. The Subsidiary can design system and fully integrated construction suitable for all requirements.




The Subsidiary and indirect subsidiary currently operates the water supply system for 5 Industrial Estate / Government Agencies such as;

- (1) Siam Eastern Industrial Park Mabyangporn Sub-district, Pluakdaeng District, Rayong Province.
- (2) Wellgrow Industrial Estate Homsil Sub-district, Bangpakong District, Chachoengsao Province.
- (3) Patong Municipality, Kathu District, Phuket Province.
- (4) Thai Namsiri Intertex Company Limited, Wellgrow Industrial Estate, Bangsamak Sub-district, Bangpakong District, Chachoengsao Province.
- (5) Chumnumsup industrial area, Khlongnueng Sub-district, Khlongluang District Pathumthani Province.

Products and Services in group of Water management business

Customers	Products and Services	system
<p>(1) Siam Eastern Industrial Park Co., Ltd.</p> <p>Siam Eastern Industrial Park Mabyangporn Sub-district, Pluakdaeng District, Rayong Province.</p>   	<p>Produce and supply of tap water with minimum volume of 12,000 cubic meters per day for 20 years period.</p> <p>BOOT contract (Build, Own, Operate & Transfer)</p> <p><u>Commercial Operation Date</u></p> <p>1 June 2016</p>	<p>SRC : Auto Screen Filter</p> <p>UF : Ultrafiltration</p> <p>Potable Water Plant</p> <p>Capacity: 14,000 m3/Day</p>

Customers	Products and Services	system
<p>(2) Wellgrow Industries Co., Ltd.</p> <p>Wellgrow Industrial Estate Homsil Sub-district, Bangpakong District, Chachoengsao Province.</p>     	<p>Tap water production services with minimum volume of 17,500 cubic meters per day for 20 years period.</p> <p>BOO contract (Build Own & Operate)</p> <p>On 1 October 2018, the minimum volume of water was revised to 17,000 cubic meters per day.</p> <p>On 21 July 2020, the minimum volume of water was revised to 10,500 cubic meters per day and increase the selling price per cubic meters.</p> <p><u>Commercial Operation Date</u></p> <p>5 June 2017</p> <p>This project has been approved for promotion in category 7.1.2, water supply business, industrial water or steam and provided the benefits under the Investment Promotion Act BE 2520 from the Board of Investment of Thailand (BOI) on 19 June 2017.</p>	<p>SRC : Auto Screen Filter</p> <p>UF : Ultrafiltration</p> <p>RO : Reverse Osmosis</p> <p>Brackish Water Treatment Plant</p> <p>Capacity : 1,200 m3/Hr.</p>

Customers	Products and Services	system
<p>(3) Patong Municipality Kathu District, Phuket Province</p> 	<p>The agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province dated 16 July 2012, period of 30 years.</p>	<p>UF : Ultrafiltration RO : Reverse Osmosis Capacity : 12,250 m3/day</p>
<p>(4) Thai Namsiri Intertex Company Limited Wellgrow Industrial Estate, Bangsamak Sub-district, Bangpakong District, Chachoengsao Province.</p> 	<p>Produce and supply of tap water with minimum volume of 475 cubic meters per day for 10 years period.</p> <p>BOOT contract (Build, Own, Operate & Transfer)</p> <p><u>Commercial Operation Date</u></p> <p>1 August 2020</p>	<p>Membrane Bio Reactor (MBR) Capacity: 500 m3/day</p>
<p>(5) Navanakorn Asset Company Limited Chumnumsup industrial area, Khlongnueng Sub-district, Khlongluang District Pathumthani Province.</p> 	<p>Tap water production services with minimum volume of 10,500 cubic meters per day for 23 years period.</p> <p>(BOT : Build, Operate and Transfer)</p> <p><u>Commercial Operation Date</u></p> <p>Expected to start commercial operations within March 2021</p>	<p>UF : Ultrafiltration Capacity : 14,000 m3/day</p>

2) Market and Competition

2.1) Target Group

(A) Several government agencies are also demanding clean safe water for consumption including wastewater treatment system in communities and various government offices such as;

- Provincial Waterworks Authority
- Department of Health, Ministry of Public Health
- Department of National Parks, Wildlife and Plant Conservation
- Industrial Estate Authority of Thailand
- Local governments
- Universities
- Provincial Hospital

(B) Private customer group also demand water for consumption to increase productivity and reduce the cost of tap water production by itself or replace the existing water supply system, high maintenance cost, some parts buy water from Provincial Waterworks Authority including environmental protection also needs to design new wastewater treatment systems or replacement of old, such as;

- Private Industrial Estate
- Factory outside industrial estates area
- Private sector

2.2) Competition within the Industry

The upgrading of tap water quality standards for consumption of WHO, Metropolitan Waterworks Authority, Provincial Waterworks Authority, and Private Waterworks, have a public relations about sickness that come with water and promote on the use of water both public and private sector. This is a great opportunity for Wiik Water Company Limited in the design and import the product for production system of clean water without germs by ultra filtration (UF) technology with ultra filter resolution (0.015 micron) which can eliminate turbidity or floating particles, germs and reduce color, smell. The water produced can be used as tap water for consumption. WW's tap water is clearer than the highest standards of the generally waterworks authority. WW's ultra filtration (UF) technology is designed for automatic control. Turn on/off the system with one button. Easy maintenance. No need to use knowledge or expertise in the water supply system. Low maintenance cost. Use installation space

less than former production systems. Save investment budget and construction time. WW has designed both permanent installation and movable types.

Most of competitors in the same market are still using the former system (Separation of sediment or sand) which cannot eliminate or filter germs and the system requires many chemicals to produce, so there may be contamination of chemicals during production and may cause the minerals from the raw water to change. Many chemicals are difficult to control and requires highly skilled and high cost of production per unit including maintenance. WW's clean water production design has no chemicals involved during production. Therefore, it is assured that there is no chemical contamination in the water certainly.

Therefore, WW has been trusted by the owners of large scale industrial estate to supervise water supply system for industrial estates by adopting the technology of WW to produce tap water replace the existing system, such as.

- Siam Eastern Industrial Park, Rayong Province, production and distribution tap water with a minimum volume of 12,000 cubic meters per day for a period of 20 years.
- Wellgrow Industrial Estate, Chachoengsao Province, tap water supply contract with a minimum volume of 10,500 cubic meters per day for a period of 20 years.
- Patong Municipality, Kathu District, Phuket Province with the agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province (client) dated 16 July 2012, period of 30 years.
- Thai Namsiri Intertex Company Limited, Wellgrow Industrial Estate, Bangsamak Sub-district, Bangpakong District, Chachoengsao Province, to produce and supply of tap water with minimum volume of 475 cubic meters per day for 10 years period.
- Chumnumsup industrial area, Khlongnueng Sub-district, Khlongluang District Pathumthani Province, Tap water production services with minimum volume of 10,500 cubic meters per day for 23 years period.

3) Procurement of Products or Services

In the past year, WW has ordered the clean water production systems in domestic through a distributor.

Production

WW will produce according to the purchase order of each projects together with planning and design of water production system and complete the construction for the owner of project by ordering

through the domestic distributor. Therefore WW will not order or produce in advance that will be outstanding inventories. This will reduce burden on the WW.

Procurement of raw materials

Most of raw materials used in production will purchase or production order through the domestic distributor according to the design of each project until completed. Therefore, WW has no outstanding inventories.

Services

The WW is responsible for customer care and products together with after sales service.

Environmental impact

Under the concept *“Clean water quality, without germs, and environmentally friendly”*, so the WW has a focus and attention to the environment, conservation of natural resources, and responsibility to the community, society and stakeholder groups to maintain equilibrium that will lead to sustainable development of the country. The WW has designed the modern technology products to produce clean water and do not use chemicals during production.

The WW has environmental impact management that resulting from activities in the operation. All practical work realize the maximum responsibility according to the environmental management system ISO 14001. The business operations of WW will not affect the environment or minimal.

2.4 Backlog

Backlog of the Company and its subsidiaries as at 31 December 2020.

(Million Baht)	31 Dec 2020	31 Dec 2019	31 Dec 2018
Sales and installation of the pipeline business group	664.85	611.64	598.69
Water management business group			
(Only amount to be recognized within 1 year)			
▪ Sales and service of water supply	157.90	175.98	144.22
▪ Installation of water production systems and construction of turnkey water treatment systems	4.42	85.84	25.56
Total	827.17	873.46	768.47

3. Risk Factors

3.1 Risks to business operation

1) Business risk

HDPE pipe has proved to be a decent and sustainable pipe for worldwide projects. Its excellent quality of high density polyethylene material is difficult to find among its substitute products. However, there's a business risk with the price war strategy of the low quality HDPE manufacturer in the domestic market who want to recklessly dump the price down and lower the quality of the HDPE products with low quality HDPE raw material and sometime use even non pipe grade raw material to make the pipe and fittings products for private and government segment which using of low quality HDPE pipe product affected the confidence of using high quality HDPE pipe of the Company as follows.

- Leaks or broken problem affect the inconvenience and unsafe in use of consumers.
- The agency that responsible for production and expand the water supply network have to waste budget to repair the damaged pipes and unrewarding for investment from the lifetime that is not durable long-standing
- Many HDPE quality standards pipe manufacturer affected from the price competition unfairly.

For counter that issue, we trying to do research and communicate with close customer both private and government to find out how to avoid the low quality product and be able to obtained the quality product which help develop their projects and improve their organization and country.

In addition, the business risk also involves the development of new pipe products. Each year HDPE pipe manufactures and resin manufactures have developed special kinds of HDPE pipe for certain applications, e.g. structure wall HDPE pipe, multilayer HDPE pipe, smooth inside surface HDPE pipe, and high temperature resistance HDPE pipe. Therefore each HDPE pipe manufacturer needs add new products in its product line in order to earn profits. The competition of normal solid wall HDPE pipe is too fierce and intense to get a good margin. However, the Company has the R & D department to develop and research new products, including develop the equipments to work properly at all times.

2) Foreign exchange risk

The Company faces this risk in the course of its doing business unavoidably. The risk arises from the fluctuation of the foreign exchange rate which has been influenced by various economic factors. This is due to its activities that deal with foreign countries such as export and import including financial transactions. Our policy is to reduce the foreign exchange risk by way of forward contract once the amount and due dates become known. Another method that has been adopted is currency matching between revenue and expense through the use of foreign currency account while allowing some maturity mismatch to occur sometimes.

3) Interest rate risk

Since the Company has been using some of the bank borrowing to finance its business, thus, the interest rate risk is a factor that will affect the performance of the Company. Long term borrowing carries higher interest rate than that of short term but in certain circumstances using the mix of both short term and long term ones is deemed to be more suitable. Besides, most of the short term facilities are offered on non-committed basis which caused instability. However, the Company has control the loan amount to the appropriate level as well as finding new sources of funding to reduce the cost of this part.

4) Raw material risk

HDPE resin is the main ingredient in HDPE pipe production. Thus the movement of resin prices has a substantial effect on the cost. HDPE resin prices have been fluctuated in accordance with crude oil prices for long time. It is hard to predict and make decision for any manufacturer when to buy HDPE resin for stock. Therefore the Company manages the order of HDPE resin to comply with the pipe purchase order.

5) Credit risk

The company's customers normally are contractors of government projects or owners or project developers such as real estate industry. Most Customers require the credit term for payment. Hence the company formed an internal audit committee to analyze customer's financial statements in order to grant the appropriate credit term for each customer. The credit risk is not only caused default of payment or bad debts but also delays payment which will increase the interest cost of the Company. The Company has made the trade credit insurance to reduce the credit risk.

6) Risk of water supply system management project

Risk in supply of raw water

A subsidiary has invested in the water supply system management project for industrial estate by fixing minimum quantity of water supply under the contract. Therefore, the Company has risk in supply of raw water to be enough for production. However, the customer agreed to take responsibility for supply of raw water to be enough for production under the contract, so that help to reduce the risk from raw water shortage.

Risk of water quality

In some areas that a subsidiary invested, may face the raw water quality problems because the raw water is brackish. Therefore, the Company has risk in tap water production in order to meet the quality standard agreed. So there may be some time that a subsidiary use chemicals in the production process. This may be caused by manganese, color outweigh standard and may lead to higher costs of chemicals at certain times. However, the company has set conditions regarding the quality of raw water that the customer supply, in the contracts to limit such risks.

Risk of the Customer's non-compliance of agreement

In the future, the parties may face the problem of purchasing water at the agreed minimum quantity, because long-term agreement for water supply services (20-year agreement). From the problem of industrial water user using less water, the relocation of water users to low cost of production, etc. These are considered uncontrollable externalities, so in the investment in each project, the Company has considered the final water user, growth of future water users from industrial space, is there a tendency for new users to set up production bases, including the Company's investment considering the length of the payback period is short (not exceed 9 years from the 20-year contract) and the water production system can be demolished and used for other areas.

3.2 Investment risk of securities holders

1) Risk of non-exercised warrants WIIC-W2

On 13 December 2018, the Extraordinary General Meeting of Shareholders No.1/2018 approved the issuance of Warrant to Purchase Ordinary Share of the Company No. 2 (WIIC-W2) of not exceeding 124,979,511 units to the Company's existing shareholders which can allocated WIIC-W2 total of 124,971,656 units. The exercise price is Baht 5 per share, maturity of warrant is not exceeding 3 years from the date of issuance (The first exercise date is December 30, 2019 and the last exercise date is January 2, 2022) and allowed to make a trading in the Stock Exchange of Thailand on 21 January 2019.

On 22 October 2020, the Company adjusted the right of warrants WIIC-W2 because the Company pays dividends in excess of 60% of the net profit according to the separate financial statements after deducting the corporate income tax as the terms and conditions on article 4.2 (e), page 16 and on 27 October 2020, the Company adjusted the right of warrants WIIC-W2 because the offering of newly ordinary shares which offering price is lower than market price as the terms and conditions on article 4.2 (b), page 12 to protect the rights of WIIC-W2 holders as follows.

New exercise ratio	1 warrant can purchase 1.303 new ordinary shares.
New exercise price	3.842 Baht per share.

As of 31 December 2020, the warrants to purchase ordinary shares of the Company No.2 (WIIC-W2) which have not been exercised, are 124,971,656 units.

If all WIIC-W2 holders do not exercise or partial exercise, it may impact to the Company's working capital. However the last exercise date is 2 January 2022, the Company expects that is a period which we can create the performance with growing steadily and reflect on the price of ordinary shares which trade on the SET timely with decision to exercise of the WIIC-W2.

4. General information and other important information

4.1 General information

1) General Information of the Company

Name	: WIIC Public Company Limited
Security Symbol	: WIIC
Head office	: 90 CW Tower A, 35th Floor, Ratchadapisek Road, Huaykwang, Bangkok 10310
Factory Location	: 7/214 Moo 6 Amata City Industrial Estate (Rayong), Mab Yang Porn, Pluak Daeng, Rayong 21140
Branch Location	: Benitez Apartments, National Road, Poblacion, Danao City, Cebu, Republic of the Philippines 6004
Nature of Business	: Manufacturing, distribution, consulting and advisory services about installation planning of pipe systems and installation services of HDPE pipe, LDPE pipe, polypropylene pipe, Weholite Spiro pipe and WehoTank. Its production capacity and quality of products are well known worldwide.

2) General information of Subsidiaries

(1) Name	:	WIJK Water Company Limited
Head office	:	90 CW Tower B, 21st Floor, Ratchadapisek Road, Huaykwang, Bangkok 10310
Branch location 1	:	60/129 Moo 3 Mab Yang Porn Sub-district, Pluak Daeng District, Rayong Province 21140
Branch location 2	:	371 Soi Bangna-Trad 12, Bangna Sub-district, Bang Na District, Bangkok 10260
Nature of Business	:	Water management business such as designs, contract manufacturing, concession, and distribution of fully integrated clean water production system and wastewater treatment system with modern technology and standards.
Contact numbers	:	Telephone 02-398-9031 Fax 02-398-9031 Ext 7
Registered Capital	:	260,000,000 Baht
Paid up Capital	:	192,500,000 Baht
Number of paid up shares	:	2,600,000 shares
Par value	:	100 Baht
Shareholding	:	82.69%
Related status	:	Subsidiary
Note	:	Formerly named WH Pipe (Thailand) Company Limited

(2) Name : WIIK PT Company Limited

Head office : 90 CW Tower B, 21st Floor, Ratchadapisek Road,
Huaykwang, Bangkok 10310

Nature of Business	:	Production of tap water with ultra filtration and reverse osmosis systems.
Contact numbers	:	Telephone 02-398-9031 Fax 02-398-9031 Ext 7
Registered Capital	:	60,607,100 Baht
Paid up Capital	:	60,607,100 Baht
Number of paid up shares	:	606,071 shares
Par value	:	100 Baht
Shareholding	:	100% by Wiik Water Company Limited
Related status	:	Subsidiary
Note	:	<u>Formerly</u> named WOG ITR Water Solution Company Limited

3) Other References

Share Registrar	:	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Telephone : 0 2009-9000 Fax : 0 2009-9991 SET Contact center: 0 2009-9999 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th
Auditor	:	Mr.Khitsada Lerdwana C.P.A. Registration No. 4958 Mr.Termphong Opanaphan C.P.A. Registration No. 4501 Ms. Sumalee Reewarabandith C.P.A. Registration No. 3970 EY office Company Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey Bangkok 10110 Telephone : +66 2264 0777,+66 2661 9190 Fax : +66 2264 0789-90 Website: http://www.ey.com

4.2 Other important information

Investors can study the Company's additional information on the Company's Form 56-1 that shown at www.sec.or.th or company website www.wiik.co.th

5. Securities and Shareholders information

5.1 Registered capital and paid-up capital

Registered capital and paid-up capital as at 31 December 2020 as follows.

- Registered capital 725,335,328 Baht divided into
Ordinary shares of 725,335,328 shares
Par value of Baht 1.00 per share
- Paid-up capital 577,427,042 Baht divided into
Ordinary shares of 577,427,042 shares
Par value of Baht 1.00 per share

5.2 Shareholders

As at 16 March 2021 the Company has the list of top 10 major shareholders as follows.

No.	Name of Shareholders	Nationality	Number of shares	
			Shares	%
1.	Lesso (Thailand) Investment Limited	Hong Kong	140,000,000	24.25
2.	Mrs. Sumalee Ongcharit	Thai	84,692,250	14.67
3.	Mr. Palit Chuankajornpong	Thai	40,500,033	7.01
4.	Thai NVDR Co., Ltd.	Thai	25,010,976	4.33
5.	Miss Sasithorn Chotikakowit	Thai	12,249,700	2.12
6.	Mrs. Methinee Boonyaworamethee	Thai	9,633,333	1.67
7.	Mr. Wirote Jirathitijareen	Thai	8,540,000	1.48
8.	Mrs. Mondhira Padungrat	Thai	5,250,000	0.91
9.	Mr. Chaiyuth Sawsotathikul	Thai	5,019,800	0.87
10.	Mr. Vichian Srimuninnimit	Thai	4,400,000	0.76
	Total		335,296,092	58.07

Shareholding restriction of foreigner

The Articles of Association, Article 17: Transfer of shares identified that the Company's shares are transferable without restriction and the shares held by foreigners in any one time must be aggregated of not exceeding forty-nine percent (49) of the total number of issued shares. Any transfer of shares that would cause the total shareholding ratio of foreigners of the Company exceed the above ratio, the Company has the right to refuse the transfer of shares. As at 16 March 2021, the Company has distribution of shares as follows.

Distribution of shares by nationality

Shareholder	Number of Shareholder	Total number of shares	%
Thai shareholders	5,745	436,307,045	75.56
Foreign shareholders	11	141,119,997	24.44
Total	5,756	577,427,042	100.00

Distribution of shares by proportion of holding

Shareholder	Number of Shareholder	Total number of shares	%
Shareholders holding more than 0.5%	18	361,387,157	62.59
Shareholders holding not more than 0.5% but not less than one trading unit	5,344	216,029,546	37.41
Shareholders holding less than one trading unit.	394	10,339	0.00
Total	5,756	577,427,042	100.00

Note 1 Trading Unit = 100 shares

5.3 Other Securities

1) Warrant to Purchase Ordinary Share of the Company No. 1 (WIIC-W1)

On June 3, 2015, the Extraordinary General Meeting of Shareholders No. 1/2015 approved the issuance of Warrant to Purchase Ordinary Share of the Company No. 1 (WIIC-W1) in the amount of not exceeding 99,979,334 units without charge to the existing shareholders of the Company whose names appear in the registration book of shareholders as at June 12, 2015 at the ratio of 3 existing ordinary shares for 1 unit of warrant.

The Company can allocated Warrant to Purchase Ordinary Share of the Company No. 1 (WIIC-W1) to the existing shareholders of the Company total of 99,963,136 units and allowed to make a trading in the Stock Exchange of Thailand on June 30, 2015. The remaining 16,198 units, the Company canceled the whole amount. Such warrants are specify warrant holders and transferable. Maturity of not exceeding 3 years from the date of issuance. Warrant Holders can exercise the right to purchase ordinary shares of the Company on the last Business Day of December of each year throughout the term of warrants (The first exercise date is December 30, 2015 and the last exercise date is June 15, 2018). The exercise ratio is 1 unit of warrant to 1 ordinary share at the price of THB 5.00 per share, unless the exercise ratio and/or the exercise price are adjusted otherwise pursuant to the conditions concerning the rights adjustment.

On 15 June 2018, the last exercise date, 533 WIIK-W1 warrants were exercised to 533 ordinary shares by 2 warrant holders at a price of Baht 5 per share. On 29 June 2018, the Company registered the increase in its paid up share capital with the Ministry of Commerce.

Following such last exercise date of the WIIK-W1 warrants was 15 June 2018, and as result the 99,962,603 unexercised WIIK-W1 warrants still outstanding lost their status as securities listed on the Stock Exchange of Thailand, effective from 16 June 2018, and can no longer be exercised.

2) Warrant to Purchase Ordinary Share of the Company No. 2 (WIIK-W2)

On 13 December 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 approved the issuance of Warrant to Purchase Ordinary Share of the Company No. 2 (WIIK-W2) in the amount of not exceeding 124,979,511 units without charge to the existing shareholders of the Company whose names appear in the registration book of shareholders as at 21 December 2018 at the ratio of 3 existing ordinary shares for 1 unit of warrant.

The Company can allocated Warrant to Purchase Ordinary Share of the Company No. 2 (WIIK-W2) to the existing shareholders of the Company total of 124,971,656 units and allowed to make a trading in the Stock Exchange of Thailand on 21 January 2019. The remaining 7,855 units were canceled the whole amount. Such warrants are specify warrant holders and transferable. Maturity of not exceeding 3 years from the date of issuance. Warrant Holders can exercise the right to purchase ordinary shares of the Company on the last Business Day of December of each year throughout the term of warrants (The first exercise date is December 30, 2019 and the last exercise date is January 2, 2022). The exercise ratio is 1 unit of warrant to 1 ordinary share at the price of THB 5.00 per share, unless the exercise ratio and/or the exercise price are adjusted otherwise pursuant to the conditions concerning the rights adjustment.

On 27 October 2020, the Company adjusted the right of warrants WIIK-W2 because the offering of newly ordinary shares which offering price is lower than market price as the terms and conditions on article 4.2 (b), page 12 to protect the rights of WIIK-W2 holders as follows.

New exercise ratio	1 warrant can purchase 1.303 new ordinary shares.
New exercise price	3.842 Baht per share.

As of 31 December 2020, the warrants to purchase ordinary shares of the Company No.2 (WIIK-W2) which have not been exercised, are 124,971,656 units.

6. Dividend Policy

The Company has a policy for the dividend payment of 60% of the annual net profit. The dividends will be paid in the following year. However, the Company may consider paying more; less or no dividend in any year but this consideration must be in consensus from Board of Directors meeting and Annual General Meeting. The Articles of Association specified as follows.

Article 19 Dividends and Reserve

Dividends shall not be paid other than out of profits. If the Company still has an accumulated loss, no dividends shall be distributed. Dividends shall be distributed according to the number of shares, with each share receiving an equal amount. Payment of dividends shall be approved by the shareholder meeting.

The Board of Directors may pay interim dividends to the shareholders from time to time if the Board believes that the profits of the Company justify such payment. After the dividends have been paid, such dividend payment shall be reported to the shareholders at the next shareholder meeting.

Payment of dividends shall be made within one month of the date of the resolution of the shareholder meeting or of the meeting of the Board of Directors, as the case may be. The shareholders shall be notified in writing of such payment of dividends, and the notice shall also be published in a newspaper.

The Company shall allocate not less than five percent (5%) of its annual net profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than ten percent (10 %) of the registered capital.

The information of dividend payment in the previous year as follows.

Unit: Baht	2019	2018*	2017	2016	2015	2014-2011
Earnings (Loss) per share	0.04	(0.03)	0.19	0.34	0.22	Loss
● Dividend in cash per share	0.03	0.030	0.11	0.20	0.11	omitted
● Stock dividends per share	-	0.167	-	-	-	omitted
Dividend per share	0.03	0.197	0.11	0.20	0.11	omitted
Dividend to earnings ratio (%)	82.82%	N/A	59.39	59.06	51.12	N/A

Note * Year 2018, dividend payment from retained earnings

Dividend Policy of subsidiaries

1) WIJK Water Company Limited

As articles of association of WIJK Water Company Limited (subsidiary) section 6 Dividends and Reserve, article 18 specified that in dividend payments every time, the Company must allocate money as reserve at least one-twentieth of the net profit which made from business of the Company. Until the reserve amounts to one tenth of the total capital of the Company or more.

2) WIJK PT Company Limited

As articles of association of WIJK PT Company Limited (subsidiary) section 6 Dividends and Reserve, article 18 specified that in dividend payments every time, the Company must allocate money as reserve at least one-twentieth of the net profit which made from business of the Company. Until the reserve amounts to one tenth of the total capital of the Company or more.

7. Management Structure

7.1 Board of Directors

As at 1 March 2021 the Board of Directors of WIJK Public Company Limited consist of;

1) Board of Directors

1.	POL.GEN.Chidchai Vanasatidya, Ph.D.	Independent Director / Chairman of the Board of Directors
2.	Miss Pranee Ratakam	Independent Director
3.	Miss Benjawan Sinkunakorn	Independent Director
4.	Dr. Shaoquan Lin	Director
5.	Mr. Zhe Li	Director
6.	Mr. Yulong Li	Director
7.	Mr. Karn Siriphatras	Director
8.	Mr. Wiboon Sangwithayanon	Director

2) Executive Committee

1.	Mr.Wiboon Sangwithayanon	Chief Executive Officer
2.	Mrs. Sumalee Ongcharit	Executive Committee
3.	Mr. Karn Siriphatras	Executive Committee
4.	Mr. Zhe Li	Executive Committee
5.	Mr.Yulong Li	Executive Committee
6.	Miss Rewadee Whanchid	Executive Committee

7. Miss Chinanut Jariyarudeechai Executive Committee

3) Audit Committee

1. POL.GEN.Chidchai Vanasatidya, Ph.D. Chairman of the Audit Committee
2. Miss Pranee Ratakam Audit Committee
3. Miss Benjawan Sinkunakorn Audit Committee

4) Nomination and Remuneration Committee

1. POL.GEN.Chidchai Vanasatidya, Ph.D. Chairman of the Nomination and Remuneration Committee
2. Miss Pranee Ratakam Nomination and Remuneration Committee
3. Miss Benjawan Sinkunakorn Nomination and Remuneration Committee

5) Good Corporate Governance Committee

1. Mr.Wiboon Sangwithayanon Chairman of the Good Corporate Governance Committee
2. Mr. Karn Siriphatras Good Corporate Governance Committee
3. Miss Chinanut Jariyarudeechai Good Corporate Governance Committee

According to the articles of association section 2 Board of Directors, article 6 stated that the Board of Directors shall consist of not less than five (5) persons. At least one-half (1/2) of the directors must be residents of Thailand. The Board of Directors shall elect one (1) director as the Chairman of the Board of Directors. If deemed appropriate by the Board of Directors, one (1) or more directors may be elected as Vice-Chairmen, to have duties pursuant to these Articles of Association in the matters designated to them by the Chairman.

The Board of Directors as a representative of shareholders who is responsible for supervise the management of Company to comply with law, objectives and articles of association by determining vision, mission, strategies to create value for business including a return on investment under the expertise and ethics in business for maximize benefits of all stakeholders.

As at 31 December 2020, the Company had total of 8 directors which consists of 4 Executives Directors, 1 outside director who are not employee of the Company and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Limits on Authority of the Board of Directors

The Board of Directors has the authority to approve budget according to the laws of the Securities and Exchange, and regulations, announcement, the order or the terms of the Stock Exchange of Thailand.

Authorized signatory

Name and number of directors who are authorized to sign on behalf of the Company are Mr. Wiboon Sangwithayanon, Mr. Karn Siriphatras, Mr.Yulong Li, and Mr. Zhe Li". Any two of the four mentioned directors jointly sign their names.

Attending of meetings

In 2020, the Company provided the Board of Directors meeting of 10 times, the Audit Committee meeting of 4 times, the Executive Committee meeting of 12 times, and the Nomination and Remuneration Committee of 4 times with the directors attendance details as follows.

Name of Directors	The meeting of	Meeting		Note
		Number of meeting	Number of attending	
POL.GEN.Chidchai Vanasatidya, Ph.D.	Board of Directors	3	3	Appointed on 27 Oct 2020
	Audit Committee	1	1	Appointed on 27 Oct 2020
	Nomination and Remuneration Committee	2	2	Appointed on 27 Oct 2020
Miss Pranee Ratakam	Board of Directors	10	10	-
	Audit Committee	4	4	-
	Nomination and Remuneration Committee	4	4	-
Miss Benjawan Sinkunakorn	Board of Directors	7	6	Appointed on 11 May 2020
	Audit Committee	3	2	Appointed on 11 May 2020
	Nomination and Remuneration Committee	3	3	Appointed on 11 May 2020
Dr. Shaoquan Lin	Board of Directors	1	1	Appointed on 27 Nov 2020
Mr. Zhe Li	Board of Directors	1	1	Appointed on 27 Nov 2020
	Executive Committee	1	1	Appointed on 27 Nov 2020
Mr. Yulong Li	Board of Directors	3	3	Appointed on 27 Oct 2020
	Executive Committee	1	1	Appointed on 27 Nov 2020
Mr. Karn Siriphatras	Board of Directors	10	10	-
	Executive Committee	12	12	-
Mr. Wiboon Sangwithayanon	Board of Directors	10	10	-
	Executive Committee	12	12	-
Mr.Tatchapong Thamputhipong	Board of Directors	3	3	Term expired on 11 May 2020

Name of Directors	The meeting of	Meeting		Note
		Number of meeting	Number of attending	
	Audit Committee	1	1	Term expired on 11 May 2020
	Nomination and Remuneration Committee	1	1	Term expired on 11 May 2020
Mr. Vichien Tangudtaisuk	Board of Directors	6	5	Resigned on 25 Oct 2020
Mr. Theera Phetmalaigul	Board of Directors	6	6	Resigned on 25 Oct 2020
	Audit Committee	3	3	Resigned on 25 Oct 2020
	Nomination and Remuneration Committee	1	1	Resigned on 25 Oct 2020
Dr. Vichit Yamboonruang	Board of Directors	8	8	Resigned on 25 Nov 2020
Mrs. Orawan Lekrungruangkit	Board of Directors	8	8	Resigned on 27 Nov 2020
	Executive Committee	11	11	Resigned on 27 Nov 2020

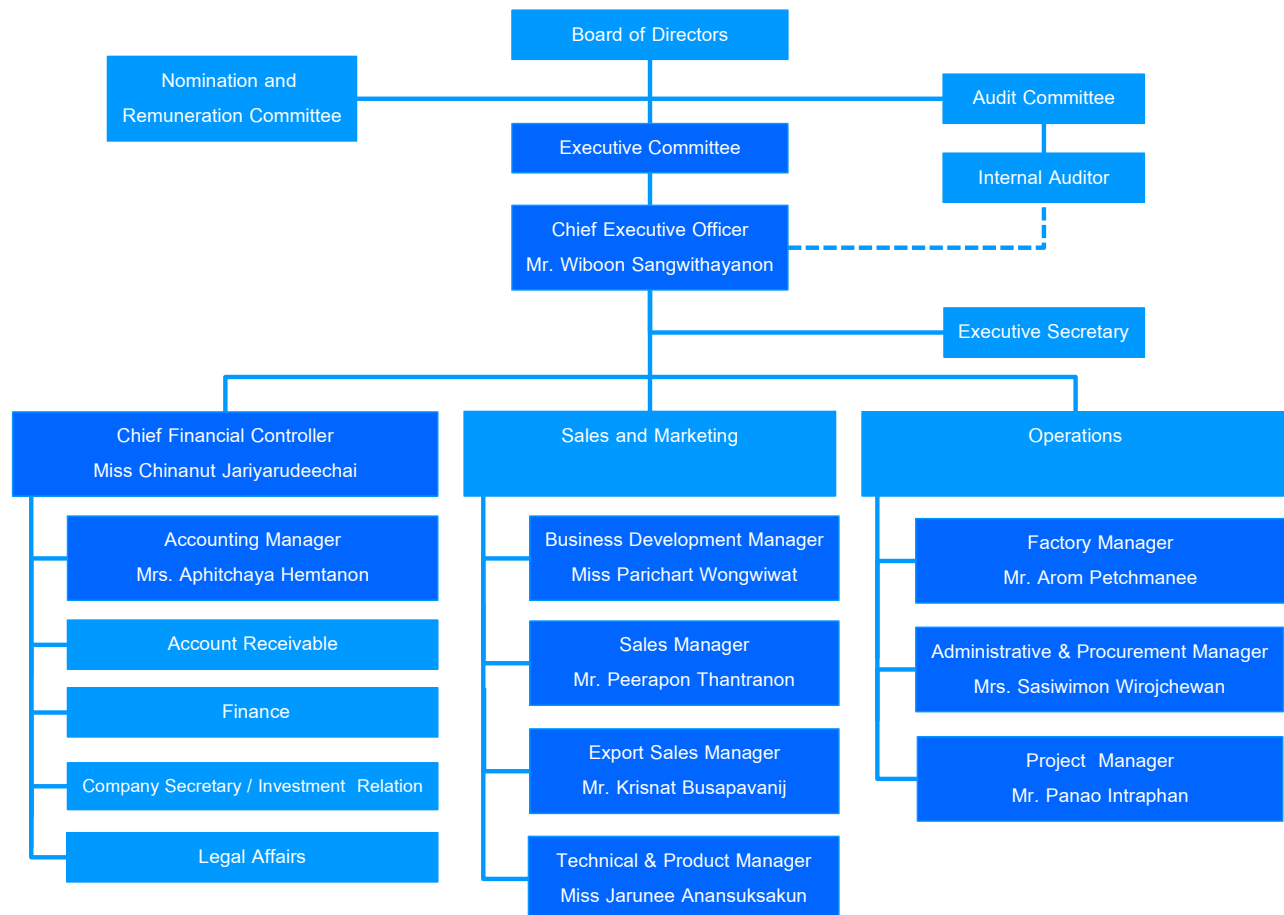
7.2 Executives

As at 31 December 2020 the Management team of WIJK Public Company Limited has 13 executives as follows.

List of Executives	Position	Note
1. Mr. Wiboon Sangwithayanon	Chief Executive Officer	-
2. Mrs. Sumalee Ongcharit	Executive Committee	Appointed on 27 Nov 2020
3. Mr. Yulong Li	Executive Committee	Appointed on 27 Nov 2020
4. Miss Rewadee Whanchid	Executive Committee	-
5. Miss Chinanut Jariyarudeechai	Chief Financial Controller	-
6. Mr. Peerapon Thantranon	Sales Manager	-
7. Mrs. Sasiwimon Wirojchewan	Administrative & Procurement Manager	-
8. Miss Jarunee Anansuksakun	Technical & Product Manager	-
9. Mr. Arom Petchmanee	Factory Manager	-
10. Mr. Krisnat Busapavanij	Export Sales Manager	-
11. Miss Parichart Wongwiwat	Business Development Manager	-
12. Mr. Panao Intraphan	Project Manager	-
13. Mrs. Aphitchaya Hemtanon	Accounting Manager	Appointed on 1 Jan 2020
14. Mrs. Orawan Lekrungruangkit	Executive Committee	Resigned on 27 Nov 2020

Information about the management team is in the article 9, the detailed information about Directors, Executives, Control authority and Company Secretary.

Management structure
 WIJK Public Company Limited as at 31 December 2020



7.3 Company Secretary

The Board of Directors Meeting No. 6/2015 on May 12, 2015 appointed Mr. Wittaya Janta-ummao to the position of Company Secretary with responsible according to the Securities and Exchange Act (No. 4) BE 2551 which is responsible for the preparation and storage of Director registration, notice of the Board meeting, minutes of the Board meeting and annual report of the Company, Notice of the Shareholders meeting and minutes of the Shareholders meeting, storage the stakeholders report that report by Directors or Executives as well as other actions as notification of the Capital Market Commission defined, on behalf of the Company or the Board of Directors. The qualifications of incumbent as Company Secretary are shown in the article 9, the detailed information about Directors, Executives, Control authority and Company Secretary.

7.4 Remuneration of Directors and Executives

Articles of Association, article 10 Remuneration of Directors stated that the Company is prohibited from paying money or other assets to the directors except as remuneration pursuant to the Articles of Association, such remuneration pursuant to the Articles of Association being salary, allowance, meeting allowance, travel allowance, award and bonus. Other remuneration shall be paid by the Company in accordance with resolutions adopted at General Meetings by the affirmative votes of at least two-thirds (2/3) of all the votes of the shareholders attending or represented at such General Meetings.

The Annual General Meeting of Shareholders 2020 on 11 May 2020 approved the Directors' remuneration for the year 2020 of not exceeding Baht 5 million by defined Directors' remuneration as follows.

Position	Monthly	Per time of attending
Chairman of the Board of Directors	30,000	20,000
Chairman of the Audit Committee as an Independent Director	30,000	15,000
Directors / Independent Directors	25,000	15,000

The remuneration paid monthly to non-executive directors only and the Chairman is authorized to consider the allocation of reward to the directors as appropriate if there is any remaining amount of remuneration from above.

1) Monetary remuneration

(a) Directors remuneration

Monetary remuneration for the Board of Directors consists of monthly remuneration, attendance fee paid by number of attending and Director's bonus as follows.

List of Directors	Position	Remuneration (Baht)			
		monthly remuneration	attendance fee	Bonus	Total
POL.GEN. Chidchai Vanasatidya, Ph.D.	Independent Director / Chairman of the Board of Directors / Chairman of the Audit Committee	60,000	45,000	-	105,000
Miss Pranee Ratakam	Independent Director / Audit Committee	350,000	120,000	170,000	640,000
Miss Benjawan Sinkunakorn	Independent Director / Audit Committee	191,667	90,000	100,000	381,667
Dr. Shaoquan Lin	Director	25,000	15,000	-	40,000
Mr. Zhe Li	Director and Executive Committee	25,000	15,000	-	40,000
Mr.Yulong Li	Director and Executive Committee	25,000	30,000	-	55,000
Mr. Karn Siriphatras	Director and Executive Committee	-	-	-	-

List of Directors	Position	Remuneration (Baht)			
		monthly remuneration	attendance fee	Bonus	Total
Mr.Wiboon Sangwithayanon	Director and Chief Executive Officer	-	-	-	-
Mr.Tatchapong Thamputthipong	Independent Director / Audit Committee	100,000	15,000	-	115,000
Mr. Vichien Tangudtaisuk	Director	250,000	45,000	125,000	420,000
Mr.Theera Phetmalaigul	Independent Director / Audit Committee	250,000	60,000	125,000	435,000
Dr.Vichit Yamboonruang	Chairman of the Board of Directors	330,000	120,000	200,000	650,000
Mrs. Orawan Lekrungrangkit	Director and Executive Committee	-	-	-	-
Total		1,606,667	555,000	720,000	2,881,667

- Note
1. Appointed Miss Benjawan Sinkunakorn to take the position of Independent Director to replace Mr.Tatchapong Thamputthipong on 11 May 2020.
 2. Appointed Mr.Yulong Li to take the position of Director to replace Mr.Vichien Tangudtaisuk on 27 October 2020.
 3. Appointed Police General Chidchai Vanasatidya, Ph.D. to take the position of independent director to replace Mr.Theera Phetmalaigul on 27 October 2020.
 4. Appointed Dr. Shaoquan Lin to take the position of director to replace Mr.Vichit Yamboonruang on 27 November 2020.
 5. Appointed Mr. Zhe Li to take the position of director to replace Mrs. Orawan Lekrungrangkit on 27 November 2020.
 6. Appointed Police General Chidchai Vanasatidya, Ph.D. to take the position of Chairman of the Board of Directors on 27 November 2020.

(b) Executive remuneration

The Company has set the remuneration of Chief Executive Officer, the Executive Committee and the Management (including employees at all levels) by prepared the annual budget and proposed to the Board of Directors for consideration of the operating results, budgets, and set personnel remuneration of all positions in advance each year to motivate everyone to participate to achieve their goals. The types of remuneration are as follows:

Executives' Remuneration	Types of Remuneration	Objective
Fixed Pay	Base salary/ Benefits such as Provident Fund, welfare benefits.	To attract and retain high caliber Executives
Short-term Incentive	Bonus base on performance	To reward the achievement of annual performance objectives

In 2020, the Board of Directors approved the budget and target for the year 2020 including the remuneration of Executive Committee and top Executives. The Company and its subsidiaries paid

remuneration consisted of salary, bonus, and other monetary remuneration to 21 Executives totaling Baht 41,940,907.91 as follows.

The Management and Executive Committee remuneration	Fiscal year 2020	
	Number of Executives	Amount (Baht)
The Company		
• Salary	14	20,075,328.00
• Bonus	14	7,517,160.92
• Provident Fund	14	865,368.00
• Social Security Fund	14	58,500.00
• Post-employment benefits	14	1,401,637.00
• Life and health insurance	14	322,522.76
Total	14	30,240,516.68
Subsidiaries		
• Salary	7	8,465,454.00
• Bonus	7	1,872,793.00
• Provident Fund	7	499,736.00
• Social Security Fund	7	28,350.00
• Post-employment benefits	7	708,114.00
• Life and health insurance	7	125,944.23
Total	7	11,700,391.23

2) Other remuneration

In 2020, other remuneration for the executive committee and senior executives of the Company consisted of vehicles, drivers, and fuel costs for the executives and the executive committee of 9 persons, a total of 2,870,263.61 Baht as follows.

Other remuneration	Fiscal year 2020	
	Number of Executives	Amount (Baht)
Executive Cars	6	1,722,672.47
Driver	4	623,822.34
Petrol expenses	9	523,768.80
Total	9	2,870,263.61

7.5 Personnel

1) Number of employees

As at 31 December 2020 the Company and its subsidiaries had total staff (excluding Executives) of 308 people. The Company paid remuneration to employees that consists of salary, bonus, contribution to provident fund, social security fund, and group life insurance total of Baht 108.62 million.

Primary line	Number of employees (person)	
	The Company	Wiik Water Co.,Ltd. (Subsidiary)
Administrative & Procurement	18	7
Accounting	18	7
Domestic Sales	10	-
Export Sales	2	-
Technical and Products	2	-
Information technology	1	-
Business Development	5	6
Welding & Installation	47	-
Pipe Production	57	-
Fitting Production	35	-
Store	19	-
Quality Control	18	-
Engineering and Maintenance	16	9
Research and development	4	-
Delivery Department	3	-
Project management	-	5
Water production plant	-	19
Total	255	53
Employees remuneration (Million Baht)	86.00	22.62

Note Wiik PT Company Limited has no regular employees because using personnel of Wiik Water Company Limited and temporary employees from the outsource.

2) Personnel development policy

The Company has the policy on recruitment, development and preservation of its personnel, as it has realized that the personnel are an important thing enabling the company to achieve the goal and success. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

Human resource management and development

- (1) The recruitment for new employees shall be undertaken based on job description, since the Company's nature of business requires specialist candidates. Realizing in a happy workplace principle, the recruitment has been proceeded under "put the right man to the right job" concept. Upon the employment starting date of the new comers, their job descriptions shall be clarified in details for transparency of working.
- (2) Employees' remuneration and welfare are also emphasized for all employees in all levels. Apart from serving basic welfares as enforced by laws, the Company has established other benefits as follows:
 - The health insurance cards are arranged on the purpose of more convenience upon employees' requirement of medical care at any time and hospital with no payment required for both inpatient and outpatient cases.
 - Group life and accidental insurance are arranged to ensure employees' confidence on risk since most of works are carried out at sites and any accident maybe arisen.
 - The provident funds for their employees has been established in order to allow employees to reserve their funds after retirement for which the Company has paid a counterpart amount for them based on a number of their working years as required by a relevant law.
- (3) The Board of Directors has defined a policy for Executive Committee to consider and set up a criteria and budget for annual salary increment and bonus reward for which the captioned committee's decision making shall be based on external factors (such as inflation rate forecast, economic situation, etc.) and internal factors (such as annual operating result, history of salary increment and past bonus payment) for remuneration criteria of each year to be appropriate and in line with the Company' s short-term and long-term operating results.
- (4) Employees' Development Plan has been continuously arranged to develop their knowledge and skills including specialized fields and general knowledge as follows:

■ New Employees

The orientation program has been arranged as a fundamental knowledge for working consisting of the Company's history, nature of business, business process, vision and mission, basic ISO 9001:2008 quality management system standard, ISO 14001:2004 environmental management system, information and technology as well as operating system including safety measure.

■ Permanent Employees in All Levels

It is the Company's policy to encourage employees to attend training courses in order to develop their expertise in both general management and technical topics.

In 2020, the Company organized training / seminars to develop the knowledge and skills of employees as follows.

No.	Course	Number of participants	Place	Expenses (Baht)
1	Development of professional presentation skills	1	external	3,210.00
2	Law strategy and important techniques in business contracting	1	external	30,495.00
3	Techniques to handle customers with high expectations	3	external	11,700.00
4	HDPE pipe welding	4	external	21,600.00
5	Make fun with the team in the COVID-19 era	49	internal	70,886.83
6	Primary fire extinguishing and fire evacuation drills	43	internal	32,999.92
7	Management development	2	external	27,075.00
8	Electrical system and underground cable communication for development project in the capital and big city	2	external	18,000.00
9	Understand customer groups to achieve corporate goals	1	external	4,200.00
10	Withholding taxes for accountants and HR	2	external	10,400.00
11	Speaking strategies for trainers and professional trainers	1	external	6,700.00
12	PE split pipe drilling under water pressure	33	internal	15,472.05
13	TFRS year 2021	1	external	5,514.00
14	How to pay abroad to save the maximum tax	2	external	11,028.04
15	Preparation of documents for International Trade and Incoterms 2020	1	external	3,900.00
16	The operation to prepare the draft testing method framework, consider the draft and update the testing manual	1	external	-
17	Accounting Standards PAE's applied in the year 2020, accounting lenient measures from Covid 19	1	external	5,514.02
Total				278,694.86

(5) Employee Relation Activities have been organized to provide a meeting opportunity for management and employees to contribute good relation for each other and to enhance unity among all of them in all levels as follows:

- Color Sport Day and Staff New Year Party: to avail an opportunity for both employees working at the head office and sites to participate in sport competition for good relationship between them among warm atmosphere.
- Happy Work Place to celebrate the birthday of all employees born in the same month.
- Activities to make merit on a religious day.



Employee Relation Activities in 2020

(6) The internal communication, Human Resources Department is a center, has been constantly arranged among the Company and employees at both head office and site offices through various channels in order to enable them to access, acknowledge and update their knowledge on all regulations and rules including news and information. The main channel is arranged through the intranet, ERP containing ISO 9001:2008, activities photo and all information related to employees such as date of birth, monthly new comer, etc. In addition, other channels are accessible; email and board announcement.

(7) The Company has also emphasized on human rights respect, no involvement to violation of human rights and no gender discrimination including an employment for eye-sight problem employee and no specific gender requirement of employment.

- (8) An opportunity for complaints has been always provided for employees to inform any offended acts to Company Secretary or Suggestion Box to further propose for consideration of the Audit Committee and the reporter name shall be strictly kept as confidential.

3) Significant Labor Legal Dispute during the past 3 years

- 3.1) On 1 November 2017, WIJK Water Company Limited (a Subsidiary or Complainant) has sued former employee, Senior Project Engineer (Defendant) to the Central Labor Court as the Black Lawsuit Case No. 3788/2560 in case violation of labor contract, the Company's confidentiality contract, and the Company's conflict of interest contract as a result, the subsidiary has been damaged. The defendant is required to pay the damages as specified in the contract amounting to Baht 2 million with interest at the rate of 7.5% per year. The Central Labor Court made an appointment on 28 March 2018 and the Subsidiary withdraw the lawsuit against the defendant because the defendant had mediation and the case can be agreed.
- 3.2) On 5 June 2020, a former chief accountant (Complainant) filed a lawsuit against WIJK Water Company Limited (a subsidiary or defendant) as a Black Case No.Ror2692/2020. In the case that the defendant violated the labor contract and the law on labor protection. The court scheduled the hearing on 17 June 2021 at the Central Labor Court.

8. Corporate Governance

8.1 Corporate Governance Policies

The company emphasize on efficiency management which has to be transparent and inspected in order to ensure for shareholders, investors, stakeholders, and all related department to encourage the company to the stability for sustainable growth.

In 2020 the Corporate Governance Committee and the Board of Directors revised and amended the Corporate Governance Policy as well as other relevant guidelines in accordance with the criteria for survey of Thai listed companies' corporate governance project. The Corporate Governance Policy and the Ethics and Code of Conduct for the Management and Employees are disclosed to the public on the Company's website and have been annexed to the documented Work Rules given to all employees.

According to the 2020 corporate governance assessment conducted by the Thai Institute of Directors Association (IOD), the Company's overall score was 87% ("Very good"), decreased from last year's score of 88%, higher than the average level of 83% based on the survey of 692 listed companies.

The Board of Directors realizes role, duty and responsibility as director to the Company and the shareholders and has approved the written corporate governance policy that complied with good corporate governance of the Stock Exchange of Thailand ("SET") in order to determine the supporting corporate governance policy to be its guideline to perform which the material substances divided into 5 sections as follows:

1) Rights of Shareholders

Basic shareholder rights are rights to buy, sell or transfer shares, share in the profit of the Company, obtain relevant and adequate information on the Company in a timely manner and on a regular basis, participate and vote in the shareholders' meeting to elect or remove members of the board, appoint the external auditor and make decisions on any transactions that affect the company such as dividends payment, amendments to the company's articles of association or the company's bylaws, capital increases or decreases, and the approval of extraordinary transactions, etc.

Apart from the above basic rights, the Company has policy to support and facilitate the shareholders to exercise their rights as follows:

- 1) In case the shareholder cannot attend the meeting by himself, the Company allows the shareholder to assign the proxy to the Audit Committee or any person to attend the meeting by using any type of proxy as submitted with the invitation letter.
- 2) Allow the shareholder to submit the opinion, advice and send questions in advance prior to the shareholders' meeting date.
- 3) To encourage the shareholder to use the proxy in form that the shareholder can determine the voting direction and nominate at least 1 independent director.
- 4) During the meeting, the Company shall provide proper time and encourage the shareholder to express opinion, advice or raise question at the meeting with regard to the matters concerning the Company prior to the voting in any agenda. The Company shall provide sufficient information of such matter to the shareholder.

- 5) To encourage using voting card for the important agenda such as related transaction, asset acquisition or disposition, etc. for transparency and be able to examine in case there is any argument in the future.
- 6) All directors shall attend the meeting except for necessary circumstance so that the shareholders can inquire with regard to the related matter.

The Company also recognizes shareholders' legal rights and encourages shareholders to exercise their rights as follows:

Right to Information Shareholders have the right to receive information on the Company's operations. The Company has made company information and news in both Thai and English available for view through active channels such as SET's website.

Right to Participate in Shareholders' Meetings the Company holds an Annual General Meeting of Shareholder within four months after the date of the Company's fiscal year end by date, time and place of meeting no obstacle to attend.

In 2020, the Company held the Annual General Meeting of Shareholders 2020 on 11 May 2020 and during the year had no call for an extraordinary general meeting of shareholders in any way. The Company has complied with the good corporate governance principles as follows:

The Annual General Meeting of Shareholders 2020

(1) Before the meeting

- **Opportunity for Shareholders to Propose AGM Agenda**

The Company invited the shareholders to propose the agenda and candidates to be considered for the election as the Company's directors in the Annual General Meeting of Shareholders. The submitting period is from 13 December 2019 until 31 January 2020

The Company disclosed (1) Criteria for shareholders to propose the agenda and candidates to be elected as directors in the Annual General Meeting of Shareholders 2020 (2) Form for proposing agenda for the Annual General Meeting of Shareholders 2020 (Form A) and (3) Form for proposing candidates to be elected as directors in the Annual General Meeting of Shareholders 2020 (Form B and Form C) via the Company's website at www.wiik.co.th since 13 December 2019.

There was no proposed agenda, question or candidate of directors from the shareholders.

- **Agenda and sending notice of meeting**

The Company has notified the agenda for the shareholders' meeting in both Thai and English via the channels of the Stock Exchange of Thailand since 25 February 2020 to inform the Shareholders 42 days before the meeting date. The Company has sent a notice of meeting which has both facts and reasons including opinions of the Board of Directors on every agenda together with supporting documents as follows.

- Copy of the minutes of Extraordinary General Meeting of Shareholders No.1/2019
- QR CODE for download the Annual Report and Financial Statements for the year 2019
- Information of the directors retiring by rotation and proposed to be re-elected
- Capital increase report form (F53-4)
- Information memorandum regarding the allotment of increase ordinary share capital to the Private Placement of WIik Public Company Limited
- Guidelines for appointment of proxy holder, registration and documents required in order to attend the shareholders' meeting
- Articles of Association with respect to the meeting of shareholders only
- Independent Directors Definition and Information of the directors for consideration regarding appointment as proxy holder
- Map of the meeting place
- Proxy (Form B)

By submitting before the meeting date 15 days since 23 March 2020 and also advertised in newspapers 3 consecutive days before the meeting from 18 – 20 March 2020 as well as published the notice of the Annual General Meeting of Shareholders 2020 with supporting documents on the Company's website www.wiik.co.th since 17 March 2020.

As the situation of the coronary epidemic in 2019 (COVID-19) continues to deteriorate the number of patients and the infection has seriously increased, on 30 March 2020, the Board of Directors approved to postpone the Annual General Meeting of Shareholders 2020 to determine indefinitely. The Company canceled the Annual General Meeting of Shareholders 2020 which was scheduled on April 7, 2020. But it still uses the date for determining the right to attend the Annual General Meeting of Shareholders 2020 (Record Date) on 11 March 2020. Later, on April 3, 2020, it has the announcement of the leader responsible for resolving emergencies concerning the security, regarding prohibiting the assembly and activity in a manner that is at risk of spreading the disease. It affects the Company cannot set the date of the Annual General Meeting of Shareholders 2020.

The Company wishes to hold the Annual General Meeting of Shareholders within 2 months from the date of determining the names of shareholders for the right to attend the general meeting of shareholders. Therefore the Board of Directors Meeting No. 3/2020, on 22 April 2020, approved the new date of the Annual General Meeting of Shareholders for the year 2020 on Monday 11 May 2020 at 10.00 a.m. at the office of WIIC Water Company Limited (subsidiary) No. 90 CW Tower B, 21st Floor, Ratchadaphisek Road, HuaiKhwang Sub-district, HuaiKhwang District, Bangkok 10310

(2) During the Meeting

The Company makes it convenient for shareholders to exercise their rights to participate and vote in meetings. Shareholders can begin to register for a meeting not less than 1 hours before the commencement of a meeting and use barcode system to register and count votes to facilitate the shareholders including the Company also arranges appropriate receptions for the shareholders attending the meeting. The Company allows shareholders who arrive after a meeting has commenced to vote on the remaining agenda items and constitute the quorum starting from the agenda on which they cast their votes. Shareholders who are unable to attend a meeting may choose to vote by proxy by appointing someone or Independent Directors/Members of Audit Committee nominated to be proxy-holders by the Company to cast votes on their behalf.

Out of concern for the health of all the shareholders who will attend the AGM, and to support the measures of the Department of Disease Control regarding the risk of COVID-19 infection, The Company provided the following additional measures.

1. The Company set up a screening point at the entrance to the meeting room to check every attendee's body temperature. The Company reserves the right to deny entry to anyone with a temperature of 37.5 degrees Celsius or higher, anyone showing symptoms of fever, or anyone who has returned from high-risk country less than 14 days before the meeting. However, shareholders can still vote by proxy by assigning and independent directors to attend the meeting instead. And can send questions regarding the meeting agenda together as usual

This year, the AGM was very brief and follows the agenda, following the law. We seek cooperation from all shareholders as follows:

- (1) Those who passed the screening, have to wear sticker and the mark at all times. (The company has a mask for everyone)
- (2) Remain the personal distance during the proxy checking, registration and sitting in the Meeting room.

- (3) The Meeting take only questions in writing. Shareholders can send questions in advance.
(Before the meeting)
- (4) Immediately leave the meeting if the shareholders have a fever, cough, runny nose, sore throat or breathing difficulties.

2. No food or beverage served in the event area, only bottled water provided in the meeting only.

The Board of Directors attaches importance to the shareholders' meeting which considered as a duty to attend. The Annual General Meeting of Shareholders 2020 on 11 May 2020. There were 6 directors (From a total of 8 directors) attended the meeting as follows:

- | | | |
|----|----------------------------|--|
| 1) | Dr. Vichit Yamboonruang | Chairman of the Board of Directors |
| 2) | Mr. Theera Phetmalaigul | Independent Director and member of the Audit Committee |
| 3) | Mr. Vichien Tangudtaisuk | Director |
| 4) | Mr. Karn Siriphatras | Director and member of the Executive Committee |
| 5) | Mrs. Orawan Lekrungrangkit | Director and member of the Executive Committee |
| 6) | Mr. Wiboon Sangwithayanon | Director and Chief Executive Officer |

In addition, Chief Financial Controller, Auditor of the Company, Company Secretary, and Legal Advisor who served as an Inspector in the meeting and witness to vote counting also attended the Meeting to answer questions from shareholders. List of the members of the Board and other Executives who attended the Meeting was included in the Minutes of Annual General Meeting of Shareholders 2020.

The Shareholders' meetings are an opportunity for shareholders to exercise their rights to inquire about the operations and performances of the Company and to consider and vote on various matters as specified by laws and the Company's Articles of Association. Upon the commencement of a meeting, Chief Executive Officer informs the meeting of the number/proportion of shareholders in attendance. Chairman of the Board of Director acts as a chairman of the meeting announces the opening of the meeting and then explain procedures and rules governing voting and vote counting. For the meeting to elect the Company's Directors, the election will be voted upon individually by shareholders. The meeting proceeds in the sequence of agenda and no additions or order changes of agenda items will be made without advance notice. Sufficient time to consider the agenda items is provided and shareholders are given an opportunity to make inquiries and comments, to which direct and clear responses are provided by Directors. The meeting is informed of voting result of each agenda item, including vote counts for Approve, Disapprove, Abstain, and Void.

(3) After the Meeting

The Company recorded inquiries, opinions, and essential details in the Minutes of the Meeting to facilitate future audits by the shareholders as follows:

- The voting and vote counting processes which were clarified by the Company Secretary to the shareholders prior to the beginning of the shareholders meeting according to the agenda.
- The votes of the shareholders which were clearly segregated as “Approval”, “Disapproval”, “Abstention”, and “Void” in terms of number of votes and proportion for each agenda item.
- List of names and positions of directors, high-level executives and the auditor who were present at the shareholders meeting.
- Summary of inquiries, opinions, and recommendations of the shareholders as well as response of the directors and the management to the inquiries made by the shareholders in each agenda item, for information of the shareholders who were absent from the shareholders meeting.

The Company later submitted the minutes of Annual General Meeting of Shareholders 2020 to the Stock Exchange of Thailand and the registrar of the public companies limited, Department of Business Development, Ministry of Commerce on 21 May 2020 which was within the specific 14 days from the meeting date and noticed the minutes information in both Thai and English including meeting’s recorded sound through the Company’s website.

The Company allocated the shares of Minority shareholders (Free Float) in accordance with the requirements of the Stock Exchange of Thailand. That was, as at 11 March 2020, on which the shareholders register book was closed to determine entitlements to attend the 2020 shareholders meeting, the Company’s shares held by Minority shareholders (Free Float) accounted for 72.32%.

2) Equitable Treatment of Shareholders

The Company has policy to perform and protect right of each shareholder equally in order to create true equality especially for the minority shareholders such as.

- 1) Disclose information regarding shareholders meetings on the company’s website before sending out the notice of the meetings and inform rules related to the meeting, shareholders’ rights to attend the meeting and right to vote in advance.

- 2) To handle and facilitate each shareholder equally and shall not do anything to limit or violate or deprive right of shareholder.
- 3) To determine the independent director to oversee minority shareholders by allowing the minority shareholder to give advice, express opinion or claim to the independent directors. The independent directors shall be the person to properly manage each case such as if it is the claim, the independent directors shall investigate for fact and find way to compensate properly or in case that the independent directors consider that such matter is material which affect to the overall stakeholder or affect the Company's business operation, the independent directors shall propose such matter to the shareholder's meeting for considering to be the agenda of the shareholders' meeting.
- 4) To encourage for right exercising such as allowing the minority shareholder to propose additional agenda prior to the shareholders' meeting date and to nominate person to be director in advance with information related to the qualifications and consent of the nominated person.
- 5) The shareholder who is the executive of the Company shall not add any agenda which is not inform in advance especially an important agenda which the shareholders need time to study information before making decision.
- 6) To determine the insider trading protection measurement of relates persons including director and the Company's executives who related to the information (including spouse and minor child of such person).
- 7) To allow shareholder to exercise his right to appoint each director.
- 8) To determine the written guideline for preservation of inside information and protection of using and inform such guideline to all staff to perform accordingly and determine that all directors and executives who have duties to report the shareholding according to the laws have to report regularly to the Board of Directors.

In 2020, the Company performed various matters by considering the equitable treatment of shareholders as follows.

(1) Meetings of Shareholders

- For foreign shareholders, the Company will prepare an English version of the notice of shareholders' meeting, supporting documents, and minutes of a meeting to ensure that all shareholders are able to participate in considering and voting on important matters of the

Company. Shareholders who are unable to attend a meeting may choose to vote by proxy by appointing someone or a member of the Audit Committee who is also the Independent Director to cast votes on their behalf. Names and addresses of the three members of the Audit Committee as well as their interests in the matters being considered at the meeting are included in the notice of the meeting. Proxy Form B is also enclosed with the notice of the meeting to be used by shareholder to give their voting instructions.

- The proxy form is affixed with revenue stamp to make it convenient for shareholders to return the form to the Company.
- Votes of shareholders' meeting are counted based upon the number of shares owned by shareholders with one share being entitled to one vote.
- The meeting proceeds in the sequence of the agenda given in the notice of the meeting and no additions or order changes of agenda items will be made without advance notice.
- Use barcode system to count votes on each agenda of the meeting for accurate and accurate scoring.
- Voting would be done publicly in which shareholders are given voting cards to vote to approve, disapprove, or to abstain their votes on each agenda. Only the voting cards of shareholders who vote to disapprove and/or to abstain from voting would be collected, with an exception of the election of the Company's Directors in which all voting cards will be collected. Only disapprove and/or abstain votes will be counted which will be subtracted from the total number of eligible votes in attendance. The resulting counts will be considered as approving votes for that agenda. The Company's Auditor acts as witness to vote counting.

(2) Control on the use of inside information

The Company controls on the use of inside information by the Code of Conduct for Directors, Management and Employees of WIIC Public Company Limited which was approved by the Board of Directors Meeting No. 1/2016 on February 29, 2016 and it shall become effective from February 29, 2016 onwards.

The Company considered that Directors, management and employees will be responsible for keeping the confidential information of the Company strictly. Especially inside information that has not been disclosed to the public and impact on the business or securities price. Directors, Management including those related (Spouses and underage children of Directors and Managements) Employees

will not take the opportunity of being a Director, Managements or Employees in the pursuit of personal gain and in business operation that compete or relate to the Company as well as will not take the inside information to their advantage in trading of the Company's securities and do not disclose confidential information to the competitors of the company's business, although they was terminated from Director, Managements or Employees already. The Company has process to control on the use of inside information for their own benefit or the others as follows.

- (1) Set for notification of Directors and Managements to understand the duty on reporting of securities holding of their own spouses and underage children as well as report of change in holdings in accordance with section 59 and Penalty provisions under section 275 of the Securities and Exchange Act BE 2535.
- (2) Limit acknowledgment of inside information only Director, Managements, Employees or insiders were involved as necessary and set the authority for the personnel authorized to disclose information of the Company clearly.
- (3) Send circular letter to notify suspend period for trading / transfer of the Company's securities (Backout Period) and prohibit to disclose inside information financial statements during the 1 month period before the public disclosure and within 24 hours after the disclosure of such information already, to Directors, Management including those related (Spouses and underage children of Directors and Managements) and management team for the compliance requirements in such period.
- (4) Set for Directors, Management including those related (Spouses and underage children of Directors and Managements) to inform about trading shares of the Company at least 1 day before trading to the Board of Directors or the assignment.
- (5) Set the regulations for security of computer system and information of the Company stringently.

The Company also impose penalties in case of breach on the use of inside information for their own benefit with penalties ranging from a verbal warning to leaving their job.

(3) Implementation of conflict of interest

The Company controls on conflict of interest by the Code of Conduct for Directors, Management and Employees of WIIC Public Company Limited which was approved by the Board of Directors Meeting No. 1/2016 on February 29, 2016 and it shall become effective from February 29, 2016 onwards.

The Company adheres to the policy to make no the Directors, Management and employees use of their own duties to seek personal gain, so the Company has determined a code of conduct for Directors, Executives and employees as follows.

- (1) Avoid making connected transactions on their own that may cause a conflict of interest with the Company. Except where need to make such transaction for the benefit of the Company by make such transaction virtual with the outsider. The stakeholders in these transactions must not be involved in the approval process.
- (2) In the case of Directors, Management, Employees or family members involved, whether directly or indirectly in the transactions that may cause a conflict of interest or they are shareholders in business that compete with the Company's business. They have to notify the supervisor as hierarchy and Chairman of the Board to know in writing.
- (3) In the event that Directors, Executives, Employees hold the position of Director, Partner or Advisor in the other organization. They must not conflict to the interests of the Company.
- (4) In the case of the related transaction as requirements of governance agency such as the Securities and Exchange Commission: SEC, the Stock Exchange of Thailand: SET etc. It must comply with the rules, procedures and disclosure strictly.
- (5) The related transaction must be reviewed or considered by the Audit Committee and the Board of Directors, respectively. In case there is any member of the audit committee or the Company's director have an interest in related transaction, such member of the audit committee or director must be no consideration in such related transaction.

(4) Opportunity for Shareholders to Propose AGM Agenda

According to the good corporate governance regarding the equitable treatment of shareholders, the Company would like to invite the shareholders to propose the agenda and candidates to be considered for the election as the Company's directors in the Annual General Meeting of Shareholders 2021 which is scheduled in April 2021. The submitting period is from 15 December 2020 until 31 January 2021.

The Company disclosed (1) Criteria for shareholders to propose the agenda and candidates to be elected as directors in the Annual General Meeting of Shareholders 2021 (2) Form for proposing agenda for the Annual General Meeting of Shareholders 2021 (Form A) and (3) Form for proposing candidates to be elected as directors in the Annual General Meeting of Shareholders 2021 (Form B and Form C) via the Company's website at www.wiik.co.th since 15 December 2021.

3) Role of Stakeholders

The Company sets a clear policy on fair treatment for each and every stakeholder in accordance with the laws as follows;

❖ [Roles of Stakeholders](#)

As mentioned previously, the company is working in compliance with the good corporate governance to ensure that all shareholders receive the equitable rights in all concerns, for instance the right to attend the shareholders' meeting, the right to vote, the right to use the proxy forms, the right to obtain sufficient information previous to the meeting, the right to obtain the information on the meeting venue and date, the suitable meeting time allocation, etc.

In addition, the company Board of Directors puts the emphasis on the transparency in disclosure of correct and precise information via any possible channels so that the shareholders and investors can obtain the adequate information equally. We are also widely open to questions from analysts from all kinds of institutions.

❖ [Customers](#)

Our board of directors treats all debtors as our valuable asset. It is important that we build up their confidence by providing best service and quality products to them. We guarantee that all products produced by us are in accordance with the ISO and other worldwide standards.

Moreover, to follow the strategy of the company, we continuously improve our business operation by focusing more in the requirements and needs of the customers. We take complaints from the customers as the note to improve to the better.

❖ [Employees](#)

We regard our employees as an important asset of the company. Besides the provision of the basic welfares in accordance to the labor laws, we provide them the opportunity to attend the training and seminars to enhance their working skills. The company also provides them a reasonable income and fringe benefit in relation to their abilities and contribution to the company by the assessment from our systematic evaluation procedure.

In case of accidents, the company provides a reasonable support and compensation to employees. We also conduct the safety training and evacuation rehearsal on regular basis. The penalties are given to the employees who misconduct in offending to the company safety policy. The environmental concern is also in attention of our management team.

Employee compensation and welfare policy

1. Objectives

WIIK Public Company Limited (“the Company”) focuses on the compensation policy for all employees. This policy ensures that the Company can create incentives and can retain employees who have good performance and effectiveness to the Company under the current business competition, to make employees can be considered compensation at an appropriate rate and comply with the standard pay in the same or similar business for making employees feel encouraged to work and to create results that will help lead the company to stable growth.

2. Composition of compensation

The Company determines the composition of the compensation, consisting of

1. Salary
2. Annual bonus according to performance
3. Legal welfare such as the Social Security Fund
4. Additional welfare from the law, such as provident fund, life and health insurance, etc.
5. Compensation in case of termination of employment (According to the Labor Protection Act)

Salary is determined based on the job title, roles, duties, and responsibilities of each employee as well as relevant experience with roles and responsibilities. Besides, the Company will consider salary adjustment from the Company's operating results in short-term, long-term, and inflation. Including individual consideration based on industriousness, intention, dedication, and performance ability.

Annual bonus according to annual performance assessment, Annual bonus payments to motivate and reward employees for achieving goals which consist of the Company's overall goals, the goal of the work department as specified by the Company. Including the performance assessment of the employees assessed by the supervisor and the Human Resources Department by individual assessment.

The performance assessment form will be used to assess employees individually which will contain the key topics used in the assessment as follows.

- Assessment from the achievement of job goals as a percentage of completion
- Working skills assessment/work methods that support work goals
 - Responsibility and integrity
 - Analytical skills and appropriately problem-solving skills
 - Discipline and compliance work regulations as well as corporate culture
 - Effective communication skills

The Company's overall goal is determined by the revenue growth/profit/production cost management/distribution costs and administrative expenses. Besides, the goals of the department will be set which consists of Accounting and Finance Department, Sales and Marketing Department, Operation Department.

Welfare, the Company will consider the benefits of various welfare based on the employment contract of each employee and/or employee roles and positions. At present, the Company has benefits for employees as follows

- (1) Savings and contributions to the provident fund
- (2) Savings and contributions to the social security fund
- (3) Housing Allowance
- (4) Transportation Allowance
- (5) Position Allowance
- (6) Telephone Allowance
- (7) Diligence Allowance
- (8) Over Time
- (9) After Working Hours Allowance
- (10) Accommodation Allowance
- (11) Subsidy for marriage ceremony
- (12) Subsidy for the first child
- (13) Subsidy for funeral arrangements
- (14) Fixed Bonus/ Performance Bonus
- (15) Personal safety uniform/equipment
- (16) Annual health check
- (17) Health, life and accident insurance
- (18) Vacation / Holidays

Compensation in the case of termination of employment will be paid under the Labor Protection Act.

The Company will consider the compensation of employees and workers as described in the composition of the compensation. The adjustment of each composition is determined by the growth of the operating results, both in terms of revenue and profit each year which is consistent with the performance of the company in the short term. And the Company will consider the adjustment of the compensation rate increase to cover the inflation each year. The Company will give priority to the operating results of each upcoming year to consider that the business goals are met or not.

However, for considering other forms of employee compensation such as the offering of securities to employees, employee stock accumulation program, the Company will consider at the appropriate time.

❖ [Trading Partners](#)

One of the most important concerns of the company management and board members is the company reputation and responsibility to all related parties, no exception to the trading partners. We have fair and transparent criteria for the selection of not only reliable trading partners but also ones with concern on social responsibility and environment. We carry on our business relationship with trade partners in proper business manners and commitment.

❖ [Creditors](#)

The company management and board members are responsible for making sure that the financial risk management is efficiently manageable. Loans for project investment are audited to ensure that there is no misuse of the funds.

❖ [Business-Community relationships](#)

Since the company's business is in the manufacturing sector which our factory was located in Rayong Province. The company is well aware of community effect, so we have decided to build our plant in the best industrial estate that high management standard, reliable and friendly community located. The company has defined the definition of production process, security system, hygienic condition and friendly environmental. Moreover we are providing to support public communities and social responsibility such as donation our product to public construction and participate various social activities. In additional the company's recruitment policy will give priority the candidates who are domiciled in the vicinity in order to increase local employment, economy growth and improve the well-being of local communities.

❖ [Environment and Society Concern](#)

The company continues to focus on environmental management and attempts to least cause of environmental impact whether our employees, location and nearby communities. The environmental management concerns manufacturing process, chemical using in production and machine maintenance including with disposal hazard and non-hazard waste under legal standard. The environmental management activities as follows;

- External Audit ISO14001 from Third parties and surveillance auditor and Internal Audit in the company

- Environment campaign and continuous training environment acknowledge along with visiting outside
- Making contact with supplier to disposal the waste who under control of Department of Industrial Works (DIW) and all concerned
- Appointing an environmental management committee in order to visual inspection to evaluate potential environmental concern and monthly situation report.
- Communicate environmental issue with nearby communities and all accept if they have an environmental complaint.
- Monitoring and improving cooling water system in production process in order to reduce water consumption and recirculation system.
- Electrical conservation plan development to improve electricity efficiency in order to reduce electric power consumption.
- Increase green area by planting trees around the factory.
- Monitoring and measurement procedure of workplace environment regulation.

CODE OF CONDUCT

The Company upheld the principle to practice with all stakeholders equitably therefore the Company had defined business ethics for Directors, Executives and Employees to all stakeholders as follows.

(1) Business ethics for Directors and Executives

❖ Directors and Executives to Shareholders

- 1) Perform duties with honesty as well as any decisions taken in good faith and fairness to major and minor shareholders for maximum benefits to the shareholders as a whole.
- 2) Manage the organization with care and prudence to prevent damage to the shareholders.
- 3) Perform duties by applying knowledge and management skills as best they can in every case.
- 4) Manage care for no any asset of the organization depreciate or lost wrongfully
- 5) Report the status of the organization regularly and actually
- 6) Inform all shareholders equally about the future prospects of the organization both positive and negative which must be based on the possibility with support information sufficiently.

- 7) Do not seek benefit to themselves and related person by use any corporate information which has not been publicly disclosed and not claiming Directors and Executives of the Company to seek benefit to themselves and related person.
- 8) Non-disclosure of corporate confidential information to outsiders, especially the competitors.
- 9) Do not take any action in a manner that may cause conflict of interest to the organization.

❖ **Directors and Executives to Employees**

- 1) Provide fair compensation system to employees.
- 2) Maintaining a working environment to ensure safety of life and property of employees always.
- 3) Provide personnel management system in appointing and moving including rewarding and punishment to Employees which have to perform with good faith and based on knowledge, ability and the suitability of Employees. Do not discriminate against differences of racial religion, gender, marital status or physical inability.
- 4) Focus on the development of knowledge and capability of employees by providing employees opportunities thoroughly and consistently.
- 5) Listen to comments and suggestions which is based on professional knowledge of Employees.
- 6) Compliance with laws and regulations related to Employees strictly
- 7) Administrate by avoiding any unfair action which may have an impact to stability on the job of employees or threatening and pressure on the mental state of Employees.
- 8) Treat employees with courtesy and respect for the individual and the dignity of humanity.
- 9) Communicate to Employees in ethics and role that they can practice, to promote behavior within the framework of ethics throughout the organization.
- 10) Provide opportunities and channels for employees to report illegal activities to the Board of Directors.
- 11) Allows employees to make complaints in the absence of fairness according to the system and processes defined.
- 12) Encourage employees to be good and morality.

❖ **Directors and Executives to Customers**

- 1) Conducting business with honesty, fairness and providing accurate, adequate and up-to-date information to customers.
- 2) Produce quality products and services by focus on continually raising standards.
- 3) Determine the acceptable quality level of products and services.
- 4) Disclose information about goods and services in complete, correct and non-misleading by taking into account the benefits for customers.
- 5) Provides product and service warranty under conditions at the right time.
- 6) Do not deliver products and services to customers if know that products and services are defective or may be dangerous to customers and do not let the product or service that quality lower than the level defined to the customers.
- 7) Preparation of product packaging or service proposal must not make misleading customers about the quality, price, quantity or condition of any products or services.
- 8) Set up a system to allow customers to complain and perform optimally to provide customers with fast response.
- 9) Maintaining customer confidentiality strictly and consistently including not disclosing customer information without the permission from customer or the authorized person of Company. Except for information that must be disclosed to the relevant outsider in accordance with the provisions of law including not using the information for their own benefit and related party wrongfully
- 10) Finding a way to reduce production costs by maintaining quality standards for products and services in order to maximize the benefit to customers continuously.
- 11) Maintain the contract and strictly adhere to the terms of customer in the event that any of the conditions cannot be met, must hurry inform the customer in advance to jointly find solutions.
- 12) The price is not exorbitant when compared to the quality of the product or service and do not set unfair commercial terms to customers.
- 13) Do not pay any benefit to the customer to get or to win the Customer by using dishonest methods and violate the formal requirements.

❖ **Directors and Executives to Suppliers and / or Creditors**

- 1) No request or no receive or no pay for any dishonest benefits in trading with suppliers and / or creditors.

- 2) If found information that there is a request or receive or pay for any dishonest benefits occurred, shall disclose details to suppliers and / or creditors and jointly resolve problems fairly and quickly.
- 3) Follow the conditions to the creditors strictly, whether purpose of using money, repayment, quality care of mortgage securities and any other matters that have been agreed with the creditors.
- 4) Follow the agreement. And other commercial conditions to the suppliers strictly.
- 5) If any of the conditions cannot be met, they must hurry inform the suppliers and / or creditors in advance to jointly find the solution.
- 6) Report accurate financial information and timely to the creditors regularly.
- 7) Knowledge exchange and jointly develop products and services and create a good relationship.

❖ **Directors and Executives to Competitors**

- 1) Perform under the rules of good and fair competition.
- 2) Do not seek confidential information from the competitors in a dishonest manner or inappropriate such as payment to the employees of competitors.
- 3) Do not try to discredit the reputation of competitors with accusation in a bad way without truth.

❖ **Directors and Executives to collective society**

- 1) Do not do anything that will damage the natural resources and environment.
- 2) Provide support for beneficial activities and with a social contribution regularly.
- 3) Create a consciousness of corporate social responsibility to occur among all levels employees in the organization continuously and seriously.
- 4) Control the compliance strictly according to the intention of laws and regulations issued by regulatory authorities.
- 5) No help or support or allow to cause avoidance of laws or regulations compliance.
- 6) To cooperate with regulatory authorities and report on violations or non-compliance the rules or regulations of such authorities.
- 7) No action or to be involved in bribery or corruption or use their powers to seek personal benefits.

(2) Business ethics for all employees

❖ Employees to the Company

- 1) Employees must comply with regulations and order of the Company that available at that time strictly.
- 2) Perform duties with integrity, honestly, self-sacrifice, dedicated maintaining the Company's assets and have responsibility, discipline and a good attitude toward the public and self. Do not use a position to seek benefits for themselves or to benefit related persons.
- 3) Keep benefits of the Company without the Company's information and assets to use for personal benefits, both direct and indirect. And do not act as a support to any other person to operate business compete with the Company.
- 4) Do not operate any personal business that is related to business of the Company unless authorized by the Executive Committee.
- 5) Do not get money and / or any other benefits personally from the Company's customers or from the outsider related to the work for the Company.
- 6) Do not loans from customers, customer related, or persons who trades with the Company. Except for loans from banks or financial institutions.
- 7) All employees must disclose their relationship to the organization, external Business Institute, or relatives to avoid action that cause conflict of interest.
- 8) Receiving of conventionality gift, if the Employee receives a gift that exceeds the normal value from persons who trades with the Company, the Employees shall report to supervisors.
- 9) Employees must maintain confidentiality of the customer and the Company strictly and do not use internal information of the Company or Customer for their own benefit or for the others.
- 10) Employees must be careful to express their opinions to the outsiders in matters that may affect the reputation and operation of the Company.
- 11) Employees must not wrongfully use their information that received from the practice of duties or disclose such information to any person who unrelated.
- 12) Business ethics defined may not be covered in all cases, therefore in case of problems, Employees shall consult with hierarchical supervisors. In case of conflict, the diagnosis of Executive Director / Executive Committee / Board of Directors shall considered be at the end.

❖ **Employees to Supervisor**

- 1) Listen to the comments and suggestions of supervisor as well as should be polite, humble to person with the position higher than themselves.
- 2) All employees and all levels have a duty to report the facts when the business ethics violated or there are reasons to believe that have unsuitable actions and affect the Company. Such report will be kept confidential.
- 3) Do not accuse to the Supervisors, Executives without the facts.

❖ **Employees to Subordinate**

- 1) Practice to the subordinates with kindness, caring, and develop the subordinates to succeed in the work.
- 2) Listen to the opinions of subordinates and consider bring to use in a useful way for the work and the Company.

❖ **Employees to work colleagues**

- 1) Maintain and strengthen the unity and cooperation of each other.
- 2) Treat the work colleagues kindly. Do not obscure the information needed to perform the task of the co-worker and improve yourself to be able to work with the others.
- 3) Respect the rights of other employees in the same organization. Do not criticize in a manner that causes damage and do not take the work of others to impersonate your work.

❖ **Employees to themselves**

- 1) Employees must adhere to honesty. Do not behave in a way that may tarnish reputation both of themselves and the Company. Do not received all benefits such as money, gift, and benefits in various ways.
- 2) Employees must have a sense of self-responsibility, responsible for the assigned duties include study for knowledge and self-development always to provide quality and efficiency.

❖ **Employees to Customers**

- 1) Employees must maintain customer confidentiality. Do not disclose customer information to any person.

- 2) Employees must not use customer information to seek self-interest or for the others that will lead to any action or decision which is contrary to the benefits of customers, company and shareholders.
- 3) Employees must not use news and internal information or information should not be publicly disclosed to be useful to trading, or private investment that will cause loss to the interests of the Company's customers.
- 4) Employees must not use any information or documents that the Company's customers gave for business, distribute or publish to the outsiders without consent from the customers in writing or any other person in the Company who has no duty to know such information. Unless forced to disclose by law.
- 5) Employees must not use authority as the Company's employee, seek benefits wrongfully.

❖ **Employees to Government official**

- 1) Employees must strictly follow government official regulations.
- 2) Employees must cooperate with government authorities.
- 3) Employees must not cooperate with any person who violates government official regulations.

(3) Compliance

All Directors, Executives and Employees has the duty and responsibility to strictly adhere to the policies defined in this business ethics to achieve business goals on the basis of ethics and morality for the benefit of stakeholders, shareholders, the Company and society.

Executives at all levels in the organization must take responsibility for the employees under their supervisory line to acknowledge, understanding and is important to strictly follow the Company's Code of Conduct.

The Executive Committee who appointed by the Board of Directors, has duties to review and revise the Company's Code of Conduct to comply with the business operations of the Company as well as related laws and regulations. The Corporate Governance Committee must hold a meeting at least twice a year and report the meeting resolution to the Board of Directors acknowledge.

This Business Ethics and Code of Conduct defined, cannot be covered in every subject. Therefore, all Directors, Executives and Employees have to use discretion for considering to behave in each situation to do the right thing by most. If there are any problems or doubts in performing any

work, shall consult your hierarchical supervisors or related departments such as human resources department, internal audit department etc.

(4) Complaints handling

The Company appointed the Executive Committee to serve as Ethics complaints handling unit and assigned to the Company Secretary to receive a complaint including complete and summarize information for propose to the Executive Committee to consider next. Every step of the process from receiving the complaint until collect, search, and judging such matters, the Executive Committee and related persons will keep confidential, both information of the complainant, defendant, subject, and witnesses etc.

Directors, Executives and Employees as well as all stakeholders can submit a complaint directly to "Company Secretary" as follows:

E-mail : wittaya@wiik.co.th
Post mail : Company Secretary
WIik Public Company Limited
90 CW Tower A, 35th Floor, Ratchadapisek Road,
Huaykwang, Bangkok 10310

And / or Audit Committee Secretary

E-mail : chinanut@wiik.co.th
Post mail : Audit Committee Secretary
WIik Public Company Limited
90 CW Tower A, 35th Floor, Ratchadapisek Road,
Huaykwang, Bangkok 10310

If such complaints connected to corruption offenses, the Executive Committee must inform and propose to the internal audit for co-operation and propose to the Audit Committee for further consideration.

4) Disclosure and Transparency

The important company information includes financial reports and non-financial information is disclosed correctly, accurately, on a timely basis through easy-to-access channels that are fair and trustworthy. We have the investor relations officer available to communicate with outsiders and company secretary in compliance to laws.

In general the company information is submitted through the Stock Exchange of Thailand channel in the annual report format (Form 56-1) and the bi-lingual company Annual Report (Form 56-2). The same information is also posted on the company website with the up-to-date information.

The company board of directors is responsible for the producing of publicized consolidated financial report of company and its subsidiaries under the recognized certified standard with the choice of appropriate accounting policy and practice on regular basis. Sufficient explanations to the financial statements are also inclusive in the annual report.

The company board of directors has appointed the audit committee, comprising of independent directors to take responsibility in auditing and certifying the quality of financial report and internal audit. The related comments from the audit committee are marked in the report from the audit committee pages. The Company has provided the disclosure in related to number of meetings and number of times of each director attended the meeting each year, including the disclosure of remuneration policy for directors as well.

❖ [Shareholder Structure](#)

The Company disclosed the shareholder structure and the WIJK Group structure in the Company's annual report and the website. The shareholder structure completely and clearly showed the name list and the shareholding of both major and minority shareholders. The WIJK Group structure also showed the shareholding of other shareholders.

❖ [Remuneration for Directors and Management](#)

The Remuneration and Nomination Committee and the Board of Directors set a clear and transparent policy on remuneration for directors and management in conformity with the industry norms. The Annual General Meeting of Shareholders of the Company approve the directors' remuneration. The Executives' remuneration was set in advance by the annual budget which is linked to the Company's and its subsidiaries' operating performances as well as his scope of duties, responsibilities and performance prior to being proposed for approval of the Board of Directors.

❖ [Report of Interest of Directors and Directors' and Managements' Changes in number of shares](#)

The Company had set a policy to have directors and executives to report their interests by arranging a report form of interest of directors and executives and have the Company Secretary propose them to the Chairman's of the Audit Committee and the Chairman of the Board of Directors. And, every change to such an interest is required to be reported to both of them.

In 2020, Directors' and Managements' have any changes in relation to shares transaction as follows.

List of Directors and Executives	Securities holder	Securities	Securities held at the beginning of the year	Securities acquired (disposed)	Securities held at 31 Dec 2020	
					Number	%
1) POL.GEN. Chidchai Vanasatidya, Ph.D. Independent Director / Chairman of the Board of Directors / Chairman of the Audit Committee	Self	WIIC	1,055,100 shares	-	1,055,100 shares	0.18
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
2) Miss Pranee Ratakam Independent Director / Audit Committee	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
3) Miss Benjawan Sinkunakorn Independent Director / Audit Committee	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
4) Dr. Shaoquan Lin Director	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
5) Mr. Zhe Li Director / Executive Committee	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
6) Mr.Yulong Li Director / Executive Committee	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
7) Mr. Karn Siriphatras Director / Executive Committee	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
8) Mr.Wiboon Sangwithayanon Director / Chief Executive Officer	Self	WIIC WIIC-W2	210,000 shares 60,000 units	-	210,000 shares 60,000 units	0.04 0.05
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
9) Mrs. Sumalee Ongcharit Executive Committee	Self	WIIC	79,775,650 shares	1,790,200 shares	81,565,850 shares	14.13
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
10) Miss Rewadee Whanchid Executive Committee	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
11) Miss Chinanut Jariyarudeechai Executive Committee / Chief Financial Controller	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
12) Mr. Peerapon Thantranon Sales Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-

List of Directors and Executives	Securities holder	Securities	Securities held at the beginning of the year	Securities acquired (disposed)	Securities held at 31 Dec 2020	
					Number	%
13) Mrs. Sasiwimon Wirojchewan Administrative & Procurement Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
14) Miss Jarunee Anansuksakun Technical & Product Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
15) Mr. Arom Petchmanee Factory Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
16) Mr. Krisnat Busapavanij Export Sales Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
17) Miss Parichart Wongwiwat Business Development Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
18) Mr. Panao Intrapahan Project Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
19) Mrs. Aphitchaya Hemtanon Accounting Manager	Self	-	-	-	-	-
	Spouse	-	-	-	-	-
	Underage children	-	-	-	-	-
Total		WIJK	81,040,750 shares	1,790,200 shares	82,830,950 shares	14.35
		WIJK-W2	60,000 units	-	60,000 units	0.05

❖ Information providing and mass media or public interviews

- 1) The disclosure of the Company's information shall be in accordance with the rules and regulations of the Stock Exchange of Thailand; subject: Rules, Conditions and Procedures for Information Disclosure and any practices of listed companies including other relevant laws.
- 2) The Company determined the Chief Executive Officer is the authority in the interview or answer questions of Shareholders, Investors, mass media, and outsiders. Other top executives may provide information if they assigned by Chief Executive Officer.
- 3) The Company determined the Investor Relations Department to represent the Company to provide useful information to shareholders, securities analysts, fund manager, investors, and financial institutions.

❖ Communication Channels to the Public

The Board of Directors recognizes the significance of correct, complete, timely, transparent, and thorough information disclosure, and assigns the Chief Executive Officer and Company Secretary acts as Investor Relations to communicate with investors, shareholders, analysts, media, and other organizations concerned. Investors can access all information relating to the Company by contacting Mr. Wittaya Janta-ummao, the Company Secretary at Tel. +6626128610 Email Address: wittaya@wiik.co.th

In 2020, the Company constantly communicated and provided information to analysts, investors, shareholders, and media in various forms as follows:

- (1) Providing opportunities for analysts from securities companies to meet with executives (Company Visit).
- (2) Publicizing the investor relation's information via the Company's website under the item of "Investor Relation"

❖ Financial Statements and Auditors

The Company and its Subsidiaries have appointed EY Office Limited as auditors since 2009-2020 totaling 12 years. The appointed auditors were the independent ones whose qualifications were accepted and approved by the Securities and Exchange Commission. The financial statements have been always certified by the auditors without any condition. In 2020, the Company had no past record of being ordered to amend the financial statements by the Securities and Exchange Commission and the Stock Exchange of Thailand and also no record of delay of both quarterly and yearly submission of the financial statements.

5) Responsibilities of the Board

The Board of Directors has important role in corporate governance for maximum benefit of the Company and responsible for the duties to shareholders and independent from the management in the decisions for maximum benefit of the Company and overall shareholders. The Company provides the separation of roles and responsibilities systems between the Board of Directors and the management clearly. And overseen the Company's work system to ensure that various activities of the Company and has conducted in a lawful and ethical manner.

The Board of Directors consists of directors whose variety qualification in terms of skills, specialized capabilities experience that beneficial to the Company including they have devoted time and effort to their duties in order to enhance the Company's strength.

The Company has established the Audit Committee and the Executive Committee to study and screening necessary. Especially in cases that relies on neutrality in diagnosis and policy formulation on role, responsible, working process clearly to make the effective and efficient duties of the Board.

All directors understand the duties and responsibilities of the Board and the Company's business as well. They are ready to express their opinion freely and perform with integrity careful and thoughtful by considering the maximum benefit of the Company and fair to all shareholders with accurate and complete information. In the past year, all directors devoted sufficient time to perform duty under responsibilities fully. It is a duty of directors to attend every Board meeting, unless there are special reasons really.

(1) Vision, Mission and Corporate Governance Policy

In 2020, the Board of Directors reviewed the 2019 version of corporate vision, mission and targets and amended Corporate Governance Policy which were cascaded down to employees at all levels. It is the policy of the Company to review its corporate vision and mission every year.

(2) Structure and qualifications of the Board of Directors

The Board of Directors shall consist of 8 members who meet the required qualifications and do not possess prohibited characteristics under the Public Company Limited Act. The Board should comprise persons with a variety of skills and expertise, regardless of gender. The Company has clearly separated positions between Chairman of the Board of Directors, Chief Executive Officer, and President. The composition of the Board of Directors consists of 3 independent directors, representing more than one-third of the entire Board. This contributes to proper checks and balances and crosschecking of management.

Selection and nomination of directors must be transparent and must be subject to consideration by the Nomination and Remuneration Committee. Each year, at least one-third of the directors shall retire by rotation. It is the corporate policy that each director is allowed to assume directorship in no more than 5 listed companies. The Chief Executive Officer must report to the Nomination and Remuneration Committee in the case of holding directorship in other company.

(3) Balance of power of non-executive directors

As at 31 December 2020, the Board of Directors consisted of 8 members.

- 4 executives directors
- 1 outside director who are not employee of the Company
- 3 independent directors

3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

(4) Chairman of the Board of Directors and Chief Executive Officer

The Chairman of the Board of Director is not the same person as the Chief Executive Officer. Both positions have clearly separate duties and responsibilities in terms of supervision and management. Details of duties and responsibilities are described in the topic of "Management Structure". The top executive position is Chief Executive Officer.

(5) Directorship in other company

No director has assumed directorship in more than 5 other companies. This is in line with the recommendation of the Stock Exchange of Thailand. Details of directorship of each director in other companies are presented in the topic of "Profile of the Board of Directors and Management".

(6) Orientation for new directors

The Company prepared video materials introducing the Company and major projects to new directors and the general public. The corporate presentation video was posted on the home page of the Company's website. Also, information about the Company's businesses was prepared in the form of presentation slides for the CEO to present to the new directors and for the HR Department to present to new employees.

(7) Self-assessment of the Board of Directors

The Board of Directors set up the policy requiring all directors to conduct assessment of the performance of the entire Board of Directors using the self-assessment form for the Board of Directors provided by the Corporate Governance Development for Capital Market Department, Stock Exchange of Thailand. For 2020, the Company used the form issued in February 2015 with the additional information for certain topics to support the assessment of the directors. There are 6 major topics for assessment:

1. Structure and qualifications of the Board of Directors
2. Role, duties and responsibilities of the Board of Directors
3. Meetings of the Board of Directors
4. Performance of Duties as Director
5. Relationship with management
6. Directors and management development

Furthermore, performance assessment for individual directors and subcommittees including the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee was conducted. The assessment results were presented to the Board of Directors meeting.

(8) Performance Appraisal for Chief Executive Officer

The Board of Directors assigns the Remuneration and Nomination Committee to handle the performance appraisal for Chief Executive Officer on annually basis and also determine the annual remuneration for him prior to proposing the appraisal result for consideration of the Board of Directors Meeting for approval of his remuneration annually.

(9) History of Misconduct against the Regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission

The Company has no record of misconduct against the regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission.

(10) Sub Committees

The Company's Board of Directors has appointed 3 committees of which their members are the Company's directors and executives to carry out specific tasks as assigned. Those 3 committees are the Audit Committee, Executive Committee, and Remuneration and Nomination Committee. Duties and responsibilities of each committee were clearly defined in writing and disclosed in the Company's Annual Report. These committees are authorized to request the management to clarify any issues or to submit a specific report as well as to appoint any external advisor for recommendations as deemed appropriate.

❖ The Audit Committee

The Audit Committee consists of 3 independent directors whose qualifications are in line with the criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission in which the proportion of share holding of the independent directors was set not less than 1% equal to the Securities and Exchange Commission's regulations

Since 2015-2020, the Company hired JP Tip Audit Limited to perform duties as the internal auditor in place of the Internal Audit Department. This is to facilitate independence in performing duties and allows the auditor to report directly to the Audit Committee.

❖ Executive Committee

Executive Committee consisting of 4 executive directors and 3 non-executive directors totaling 7 members are responsible for developing plans, policies, direction, business strategies, and management structure for the Company's core business operation; considering the Company's performance in terms of profit/loss, and the interim or annual dividend payment before proposing it to the Board of Directors; and performing other tasks as assigned by the Board of Directors.

❖ Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of 3 independent directors to recruit and determine the remuneration of Directors and Executives. In 2020, there were 4 meetings to perform their duties as follows.

- Consider the term of directors, and approve the nominations who will serve as the new directors.
- Consider and approve the appointment of new directors to replace the resigned directors.
- Consider and approve the appointment of Executive Committee.
- Consider and approve the remuneration of the Board of Directors for the year 2020.
- Consider and approve the payment of the directors' bonus for the year 2020.

The Remuneration and Nomination Committee served for nominating candidates to replace Directors and Executives in the case of completed their terms resign or other. In order to comply with the corporate governance guidelines of the Stock Exchange of Thailand and Articles of Association, the Board of Directors and executives of the Company must be fully qualified by the Public Companies Act BE 2535 and the Securities and Exchange Act BE 2535 and proposed to the Board of Directors for approval.

However, in 2020, the Board of Directors did not appoint any person to be the advisor of the Nomination and Remuneration Committee.

❖ Good Corporate Governance Committee

The Good Corporate Governance Committee consists of 2 directors and 1 executive, as 3 members of the good corporate governance committee, to consider, set, review, revise the policy, manual, and good corporate governance practices, business ethics, employee ethics, and the Anti-Corruption Policy at least once a year, to consistent with international practice as well as consider, set, review, revise the policy, manual, and guidelines for the Corporate Social Responsibility: CSR to

propose to the Board of Directors for consideration and approval for compliance at all levels as well as ensuring that social responsibility policy is followed. The Good Corporate Governance Committee was appointed on 1 March 2021.

(11) Directors' Report

The Company's Board of Directors is responsible for the Company's financial statements prepared in accordance with the generally accepted accounting standards, and responsible for ensuring the adequate disclosure of significant information in the notes to financial statements. The Board of Directors appointed the Audit Committee, consisting of independent directors, to oversee the quality of the Company's financial reports as well as the internal control system. The Audit Committee's opinion toward such reports and the internal control will be disclosed in the Annual Report's "Report of the Audit Committee" section. Report on the Board of Directors' Responsibilities for Financial Statements is to be proposed to the Board of Directors meeting and disclosed in the Annual Report as well.

The Board of Directors set a policy for every director to submit an annual interest report and every time there is a change of status of interest. As well as preparing a certificate of independence every year And assigned the company secretary to present a copy of the said report to the chairman of the board And the chairman of the audit committee.

(12) Succession Plan

To prevent the potential detrimental impact on the Company's business operation, the Board of Directors has approved the policy on the nomination of Chief Executive Officer and the policy on succession of executive positions in case of emergency or retirement.

(13) Remunerations for Directors and Management

The Remuneration and Nomination Committee proposes directors' remuneration and bonus to the Board of Directors Meeting to later propose to the Annual General Meeting of Shareholders for approval including to propose the remuneration of Chairman of Executive Committee and Chief Executive Officer for approval by the Board of Directors Meeting. The remunerations was passed the resolution of the committee in term of appropriateness in comparison with other listed companies. The Company's remunerations for directors are in a form of monthly payment, meeting attendance fee and bonus. The management's remuneration will be in accordance with the principle and policy as set by the Board of Directors and in relation to the company's operating performance and corresponding to their responsibilities.

Policy for Remuneration of Directors/ Chief Executive Officer / Executives

The Board of Directors has assigned the Nomination and Remuneration Committee (NRC), in which exclude the executive directors, acting in determining, considering and monitoring the remuneration structure of The Board of Directors, Chief Executive Officer, and Executives. In addition, the NRC would monitor the assessment of performance in accordance with the specific criteria, to apply for the information in determining proper compensation for the short-term and long-term, including communicating the executives at all levels to acknowledge. In this regard, each step of process could be performed to the employees at all levels as well.

Guidelines

The Directors

The Board would assign the Nomination and Remuneration Committee to consider the remuneration of the Directors prudently and transparently, including the appropriateness in line with the Directors' duties and responsibilities, as well as comparing to other companies in the similar fields and in the same level. Additionally, the NRC would also consider the expansion of the business and the growth of the Company's profit which should be sufficient to attract and retain valuable and qualified Directors. The remuneration would be presented to the Board of Directors for approval and further propose to the Shareholders Meeting for approval.

The remuneration paid to non-executive directors only and the Chairman is authorized to consider the allocation of bonus to the directors as appropriate if there is any remaining from above.

Chief Executive Officer

The remuneration of Chief Executive Officer would be determined each year through the annual budgeting process according to the principles and the policies that the NRC designated, which would be at the appropriate and motivated level, by considering the duties, responsibilities along with the performance of the CEO, as well as the profit growth in the past year and the overall economic situation of the Company. These were in accordance with the strategic objectives and main goals of the organization, consistent with the long-term business interests, including being comparable to other listed companies in the same industries. The NRC would propose to the Board of Directors for approval and the management for further proceeding.

Executives

Remuneration of the Executives are determined annually through the annual budgeting process by the Executive Committee, in accordance with the principles and policies of the Nomination and Remuneration Committee designated, in line with the CEO of the Company.

(14) Directors and Management Development

The Board of Directors prioritize to participation in training courses that are beneficial to the performance of Directors. The Company promotes and supports the training of directors in the courses organized by Thai Institute of Directors Association (IOD) as at 31 December 2020, details are as follows:

No.	List of Directors	Position	Training Course from Thai Institute of Directors Association (IOD)
1.	POL.GEN. Chidchai Vanasatidya, Ph.D.	Independent Director / Chairman of the Board of Directors	<ul style="list-style-type: none"> Director Accreditation Program (DAP), Class 75/2008 Capital Market Academy (CMA) Class 10/2010
2.	Miss Pranee Ratakam	Independent Director	Director Accreditation Program (DAP) class 79/2009
3.	Miss Benjawan Sinkunakorn	Independent Director	<ul style="list-style-type: none"> Director Certification Program (DCP) 2006 Director Accreditation Program (DAP) 2004
4.	Dr. Shaoquan Lin	Director	-
5.	Mr. Zhe Li	Director	-
6.	Mr. Yulong Li	Director	-
7.	Mr. Kam Siriphatras	Director	Director Accreditation Program (DAP) class 156/2019
8.	Mr. Wiboon Sangwithayanon	Director	Director Accreditation Program (DAP) class 120/2015

Development and Training of Directors in 2020

List of Directors	Position	Training Courses
Mr.Wiboon Sangwithayanon	Director / Chief Executive Officer	<ul style="list-style-type: none"> Advance Business Negotiation, OMEGAWORLDCLASS Research Institute Management development

(15) Board of Directors Meeting

The Board of Directors determines meeting schedules for the Board of Directors and other subcommittees in advance annually. Meetings of the Board of Directors and the Audit Committee must be held at least once per 3 months. Special meetings may be convened as deemed necessary. The Chairman of the Board of Directors shall manage the performance of duties of directors, and shall provide a summary of the meeting agenda to directors for consideration. Each director shall be allowed and encouraged to express opinions freely and meeting time shall be allocated appropriately and efficiently. In the case of any director having a conflict of interest in the matter being considered, the Chairman of the Meeting shall inform the Meeting and the director having a conflict of interest shall leave the meeting.

In 2020 the Corporate Governance Policy set forth that in accordance with the corporate governance principles, in any Board of Directors meeting, the presence of not less than two thirds of the total number of the Board members is required to constitute a quorum for voting each agenda. The Corporate Secretary shall be responsible for providing supporting in preparing meeting agenda, notification to the meeting, and supporting documents and submitting them to the directors at least 7 days in advance prior to the meeting date. The Corporate Secretary shall also oversee and arrange the meeting, keep the meeting documents, and provide advice in relation to the compliance of the Board of Directors with applicable laws, rules and regulations.

The Board of Directors encourages each director to attend at least 80% of all Board of Directors meetings held throughout the year. The meeting attendance details of directors and subcommittee members were disclosed in the topic of “Management Structure”.

Moreover, the Board of Directors set out the policy to arrange a meeting among all independent directors without any participation of the executive directors at least once per year starting from 2018 onwards. In 2020, one meeting among all independent directors was held in November. In November the Audit Committee held a joint meeting with the independent auditor without the presence of the Company's management.

(16) Company Secretary

Since 2015, the Board of Directors has appointed Mr. Wittaya Janta-ummao, Investor Relations, as Company Secretary to perform supporting duties to the Board of Directors Meeting such as agenda preparation, notice of the meeting, meeting arrangement, meeting documents filing and also give her advices to directors so that they can perform their duties in compliance with relevant laws and regulations.

8.2 Committees

The management structure of the Company consisted of the Board of Directors and 3 committees such as Audit Committee Executive Committee and Nomination and Remuneration Committee which were define the authority and responsibilities of committees in Charter of Board of Directors, Charter of Audit Committee, Charter of Executive Committee and Charter of Nomination and Remuneration Committee which were approved by the Board of Directors' meeting No.8/2015 on August 11, 2015 and shall became effective on August 11, 2015 onwards.

1) Board of Directors

As at 31 December 2020 the Board of Directors consisted of 8 directors as follows.

No.	List of Directors	Position	Note
1.	POL.GEN. Chidchai Vanasatidya, Ph.D.	Independent Director / Chairman of the Board of Directors	Appointed on 27 Oct 2020
2.	Miss Pranee Ratakam	Independent Director	-
3.	Miss Benjawan Sinkunakorn	Independent Director	Appointed on 11 May 2020
4.	Dr. Shaoquan Lin	Director	Appointed on 27 Nov 2020
5.	Mr. Zhe Li	Director	Appointed on 27 Nov 2020
6.	Mr. Yulong Li	Director	Appointed on 27 Oct 2020
7.	Mr. Karn Siriphatras	Director	-
8.	Mr. Wiboon Sangwithayanon	Director	-
9.	Mr.Tatchapong Thamputhipong	Independent Director	Term expired on 11 May 2020
10.	Mr.Vichien Tangudtaisuk	Director	Resigned on 25 Oct 2020
11.	Mr.Theera Phetmalaigul	Independent Director	Resigned on 25 Oct 2020
12.	Dr. Vichit Yamboonruang	Chairman of the Board of Directors	Resigned on 25 Nov 2020
13.	Mrs. Orawan Lekrungruangkit	Director	Resigned on 27 Nov 2020

According to the articles of association section 2 Board of Directors, article 6 stated that the Board of Directors shall consist of not less than five (5) persons. At least one-half (1/2) of the directors must be residents of Thailand. The Board of Directors shall elect one (1) director as the Chairman of the Board of Directors. If deemed appropriate by the Board of Directors, one (1) or more directors may be elected as Vice-Chairmen, to have duties pursuant to these Articles of Association in the matters designated to them by the Chairman.

As at 31 December 2020, the Company had total of 8 directors which consists of 4 Executives Directors, 1 outside directors who are not employee of the Company and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Mr. Wittaya Janta-ummao, Company Secretary oversees the activities of the Board of Directors, minutes of meeting and documenting about the meeting.

Tenure

- (1) Directors must retire from office as one in three of all members in every Annual General Meeting. If the number of Directors cannot divide into three parts, directors shall retire nearest to one in three of all members. Directors who retired by rotation may be re-elected.
- (2) In cases where the position of director is vacant because of other reasons except expiration of the term and the remaining term not less than 2 months. The Board of Directors have to elect directors to replace the vacancies on the Board of Directors at the next meeting. The persons who are elected as such directors will remain in office only for the remaining term of directors they replace.
- (3) Directors must retire from office when.
 - A. The expiration of the term.
 - B. Resignation
 - C. Died
 - D. Disqualified or prohibited characteristics under the law or the Articles of Association. A manner that reflects the lack of suitable to get trust to manage business that the public is shareholder according to the Securities and Exchange Commission's notification.
 - E. The meeting of shareholders voted to out of position.
 - F. The court ordered to out of position.
- (4) Directors who resigned before the expiration of term, have to submit a letter of resignation to the company. The resignation is effective from the date of letter of resignation reach to the company and they can inform their resignation to the registrar according the law on public limited company.

Role of Chairman

- (1) Responsible for determines agenda, lead and control Board of Directors' meeting to run smoothly.
- (2) Create a reasonable relationship with the CEO and Company Secretary.
- (3) Encourages all directors to participate in the meeting and can show fully potential.
- (4) Create clarity on the scope of duties and responsibilities between Board of directors and the executives.
- (5) Determines framework and monitor the corporate governance policy.
- (6) Be a representative and build a reputation to organization.
- (7) Be the shareholders' representative to serve as a leader in the annual general meeting.

- (8) Participate in building process of strategy plan that effective in practice.
- (9) Responsibility to seek qualified directors to join as member of the Board and directors development.
- (10) Supervise the Board of Directors along with evaluation of performance, communicate for transmit the expectation to the Board of directors.
- (11) Create succession planning process and the evaluation of performance of Chief Executive Officer.

Duties and responsibilities

Duties and responsibilities of directors according to defined in the Articles of Association by acting as follows.

- (1) The authority in accordance with Public Limited Companies Act BE 2535 and any other laws that defined as duties of director or Board of Directors of public companies.
- (2) Perform their duties with responsibility, careful and honesty including they must comply with the law, objectives and articles of association that defined as well as compliance with resolutions of the shareholders' meeting.
- (3) Determine the main business policy, Monetary Policy, Funding policy, Capital Management and Risk management policy for the company implementation
- (4) Authorized to determine and change the name of directors who have authorized signatory of the company.
- (5) Corporate governance to meet or exceed the target set and determined a solution if there are obstacles in achieving that target.
- (6) Provide the general information reporting and financial statements to its shareholders and general stakeholders correctly, completely, transparency and in accordance with the law.
- (7) Acknowledge the important audit report and determine measures to improve if it finds significant deficiencies.

Meeting

- (1) The Board of Directors' meeting must have directors attend at least half of all member so it is a quorum.
- (2) Scheduled to meeting at least 4 times per year and there may be meeting for more special agenda as necessary.
- (3) Chairman of the Board of Directors or Company Secretary responsible for determine agendas.

- (4) Notice of the meeting must be sent at least seven (7) days before the meeting. In the event of an emergency or to protect the rights and interests of the company, the Board of Directors' meeting may be held by notify all directors by other means and can schedule date of meeting faster than it.
- (5) Meeting resolution of Board of Directors shall count a majority vote of directors who attending the meeting. A director has one vote in the voting. A Director who has interests in the matter, has no right to comment and vote on such matter. If the votes are equal, the chairman of the meeting shall have an additional casting vote, except the law has determined otherwise for the voting.

The Company has annually scheduled the Board of Directors' meetings in advance and notify the Board of Directors since the beginning of the year to plan the attendance.

2) Audit Committee

As at 31 December 2020 the Audit Committee consisted of 3 members as follows.

No.	List of Audit Committee	Position	Note
1.	POL.GEN. Chidchai Vanasatidya, Ph.D.	Chairman of the Audit Committee	Appointed on 27 Oct 2020
2.	Miss Pranee Ratakam	Audit Committee	-
3.	Miss Benjawan Sinkunakorn	Audit Committee	Appointed on 11 May 2020
4.	Mr. Tatchapong Thamputhipong	Audit Committee	Term expired on 11 May 2020
5.	Mr. Theera Phetmalaigul	Audit Committee	Resigned on 25 Oct 2020

Miss Pranee Ratakam and Miss Benjawan Sinkunakorn are 2 member of the Audit Committee who have sufficiently knowledgeable and experienced in the field of accounting able to conduct a review to assess financial statement credibility in accordance with the Security Act (No. 4) B.E. 2551 and Miss Chinanut Jariyarudeechai, Chief Financial Controller served as Secretary of Audit Committee who oversee the activities of Audit Committee, minutes of meeting and documenting about the meeting.

Tenure

Member of Audit Committee has term of office according to their tenure for director position and member of Audit Committee who retires by rotation may be re-appointed for another term. Addition to the retirement by expiration of term, a member of Audit Committee must retire from office when.

- (1) Dead
- (2) Resign

- (3) Disqualified to being a member of Audit Committee according to this charter or regulations of the Securities and Exchange Commission.
- (4) The Board of Directors approved to retire.

A member of Audit Committee who wish to resign, shall submit a letter of resignation to the Chairman of Board of Directors and Board of Directors is an approver in the event that the entire Audit Committee shall retire from office. The Audit Committee that retired from office must acting in position to continue operation until new Audit Committee will be commissioned.

In the case of member of audit committee becomes vacant because of other causes in addition to retirement by rotation, the Board of Directors have to appoint a person who qualified to be a member of audit committee instead within 90 days to make the Audit Committee has full member according to the Board of Directors defined.

Duties and Responsibilities

The Audit Committee has duties and responsibilities as follows.

- (1) Review the accuracy of Company's financial statements as it should be according to the general accepted accounting standards and adequate disclosure.
- (2) Review the Company's internal control and internal audit systems to be appropriate and effective.
- (3) Review the Company's compliance with the law on Securities and Stock Exchange, requirements of the Stock Exchange of Thailand and laws relating to the Company's business.
- (4) Consider and make a proposal in re-appointment, termination and remuneration of auditor of the Company.
- (5) Meeting with the auditor specifically at least 1 time per year to discuss on various matters that the Audit Committee or the auditor see that it should be discuss in private.
- (6) Review the independence of auditor and determine the receiving other services policy that is non-audit service from the same audit firm.
- (7) Review the corporate governance policy and make the proposal any changes to approve by the Board of Directors.
- (8) Review the related party transactions or transactions that may have conflicts of interest to comply with laws and regulations of the Stock Exchange of Thailand. This is to ensure that such transactions are reasonable and in the best interests of the Company.
- (9) Review the Company's risk management systems to be appropriate and effective.

- (10) Consider the independence of internal audit department as well as to approve, appoint, migrate, lay off and consider the performance, meritorious service of internal audit head. All of this may hire individuals or external firm to perform internal audit work by nominate and qualifications to the Audit Committee for approval at least once a year at the same time with an auditor nomination and practice as the Company conduct themselves tacitly.
- (11) Review and comment on internal audit plan, performance of internal audit department and coordinate with the auditor.
- (12) Prepare a report of the Audit Committee to disclose it in annual report of the Company that report must be signed by the Chairman of Audit Committee and must contain at least the following.
- Commenting on the accuracy, completeness and reliability of the financial statements of the Company.
 - Commenting on the adequacy of internal control system of the Company.
 - Commenting on the compliance with law on the Securities and Exchange, requirements of the Stock Exchange of Thailand or the laws relating to the Company's business.
 - Commenting on the suitability of an auditor.
 - Commenting on the transactions that may have conflicts of interest.
 - The number of Audit Committee's meetings and the attendance of each member.
 - Comments or overall observation that the Audit Committee received from the performance of duties under the Charter.
 - Other issues that shareholders and investors should be informed under the scope of duties and responsibilities as assigned by the Board of Directors.
- (13) Investigate suspicious circumstances that director, manager or persons who responsible for operation of the Company committed an offense under the Securities and Exchange Act (No. 4) BE 2551 which the auditor detected and reported and the Audit Committee shall reports the results of preliminary inspection to Board of Directors, the Securities and Exchange Commission and the auditor within 30 days from the date of notification by the auditor. The suspicious circumstances that have to inform and method to get facts about such circumstances shall be in accordance the notification of the Capital Market Commission defined.
- (14) In performing of Audit Committee's duties, if found or suspected that it have transaction or action as follows which may have a significant impact on the financial position and operating

results of the Company. The Audit Committee shall reports to Board of Directors for rectification within period that Audit Committee deem appropriate.

- Transaction was conflicts of interest.
- Fraud or irregularity or a significant deficiency in internal control system.
- Violation of the law on Securities and Exchange, requirements of the Stock Exchange of Thailand or the laws relating to the Company's business.

If the Board of Directors or Executive fails to make a rectification within period according to the first paragraph, one of member of Audit Committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- (15) Authorized to hire the consultant or outsider according to regulation of the Company to comment or consulting if needed.
- (16) Authorized to invite the Executive or any related person of the company to comment, attend meetings or provide relevant information.
- (17) Report the performance of Audit Committee to the Board of Directors acknowledge at least 4 times per year.
- (18) Evaluation of its own performance annually.
- (19) Review and evaluate on the adequacy of its charter and propose the change to the Board for approval.
- (20) Review the Company's internal control systems to be implements efficiently.
- (21) Review or audit as appropriate and report on the anti-corruption measures that the Board of Directors assigned to the Audit Committee to supervise the Company's anti-corruption policy.
- (22) Perform any other duties as assigned by the Board of Directors.

3) Executive Committee

As at 31 December 2020 the Executive Committee consisted of 7 members as follows.

No.	List of Executive Committee	Position	Note
1.	Mr.Wiboon Sangwithayanon	Chief Executive Officer	-
2.	Mrs. Sumalee Ongcharit	Executive Committee	Appointed on 27 Nov 2020
3.	Mr. Karn Siriphatras	Executive Committee	-
4.	Mr.Yulong Li	Executive Committee	Appointed on 27 Nov 2020
5.	Mr. Zhe Li	Executive Committee	Appointed on 27 Nov 2020

No.	List of Executive Committee	Position	Note
6.	Miss Rewadee Whanchid	Executive Committee	-
7.	Miss Chinanut Jariyarudeechai	Executive Committee	-
8.	Mrs. Orawan Lekrungrangkit	Executive Committee	Resigned on 27 Nov 2020
9.	Mr. Peerapon Thantranon	Executive Committee	Resigned on 27 Nov 2020

Composition and qualification

The Executive Committee must have at least 3 members consisting of Chief Executive Officer as a Chairman of Executive Committee by position and other persons who the Board of Directors appointed to be member of Executive Committee, are employees and/or outsider. This requires knowledge and experience sufficient to serve management of the Company's business as well.

Term in office

Member of Executive Committee retire from office when

- (1) Dead
- (2) Resign
- (3) The Board of Directors approved to retire.

Any member of Executive Committee would like to resign, shall submit a resignation letter to Chairman of the Board. In cases where position member of Executive Committee is vacant, the Board of Directors shall appoint a new member of Executive Committee within 90 days to make Executive Committee has fully members as the Board of Directors defined.

Executive authority

- (1) Appointment, removal, transferring, considering meritorious service as well as determine compensation and benefits for employees in various levels including other working group to perform various activities in management of the Company.
- (2) Approve the sales under normal transactions of the Company in the absence of guarantees or collateral or not protect or exceed credit limit by insurance in excess amount of Baht 20 million (total amount per client).
- (3) Approve raw materials purchasing to produce in all items which excess from authority of the management.
- (4) Approve the procurement and investment in fixed assets that beyond the budget, in the part excess of 500,000 Baht, not more than Baht 2 million per time, total not over Baht 5 million per year.

- (5) Approve the pretreatment, destroy, write off the fixed assets and intangible assets that depreciated, damaged, lost, destroyed or obsolete cannot be used which has total book value in excess amount of Baht 5 hundred thousand in each time.
- (6) Approve the reconditioning, destruction of raw materials and / or deteriorated inventory or obsolete, which would have book value decreased in excess amount of Baht 5 hundred thousand in each time.
- (7) Approve the compromise, dispute settlement by arbitration, grievances, litigation and / or the implementation of any judicial procedure on behalf of the Company for non-habitually of commercial with discount, in excess amount of Baht 5 hundred thousand in each time and / or habitually of commercial with discount, in excess amount of Baht 1 million in each time.
- (8) Authorized to perform in financial transaction with financial institution in account opening with bank, financial institution and request guarantee from bank, financial institution of not exceeding Baht 50 million.
- (9) Approve loans and guarantee to subsidiaries in the amount of not exceeding Baht 20 million per company.
- (10) The Executive Committee may authorize the executives or any person has the authority to perform in any or many matter according to the Executive Committee considered appropriate. The approval of executive committee and authorization must not the related transaction or transaction that may have conflict of interest or transaction that the members of Executive Committee are the stakeholders as defined in the Articles of Association and the announcement of the Capital Market Commission.
- (11) Hiring a consultant or independence person to provide comments or suggestions as needed.
- (12) Approve the investment in water management business and provide financial assistance in the amount not exceeding Baht 80 million in accordance with the investment policy of the Company.
- (13) Perform other duties according assigned from the Board of Directors in each period.

Duties and Responsibilities

- (1) Make recommendations on strategic direction, Management structure, Business plan and annual budget for the Board of Directors.
- (2) Responsible for management of the Company's business to comply with the direction, policy and goals of business.

- (3) Responsible for enhancing competitiveness of the Company and encourage to create innovation continuously.
- (4) Responsible for the operation of the Company to comply the law, objectives, articles of association, resolution of shareholders, resolution of Board of Directors as well as related regulations.
- (5) Ensuring the preparation of financial reports for the auditor to audit and / or review before propose to the Audit Committee and the Board of Directors respectively.
- (6) Consider and comment on the subject that must be approved by the Board of Directors. Except in any activities that the Board of Directors authorized to other committees to perform.
- (7) Consider and review the risk management and internal control systems of the Company.
- (8) Review and assess the adequacy of its charter and propose the change to the Board of Directors for approval.
- (9) Perform any other according to the Board of Directors assigned.

Authority of the Executive Committee and Chief Executive Officer

The Executive Committee and Chief Executive Officer have authority to approve various credit lines in accordance with the Limit of Authority as approved by the Board of Directors Meeting No. 3/2017 on May 11, 2017, which remains in force to this day.

4) **Nomination and Remuneration Committee**

As at 31 December 2020 the Nomination and Remuneration Committee consists of 3 members as follows.

No.	List of Nomination and Remuneration Committee	Position	Note
1.	POL.GEN. Chidchai Vanasatidya, Ph.D.	Chairman of the Nomination and Remuneration Committee	Appointed on 27 Oct 2020
2.	Miss Pranee Ratakam	Nomination and Remuneration Committee	-
3.	Miss Benjawan Sinkunakorn	Nomination and Remuneration Committee	Appointed on 11 May 2020
4.	Mr. Tatchapong Thamputhipong	Nomination and Remuneration Committee	Term expired on 11 May 2020
5.	Mr. Theera Phetmalaigul	Nomination and Remuneration Committee	Resigned on 25 Oct 2020

Objectives

The Nomination and Remuneration Committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors and sub-committees. Also, to recruit, select, and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and/or to the Shareholders' Meeting.

Composition of the Nomination and Remuneration Committee

- (1) The Nomination and Remuneration Committee is to be appointed by the Board of Directors company's committee and has to comprise of not less than three persons, being the Company's directors and/or executives by more than one-half of the total number of Nomination and Remuneration Committee's members must be independent directors.
- (2) The independent director shall be the Chairman of the Nomination and Remuneration Committee.

The office term

- (1) The Nomination and Remuneration Committee's member has the office term of three years.
- (2) The Nomination and Remuneration Committee's member may be re-appointed as the Board of Directors see as appropriate.
- (3) Apart from vacating upon the end of office term stated in Item (1), the Audit Committee's member will retire from the office upon the following conditions:
 - Resignation
 - Dismissal by the Board of Directors
- (4) The Board of Directors has power to appoint a new member of the Nomination and Remuneration Committee as to resume the operation and to substitute the member of the Nomination and Remuneration Committee who is out of office term according to Item (1) or Item (3) The substituted member can only be in the office within the remaining term of the member he/she replaced.

Duties and Responsibilities**Nomination**

- (1) Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
- (2) Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.
- (3) Executing other tasks related to nominations as assigned by the Board of Directors.
- (4) Evaluating the performance of the top management and reporting to the Board of Directors for their consent.

Remuneration

- (1) Preparing guidelines and policies in determining the Board of Directors and other sub-committees' remuneration, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.
- (2) Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
- (3) Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.
- (4) Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
- (5) Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors.

The management team and other units have to report or present the information relating to the Nomination and Remuneration Committee in order to support the operation of the Nomination and Remuneration Committee to achieve their assigned tasks.

Reporting

The Nomination and Remuneration Committee directly reports to the Board of Directors.

Meetings

- (1) The Nomination and Remuneration Committee holds a meeting when seen as appropriate (at least 1 time a year) and has power to call for an extra meeting if necessary. The Nomination and Remuneration Committee shall comprise of not less than one-half of the total existing members.
- (2) All the Nomination and Remuneration Committee's members shall attend every meeting unless he/she has any necessary matter. In this case, the member has to notify his absence in advance to the Chairman of the Nomination and Remuneration Committee.
- (3) The Chairman of the Nomination and Remuneration Committee shall be the chairman of the meeting. In case where the Chairman of the Nomination and Remuneration Committee is

absent, other Nomination and Remuneration Committee's members attending the meeting can select one member to be a substitute chairman of the meeting.

- (4) The resolution of the Nomination and Remuneration Committee can be made by majority vote. Any member of the Nomination and Remuneration Committee, who has any interest or benefit in the related topic shall not vote in that particular topic.
- (5) The meeting invitation letter shall be issued to the Nomination and Remuneration Committee in advance prior to the meeting date held. This excludes the emergency case, where the dates of the meeting will be informed by other methods or the meeting shall be scheduled earlier. The Company Secretary shall take the minutes of the meeting.
- (6) The Nomination and Remuneration Committee can invite any related personnel to attend the meeting in order to provide relevant information to the Nomination and Remuneration Committee.

5) Good Corporate Governance Committee

As of 1 March 2021, the Corporate Governance Committee consists of 3 members as follows:

No.	List of Good Corporate Governance Committee	Position	Note
1.	Mr.Wiboon Sangwithayanon	Chairman of the Good Corporate Governance Committee	-
2.	Mr. Karn Siriphatras	Good Corporate Governance Committee	-
3.	Miss Chinanut Jariyarudeechai	Good Corporate Governance Committee	-

Objectives

The good Corporate Governance Committee has a role in defining and reviewing the corporate governance principles to be a guideline in business operations and a guideline for management and employees for the confidence of shareholders, investors, including all stakeholders as well as communicating to relevant persons both inside and outside the organization to know the practices that are the standards of good corporate governance.

The Good Corporate Governance Committee is responsible for monitoring the operation and the performance of Management and employees to comply with the principles of good corporate governance with international standards and guidelines for good corporate governance.

Composition and tenure of office

The Good Corporate Governance Committee consists of directors or independent directors and the suitable management of the Company at least 3 persons. The Chairman must be a director or

independent director of the Company. The Good Corporate Governance Committee can appoint 1 company officer to act as secretary of the Corporate Governance Committee.

The member of the good corporate governance committee who retires by rotation can be re-appointed again. If any member vacates office before the expiration of the tenure. It shall elect a replacement director within 90 days from the date of the vacancy. The new member has a tenure of office equal to the remaining time of the member who was replaced.

The member of the good corporate governance committee may retire when:

- 1) Die
- 2) Resign
- 3) Board of Directors approved to vacate office

Duties and responsibilities

- 1) Consider, set, review, revise the policy, manual, and good corporate governance practices, business ethics, employee ethics, and the Anti-Corruption Policy at least once a year, to consistent with international practice as well as suggesting good corporate governance criteria propose to the Board of Directors for consideration and approval for compliance at all levels.
- 2) Consider, set, review, revise the policy, manual, and guidelines for the Corporate Social Responsibility: CSR to propose to the Board of Directors for consideration and approval for compliance at all levels as well as ensuring that social responsibility policy is followed.
- 3) Advise the Board of Directors concerning good corporate governance.
- 4) Promote and supervise the Company's operations and performance of the Board, Management, and employees following the policy of good corporate governance.
- 5) Designate the person responsible for the supervision of the organization's operations following the law, regulations, policy, and procedures defined.
- 6) Perform any other tasks assigned by the Board of Directors and/or the shareholders' meeting.
- 7) Report the performance and results of the meetings of the Corporate Governance Committee to the Board of Directors for acknowledgment or approval.
- 8) Review and revise the charter of the good corporate governance committee and propose to the Board of Directors for approval.

Meetings of the Good Corporate Governance Committee

- 1) The good corporate governance committee must hold a meeting at least once a year.
- 2) At each meeting, a quorum must have members attending the meeting not less than half of the total number of members.

- 3) If any member of the Corporate Governance Committee has a stake in any matter considered, they must refrain from comment and vote on that matter.
- 4) The decision of the meeting will use the majority vote. If the votes are equal, the chairman of the meeting shall have an additional vote as a casting vote. In voting, the number of members must be at least two-thirds of the total number of members.
- 5) The Secretary of the Corporate Governance Committee sends the meeting invitation letter by email to the good corporate governance committee at least 7 days before the meeting date. The minutes of the meeting are taken and prepared within 14 days. The Secretary keeps the minutes of the meeting and support and follow up for the Good Corporate Governance Committee to perform duties under the law, rules as well as to coordinate with relevant persons.

8.3 Nomination and appointment of Directors and Executives

The Nomination and Remuneration Committee served for nominating candidates to replace Directors and Executives in the case of completed their terms resign or other. In order to comply with the corporate governance guidelines of the Stock Exchange of Thailand and Articles of Association, the Board of Directors and executives of the Company must be fully qualified by the Public Companies Act BE 2535 and the Securities and Exchange Act BE 2535.

The Nomination and Remuneration Committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors and sub-committees. Also, to recruit, select, and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and/or to the Shareholders' Meeting.

The Charter of the Nomination and Remuneration Committee was approved by the Board of Directors Meeting No. 1/2016 on February 29, 2016 and become effective on February 29, 2016 onwards.

1) Criteria of Independent Director Selection

Process of Independent Director Nomination

The Remuneration and Nomination Committee shall preliminary consider suitable persons whose qualifications are in accordance with the regulations of the Securities Exchange Commission and the Stock Exchange of Thailand. Also, the candidates shall have useful knowledge and capability that are useful for the Company. The suitable candidates will be proposed to the Board of Directors

and the Shareholders' Meeting for approval, respectively. (Only the increase of the number of directors and the appointment of directors in replacement of directors retiring by rotation shall be approved by the Shareholders' Meeting.)

Qualification of Independent Directors

- (1) Shareholding does not exceed one percent of total shares with voting rights of the Company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest which includes the related party's shareholding of such independent directors.
- (2) Never or ever was a director who participate in administration, employees, staff, consultants who receive a regular salary or the controlling person of the Company, parent companies, subsidiaries, affiliates or the same level subsidiary or juristic person that may have conflict of interest unless they are clear from the foregoing relationship not less than two years before apply for permission to the SEC.
- (3) They are not persons who have blood ties or by legal registration in manner that is father, mother, spouse, sibling and child, including spouse of a child of the executives, major shareholders, control authority or persons who will be nominated as executive or controlling person of the Company or its subsidiaries.
- (4) Never or ever had business relationship with the company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest in a way that may obstruct their independent judgment. Including never or ever was major shareholder, director who was not independent director or executive of the business relationship of the company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest unless they are clear from the foregoing relationship not less than two years before they was appointed as an independent director.
- (5) Never or ever was the auditor of company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest and never was major shareholder, director who was not independent director, executive or managing partner of audit firm which has an auditor belong to the parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest unless they are clear from the foregoing relationship not less than two years before they was appointed as an independent director.
- (6) Never or ever was any professional service provider which includes serving as legal advisor or financial advisor who receives service fees more than two million baht per year from the company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest. In the case that professional service provider is juristic person, provided include

major shareholder, director who was not independent director, executive or managing partner of such professional service provider unless they are clear from the foregoing relationship not less than two years before they was appointed as an independent director.

- (7) Not a director who has been appointed as a representative of Board of Directors, major shareholders or shareholders who are related to the Company's major shareholders.
- (8) Do not operate the same nature business and compete with the Company or its subsidiaries or not a partners in partnership or directors who participate in management, employee, staff, consultant who receive regular salary or holding more than one percent of the shares with voting rights of other company that operate the same nature business and compete with the Company or its subsidiaries.
- (9) No other characteristics that make they can not to give an opinion independently on the company's operation.
- (10) Independent directors have a continuous term of not more than 9 years from the date of the first appointment as an independent director. If an independent director is to be appointed to continue its position, the Board should reasonably consider the said necessity.

If the Securities and Exchange Commission announced changes to qualifications of independent directors, independent directors of the company must qualify as change announced in all respects.

2) Director and Top Executive Selection

Nomination of Directors and Executives

The Nomination and Remuneration Committee that members who are stakeholders did not participate in consideration, was nominated to select qualified persons to replace any directors or executives who had either completed their term or resigned, etc. To comply with both WIIC Public Co.,Ltd.'s own good corporate governance practices and regulations as well as those of the Stock Exchange of Thailand, the Company's Board of Directors and Executives have to meet all qualifications as qualified as per the Public Company Limited Act B.E. 2535 and the Securities and Exchange Act B.E. 2535 and proposed to the Board of Directors for approval. Moreover, the Company had invited Shareholders to propose qualified candidates to be appointed as directors in advance for the Annual General Meeting of Shareholders 2017 via the Company's website which appears that there was no proposed candidate of directors from the shareholders. The Company's criteria for the appointment of the Board of Directors are as follows:

- (1) At the shareholders' meeting, at least 5 (five) directors are appointed. Of these, more than half must reside in the Kingdom of Thailand.
- (2) The selection of directors must be carried out at the shareholders' meeting.
- (3) Each shareholder shall have 1(one) vote for each share in respect of which he, she or it is the registered holder.
- (4) A shareholder or proxy may vote only for as many persons as vacancies on the Board of Directors are to be filled. A shareholder or proxy may not cast more than 1(one) vote for any person in respect of each share that the shareholder holds or proxy represents and may not allot his or her votes to any person in any number.
- (5) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the remaining appointments shall be made by drawing lots.
- (6) In every annual ordinary meeting, one-third of the total number of directors will complete their term. If the number of directors is not divisible by one-third, the closest number is acceptable. A drawing process is used to determine who will end their term in the first and the second year after the registration of the company. For the following year, directors who have served the longest period will resign. The resigning directors could be selected again and could therefore return to their positions as director.
- (7) The candidates' knowledge, capability, experience and specializations that would contribute to the Company's operational efficiency.
- (8) The candidates' qualifications shall support good corporate governance practices, such as ethics, independence, assertiveness, creativity, careful and integrity as well as ability to dedicate their time for the Company.

In other cases, any vacancy occurring in the Board of Directors otherwise than by completion of a vacating director's term of office shall be filled by resolution of the Board of Directors, unless the remaining period of the vacating director's term of office is less than 2 (two) months. The resolution of the Board of Directors to such effect shall be adopted by the affirmative votes of at least $\frac{3}{4}$ (three – fourths) of the remaining directors. However, in the event that the number of vacancies in the Board of Directors is such that the number of remaining directors does not constitute a quorum, the remaining directors may act on behalf of the Board of Directors only to summon a General Meeting solely for the purpose of electing replacement directors. The said General Meeting must be held within 1 (one)

month from the date on which the number of vacancies resulted in the number of remaining directors being less than a quorum. In all cases under this Article, any person appointed or elected as a replacement director shall retain his or her office during such time only as the vacating director was entitled to retain same.

Top Executive Selection

The top executive selection shall be undertaken by the Remuneration and Nomination Committee to select candidates having suitable qualification, experience of working to be further proposed to the Board of Directors for approval. The policy and criteria for selection of the top executives including succession plan for emergency case or retirement are set forth to avoid any impact to the Company's business as follows:

The Board of Directors approved to set up the succession plan for Chief Executive Officer position and Vice President positions as well as experience transfer to their potential subordinates to work in their replacement for emergency case or retirement. - The basic qualifications of Chief Executive Officer are as follows:

- The education should be not lower than a master degree in engineering field or business administration or other related fields. In case of being educated in lower degree, it is subject to the discretion of the Remuneration and Nomination Committee on his other qualifications.
- Having experience not less than 10 years in the top executive position management
- Having leadership character with wide vision
- Be capable in strategic planning and organizational management
- Having cautious decision making and problem solving with recognition of highest benefit of the Company

8.4 Supervision of Subsidiary and Affiliated Companies

The Company set up mechanism to supervise and oversee the operations of its subsidiary and affiliated companies as follows:

- (1) The Company sends representatives of the Company to serve as directors, executives, or authorized persons in such companies according to the ratio of shareholding which was approved by the meeting of the Board of Directors.
- (2) The Company has a policy to appoint the audits of the Company to serve as the audits of subsidiary and affiliated companies to regulate and ensure accuracy and completeness in

the disclosure of financial status information and operation results, transactions between subsidiary companies and related persons, acquisition and disposal of assets or other important transactions, using the same criteria for disclosure of information and preparation of transaction used by the Company.

8.5 Control on the use of inside information

The Company controls on the use of inside information by the Code of Conduct for Directors, Management and Employees of WIIC Public Company Limited which was approved by the Board of Directors Meeting No. 1/2016 on February 29, 2016 and it shall become effective from February 29, 2016 onwards.

The Company considered that Directors, management and employees will be responsible for keeping the confidential information of the Company strictly. Especially inside information that has not been disclosed to the public and impact on the business or securities price. Directors, Management including those related (Spouses and underage children of Directors and Managements) Employees will not take the opportunity of being a Director, Managements or Employees in the pursuit of personal gain and in business operation that compete or relate to the Company as well as will not take the inside information to their advantage in trading of the Company's securities and do not disclose confidential information to the competitors of the company's business, although they was terminated from Director, Managements or Employees already. The Company has process to control on the use of inside information for their own benefit or the others as follows.

- (1) Set for notification of Directors and Managements to understand the duty on reporting of securities holding of their own spouses and underage children as well as report of change in holdings in accordance with section 59 and Penalty provisions under section 275 of the Securities and Exchange Act BE 2535.
- (2) Limit acknowledgment of inside information only Director, Managements, Employees or insiders were involved as necessary and set the authority for the personnel authorized to disclose information of the Company clearly.
- (3) Send circular letter to notify suspend period for trading / transfer of the Company's securities (Backout Period) and prohibit to disclose inside information financial statements during the 1 month period before the public disclosure and within 24 hours after the disclosure of such information already, to Directors, Management including those related (Spouses and underage children of Directors and Managements) and management team for the compliance requirements in such period.

- (4) Set for Directors, Management including those related (Spouses and underage children of Directors and Managements) to inform about trading shares of the Company at least 1 day before trading to the Board of Directors or the assignment.
- (5) Set the regulations for security of computer system and information of the Company stringently.

The Company also impose penalties in case of breach on the use of inside information for their own benefit with penalties ranging from a verbal warning to leaving their job.

8.6 Auditor Fee

Articles of Association stated that the Annual General Meeting of Shareholders shall appoint the Auditor and determine audit fee of the Company every year. The appointment of auditor can appoint existing auditor again. The auditor must not be a director, staff, employee or person who holding any position in the Company.

The Annual General Meeting of Shareholders 2020 on 11 May 2020 appointed Mr.Khitsada Lerdwana C.P.A. Registration No. 4958 or Mr.Termphong Opanaphan C.P.A. Registration No. 4501 or Ms. Sumalee Reewarabandith C.P.A. Registration No. 3970 of EY office Company Limited as the auditor of the Company with auditor fee not exceeding 1,420,000 Baht for the year ended 31 December 2020 including authorized the Board of Directors to approve the audit fee that may occur during the year.

EY office Company Limited was an auditor of the Company since 2009 - 2020, total of 12 years and the auditor of its subsidiaries is the same office of the Company's Auditor. Details of audit fee as follows.

(1) Audit fee

Audit fee (Baht)	2020	2019	2018	2017	2016
Annual audit	900,000	865,000	820,000	780,000	700,000
Review of quarterly financial statements (3 quarter)	420,000	420,000	390,000	360,000	345,000
Review of annual report	100,000	100,000	100,000	100,000	-
Audit fee of Wiik Water Co., Ltd.	800,000	680,000	615,000	580,000	465,000
Audit fee of Wiik PT Co., Ltd.	350,000	250,000	-	-	-
Total	2,570,000	2,315,000	1,925,000	1,820,000	1,510,000

(2) Non-audit fee

In 2020 the Company and its subsidiaries paid non-audit fee which includes the Auditor's travel expenses, document fees, and special overtime fees for auditors, a total of 41,375.00 Baht.

9. Information of Directors, Executives, Controlling Persons, and Company secretary

(1) Background of Directors, Executives, Controlling Persons, and Company secretary

Qualification list of Directors, Executives, Controlling Persons, and Company secretary as at 31 December 2020.

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
1. Pol.Gen. Chidchai Vanasatidya, Ph.D. Independent Director / Chairman of the Board of Directors / Chairman of the Audit Committee Appointed on 27 Oct 2020	75	<ul style="list-style-type: none"> Bachelor of Public Administration (Police Science) Royal Police Academy, Thailand Master Degree in Police Management, Eastern Kentucky University U.S.A. Ph.D. (Justice Administration) University of Louisville, Kentucky, U.S.A. Diploma, National Defense College, The Joint State-private Sector Course (Class 1), National Defense College of Thailand Director Accreditation Program (DAP), Class 75/2008 Thai Institute of Directors Association (IOD) Capital Market Academy (CMA) Class 10/2010 Thai-Chinese Leadership Studies Class 2/2019, Huachiew Chalermprakiet University 	0.18% (1,055,100 shares)	None	Oct 2020 – present	Independent Director / Chairman of the Audit Committee / Chairman of the Board of Directors	WIIC PLC
					Present	Independent Director	Merchant Partners Securities PLC
					Present	Director	Merchant Partners Asset Management Ltd
					Present	Director	Merchant Partners Ltd
					Present	Chairman of the Board of Directors	Erawan Sugar Co., Ltd.
2. Miss Pranee Ratakam Independent Director / Audit Committee Appointed on 21 Apr 2016	57	<ul style="list-style-type: none"> Master of Business Administration (Exec.), Chulalongkorn University Certified Public Accountant (CPA) Bachelor of Accounting, Chulalongkorn 	None	None	Oct 2020 – present	Independent Director / Audit Committee	WIIC PLC
					Apr 2016 – Oct 2020	Independent Director / Chairman of the Audit Committee	WIIC PLC
					2010 – present	Independent Director / Audit Committee	Aqua Corporation PLC

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
		University • Director Accreditation Program (DAP) class 79/2009			2003 – present	Senior Vice President	Krungthai Card PLC
3. Miss Benjawan Sinkunakorn Independent Director / Audit Committee Appointed on 11 May 2020	63	<ul style="list-style-type: none"> • MBA, Thammasat University • Bachelor of Law, Thammasat University • Bachelor of Accounting, Thammasat University • Bachelor of Art, Beijing Language and Culture University • Certified Public Accountant (CPA) • Director Certification Program (DCP) 2006 • Director Accreditation Program (DAP) 2004 	None	None	May 2020 – Present 2015-Present 2008-Present 2004-Present 1998-Present	Independent Director / Audit Committee Audit Committee Audit Committee Audit Committee Associate	WIIC PLC Wealth Magik Mutual Fund Brokerage Co., Ltd. Multibax PLC Syntec Construction PLC Prospect Consulting Co., Ltd.
4. Dr. Shaoquan Lin Director Appointed on 27 November 2020	46	• Doctorate degree in polymer chemical and physics, Sun Yat-sen University, People's Republic of China	None	None	Nov 2020 – Present Present Jan 2013 – Present Jan 2010 – Present	Director Vice president and Executive Director President Executive Director	WIIC PLC China Lesso Group Holdings Ltd Lesso America Incorporation China Lesso Group Co., Ltd
5. Mr. Zhe Li Director / Executive Committee (Authorized signatory) Appointed on 27 November 2020	39	<ul style="list-style-type: none"> • Bachelor of Accountancy, Zhongnan University of Economics and Law, China • Semi-senior Accountant Certification 	None	None	Nov 2020 – Present Oct 2012 – Present Jul 2005 – Oct 2012	Director / Executive Committee Director of Financial department Financial Manager of Indonesia & Vietnam	WIIC PLC China Lesso Group Co., Ltd Midea Group Co., Ltd
6. Mr.Yulong Li Director / Executive Committee (Authorized signatory) Appointed on 27 October 2020	34	• Bachelor of Communication Engineering, Northeast Dianli University	None	None	Oct 2020 – Present Sep 2019 – Present Aug 2014 – Sep 2019	Director / Executive Committee Deputy General Manager Thailand Business Development Manager	WIIC PLC Samanea Bangna Ltd China Lesso Group Holdings Ltd

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
7. Mr. Kam Siriphatras Director / Executive Committee (Authorized signatory) Appointed on 10 Aug 2018	53	<ul style="list-style-type: none"> Western Michigan University, Kalamazoo, Michigan, Bachelor of Science (IE) major in Industrial Engineering King Monkut Institute of Technology, Bangkok, Thailand Vocational Certificate in Apprentice Auto Mechanic Director Accreditation Program (DAP) class 156/2019 	None	None	Jan 2019 – present Aug 2018 - present Feb 2016 – present Oct 2014 – Feb 2016 Apr 2007 – Oct 2014	Director / Managing Director Director / Executive Committee Director / Managing Director Managing Director Managing Director	Wiik PT Co.,Ltd. WIIC PLC Wiik Water Co.,Ltd. Clear Water Solutions Co., Ltd. PPS Energy and Marine Co., Ltd.
8. Mr. Wiboon Sangwithayanon Director / Chief Executive Officer (Authorized signatory) Appointed on 3 Jun 2015	56	<ul style="list-style-type: none"> Master of Business Administration (MBA), Major in Marketing Management, National Institute of Development Administration Bachelor of Engineering (BE), Major in Civil Engineering, Chulalongkorn University Director Accreditation Program (DAP) class 120/2015 	0.04% (210,000 shares)	None	Jan 2019 – present Jun 2015 – present Jun 2015 – present 2012 – May 2015 2007 – 2012 2005 – 2007 2002 – 2005 1989 – 2002	Director Chief Executive Officer Director Vice President – Sales & Marketing Business Development Manager / Project Manager Managing Director Business Development Manager Marketing Manager	Wiik PT Co., Ltd. WIIC PLC Wiik Water Co., Ltd. WIIC PLC Vi-Va Limited Partnership Phetsiam PE Pipe Co., Ltd. Matech International Limited Partnership WIIC PLC
9. Mrs. Sumalee Ongcharit Executive Committee Appointed on 27 November 2020	58	<ul style="list-style-type: none"> Master's Degree in Business Administration (Finance), Thammasat University Bachelor in Marketing Ramkhamhaeng University Bachelor of Science (Biotechnology) Kasetsart University Director Accreditation Program (DAP) 	14.13% (81,565,850 shares)	None	Nov 2020 – present Nov 2020 - Present Present Present Present 2012 - 2020	Executive Committee Director / Executive Committee Director Director Director Vice President	WIIC PLC Wiik Water Co., Ltd. Capital Alliance Co., Ltd. Seashell Siam Co., Ltd. Keeree Tara Co., Ltd. Lifeprep Foundation

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
10. Miss Rewadee Whanchid Executive Committee Appointed on 11 Aug 2015	52	<ul style="list-style-type: none"> Master of Business Administration, Kasetsart University Bachelor of Business Administration, Ramkhamhaeng University Director Accreditation Program (DAP) class 79/2009 	None	None	Jan 2019 – present Feb 2015 – present Feb 2015 – Aug 2019 Feb 2015 – present 2014- present 2012- present 2008- present 1994- present	Director Executive Committee Director Director Director Director Director Assistant Managing Director	Wiik PT Co.,Ltd. WIIC PLC WIIC PLC Wiik Water Co.,Ltd. Thai Consumer Distribution Centre Co., Ltd. Mantra Assets Co., Ltd. Aqua Ad PLC Aqua Corporation PLC
11. Miss Chinanut Jariyarudeechai Executive Committee / Chief financial controller/ Secretary of the Audit Committee Appointed on 12 May 2015	43	<ul style="list-style-type: none"> Bachelor of Accounting , Chiangmai University 	None	None	May 2015 – present Dec 2014 – Apr 2015 2011-2014	Executive Committee / Chief financial controller Accounting Manager Accounting Manager	WIIC PLC WIIC PLC Real Move Co., Ltd.
12. Mr. Peerapon Thantranon Domestic Sales Manager	53	<ul style="list-style-type: none"> St. Joan Of Arc Commercial School 	None	None	Jul 2015 – present Mar 2013 – Jun 2015 Jan 2008 – Sep 2009 Jan 2006 – Jan 2007 Sep 1993 – Jan 2006	Domestic Sales Manager Assistant Sales Manager Sales & Marketing Executive Assistant Sales Manager Senior Executive Officer	WIIC PLC WIIC PLC Texcom Export Co.,Ltd. Phetsiam PE Pipe Co.,Ltd. WIIC PLC
13. Mrs. Sasiwimon Wirojchewan Administrative & Procurement Manager	54	<ul style="list-style-type: none"> Master of arts in Economic Law, Faculty of Law, Chulalongkorn University Bachelor of Science in Social Psychology, Faculty of Education, Ramkhamhaeng university 	None	None	2005 - present	Administrative & Procurement Manager	WIIC PLC
14. Miss Jarunee Anansuksakun Technical & Product Manager	47	<ul style="list-style-type: none"> Master of Business Administration National Institute of Development Administration 	None	None	2000- present	Technical & Product Manager	WIIC PLC

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
		<ul style="list-style-type: none"> ● Bachelor of Environmental Engineering, Chulalongkorn University 					
15. Mr. Arom Petchmanee Factory Manager	56	<ul style="list-style-type: none"> ● Doctor of Business Administration (DBA) Western University ● Master of Business Administration (MBA) Burapha University ● Master of Business Economics (MBE) Kasetsart University ● Bachelor of Laws (LL.B.) Ramkhamhaeng University ● Bachelor of Industrial Technology in Electrical Engineering (Electrical Power) Srinakharinwirot University ● Bachelor of Science in Industrial Technology (Electronics) Rajabhat Institute Chachoengsao ● Bachelor of Science in Industrial Technology (Production) Petchburiwittayalongkorn Teachers College. (under the Royal Patronage) 	None	None	2007 – present	Factory Manager	WIIC PLC
16. Mr. Krisnat Busapavani Export Sales Manager	50	<ul style="list-style-type: none"> ● Master of Business Administration: International Management Emphasis, Bellevue University, USA. ● Bachelor of Business Administration, Bangkok University 	None	None	2010 - present	Export Sales Manager	WIIC PLC

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
17. Miss Parichart Wongwiwat Business Development Manager	51	<ul style="list-style-type: none"> Bachelor of Business Administration, General Administration, Ramkhamhaeng university Master of Public Administration, Public and Private Management, National Institute of Development Administration 	None	None	Jun 2015 – present May 2010- May 2015 Oct 1998 – Feb 2010	Business Development Manager Assistant Managing Director Assistant Manager of Sales and Marketing	WIIC PLC Thai Gow Gai Group Co., Ltd. WIIC PLC
18. Mr. Panao Intraphan Project Manager	58	<ul style="list-style-type: none"> Bachelor of Architecture, University of San Carlos, Talamban Campus, Cebu City, Philippines Survey & Land Development Training Course, University of the Visayas, Cebu City, Philippines 	None	None	May 2017 – present 2008 – 2017 2004 – 2008 1997 - 2004	Project Manager Project Manager Project Executive Project Supervisor	WIIC PLC Wiik Water Co., Ltd. WH Pipe (Thailand) Co., Ltd. WH Pipe (Thailand) Co., Ltd.
19. Mrs. Aphitchaya Hemtanon Accounting Manager Appointed on 1 January 2020	38	<ul style="list-style-type: none"> Master in Finance and Banking, Ramkhamhaeng University Bachelor of Accounting, Ramkhamhaeng University 	None	None	Jan 2020 - Present Mar 2016 - 2019 May 2015 - Feb 2016 2012 - Apr 2015	Accounting Manager Assistant Account Manager Head of General Accounting Account specialist	WIIC PLC WIIC PLC WIIC PLC Real Move Co., Ltd.
20. Mr. Wittaya Janta-ummao Company Secretary Appointed on 12 May 2015	36	<ul style="list-style-type: none"> Bachelor of Economics, Chiangmai University 	None	None	May 2015 - present Oct 2014 – Apr 2015 2011 – Sep 2014 2008 - 2011	Corporate Secretary / Investor Relations Corporate Secretary / Investor Relations Corporate Secretary / Investor Relations Research Assistant / Transport economist	WIIC PLC Asset Bright PLC General Engineering PLC Smart Plan Consultant Co., Ltd.

Note Shareholding in the Company includes shares of spouse and underage children.

(2) Tenure of Directors and Executives in other companies

Information on tenure of Directors and Executives in other companies as at 31 December 2020.

No.	List of Directors	Position	Listed companies	Non-listed companies	Other business that cause conflict of Interest
1.	Pol.Gen. Chidchai Vanasatidya, Ph.D.	Independent Director / Chairman of the Board of Directors / Chairman of the Audit Committee	-None-	1) Independent Director, Merchant Partners Securities PLC 2) Director, Merchant Partners Asset Management Ltd 3) Director, Merchant Partners Ltd 4) Chairman of the Board of Directors, Erawan Sugar Co., Ltd.	-None-
2.	Miss Pranee Ratakam	Independent Director / Audit Committee	1) Independent Director / Audit Committee, Aqua Corporation PLC 2) Senior Vice President, Krung Thai Card PLC	-None-	-None-
3.	Miss Benjawan Sinkunakorn	Independent Director / Audit Committee	1) Audit Committee, Multibax PLC 2) Audit Committee, Syntec Construction PLC	1) Audit Committee, Wealth Magik Mutual Fund Brokerage Co., Ltd. 2) Associate, Prospect Consulting Co., Ltd.	-None-
4.	Dr. Shaoquan Lin	Director	-None-	1) Vice president and Executive Director, China Lesso Group Holdings Ltd 2) President, Lesso America Incorporation 3) Executive Director, China Lesso Group Co., Ltd.	-None-

No.	List of Directors	Position	Listed companies	Non-listed companies	Other business that cause conflict of Interest
5.	Mr. Zhe Li	Director / Executive Committee	-None-	1) Director of Financial department, China Lesso Group Company Limited	-None-
6.	Mr.Yulong Li	Director / Executive Committee	-None-	1) Deputy General Manager, Samanea Bangna Ltd	-None-
7.	Mr. Karn Siriphatras	Director / Executive Committee	-None-	-None-	-None-
8.	Mr. Wiboon Sangwithayanon	Director / Chief Executive Officer	-None-	-None-	-None-

(3) Tenure as Directors and Executives in Subsidiaries, Associates and related companies

Information on the tenure as Directors and Executives in Subsidiaries, Associates and related companies as of 31 December 2020.

No.	List of Directors	The Company	Subsidiaries		Associates (None)	Related Companies (None)
			Wiik Water Co., Ltd.	Wiik PT Co.,Ltd.		
1.	Pol.Gen. Chidchai Vanasatidya, Ph.D.	X				
2.	Miss Pranee Ratakam	/				
3.	Miss Benjawan Sinkunakorn	/				
4.	Dr. Shaoquan Lin	/				
5.	Mr. Zhe Li	//				
6.	Mr.Yulong Li	//	//	/		
7.	Mr. Karn Siriphatras	//	//	//		
8.	Mr.Wiboon Sangwithayanon	//	/	/		

Notes

- (1) / = Director X = Chairman of the board // = Executive Director
- (2) Related Companies shall mean juristic person definition of the person who may have a conflict of this announcement.

10. Corporate Social Responsibilities: CSR

10.1 Overall Policy

WIJK Public Company Limited (“the Company”) operates core business is the manufacture and distribution of high quality plastic pipes and fittings for application of various types by quality of our products and services are recognized internationally. The Company has significant part in upgrading quality of water supply infrastructure which is important and affect to the quality of life development of people in the country directly.

The Board of Directors aware of the responsibility to society and environment for the sustainability of business and overall society. And to provide the Company and its subsidiaries have the social and environmental responsibility guidelines to take part in the management of business processes (CSR-in-Process). Therefore the Company determined the corporate social responsibility policy (CSR) as follows.

1) Operation with fairness

To achieve fairness in business operation, the Company has determined code of ethics for its employees and announced a guideline for operations of the Company on June 22, 2009 and updated Code of Conduct on February 29, 2016.

The Company expects all staff to perform their duties without obligation or commitment of any relevance that related to exploitation by outsiders. The business operation or any legal action of the Company must be correctly under legal and any related regulations always, both transactions occurring domestic and overseas.

The Company operates its business based on openness, honesty, reliability, rationality and justice. Such fundamental ethical principles will be taken to treat our customer, partner, government official and personnel in the group companies as well as any business operation that related to products and environment.

2) Anti-Corruption

The Company operates with transparency under the rules of fair competition. Therefore, the Company does not accept contacting or doing business that non-transparent or connected to corruption which is an action that inconsistent with fair competition and destroy our honor and reputation of organization and country.

The Company's Directors, Executives, and employees are prohibited from engaging in any acts related to any form of corruption for the direct or indirect benefit of oneself, family, friends, or acquaintance, whether to receive from or give a bribe in the form of money or any others to government or private agency that the Company conducts business with or contacts, and shall strictly comply with the law and the Company's anti-corruption policy.

The Company has also ensured to provide a structure of responsibility, risk management system, internal control, and internal audit to prevent and suppress corruption in the Company including the Board of Directors approved the Anti-Corruption Policy of the Company which was effective on August 11, 2015.

Moreover, the Company expressed its intention to join with the Private Sector Collective Action Coalition against Corruption (CAC) by joining ratification to acknowledge an agreement on August 2, 2018 and submitted an application for approval to the Action Coalition Committee on 12 September 2018. The Action Coalition Committee approved WIJK Public Company Limited as a member of the Private Sector Collective Action Coalition against Corruption (CAC) on 5 November 2018. The certificate will be valid for 3 years from the date of approval.

3) Respect for human rights

The Company focus on human rights basic to promote respect for rights and freedoms of non-discrimination and promote equality by regardless of the differences of race, skin color, gender, language, religion, physical status or health and we expect all staff to treat each other with honesty, integrity, fairness and respect which includes respect for different culture and traditions. The Company does not accept disparaging, bias, favoritism, discrimination and does not accept any behavior of its employees or partners who are behaving in a way threatening or damaging to the Company. We defined the ethical principles guidelines for employees which sets guidelines on such matters clearly. And announced a guideline for operations of the Company on June 22, 2009 and updated Code of Conduct on February 29, 2016.

4) Practice on workers fairly

The Company treats employees equally and fairly and provides welfare, safety and hygiene in the workplace including compliance with organizational learning policy and personnel development to promote working of employees professionally. Development of working system and creates innovation in organizations as well as encourages employees to participate in making benefits to society both directly and indirectly.

The Company has policy on recruiting, developing and retaining personnel because we realized that personnel are important in achieve the Company's goal. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

5) Responsibility to Consumer

The Company has international manufacturing quality standards which was being certified ISO 9001: 2008 and ISO 14001: 2004 for the production of PE pipes and pipe fittings. The Company produce according to manufacturing standards that customer require such as TIS 982-2556, ISO 4427-2, ASTM D3035, DIN 8074, ASTM F714, AS/NZS 4130 and EN 12201-2.

The Company focuses on products quality control from the selection and monitoring of resins to get the genuine raw material of high quality polyethylene compound for use in the manufacturing. Quality control in the manufacturing process (In Process Quality Control) until inspection before delivery to the customer (Final Inspection) by using standardized tests that are internationally recognized. Thus, it is ensuring that products and services of the Company have highest quality throughout duration of use.

6) Caring for environment

The Company is a leading manufacturer of HDPE pipe in Thailand for over 30 years. We conduct business under the quality policy and environmental conservation. Thus, the Company was being recognized in terms of products and quality control internationally by focus on environment saving and development policy under the theme "Improving Your Living Environment". Production process and products of the Company not pollute and environmentally friendly. The Company proud that has international standard of environmental conservation ISO 14001.

The company continues to focus on environmental management and attempts to least cause of environmental impact whether our employees, location and nearby communities. The environmental management concerns manufacturing process, chemical using in production and machine maintenance including with disposal hazard and non-hazard waste under legal standard. The environmental management activities as follows;

- External Audit ISO14001 from Third parties and surveillance auditor and Internal Audit in the company
- Environment campaign and continuous training environment acknowledge along with visiting outside
- Making contact with supplier to disposal the waste who under control of Department of Industrial Works (DIW) and all concerned
- Appointing an environmental management committee in order to visual inspection to evaluate potential environmental concern and monthly situation report.
- Communicate environmental issue with nearby communities and all accept if they have an environmental complaint.
- Monitoring and improving cooling water system in production process in order to reduce water consumption and recirculation system.
- Electrical conservation plan development to improve electricity efficiency in order to reduce electric power consumption.
- Increase green area by planting trees around the factory.
- Monitoring and measurement procedure of workplace environment regulation.

7) Community or social development

Since the company's business is in the manufacturing sector which our factory was located in Rayong Province. The company is well aware of community effect, so we have decided to build our plant in the best industrial estate that high management standard, reliable and friendly community located. The company has defined the definition of production process, security system, hygienic condition and friendly environmental. Moreover we are providing to support public communities and social responsibility such as donation our product to public construction and participate various social activities. In additional the company's recruitment policy will give priority the candidates who are domiciled in the vicinity in order to increase local employment, economy growth and improve the well-being of local communities.

8) Dissemination of innovation from operation with responsibility to social environmental and stakeholders

The Company has significant part in upgrading quality of water supply infrastructure which is important and affect to the quality of life development of people in the country directly. Especially the upgrading of quality standard of water pipeline that changed from steel pipe to high density polyethylene pipe (HDPE) today, which is the same type used in developed countries such as Europe in all water supply system for over 50 years. So it solves the problem of rust from steel pipe and makes

tap water safe for consumers. This type of pipe is easier for installation, so it reduce the time to place pipeline and has longer lifetime worth the investment.

But in the past, the using of HDPE pipe in Thailand still faces several obstacles especially the quality standard that use of low-quality raw materials to produce. Some contractor who want to reduce costs, use this weakness select the pipe with a mixture of recycled plastic which has a lower price cause many of problems such as.

- Leaks or broken problem affect the inconvenience and unsafe in use of consumers.
- The agency that responsible for production and expand the water supply network have to waste budget to repair the damaged pipes and unrewarding for investment from the lifetime that is not durable long-standing
- Many HDPE quality standards pipe manufacturer affected from the price competition unfairly.

The Company understood this problem very well and keeps the standard and quality policy to the highest at all time to provide confidence and safety for the user and also improves the quality of life of people in Thailand.

10.2 Activities for the benefit of society and the environment

In the year 2020, the Company has activities for the benefit of society and environment as follows.

1) [Volunteer project for survey, design, supply, and installation of sewage filter set in Klong Premprachakorn](#)

On 8 July 2020 Mr.Wiboon Sangwithayanon, Chief Executive Officer, WIIC Public Company Limited (WIIC) participated in the project to hand over the community wastewater treatment kit and prototypes of floating trash under the scheme "Volunteer project for the survey, design, supply, and installation of sewage filter set in Klong Premprachakorn" to honor His Majesty King Rama 10 's birthday at the community area of Wat Laksi and Thungsonghong Police Flat, Laksi District, Bangkok, with Mr. Kobchai Sangsitthisawat, Permanent Secretary, Ministry of Industry presided over the ceremony.



Today, there are still many places in the world that lack proper and efficient sanitation and wastewater treatment systems. Wastewater is a breeding ground for pathogens that cause various diseases such as Diarrhea, Cholera, and typhoid fever which affects vulnerable individuals in society like children, the elderly, and the poor causing unnecessary sickness and suffering.

Therefore, WIIC works with SCG to develop a prototype of a community wastewater treatment kit by developing polyethylene wastewater (Separated Liquid Tank) both a 355-liter sedimentation pond and a 355-liter reservoir, to raise the level of hygiene in Thailand and around the world. With products that can treat wastewater to be sterile, Zyclonic (Zyclonic by SCG) offers an innovative compact wastewater treatment system that can be easily installed in the desired location, converting human wastewater and used water to be recycled, enhancing hygiene, and the well-being of users and the community.

With the cooperation of the Ministry of Industry, Bangkok Metropolitan Administrator, and the Royal Thai Police at Building 8, Thungsonghong Police Flat, Laksi District, Bangkok, has designed and installed a modern sanitation system at 2 points, to catch, treat, and recycle the wastewater. The first point is to install wastewater from all toilets on the building and the second point, install a household wastewater treatment system. Both points have installed and used wastewater treatment systems jointly developed by WIIC and SCG to treat wastewater to be sterile and can reuse for watering plants and used for general cleaning. It is to bring the waste back to use. Answer to the concept of the circular economy.

2) Project to create educational opportunities "Support money for hiring teachers at employment rate"

WIIC Public Company Limited donated 60,000 Baht to contribute to the project to create educational opportunities "Support money for hiring teachers at employment rate" at Bannampiandin School, Phabong Sub-district, Mueang District, Maehongson Province, together with Aqua Corporation Public Company Limited between 12-14 February 2020.

10.3 Anti-Corruption Policy

The Company expressed its intention to join with the Private Sector Collective Action Coalition against Corruption (CAC) by joining ratification to acknowledge an agreement on August 2, 2018 and submitted an application for approval to the Action Coalition Committee on 12 September 2018. The Action Coalition Committee approved WIJK Public Company Limited as a member of the Private Sector Collective Action Coalition against Corruption (CAC) on 5 November 2018. The certificate will be valid for 3 years from the date of approval.



The Board of Directors' Meeting No. 8/2015 on August 11, 2015 approved the Company's Anti-Corruption Policy (Revised by the Board of Directors Meeting No.7/2016 on November 11, 2016) as follows.

1) Corruption

Corruption may include the abuse of entrusted power for private gain by offering, promising, giving, accepting or soliciting of direct and/or indirect as inducement for an action which is illegal and unethical. Inducement can take the form of gifts, offering, rewards or other advantages to government official or other stakeholders whom the company has to deal with.

2) Policy

WIJK Public Company Limited and its subsidiary conduct business with transparency, under the rules of fair competition. The Company shall not engage in obscure business or business that enables corruption which is not in accordance with the rules of fair competition and destroys the honor and credibility of the Company and the country.

The Company's Directors, Executives, and employees are prohibited from engaging in any acts related to any form of corruption for the direct or indirect benefit of oneself, family, friends, or acquaintance, whether to receive from or give a bribe in the form of money or any others to government or private agency that the Company conducts business with or contacts, and shall strictly comply with the law and the Company's anti-corruption policy.

The Company has also ensured to provide a structure of responsibility, risk management system, internal control, and internal audit to prevent and suppress corruption in the Company.

3) Duties and Responsibilities

- (1) The Board of Directors shall consider and approve policies against corruption of all forms whether direct or indirect to be used a guideline by all employees.
- (2) The Board of Directors shall comply with the anti-corruption policy and assign the executive to implement the anti-corruption measures.
- (3) The Audit Committee shall audit and review to ensure good corporate governance practices in the Company that are in line with the relevant policies, regulations, and laws.
- (4) The Audit Committee must report if they discover or suspect any transactions or acts, which may significantly affect the financial status and operating results of the Company, and corruptions to the Board of Directors.
- (5) The internal audit office shall directly report to the Audit Committee and shall carry out auditing of operations of every unit to ensure compliance with the company's regulations and evaluate efficiency and sufficiency of the internal control system based on the principles of good corporate governance.
- (6) The Executive shall communicate to all personnel in the Company and related persons the Company's anti-corruption policy.

4) Measures

- (1) The Directors, Executives, and employees shall comply with the anti-corruption policy. The Board of Directors shall assign the executive to communicate the policy to all employees and implement the anti-corruption measures.
- (2) The Directors, Executives, and employees who violate or fail to comply with the good corporate governance and anti-corruption policies shall be penalized in accordance with the laws and the Company's regulations. However, the Company shall not demote or

negatively penalize those who fail to comply with anti-corruption policy even though they may cause the Company to loss business opportunity.

- (3) The Company shall lay out disbursement regulations with clearly defined amount, approval authority, objective, and receiver. Proof of documents shall be required to prevent fraud or corruption and inspection by internal control office must be carried out.
- (4) The Company shall audit sales and marketing work, acquisition, and contracts with risk of corruption to be in compliance with disbursement and acquisition regulations. The internal audit office shall provide opinions and monitor the process.
- (5) The Company shall provide human resource management process that reflects the commitment of the Company to fight against corruption from recruitment, training, evaluation, compensation, and promotion.
- (6) The Company shall provide internal audit to ensure that the internal control system is effective and helps the company to achieve its goals, as well as to ensure that every unit's operation complies with regulations and to find weakness and defect in the operation and provide recommendations on operation system to improve efficiency and effectiveness in accordance with good corporate governance.
- (7) The internal audit office shall immediately report matters to the Audit Committee which shall notify the Board of Directors.

5) Form of corruption

To achieve the clarity in practice on the high risk matter to corruption. All employees must practice with caution on defined matter as follows.

❖ Political Contributions

Political Contributions refer to financial support or donation of items and/or participation in activities; or the Company's support for Employees to attend political events in its name in order to acquire business advantages. This however does not include Employees' own participation on the basis of his/her personal rights and freedom, but they must not claim the status of being an employee of the Company or use any of the Company's property or equipment for the purpose of political activities.

The Company and its subsidiary's policy is to conduct business on a neutral basis with neither political alignment nor attachment to any professional politician of any party. The Company does not

make any donations as a company to political parties, politicians or candidates for a political office as defined in paragraph one for benefit of the Company's business.

❖ Charitable Contribution, Donations and Aid Grants

Charitable Contribution, Donations and Aid Grants can be a risk in corruption to the Company when the activity refers to a payment but without constructive returns. Besides, the activity can become a claim or a means of corruption. To avoid any Charitable Contribution, Donations and Aid Grants with a hidden agenda, the Company formulates a policy, criteria, review process and control details as follows:-

- A Charity or Donation or Aid Grants activity has to be proven that it actually exists; that actions have been made to successfully realize the purpose of the project and that it is set up for the real benefit of the society or for the Corporate Social Responsibility (CSR) purpose.
- A Charity or Donation or Aid Grants has to be proven that it has nothing to do with a reciprocal return with anyone or any organization except an action to honor the donor as normally practiced such as displaying our logo, mentioning the Company and its subsidiary name at the event or in a public relation media.

❖ Sponsorships

Sponsorships differ from Charitable Contribution, Donations and Aid Grants as they provide a channel for the Company to promote its business, logo or goodwill may, too, contain a risk as money usually paid for business or benefit is difficult to detect and measure. In addition, the Sponsorships could be related to bribing. The Company and its subsidiary formulates a policy, criteria, review process and control details as follows:-

- A project has to be proven that the person soliciting for sponsorship has actually run the project; that his action is to realize the project's purpose; and that the project is created for the real benefit of the society or for the CSR purpose.
- It has to be proven that sponsorship or any other profit computable in a monetary value such as gift of accommodation and food has nothing to do with a reciprocal return with anyone or any organization unless it is an announcement to honor the person as normally practiced in the business.
- Before making any sponsorships, a requisition form naming the recipient(s) and describing the purpose of the sponsorship, along with all other supporting documents,

must be submitted to the Company's authorized persons for approval in accordance with the Company and its subsidiary's Approval Authority.

❖ Gifts, Hospitality and Others

The Company and its subsidiary recognize that fostering good relationships with business partners is important to its continued success. All employees of WIIC group must perform duties with caution in giving or receiving Gifts and/or Hospitality and/or Others to / from any person.

The practice of receiving and giving gifts or other benefits

The Company and its subsidiaries have a policy to refrain from receiving gifts or other benefits, unless traditional festivals are to be treated as follows.

- (1) Receiving gifts or other benefits define price or value not exceeding Baht 5,000.
- (2) Giving gifts or other benefits define price or value not exceeding Baht 5,000.
- (3) WIIC Group allow managers the Managers can receive gifts or fast rotten objects such as snacks, food or fruit, provided that such gifts or objects must not exceed Baht 1,000.

By the above giving or receiving gifts or other benefits, must be consistent with all of the following conditions:

- It is not made with the intention of influencing, inducing or rewarding a third party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favors or benefits;
- It complies with all relevant laws;
- It is given in the Company's name, not the Employee's name;
- It is appropriate in the circumstances. For example, it is customary for small gifts to be given at Thai New Year (Songkran), Chinese New Year and International New Year;
- It is an appropriate type and value, and given at an appropriate time. For example, if the Company is engaged in a tendering process, the Employees must not accept gifts and/or hospitality from any participating company;
- It is given openly, not secretly.

In case the WIIC group cannot refuse and have to receive gifts or other benefits that the price or value in excess of Baht 5,000. Employees on behalf of the WIIC group must notify the supervisor by

use the gifts receiving form and send the gift to the Secretary of Chief Executive Officer to be rewarded to employees or donate to charity as appropriate.

6) Risk assessment

The Company's management have to provide the Control Self-Assessment which covers the potential risk of corrupt regularly and reviewing the existing risk management measures to be appropriate to protect the risk to be in acceptable level.

7) Human resources

This Policy will be adopted by the Human Resources and Administration Department of the Company and its subsidiary and apply to all aspects of personnel management, i.e. recruitment, training, performance evaluation, remuneration and promotion.

8) Communicating Anti-Corruption Policy

- (1) The Company shall post the notice of anti-corruption policy on every public relation board of the Company.
- (2) The Company shall communicate anti-corruption policy through communication channels of the Company including the Company's website, annual transaction statements (Form 56-1), and annual report (Form 56-2).
- (3) Every employee must sign the form as an agreement for acknowledging the Codes of Conduct and anti-corruption policy and agree to comply with the regulations to prevent for using reason of not having read or signed the form as an excuse to not comply with the Code and policy.
- (4) If any regulation in the Codes of Conduct or anti-corruption policy is canceled, such cancellation shall be approved by the Board of Directors and must be immediately announced.
- (5) The Company will communicate the Anti-corruption policy to the agents, Suppliers, Distributors/Service Providers as well as the other parties involved to acknowledge from the beginning of business relations and later as appropriate. The Company encourages the agents, Suppliers, Distributors/Service Providers and the other parties involved adherence to standards of social responsibility as well as the Company and its subsidiary.

9) Reporting or Complain

The Board of Directors has set out measures for reporting or submitting complains on unlawful or unethical acts or acts of corruption or wrongdoing by the company's personnel, as well as on inaccurate financial statements or defected internal control system and has implemented protective measures for reporters. This is to encourage stakeholders to be involved in overseeing and protecting the interests of the Company more efficiently.

(1) Scope of reporting and complaining

- Unlawful acts, acts of corruption, violation of the Company's Articles of Association or Ethics by the Directors, Executives, and employees.
- Anomalies in financial statements and defects in the internal control system.
- Matters affecting the interests or reputation of the Company.

(2) Reporting or complaining channels

- Opinion boxes of the Company
- Contact Chief Executive Officer
E-mail: wiboon@wiik.co.th
Tel: 02-612-8600 Ext. 8650
- Contact Chairman of the Audit Committee
E-mail: chidchai@wiik.co.th
Tel: 02-612-8600
- Contact Secretary to the Audit Committee
E-mail: chinanut@wiik.co.th
Tel: 02-612-8600 Ext. 8620

(3) Protective measures for reporters

- The Company shall not disclose information and identity of those who petition, complain, and the accused.
- The Company shall disclose information as necessary and shall consider the safety and damage of the reporter, source of information, and related persons.
- Those who receive damages shall be mitigated with fair and appropriate process.
- It is a duty of the commanders or heads of the units of the accused to exercise due care in giving orders to protect the petitioner, witness, and informant during investigation.

10) Process after reporting

(1) Collecting facts

Officer shall proceed to collect all facts and send a report to Secretary to the Audit Committee.

(2) Information screening and investigation

Secretary to the Audit Committee shall present the information to the Board of Director or Chief Executive Officer to appoint investigation committee to carry out information screening and investigation. The investigation committee shall be composed of:

Personnel Manager or representative from the department.

- Commander in the petitioner's line of work who shall not have conflict or material interest with the petitioner.
- Commander in the accused's line of work who shall not have conflict or material interest with the accused.
- Senior executive officer

Secretary to the Audit Committee shall participate to observe the investigation process.

(3) Determining operation measures

Secretary to the Audit Committee shall prepare summary report and submit to the Board of Directors or Chief Executive Officer whichever the case for approval of operation.

For the case that affects the reputation, image, or financial status of the Company or conflicts with the business policy of the Company or relates to senior executive, Secretary to the Audit Committee shall submit report to the Audit Committee and/or Board of Directors for consideration.

11) Monitoring and reviewing

The Company Secretary will review this policy and proposed to the Audit Committee and the Board of Directors for approval, if there are changes including supervise and monitor this policy into practice and provide advice continuously. If there are any updates, the Company has to implement as soon as possible.

12) Punishment

The punishment shall be in accordance with the Company's rules of employee discipline and / or related laws.

11. Internal Control and Risk Management

The company emphasizes the importance of establishing internal control system for efficient operation reviewing by the audit committee to be more appropriate and sufficient. The Audit Committee verified and evaluated sufficiency of internal control system and suggested that the Company had adequate system of internal control, covers both financial and managerial aspects to ensure effective and efficient operations and to focus on continuous improvement which the auditor prepared in accordance with the generally accepted accounting principles and no significant defect. The company also applied the questionnaire following the SEC to make sure that internal control system is under controlled. Internal control system that covers all 5 aspects (1) organization and environment (2) risk management (3) management control activities (4) information system and (5) communication, which can be summarized as follows:

1) Organization and Environment

The Company determined objectives and business plan to ensure business stability and developed efficient work process including human resource development on a continuous basis in order to cope with business changes and manage organization structure, by internal audit department as an independent entity reporting directly to the Audit Committee to ensure transparency. The Company determined policy and work plan by considering fair treatment of employees and business partners as well as responsibility towards shareholders, society and environment. In terms of the functional organization chart, the Company clearly divided responsibilities into 3 basic functions of the internal audit system, which are approval, transaction and information recording, and asset tracking and monitoring. Such functions are specified in writing from management to employee levels based on approval and execution authority and operating procedures. The company has issued the anti-corruption policy and also created the channel to obtain issues from employees and management teams. That could be shown that the company significantly take this matter into consideration.

2) Risk Management

The Board of Directors has assigned the Audit Committee to review the Company's risk management system to ensure that it is appropriate and effective to assess business risk, analyze problem and factors which its arising from both internal and external factors. By prevented or reduced risk to acceptable level. The Company determined policies and work plan to implement risk management seriously also monitor risk management of all sections within the organization. Audit Committee also let one of representative in each department to review problems, observations, suggestions and countermeasures so that may lead to or resolve of risks. These will be included of

training in risk management of organization for executives and employees to have more understanding of this subject.

3) Management Control Activities

The company issues practical guide or operating manual for employees in order to be framework based on common system and high efficiency. The mentioned general practice can enhance overall process of each department and reduce unnecessary risk in each process at the same time. The company also considers the way in decentralised structures in order to define scope of responsibility and financial approval limit of each level of the management in writing to be more balanced and still under control, determined responsibilities of each function appropriately according to the principle of decentralization to achieve efficient operation, and monitors affiliated companies regularly. Moreover, the Audit Committee reviewed and approved annual audit plan. The Audit Committee has internal audit department which is independent to response for monitoring internal control procedures and review critical system at least once a year to cover risky work processes in order to ensure that each section has sufficient supervision in terms of finance, operation, compliance with laws, regulations and rules. In case of any transaction that results in a long-term obligation, the Company required a person responsible for monitoring compliance with conditions and reporting to the Audit Committee periodically to verify appropriateness of the transaction throughout the contract period and to prevent relevant persons from exploiting company's benefits to their own advantages.

4) Information System and Communication

The Company provides important and sufficient information to the board of directors for their consideration together with supporting documents for each agenda by submitting meeting appointment notice and supporting documents to them at least 7 days in advance. The Company secretary acts as a coordinator to submit such information to the board of directors and to record minutes of meeting, questions, comments, and opinions of directors in the board of directors meeting. With regard to the storage of accounting and supporting documents, the Company keeps all items separated by category that is convenient for an audit. Moreover, the Company has developed intranet system and continual Data Systems by providing information system and channel to communicate not only in internal department but also outside company with high efficiency that can be lead to the wording of complete, correct and time. Intranet system that can be linked to external entities in order to allow quick and efficient communication and data transfer between internal and external entities. And using information systems in the planning and management to link the various systems into one system to make more efficiently. Such systems have right to access information that is confidential in all departments. To allow only authorized persons to access personal data.

5) Monitoring System

The Company has system to track on going works or projects. Each management take action to compare performance of a processs or project and reporting all related progress through the executive committee, which is arranged monthly basis, to make sure that all mission will meet the objective. In 2020, the Company conducted 4 audit committee meetings. The Audit Committee had a duty to report audit results to the board of directors on a quarterly basis. Moreover, in the implementation of work plan, the overall operation was monitored and the financial impact was analyzed continuously. However, if any significant flaw was found, it would be reported to the Audit Committee and/or the board of directors to consider giving an order for implementing corrective action. Moreover, the Company stipulated that the internal audit department had to monitor internal controls on a regular basis to ensure transparency and good corporate governance of the Company.

Risk management policy

The Enterprise Risk Management policy has been approved by the Board of Directors Meeting No. 3/2019 on 10 May 2019 and will be effective from 10 May 2019 onwards, with the following details:

1. The objective of risk management policy

This risk management policy is intended for the directors, executives, and employees of the Company. Everyone is aware of the importance of risk management by encouraging all employees to have knowledge and understanding of risk management practices and to have risk management procedures implemented throughout the organization. To manage the risk to be at an acceptable level, reduce the chance and the intensity of the risk.

2. Scope of responsibility

This policy will be effective for Directors, Executives, and all employees.

3. Risk management practices

3.1 The Board of Directors determined that the audit committee has to review the Company to have an appropriate and effective risk management system. And the executive committee has to analyze, assess, prevent and manage risks in various areas, both from outside and within the organization, which may have a significant impact on the Company's business operations. If there is any event that causes or may cause risk factors in conducting business. The Executives in relevant departments will analyze the risk factors and propose preventive measures to those concerned respectively. If that risk factor is an important issue must report to the Board of Directors for acknowledgment or consideration.

- 3.2 The Executive Committee will plan the system implementation and risk management processes throughout the organization, to be consistent with the strategy and the business goals of the Company. And implement according to the international standard risk management framework. In this regard, the implementation of the risk management process must be done step by step and continuously, with communication and understanding in every step for all employees. Until risk management becomes part of the work culture in the organization.
- 3.3 The audit committee has the authority and responsibility for overseeing the Company's risk management that complies with the charter and advises the Executive Committee to manage the risk with efficiency and effectiveness.
- 3.4 The Executive Committee must perform duties and responsibilities as well as take any action as assigned by the audit committee along with reporting the performance to the Board of Directors for high and very high risks which may affect business operations and the strategy of the Company significantly including the preparation of a risk management plan and the risk management results are reported within the specified period.
- 3.5 All executives and employees have to comply with the risk management system and process specified by the Company, which is to identify and assess the risk of the department in which they are responsible, analyze the risks, the impact and the opportunity to set appropriate measures to manage the risk. Risk at an acceptable level.
- 3.6 The Company will transfer the risk management policy, organize training seminars, providing knowledge on risk management to all employees. To provide knowledge, understanding, and awareness of the benefits of risk management and can be implemented and used in the workplace with concrete.

4. Policy review

The Executive Committee must review this policy annually and propose to the Board of Directors to consider and approve if there is a change.

11.1 The Board of Directors' Comment regarding the internal control system

The Board of Directors' meeting No.1/2021 on 1 March 2021 by the independent directors and audit committee include 3 members attended the meeting. The Board has assessed the Company's internal control system by questioning information from the management and inspection documents from the management including the assessment of the management and preparation of the report of the Audit Committee. The conclusion after an assessment of the internal control of the company in various five components: (1) Internal organization control (2) risk assessment (3) The operational control (4) Information and Communication system, and (5) Tracking and trace back system.

The Board of Directors concluded that the Company's internal control systems are adequate and appropriate. The Company has provided sufficient personnel to implement the system effectively. The internal control system can monitor the operations of its subsidiaries to protect the Company's assets and its subsidiaries by illegally used or without authority of the directors or executives as well as sufficiently monitor the transactions with persons who may have conflicts of interest and related party. For other internal control subjects, the Board of Directors considered that the Company has sufficient internal control as well.

11.2 The opinion of the Audit Committee

As the assessment of the internal control systems above, the Independent Director and Audit Committee do not have any further observations from the Board of Directors. Moreover the auditor of the company, Mr. Khitsada Lerdwana Auditor License No. 4958 of EY Office Limited, who is the auditor of quarterly and year ended 2020 expressed the opinion in the auditor report as follows.

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

11.3 Head of Internal Audit and supervisors overseeing the company's operation

The Audit Committee's meeting No.1/2020 on 25 February 2020 assigned JP Tip Audit Limited to perform the internal auditor of the Company since 1 January 2020 until 31 December 2020. The JP Tip Audit limited has appointed Mr. Thanongsak Praditsatan to be main duty of the internal auditors of the Company.

The Audit Committee has considered the qualifications of JP Tip Audit Limited, Mr. Thanongsak Praditsatan and Mr.Napat Kongyarit and concluded that there is sufficient and appropriate for such duties. They are independence and experienced in the field of internal audit of the industry in the same as company business for 11 years

However, the consideration and approval of the appointment, removal, transfer the incumbent head of internal audit of the company must be approved by the Audit Committee.

12. Related Party Transaction

12.1 Related transactions with related parties that may lead to conflicts in the past year

Related Parties	Relationship	Category	Separate financial statements (Million Baht)			Description
			2020	2019	2018	
Wiik Water Co., Ltd.	A 100% holding subsidiary	▪ Sales	22.80	8.42	1.88	Selling pipe and fittings
		▪ Service income	0.16	-	0.28	Welding and engineering services income
		▪ Interest income	8.71	12.02	6.09	Loans maturity on demand
		▪ Other income	0.69	0.24	0.03	Transport income and gain on sales of water machine
		▪ Trade receivables	0.69	3.54	0.07	
		▪ Other receivables	-	0.87	0.75	
		▪ Investments in subsidiary	192.15	192.15	192.15	
		▪ Short-term loans	271.00	195.00	190.00	Interest rates are 4.3% to 7.8% per year

12.2 Necessity and reasonableness of the transaction

The Audit Committee has provided an opinion on the reasonableness of the transactions of the Company and related companies as follows: (A copy of the opinion of the Audit Committee as attached).

The company is engaged in the manufacture of pipes and fittings made of plastic. The related companies which is operated in the same line of work. The transactions with related items such as trading goods such as pipes and fittings. Machine tool the equipment used in the production of raw material costs and installation operations. Intercompany loans Loan Guarantees and consulting, etc.

By conducting the entire transaction. The transaction is reasonable. According to the rules of business and the general price level with traded with outsource supplier. The process of approving the transaction. According to usual business Policies and procedures. As well as transactions with third parties or other activities that are not related to each other. Namely to consider the interests of its shareholders.

12.3 Policy and trends for transactions in the future

If a company has entered into a transaction that is in accordance with normal business operations. The Company will determine the price and conditions of the items to clear and can be compared with others. The company will provide the Audit Committee of the Company to consider and comment on the appropriateness and reasonableness of the transaction.

Transactions that may occur in the future. The Board of Directors will act in accordance with the laws and regulations of the Securities and Exchange Commission announced the order or the terms of the Stock Exchange of Thailand. As well as compliance with the disclosure of related party transactions. And the acquisition or disposal of major assets of the company or its subsidiaries. And accounting standards set by the Association of Accountants.

13. Key Financial Information

13.1 Summary Financial Statements

WIIC Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018 – 2020

				(Unit: Baht)		
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Assets						
Current assets						
Cash and cash equivalents	106,217,688	94,394,077	186,107,694	78,800,049	83,086,514	40,748,989
Trade and other receivables	604,062,804	407,897,407	423,846,745	509,163,114	289,097,416	310,430,044
Inventories	351,290,325	449,623,244	381,813,243	321,806,865	414,931,901	350,597,526
Short-term loans to related party	-	-	-	271,000,000	195,000,000	190,000,000
Advance payment to subcontractors	4,167,970	9,760,801	19,430,452	1,753,837	-	9,955,441
Other current assets	69,062,679	77,471,699	45,243,987	36,336,207	43,822,963	27,860,812
Total current assets	1,134,801,466	1,039,147,228	1,056,442,121	1,218,860,072	1,025,938,794	929,592,812
Non-current assets						
Restricted bank deposits	17,212,937	16,500,000	16,000,000	16,250,000	16,000,000	16,000,000
Other non-current financial assets	30,980,695	-	-	30,980,695	-	-
Advance payment for purchase of shares	-	5,000,000	30,000,000	-	-	-
Investments in subsidiaries	-	-	-	192,147,200	192,147,200	192,147,200
Other long-term investments	-	21,245,632	21,245,632	-	21,245,632	21,245,632
Property, plant and equipment	1,009,289,538	892,723,368	685,653,857	600,965,425	516,198,210	520,094,878
Right-of-use assets	71,102,064	-	-	27,778,241	-	-
Assets for production of filtrated water that must be transferred at end of agreement of subsidiary	75,262,704	8,558,887	-	-	-	-
Intangible assets	148,991,898	152,389,012	109,760,766	3,959,869	504,451	1,461,713
Deferred tax assets	24,782,592	17,056,057	16,755,253	16,265,121	11,808,052	16,352,645
Advance payment for plant and equipment	1,890,131	9,297,526	726,000	1,395,131	8,802,526	231,000
Other non-current assets	10,181,873	9,937,441	38,177,649	1,602,917	1,930,880	29,769,119
Total non-current assets	1,389,694,432	1,132,707,923	918,319,157	891,344,599	768,636,951	797,302,187
Total assets	2,524,495,898	2,171,855,151	1,974,761,278	2,110,204,671	1,794,575,745	1,726,894,999

WIIC Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018 - 2020

				(Unit: Baht)		
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	416,131,396	525,334,685	550,741,203	416,131,396	525,334,685	550,741,203
Trade and other payables	150,351,353	199,801,609	35,684,435	124,980,781	49,000,425	28,564,544
Short-term debenture	-	-	148,888,619	-	-	148,888,619
Current portion of long-term loans	42,492,806	24,144,269	22,705,702	-	-	-
Current portion of liabilities under finance lease agreements	-	5,549,663	3,018,041	-	4,792,371	2,275,532
Income tax payable	15,722,833	-	-	15,722,833	-	-
Current portion of lease liabilities	13,262,527	-	-	7,433,129	-	-
Advance received from customers	120,670,661	256,346,492	50,970,260	119,617,603	256,275,926	49,082,787
Other current liabilities	86,407,251	78,048,193	82,305,981	72,718,582	41,056,890	47,549,954
Total current liabilities	845,038,827	1,089,224,911	894,314,241	756,604,324	876,460,297	827,102,639
Non-current liabilities						
Long-term loans, net of current portion	220,484,973	102,275,667	124,646,458	-	-	-
Liabilities under finance lease agreements, net of current portion	-	12,214,407	5,700,446	-	10,888,427	3,617,173
Lease liabilities, net of current portion	57,029,374	-	-	18,581,988	-	-
Provision for long-term employee benefits	27,355,727	24,613,377	15,945,114	24,171,205	22,065,026	14,574,246
Deferred tax liabilities	41,387,557	21,530,640	21,285,704	41,387,557	21,162,229	21,162,229
Provision for decommissioning	578,343	535,335	495,513	-	-	-
Other non-current liabilities	100,000	100,000	-	100,000	100,000	-
Total non-current liabilities	346,935,974	161,269,426	168,073,235	84,240,750	54,215,682	39,353,648
Total liabilities	1,191,974,801	1,250,494,337	1,062,387,476	840,845,074	930,675,979	866,456,287

WIik Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018 - 2020

				(Unit: Baht)		
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Shareholders' equity						
Share capital						
Registered						
725,335,328 ordinary shares of Baht 1 each	725,335,328	725,335,328	499,918,044	725,335,328	725,335,328	499,918,044
(2018: 499,918,044 ordinary shares of Baht 1 each)						
Issued and fully paid up						
577,427,042 ordinary shares of Baht 1 each						
(2019: 437,427,042 ordinary shares of Baht 1 each)						
(2018: 374,938,533 ordinary shares of Baht 1 each)	577,427,042	437,427,042	374,938,533	577,427,042	437,427,042	374,938,533
Share premium	417,162,132	277,162,132	277,162,132	417,162,132	277,162,132	277,162,132
Retained earnings						
Appropriated - statutory reserve	48,303,728	42,412,850	38,531,907	48,303,728	42,412,850	38,531,907
Unappropriated	131,866,019	79,709,874	137,092,314	68,704,519	22,248,826	85,157,224
Other components of shareholders' equity	157,762,176	84,648,916	84,648,916	157,762,176	84,648,916	84,648,916
Total shareholders' equity	1,332,521,097	921,360,814	912,373,802	1,269,359,597	863,899,766	860,438,712
Total liabilities and shareholders' equity	2,524,495,898	2,171,855,151	1,974,761,278	2,110,204,671	1,794,575,745	1,726,894,999

WIIK Public Company Limited and its subsidiaries
Statement of comprehensive income

For the year ended 31 December 2018 - 2020

				(Unit: Baht)		
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Profit or loss:						
Revenues						
Sales	1,216,892,352	1,007,325,417	973,771,744	1,107,979,679	906,185,275	892,264,970
Service income	396,946,996	208,313,663	229,138,483	283,952,365	131,917,766	110,897,077
Dividend income	-	320,000	1,664,000	-	320,000	1,664,000
Other income	7,952,514	36,541,229	17,063,100	8,618,633	36,607,796	22,191,957
Total revenues	1,621,791,862	1,252,500,309	1,221,637,327	1,400,550,677	1,075,030,837	1,027,018,004
Expenses						
Cost of sales	990,283,647	868,534,430	877,684,996	904,985,252	798,375,347	816,854,281
Cost of services	326,722,082	164,459,071	183,954,545	254,210,007	118,574,383	101,673,834
Selling and distribution expenses	44,171,849	58,749,146	43,364,893	44,171,849	58,749,146	43,364,893
Administrative expenses	97,758,813	97,505,965	73,377,169	56,841,925	57,064,195	53,030,537
Total expenses	1,458,936,391	1,189,248,612	1,178,381,603	1,260,209,033	1,032,763,071	1,014,923,545
Operating profit	162,855,471	63,251,697	43,255,724	140,341,644	42,267,766	12,094,459
Finance income	1,099,286	844,631	-	9,737,689	12,630,825	-
Finance cost	(34,502,507)	(42,252,812)	(34,204,449)	(22,689,658)	(34,225,179)	(26,499,900)
Profit before income tax expenses	129,452,250	21,843,516	9,051,275	127,389,675	20,673,412	(14,405,441)
Income tax expenses	(20,109,441)	(276,754)	3,250,842	(23,747,318)	(4,828,293)	3,226,156
Profit for the year	109,342,809	21,566,762	12,302,117	103,642,357	15,845,119	(11,179,285)
Other comprehensive income:						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Actuarial loss - net of income tax	-	(1,330,485)	336,282	-	(1,134,800)	(217,934)
Changes in surplus on revaluation of land - net of income tax	73,113,260	-	-	73,113,260	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	73,113,260	(1,330,485)	336,282	73,113,260	(1,134,800)	(217,934)
Other comprehensive income for the year	73,113,260	(1,330,485)	336,282	73,113,260	(1,134,800)	(217,934)
Total comprehensive income for the year	182,456,069	20,236,277	12,638,399	176,755,617	14,710,319	(11,397,219)
Earnings per share						
Basic earnings per share						
Profit attributable to equity holders of the Company	0.2363	0.0493	0.0281	0.2240	0.0362	(0.0256)
Diluted earnings per share						
Profit attributable to equity holders of the Company	0.2363	0.0493	0.0281	0.2240	0.0362	(0.0256)

WIJK Public Company Limited and its subsidiaries
Cash flow statement

For the year ended 31 December 2018 - 2020

	(Unit: Baht)					
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Cash flows from operating activities						
Profit before tax	129,452,250	21,843,516	9,051,275	127,389,675	20,673,412	(14,405,441)
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	87,723,564	73,031,222	57,701,944	44,803,048	38,631,961	35,640,407
Doubtful accounts	-	1,241,809	(6,904,266)	-	1,245,340	(2,666,319)
Bad debt	-	375,827	-	-	375,827	-
Reversal of impairment loss on financial assets	(2,102,322)	-	-	(2,102,322)	-	-
Reduction of inventories to net realisable value	5,686,511	1,667,282	2,797,564	5,686,511	1,667,282	2,797,564
Write-off inventories	2,558,993	102,981	2,029,395	2,558,993	102,981	2,029,395
Gain on disposal and write-off of plant and equipment	(217,105)	(1,083,451)	(605,012)	(217,105)	(1,083,451)	(605,012)
Reversal of loss on impairment of property, plant and equipment	-	(28,201)	-	-	(28,201)	-
Write-off withholding income tax	2,178,503	623,733	1,567,605	1,607,188	614,287	367,605
Gain on cancellation of financial lease agreement	-	-	(39,548)	-	-	-
Long-term employee benefits expenses	4,558,452	7,306,387	2,848,654	3,386,979	6,342,281	2,126,199
Unrealised loss (gain) on exchange	(2,904,769)	749,951	440,929	(2,905,698)	733,198	439,049
Dividend income	-	(320,000)	(1,664,000)	-	(320,000)	(1,664,000)
Finance income	(1,099,286)	(844,631)	(1,773,486)	(9,737,689)	(12,630,825)	(6,954,898)
Finance cost	34,502,507	42,252,812	34,204,449	22,689,658	34,225,179	26,499,900
Profit from operating activities before changes in operating assets and liabilities	260,337,298	146,919,237	99,655,503	193,159,238	90,549,271	43,604,449
Operating assets (increase) decrease						
Trade and other receivables	(222,272,158)	21,113,717	(64,064,600)	(220,756,534)	19,991,336	(27,287,460)
Inventories	90,087,415	(69,580,264)	(72,967,830)	84,879,532	(66,104,638)	(62,415,331)
Advance payment to subcontractors	5,592,831	9,669,651	(19,095,012)	(1,753,837)	9,955,441	(9,955,441)
Other current assets	8,264,794	6,603,336	12,748,985	7,339,285	13,599,280	14,210,867
Other non-current assets	327,163	(24,573)	(10,590,426)	327,963	(36,626)	(10,165,041)
Operating liabilities increase (decrease)						
Trade and other payables	(51,172,440)	17,258,596	(24,165,519)	71,883,186	19,492,348	(27,372,060)
Advance received from customers	(135,675,831)	205,376,232	(35,296,365)	(136,658,323)	207,193,139	(13,784,364)
Other current liabilities	31,772,254	(4,282,070)	25,248,896	31,112,539	(6,495,762)	5,812,122
Employee benefit paid during the year	(1,816,102)	(301,230)	(734,400)	(1,280,800)	(270,000)	(734,400)
Other non-current assets	-	100,000	-	-	100,000	-
Cash from (used in) operating activities	(14,554,776)	332,852,632	(89,260,768)	28,252,249	287,973,789	(88,086,659)
Interest paid	(32,044,998)	(41,022,799)	(34,241,891)	(21,163,429)	(32,932,863)	(26,459,376)
Corporate income tax paid	(14,722,046)	(3,778,741)	(3,006,380)	(12,932,590)	(2,351,040)	(1,777,664)
Cash returns from withholding tax	646,547	1,808,173	-	-	-	-
Net cash from (used in) operating activities	(60,675,273)	289,859,265	(126,509,039)	(5,843,770)	252,689,886	(116,323,699)

WIJK Public Company Limited and its subsidiaries
Cash flow statement (continued)

For the year ended 31 December 2018 - 2020

	(Unit: Baht)					
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Cash flows from investing activities						
Increase in restricted bank deposits	(712,937)	(500,000)	-	(250,000)	-	-
Cash payment in advance for purchase of shares	-	-	(30,000,000)	-	-	-
Net cash payment for investment in subsidiary	-	(9,992,717)	-	-	-	-
Cash receipt from advance payment for purchase of shares	5,000,000	-	-	-	-	-
Cash payment for short-term loans to related party	-	-	-	(246,000,000)	(120,000,000)	(190,000,000)
Cash receipt from repayment of short-term loans to related party	-	-	-	170,000,000	115,000,000	-
Dividend received from other long-term investment	-	320,000	1,664,000	-	320,000	1,664,000
Acquisition of property, plant and equipment	(96,320,233)	(143,528,504)	(37,008,396)	(34,753,308)	(20,026,610)	(26,667,707)
Proceeds from sales of plant and equipment	500,716	1,173,271	612,850	500,716	1,173,271	612,850
Acquisition of assets for production of filtrated water that must be transferred at end of agreement of subsidiary	(66,773,788)	(9,045,873)	-	-	-	-
Acquisition of intangible assets	(5,348,279)	-	(12,498,943)	(4,472,952)	-	-
Increase in cash payment in advance for plant and equipment	(1,395,131)	(8,802,526)	(726,000)	(1,395,131)	(8,802,526)	(231,000)
Interest received	1,117,012	848,191	1,781,077	10,616,275	12,336,741	6,394,240
Net cash used in investing activities	(163,932,640)	(169,528,158)	(76,175,412)	(105,754,400)	(19,999,124)	(208,227,617)
Cash flows from financing activities						
Decrease in short-term loans from financial institutions	(109,203,289)	(25,406,518)	175,669,797	(109,203,289)	(25,406,518)	175,669,797
Cash receipt from issuance promissory note to third party	100,000,000	30,000,000	-	-	-	-
Repayment of promissory note to third party	(100,000,000)	(30,000,000)	-	-	-	-
Cash receipt from issuance bill of exchange	-	150,000,000	-	-	150,000,000	-
Repayment of bill of exchange	-	(150,000,000)	-	-	(150,000,000)	-
Cash receipt from long-term loans	172,000,000	-	-	-	-	-
Repayment of long-term loans	(35,442,157)	(20,932,224)	(19,924,470)	-	-	-
Cash receipt from issuance of short-term debentures	-	-	150,000,000	-	-	150,000,000
Repayment of short-term debentures	-	(150,000,000)	-	-	(150,000,000)	-
Cash receipt from exercise of warrants	-	-	2,665	-	-	2,665
Proceeds from increase in share capital	280,000,000	-	-	280,000,000	-	-
Payment of liabilities under finance lease agreements	-	(3,604,417)	(2,715,227)	-	(2,861,907)	(1,950,570)
Payment of principal portion of lease liabilities	(17,168,862)	-	-	(9,731,657)	-	-
Dividend paid	(56,815,520)	(11,241,879)	(41,197,900)	(56,815,520)	(11,241,879)	(41,197,900)
Net cash from (used in) financing activities	233,370,172	(211,185,038)	261,834,865	104,249,534	(189,510,304)	282,523,992
Net increase (decrease) in cash and cash equivalents	8,762,259	(90,853,931)	59,150,414	(7,348,636)	43,180,458	(42,027,324)
Unrealised gain (loss) on exchange for cash and cash equivalents	3,061,352	(859,686)	(64,720)	3,062,171	(842,933)	(62,840)
Cash and cash equivalents at beginning of year	94,394,077	186,107,694	127,022,000	83,086,514	40,748,989	82,839,153
Cash and cash equivalents at end of year	106,217,688	94,394,077	186,107,694	78,800,049	83,086,514	40,748,989
Supplemental disclosure of cashflow information						
Non-cash transactions						
Surplus on revaluation of land	91,391,575	-	-	91,391,575	-	-
Acquisition of motor vehicle under finance lease agreements	-	12,650,000	2,796,087	-	12,650,000	1,925,050
Increase in other payables from acquisition of equipment	3,697,540	127,362,784	2,080,844	3,640,352	932,040	2,080,844
Increase in right-of-use assets from lease liabilities	3,423,672	-	-	903,578	-	-
Transferred cash payment in advance for plant and equipment to plant and equipment	8,802,526	231,000	2,076,945	8,802,526	231,000	2,076,945
Provision for decommissioning of plant and equipment	43,008	39,822	36,872	-	-	-
Transferred advance payment for purchase of shares to investment in subsidiary	-	25,000,000	-	-	-	-

WIIC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2018 - 2020

(Unit: Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
					Other comprehensive income	
			Appropriated	Unappropriated	Surplus on revaluation of assets	
Balance as at 1 January 2018	374,938,000	277,160,000	38,531,907	165,697,018	84,648,916	940,975,841
Profit for the year	-	-	-	12,302,117	-	12,302,117
Other comprehensive income for the year	-	-	-	336,282	-	336,282
Total comprehensive income for the year	-	-	-	12,638,399	-	12,638,399
Increase in share capital from exercise of warrants	533	2,132	-	-	-	2,665
Dividend paid	-	-	-	(41,243,103)	-	(41,243,103)
Balance as at 31 December 2018	374,938,533	277,162,132	38,531,907	137,092,314	84,648,916	912,373,802
Balance as at 1 January 2019	374,938,533	277,162,132	38,531,907	137,092,314	84,648,916	912,373,802
Profit for the year	-	-	-	21,566,762	-	21,566,762
Other comprehensive income for the year	-	-	-	(1,330,485)	-	(1,330,485)
Total comprehensive income for the year	-	-	-	20,236,277	-	20,236,277
Increase in share capital from stock dividend	62,488,509	-	-	-	-	62,488,509
Dividend paid	-	-	-	(73,737,774)	-	(73,737,774)
Transferred unappropriated retained earnings to statutory reserve	-	-	3,880,943	(3,880,943)	-	-
Balance as at 31 December 2019	437,427,042	277,162,132	42,412,850	79,709,874	84,648,916	921,360,814

(Unit: Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
					Other comprehensive income	
					Surplus on revaluation of assets	
			Appropriated	Unappropriated		
Balance as at 1 January 2020	437,427,042	277,162,132	42,412,850	79,709,874	84,648,916	921,360,814
Cumulative effect of change in accounting policy	-	-	-	5,569,709	-	5,569,709
Balance as at 1 January 2020 - as restated	437,427,042	277,162,132	42,412,850	85,279,583	84,648,916	926,930,523
Profit for the year	-	-	-	109,342,809	-	109,342,809
Other comprehensive income for the year	-	-	-	-	73,113,260	73,113,260
Total comprehensive income for the year	-	-	-	109,342,809	73,113,260	182,456,069
Increase share capital	140,000,000	140,000,000	-	-	-	280,000,000
Dividend paid	-	-	-	(56,865,495)	-	(56,865,495)
Transferred unappropriated retained earnings to statutory reserve	-	-	5,890,878	(5,890,878)	-	-
Balance as at 31 December 2020	577,427,042	417,162,132	48,303,728	131,866,019	157,762,176	1,332,521,097

WIIK Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018 – 2020

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
					Other comprehensive income	
			Appropriated	Unappropriated	Surplus on revaluation of assets	
Balance as at 1 January 2018	374,938,000	277,160,000	38,531,907	137,797,546	84,648,916	913,076,369
Loss for the year	-	-	-	(11,179,285)	-	(11,179,285)
Other comprehensive income for the year	-	-	-	(217,934)	-	(217,934)
Total comprehensive income for the year	-	-	-	(11,397,219)	-	(11,397,219)
Increase in share capital from exercise of warrants	533	2,132	-	-	-	2,665
Dividend paid	-	-	-	(41,243,103)	-	(41,243,103)
Balance as at 31 December 2018	374,938,533	277,162,132	38,531,907	85,157,224	84,648,916	860,438,712
Balance as at 1 January 2019	374,938,533	277,162,132	38,531,907	85,157,224	84,648,916	860,438,712
Profit for the year	-	-	-	15,845,119	-	15,845,119
Other comprehensive income for the year	-	-	-	(1,134,800)	-	(1,134,800)
Total comprehensive income for the year	-	-	-	14,710,319	-	14,710,319
Increase in share capital from stock dividend	62,488,509	-	-	-	-	62,488,509
Dividend paid	-	-	-	(73,737,774)	-	(73,737,774)
Transferred unappropriated retained earnings to statutory reserve	-	-	3,880,943	(3,880,943)	-	-
Balance as at 31 December 2019	437,427,042	277,162,132	42,412,850	22,248,826	84,648,916	863,899,766

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income	
					Surplus on	
					revaluation of assets	
Balance as at 1 January 2020	437,427,042	277,162,132	42,412,850	22,248,826	84,648,916	863,899,766
Cumulative effect of change in accounting policy	-	-	-	5,569,709	-	5,569,709
Balance as at 1 January 2020 - as restated	437,427,042	277,162,132	42,412,850	27,818,535	84,648,916	869,469,475
Profit for the year	-	-	-	103,642,357	-	103,642,357
Other comprehensive income for the year	-	-	-	-	73,113,260	73,113,260
Total comprehensive income for the year	-	-	-	103,642,357	73,113,260	176,755,617
Increase share capital	140,000,000	140,000,000	-	-	-	280,000,000
Dividend paid	-	-	-	(56,865,495)	-	(56,865,495)
Transferred unappropriated retained earnings to statutory reserve	-	-	5,890,878	(5,890,878)	-	-
Balance as at 31 December 2020	577,427,042	417,162,132	48,303,728	68,704,519	157,762,176	1,269,359,597

13.2 Financial Ratios

Key Financial Ratios as at 31 December 2018 – 2020.

Financial Ratios		2020	2019	2018
LIQUIDITY RATIO				
Current ratio	(times)	1.34	0.94	1.18
Quick ratio	(times)	0.84	0.46	0.68
Cash flow ratio	(times)	(0.06)	0.29	(0.17)
Accounts receivable turnover ratio	(times)	3.19	2.92	3.10
Average collection period	(days)	114.42	125.00	117.74
Inventory Turnover ratio	(times)	4.06	3.48	4.55
Average sale period	(days)	89.90	104.89	80.22
Payable turnover ratio	(times)	15.63	32.61	29.29
Repayment period	(days)	23.35	11.19	12.46
Cash Cycle	(days)	180.97	218.69	185.50
PROFITABILITY RATIO				
Gross profit margin	(%)	18.39	15.02	12.54
Operating profit margin	(%)	10.09	5.27	3.60
Other income ratio	(%)	0.49	3.01	1.53
Cash to profitability	(%)	(37.26)	452.22	(292.47)
Net profit margin	(%)	6.74	1.72	1.01
Return on equity	(%)	9.70	2.35	1.33
EFFICIENCY RATIO				
Return on assets	(%)	4.66	1.04	0.66
Return on fixed assets	(%)	20.72	11.99	9.21
Assets turnover	(times)	0.69	0.60	0.66
FINANCIAL POLICY RATIO				
Debt to Equity ratio	(times)	0.89	1.36	1.16
Interest coverage ratio	(times)	(0.43)	8.16	(2.61)
Debt service coverage ratio	(times)	(0.27)	1.58	(0.75)
Dividend payout ratio	(%)	60.85	91.38	45.64

14. Management Discussion and Analysis

14.1 Overview

1) Summary of operations and the factors that result in significant changes

WIJK Public Company Limited (WIJK)

Principally engaged in the manufacture and distribution of High Density Polyethylene (HDPE) pipe and related certain fittings, Low Density Polyethylene (LDPE) pipe, Polypropylene (PP) pipe, Polybutylene (PB) pipe, Weholite Spiro pipe, including technical advising and planning for pipe installation system, and providing High Density Polyethelene (HDPE) pipe installation service. In the year 2020 there are important events as follows

- ❖ The Company and P.S.I. Engineering Co., Ltd. entered into a joint venture agreement which was not registered as a new juristic person namely P.S.I - WIJK Joint Venture in order to participate in construction bidding. The proportion of work responsibilities for the project is the Company has a proportion of responsibility of 99% of the project value and P.S.I. Engineering Co., Ltd. has a proportion of responsibility of 1% of the project value. P.S.I – WIJK Joint Venture signed a construction an agreement for the improvement of the rainwater drainage to prevent flooding, the project value is Baht 123.90 million on 29 May 2020.
- ❖ On 9 October 2020, the meeting of the Board of Directors of the Company passed resolution approved the allocation and the offering of 140,000,000 new ordinary shares with a par value of 1 Baht per share, at the offering price of 2 Baht per share, a total of 280 million baht to Lesso (Thailand) Investment Limited (Hong Kong). The Company received payment for the capital increase shares and registered the increase in paid-up capital with the Ministry of Commerce on 27 October 2020. After the capital increases the Lesso (Thailand) Investment Limited (Hong Kong) holds 24.25% of the Company's shares. The newly issued ordinary shares shall be prohibited from selling for 1 year from the date the Company's newly shares start trading on the SET (Silent Period) according to the SET Notification. Nonetheless, such newly issued shares can gradually sell no more than 25% of the lock-up shares after the Company's new shares are traded on the SET for 6 months according to the SET Notification. The remaining 75% of ordinary shares can sale after 1 year of the silent period.

- ❖ During the year, the Company adjusted the right of warrants to purchase ordinary shares of Company No.2 (WIik-W2) 3 times to reserve the right of holders with the exercise ratio. The last time was on 27 October 2020 as follows:

New Exercise Ratio 1 unit of warrant can exercise to 1.303 ordinary shares

New Exercise Price 3.842 Baht per share

- ❖ On 23 December 2020, the meeting of the Board of Directors of the Company passed the resolution to approve WIik Water Co., Ltd. ("Subsidiary"), a 100% shareholding subsidiary to increase its capital of 900,000 shares, with a par value of 100.00 Baht per share at the price of 166.00 Baht per share. The Company will waive the right to purchase 450,000 newly issued ordinary shares of a subsidiary. The resolution also approved WIik Water Co., Ltd. to allocate the remaining 450,000 ordinary shares to specific directors, executives, and employees of the Company and its subsidiaries of 13 persons and the investors who are not related to the Company of 7 persons.

Wiik Water Company Limited (WW)

Principally engaged in water management business such as designs, contract manufacturing, concession, and distribution of fully integrated clean water production system and wastewater treatment system with modern technology and standards.

- ❖ On 9 February 2021, the Extraordinary General Meeting of Shareholders of WIik Water Company Limited ("Subsidiary") No.1/2021 approved to increase in registered capital of 90,000,000 Baht from 170,000,000 Baht to 260,000,000 Baht by issuing 900,000 new ordinary shares with a par value of 100 Baht per share at the offering price of 166 Baht per share, including authorizing the authorized directors of the subsidiary to have the power to act necessary or relevant for the achievement of the aforementioned capital increase.
- ❖ On 12 February 2021, the Company notified the intention to purchase additional shares of the Subsidiary in the amount of 450,000 ordinary shares of Baht 166 per share, a total of Baht 74,700,000, and to waive the right to purchase the remaining 450,000 ordinary shares. On 16 February 2021, the Company made an initial payment of 25 percent of total payment for the shares, or a total of Baht 18,675,000.

The authorized Director of Wiik Water Co., Ltd. (the Subsidiary), who has been authorized by the Extraordinary General Meeting of the Shareholders, allocated the remaining new ordinary shares to directors, executives, and employees of the Company and the Subsidiary, totaling 13 persons, and to 7 investors who are not related to the

Company. The Subsidiary received the initial payment of 25 percent of total payment, or a total of Baht 37,350,000 and registered the increase in its registered capital with the Ministry of Commerce on 23 February 2021.

Wiik PT Company Limited (WIJK PT)

The service providers under the Memorandum of Agreement on production and/or procurement of tap water (RO) to Patong Municipality, Kathu District, Phuket Province dated 16 July 2012, aged 30 years.

Summarized of the Statement of income (Consolidated financial statements)

Unit : million Baht	Year 2020	Year 2019	Changed (%)
Income from sale pipe	1,085.18	897.77	20.88
Income from installation pipe	283.80	131.92	115.13
Incomes from the water management business			
- Sales and service of water supply	134.95	138.99	(2.91)
- Installation of water production systems and construction of turnkey water treatment systems	109.91	46.96	134.05
Other income	7.95	36.86	(78.43)
Total revenues	1,621.78	1,252.50	29.48
Cost from sale pipe	884.32	791.37	11.73
Cost from installation pipe	253.88	118.33	114.55
Cost from the water management business			
- Sales and service of water supply	93.55	88.50	5.71
- Installation of water production systems and construction of turnkey water treatment systems	85.26	34.69	145.78
Selling and distribution expenses	44.17	58.75	(24.82)
Administrative expenses	97.76	97.51	0.26
Finance cost (income)	33.40	41.41	(19.34)
Profit before income tax expenses	129.45	21.85	492.45
Income tax expenses	(20.11)	(0.28)	7,082.14
Net profit for the year	109.34	21.57	406.91

In overall, the Group's operation performance of the year 2020 had the net profit amount of Baht 109.34 million which significantly increased from the previous year. It was from the delivery of the Backlog on hand and the increasing of new sales from projects in Eastern Economic corridor (ECC), drought-related projects, projects of Provincial Water Works Authority and projects in the industrial estates.

2) Industry and economic conditions that affect the operation

HDPE resin is the main ingredient in HDPE pipe production. Thus the movement of resin prices has a substantial effect on the cost. HDPE resin prices have been fluctuated in accordance with crude oil prices for long time. It is hard to predict and make decision for any manufacturer when to buy HDPE resin for stock. Therefore the Company manages the order of HDPE resin to comply with the pipe purchase order and delivery timing to customers to reduce production cost risk.

Currently oil price situation in global market impact on economy and industry of Thailand. Plastics industry is one that affected from Oil prices directly because Plastics industry is directly linked to petroleum industry and petrochemical industry which is source of raw material for the production of plastic resins. Therefore, the production cost of plastic resin industry was directly changed by the price of petroleum in global market.

The information from Thai Plastic Industries Association stated that in 2020, domestic trading prices of HDPE plastic resin were in the price range of Baht 33.50 – 41.50 per kilogram (Year 2019, price 36 - 47 Baht per kg). The price of plastic resin tends to increase in the second half of the year so it was impacted the Company's cost.

The Office of the National Economic and Social Development Board reported that the Thai economy in 2020 declined by 6.1 percent, compared with a growth of 2.3 percent 2019. Export of goods, private consumption expenditure, and total investments contracted by 6.6 percent, 1.0 percent, and 4.8 percent, respectively. The headline inflation was at -0.8 percent and the current account registered a surplus of 3.3. percent of GDP.

The Thai economy in the fourth quarter of 2020 declined by 4.2 percent, improving compared to a 6.4 percent decline in the third quarter. Expenditure side, Private consumption continued to expand. Private investment and merchandise exports declined at a slower rate while public spending and investment expanded. And exports of services continued to decline. Production side, the agricultural sector returned to expand, Industrial production, Accommodation, and foodservice sector, transport, and storage sector, and wholesale, retail, and repair sector decrease at a slower rate while the electrical and gas sector continuous decline when adjusting the results of the season. The Thai economy in the fourth quarter of 2020 expanded by 1.3 percent from the third quarter of 2020, and in 2020, the Thai economy declined 6.1 percent, compared with a 2.3 percent expansion in 2019.

Expenditure Side

Private investment decreased by 3.3 percent, improved from a 10.6 percent decrease in the previous quarter, following the investment in machinery and equipment which decreased at a slower

rate, while the investment in construction fell. The investment in machinery and equipment decreased by 3.2 percent compared with a 13.9-percent drop in the previous quarter. This was in line with the imports of capital goods which decreased at a slower rate, compared with a 13.7-fall in the previous quarter, while the domestic machinery sales and newly registered motor vehicles for investment expanded by 5.3 percent and 5.8 percent, compared with a reduction of 5.6 percent and 9.4 percent in the previous quarter, respectively. The investment in construction decreased by 3.8 percent, compared with a 0.5-percent growth in the previous quarter. This was in line with the reduction of municipal construction permitted areas which recorded a 7.5-percent drop, compared with a 1.3-percent drop in the previous quarter, and the domestic construction material sales index which rose by 1.0 percent. The Business Sentiment Index (BSI) grew to 46.6 from 45.4 in the previous quarter.

In 2020, private investment decreased by 8.4 percent, compared to a 2.7 expansion in 2019. In summary, investment in machinery and equipment declined by 10.0 percent while investment in construction declined by 2.2 percent, compared to an expansion of 3.1 percent and 0.9 percent, respectively.

Production Side

Construction sector decreased by 0.3 percent compared to a 10.8 percent expansion in the previous quarter. This was in line with the decline in private construction and the slowdown in public construction. Public construction expanded by 2.9 percent, slowing down from a 17.7 percent expansion in the previous quarter. (government construction rose by 19.0 percent, decelerating from a 28.1 percent growth in the previous quarter whereas state enterprise construction declined by 19.4 percent, continued from 3.2 percent contraction in the previous quarter). Besides, private construction declined by 3.8 percent, compared to a 0.5 percent expansion in the previous quarter, as a result of the falling in construction of residential buildings and non-residential buildings (such as commercial buildings and factory buildings). Meanwhile, construction in service and transportation category and other construction continued to expand from the previous quarter. Construction Material Price Index rose by 0.4 percent, the first increase in six quarters following the increase in price index of floor tile and ceramic plate (2.8 percent) and ready mixed concrete (2.0 percent).

In 2020, construction sector expanded by 2.3 percent, accelerating from a 1.6 percent growth in 2019, mainly due to a 5.7 percent expansion of government construction (government construction expanded 8.4 percent and state enterprise construction grew by 0.6 percent), while private construction declined by 2.2 percent.

Fiscal Conditions

On the expenditure side, the total budget disbursement in the first quarter of fiscal year 2021 was at 1,162.6 billion Baht¹, increased by 33.2 percent compared with the same quarter of fiscal year 2020 in which current and capital expenditure disbursements increased by 30.1 percent and 48.7 percent, respectively. Classified by sources of funds, the government disbursements were as follows: (i) the 2021 annual budget disbursement stood at 938.4 billion Baht, rose from the same quarter last year by 28.6 percent. The disbursement rate was at 28.6 percent, greater than the rate of 22.8 percent in the same quarter of last year. In details, the current expenditure disbursement amounted to 865.5 billion Baht, increased by 23.0 percent compared with the same quarter of the previous year. The disbursement rate was at 32.8 percent, higher than the rate of 26.6 percent in the same quarter last year. The capital expenditure disbursement marked at 73.0 billion Baht, rose by 180.1 percent compared with the same quarter of last year. The rate of disbursement was at 11.2 percent, higher than the rate of 4.7 percent of the same quarter last year. The expansive growth of capital expenditure disbursement was partly due to the less calculation base in Q1/FY2020 where the capital expenditure disbursement decreased by 65.4 percent, as a result of the delay of the 2020 Budget Bill. (ii) The carry-over budget disbursement stood at 79.9 billion Baht, decreased by 0.9 percent compared to the first quarter of fiscal year 2020. The disbursement rate was at 37.1 percent, greater than the rate of 30.6 percent in the same quarter last year. (iii) Capital expenditure disbursement of state-owned enterprises (excluding PTT) was at 86.9 billion Baht², rose from the same period last year by 35.5 percent in accordance with the amendments in the investment plan of the Provincial Electricity Authority (PEA), TOT Public Company Limited Metropolitan Electricity Authority (MEA), Provincial Waterworks Authority, and CAT Telecom Public Company Limited. (iv) The 1-trillion-Baht COVID-19 loan³ was disbursed at 60.7 billion Baht.

Financial Conditions

Thai Baht against US dollar appreciated. In the fourth quarter of 2020, an average exchange rate was at 30.62 Baht per US dollar, appreciated by 2.25 percent from the previous quarter, in tandem with the net inflow of foreign investors in terms of both bond and portfolio investment, together with the depreciation of US dollar. During the fourth quarter of 2020, an average US dollar index stood at 92.16, declined from 94.05 percent in the previous quarter. The movement of Thai Baht partly due to the new US economic stimulus package for 900 billion US dollars, combined with the clear-sighted of annual expenditure budget of 1.4 trillion US Dollars. Besides, the COVID-19 vaccine development continuously advancing. As a result, risky assets appeared to be desired by investors, especially in emerging market and Thailand, even though the Bank of Thailand (BOT) implemented measures to

advance the development of the new Thai FX Ecosystem in November. In addition, comparing with trading partners/competitors, Thai Baht appreciated, reflecting by an increase in average of Nominal Effective Exchange Rate (NEER)⁴ by 0.42 percent from the previous quarter (an average of 122.48).

Furthermore, the other regional currencies such as Philippine Peso, Malaysian Ringgit, South Korea Won, Singapore dollars, Indian Rupees, Indonesian Rupiah, Japanese Yen, and Vietnamese Dong against the US dollar were appreciated from the previous quarter.

In 2020, Thai Baht fluctuated within a range of 29.80 – 33.09 Baht per US dollar (an average of 31.29 Baht per US dollar), depreciating by 0.80 percent from the 2019 average rate. The depreciation was mainly caused by the combination of the slowdown of global and Thai economy due to the COVID-19 pandemics, along with the impacts of lockdown measures in many countries.

Crude Oil price

The crude oil price in the global market declined compared with the same period last year, yet improved from third quarter of 2020. In the fourth quarter of 2020, the average crude oil price in four major markets (Dubai, Oman, Brent, and WTI) stood at 44.3 US dollars per barrel, declined by 27.2 percent from the average at 60.9 US dollars per barrel recorded at the same period last year. However, crude oil price increased by 4.0 percent from an average of 42.6 US dollars per barrel recorded at in the previous quarter.

Key reasons for the decline in the global crude oil price this quarter were (i) a slowdown in the world economy and concerns towards the rapid spread of coronavirus variants, leading to a slow decrease in crude oil demand, (ii) new lockdown and more strictly on preventive measures to controlling spread in the EU, (iii) unsuccessfulness of agreement of oil production cut that OPEC+ and Libya receiving privilege of OPEC agreement exemption.

In 2020, the average crude oil price in the four major markets stood at 41.6 US dollars per barrel, a decrease of 32.9 percent, lower than 61.9 US dollars per barrel in 2019.

3) [Change in key accounting policy](#)

-None-

4) [Non-recurring items](#)

-None-

5) [Research and development activities of the Company](#)

The Company focuses on product research and development by performing continuously. In 2020, the Company continuously supported and promoted activities of process development in various fields under the activities name "World Class Operation (WCO)". These activities can improve

production efficiency and reduce costs by more than 8.2 million Baht, which was more than 7.9 million Baht in the last year, together with product development.

Both activities as well as the company's product research and development, are still driven by the research and development (R&D) department, in collaboration with personnel from various departments within the Company. This makes it possible to manufacture premium fittings, forming from large turning sizes and now commercially available. Besides, this product successfully received a product design patent from the Department of Intellectual Property, Ministry of Commerce.

Development with personnel from external agencies and external institutions in the development of technology continued from 2019. From research and development together vigorously to develop technology and production process. This gives the Company the ability to produce the Data Logger, LDU for in-house use by reducing dependence on imported from abroad. This gives the company a higher level of knowledge from the successful development of products that are related to the business.

This year, the Company will continue to maintain business alliances with other companies in related businesses in the product development plan. Continuously strengthening product development together by developing various fittings by injection molding. Some products are currently in further development to cover the needs of current and future customers under the company's strategy and marketing plan.

The Company will continue to research and develop to increase product variety options along with the improvement in quality and adding the value of the product itself to meet customer demands and undertake cost reduction activities to enhance business competitiveness in today's increasingly competitive environment in terms of price, quality, and speed, as well as the product that needs to be different in every aspect that can meet the demands. Solve problems according to the customer needs including creating additional value for the product in every dimension.

The Company had expenditures on research and development in 2020 total of 3.95 million Baht. And to create a competitive advantage, the Company will remain committed to supporting the policy, research and development skills, knowledge development of personnel, and various technologies which is an essential component of the Company's success and sustainable growth.

14.2 Operating results and profitability

The operating results of the Company and its subsidiaries in the year 2020 changed over 20%. The Company and its subsidiaries have the net profit amount of Baht 109.34 million compared to Baht

21.57 million in the year 2019. The Company's profit increased by Baht 87.77 million or 406.91% due to the major reasons as follows;

Revenues

(Baht)	2020	Changed (%)	2019	Changed (%)	2018
Sales	1,216,892,352	20.80	1,007,325,417	3.45	973,771,744
Service income	396,946,996	90.55	208,313,663	(9.09)	229,138,483
Sales and service revenues	1,613,839,348	32.76	1,215,639,080	1.06	1,202,910,227
Dividend income	-	-	320,000	(80.77)	1,664,000
Others	7,952,514	(78.24)	36,541,229	114.15	17,063,100
Total revenues	1,621,791,862	29.48	1,252,500,309	2.53	1,221,637,327

1) Sales and service revenues

Revenue from sales and services in 2020 increased from the last year by 398.20 million Baht or 32.76%. This was mainly because of an increase in sales and installation of HDPE pipes by 339.29 million Baht and revenue from water management business increased by 58.91 million Baht, with details as follows:

Revenue classified by business group

(Million Baht)	2020	Changed (%)	2019	Changed (%)	2018
1. Revenue from pipe production and distribution business					
1.1 Sales	1,085.18	20.88	897.77	0.83	890.39
1.2 Installation income	283.80	115.13	131.92	17.69	112.09
1.3 Transportation services income*	3.20	(88.46)	27.73	146.93	11.23
Total	1,372.18	29.77	1,057.42	4.31	1,013.71
2. Revenue from water management business					
2.1 Revenue from production and distribution of tap water	134.95	(2.91)	138.99	42.22	97.73
2.2 Revenue from sale and installation of tap water production system	109.91	134.05	46.96	(54.28)	102.71
Total	244.86	31.68	185.95	(7.23)	200.44
3. Other income of the WIIC Group					
3.1 Dividend income	-	-	0.32	(80.72)	1.66
3.2 Interest income**	1.10	30.95	0.84	(52.54)	1.77
3.3 Others	4.75	(46.08)	8.81	117.00	4.06
Total	5.85	(41.32)	9.97	33.11	7.49
Grand total	1,622.89	29.49	1,253.34	2.59	1,221.64

Note * Transportation services income was recorded as other income according to the consolidated financial statements 2020.

** Interest income was recorded as financial income according to the consolidated financial statements 2020.

- (1) Incomes from sale pipe in the year 2020 increased from the year 2019 by Baht 187.41 million or 20.88% from;
- Domestic sales increased by Baht 244.43 million or 32.68%
 - Export sales decreased by Baht (57.02) million or (38.03)%.
- (2) Incomes from installation pipe in the year 2020 increased from the year 2019 by Baht 151.88 million or 115.13% from;
- Domestic installation revenue increased by Baht 139.55 million or 228.39%
 - Export installation revenue decreased by Baht (12.33) million or (17.41)%.
- (3) Incomes from the water management business are categorized to two types.
- Income from water treatment and distribution decreased by Baht (4.04) million. The major decreasing came from sales of water to Patong Municipality, Phuket Province. This was affected by the epidemic of Covid-19.
 - Income from installation and sale of water treatment systems increased by Baht 62.95 million.

2) Other income

Other income decreased from the year 2019 by Baht (28.91) million or (78.43) The major decreasing came from export delivery income tallied with the decreasing in export sales. Transportation revenues usually depend on the incoterm agreed with the customers.

Expenses

(Baht)	2020	Changed (%)	2019	Changed (%)	2018
Cost of sales	990,283,647	14.02	868,534,430	(1.04)	877,684,996
Cost of services	326,722,082	98.66	164,459,071	(10.60)	183,954,545
Cost of sales and services	1,317,005,729	27.49	1,032,993,501	(2.70)	1,061,639,541
Selling and distribution expenses	44,171,849	(24.81)	58,749,146	35.48	43,364,893
Administrative expenses	97,758,813	0.26	97,505,965	32.88	73,377,169
Total expenses	1,458,936,391	22.68	1,189,248,612	0.92	1,178,381,603

3) Cost of sales and services

Cost of sales and service in 2020 increased from the last year of 284.01 million Baht or 27.49% with details as follows:

- (1) Cost of sales of pipes for the year 2020 was 81.49% of income. The cost per income rate decreased from the year 2019 which was 88.16 percent of income. The major reasons were

that the cost of raw materials used in production was lower than the year 2019 and the production efficiency increased.

(2) Cost of installation of pipes for the year 2020 was 89.46% of income. The cost per income rate decreased slightly from the year 2019 which was 89.70 percent of income.

(3) Costs from the water management business were categorized to two types.

- Cost from sale and service of water supply for the year 2020 was 68.28% of income. The cost per income rate increased compared to the year 2019 which was 63.68 percent of income. This was due to decreasing of sale of water to Patong Municipality.
- Cost from installation of water production systems and construction of turnkey water treatment systems for the year 2020 was 77.57% of income. The cost per income rate increased from the year 2019 which was 73.87% of income.

4) Selling and distribution expenses

Selling and distribution expenses for the year 2020 decreased from year 2019 in amount of Baht (14.58) million or (24.81)%, mostly came from decreasing in oversea export expenses.

5) Administrative expenses

Administrative expenses for the year 2020 increased from year 2019 in amount of Baht 0.25 million or 0.26%, from the normal business operation.

Finance cost and income tax income (expenses)

(Baht)	2020	Changed (%)	2019	Changed (%)	2018
Finance income	1,099,286	30.15	844,631	-	-
Finance expenses	(34,502,507)	(18.34)	(42,252,812)	23.53	(34,204,449)
Finance cost	(33,403,221)	(19.33)	(41,408,181)	21.06	(34,204,449)
Income tax income (expenses)	(20,109,441)	7,166.18	(276,754)	(108.51)	3,250,842

7) Finance cost

Financial cost in the year 2020 decreased from year 2019 in amount of Baht (8.00) million or (19.33)%. In the previous year the Company paid the interest of Short-term debentures and bill of exchanges which had higher interest rates than lending from the financial institutions.

8) Income tax income (expenses)

Tax expenses in the year 2020 was Baht 20.11 million increased from the year 2019 by Baht 19.83 million from increasing of profit.

PROFITABILITY RATIO		2020	2019	2018
Gross profit margin	(%)	18.39	15.02	12.54
Operating profit margin	(%)	10.09	5.27	3.60
Other income ratio	(%)	0.49	3.01	1.53
Cash to profitability	(%)	(37.26)	452.22	(292.47)
Net profit margin	(%)	6.74	1.72	1.01
Return on equity	(%)	9.70	2.35	1.33

The gross profit margin is 18.39% which increased from the year 2019 the gross profit margin was 15.02%. The main reason is revenue from sales and services increased from the last year, both in sales and installation of the HDPE pipe business group increased by 339.29 million Baht and revenue from water management business group increased by 58.91 million Baht. Besides, the cost-to-income ratio in the HDPE pipe business group is lower than in 2019 because raw materials cost used in production decreased from 2019, and better cost management efficiency making the gross profit margin increased.

The operating profit margin is 10.09% increased from the year 2019 that operating profit margin was 5.27%. The main reason is gross profit margin increased because the reasons mentioned above.

The cash to profitability is (37.26)% decreased from 2019 that cash to profitability was 452.22% because, in 2020, the Company has net cash used in operating activities of Baht (60.68) million while in 2019 the Company had net cash from operating activities of Baht 289.86 million from the customers in the Provincial Waterworks Authority Extension Project in the Eastern Economic Corridor Development Project (EEC) area.

The net profit margin is 6.74% increase from 2019 that net profit margin was 1.72% and return on equity is 9.70% increase from 2019 that return on equity was 2.35% because, in the year 2020, the Company's profit increased from the last year.

14.3 Ability to manage assets

1) Receivables Management

In the year 2020, the Company had trade and other receivables of 604.06 million Baht increased by 196.17 million Baht or 48.09% divided into trade accounts receivable of 399.13 million Baht and other receivables of 204.93 million Baht. The increase was mainly from other receivables in joint ventures P.S.I-WIK in the project to improve the rainwater drainage system to prevent Yinyom beach flooding. (Soi Phratamnak 5) Banglamung District, Chonburi Province with Pattaya City of 93.17 million

Baht. And the Company has outstanding receivables over 12 months of 65.43 million Baht, which decreased from the last year that the outstanding receivables over 12 months were 87.52 million Baht. The outstanding receivables have already made an allowance for doubtful accounts of 29.45 million Baht.

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 with details as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	154,395	128,540	141,231	105,241
Past due				
Up to 3 months	100,142	79,346	86,199	57,859
3 - 6 months	56,151	41,418	56,151	20,851
Over 6 - 12 months	30,946	19,512	8,289	19,495
Over 12 months	65,427	87,521	51,737	46,027
Total	407,061	356,337	343,607	249,473
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(29,448)	(28,777)	(29,448)	(28,777)
Total trade receivables - unrelated parties - net	377,613	327,560	314,159	220,696
Retention receivables as per contract	21,515	13,549	18,291	9,302
Total	399,128	341,109	332,450	229,998
Total trade receivables - net	399,128	341,109	333,139	233,533
<u>Other receivables</u>				
Other receivables - related party (Note 7)	-	-	-	860
Other receivables - unrelated parties	634	473	168	-
Accrued income	12,491	7,325	-	-
Unbilled receivables - related party (Note 7)	-	-	-	9
Unbilled receivables - unrelated parties	191,810	58,990	175,856	54,695
Total other receivables	204,935	66,788	176,024	55,564
Total trade and other receivables - net	604,063	407,897	509,163	289,097

Part of the above overdue receivables aged over 90 days are secured by assignment to get payment from the customer, bank guarantees or guaranteed by the customer's directors and the

Company is able to collect interest on overdue balances of certain delinquent receivables. Accordingly, the management believes that the allowance is adequate to cover the possible losses that may arise from the uncollectibility of the existing receivables.

Credit Risk Management

The Group is exposed to credit risk primarily with respect to trade and other receivables, short-term loans to related party, deposits with banks and financial institutions and other financial instruments. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group also has a policy to obtain bank guarantees from its customers to secure the partial amounts of receivable balances and have exercised the letters of guarantee to reduce the overdue receivable balances and has implemented the credit risk insurance for some receivables since July 2014 to reduce more credit risk. 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 in the liquidity risk topic.

2) Key component of other assets

In 2020 the Company had the key component of other assets (excluding trade and other receivables) as consolidated financial statements ended 31 December 2020 as follows.

(Baht)	2020	Changed (%)	2019	Changed (%)	2018
Current assets					
Cash and cash equivalents	106,217,688	12.53	94,394,077	(49.28)	186,107,694
Inventories	351,290,325	(21.87)	449,623,244	17.76	381,813,243
Advance payment to subcontractors	4,167,970	(57.30)	9,760,801	(49.77)	19,430,452
Other current assets	69,062,679	(10.85)	77,471,699	71.23	45,243,987
Non-current assets					
Restricted bank deposits	17,212,937	4.32	16,500,000	3.13	16,000,000
Other non-current financial assets	30,980,695	-	-	-	-
Property, plant and equipment	1,009,289,538	13.06	892,723,368	30.20	685,653,857
Right-of-use assets	71,102,064	-	-	-	-
Assets for production of filtrated water that must be transferred at end of agreement of subsidiary	75,262,704	779.35	8,558,887	-	-
Intangible assets	148,991,898	(2.23)	152,389,012	38.84	109,760,766
Deferred tax assets	24,782,592	45.30	17,056,057	1.80	16,755,253
Advance payment for plant and equipment	1,890,131	(79.67)	9,297,526	1,180.65	726,000
Other non-current assets	10,181,873	2.46	9,937,441	(73.97)	38,177,649

Current assets

■ Cash and cash equivalents

Cash and cash equivalents are Baht 106.22 million which increased from the last year by Baht 11.82 million. It was the remaining from the capital increase that the Company received 280 million Baht and used for investment in the water management business including loan repayment.

■ Inventories

Inventories are Baht 351.29 million which decreased from the last year by Baht (98.33) million. Most of them decreased from finished goods and work in process that delivered to the customers and recognizes the income in the year 2020 with details of inventories as follows.

Thousand Baht	2020	Changed %	2019	Changed %	2018
Finished goods	208,278	(25.45)	279,385	27.25	219,558
Work in process	17,031	(67.83)	52,934	(29.33)	74,906
Raw materials	104,707	6.13	98,663	31.71	74,910
Spare parts and factory supplies	21,273	14.12	18,641	49.86	12,439
Total	351,290	(21.87)	449,623	17.76	381,813

■ Advance payment to subcontractors

Advance payments to subcontractors are Baht 4.17 million, which decreased by Baht (5.59) million. It was mainly decreased from the advance payment to contractors in the Patong project, Phuket Province.

■ Other current assets

Other current assets are Baht 69.06 million which decreased from the last year by Baht (8.41) million. It was mainly decreased from prepaid expenses and VAT.

Non-current assets

■ Restricted bank deposits

Restricted bank deposits are Baht 17.21 million which increased from the last year by Baht 0.71 million. It is fixed deposits pledged with the banks to secure credit facilities and guarantees the lease of land.

■ Other non-current financial assets

Other non-current financial assets are 30.98 million Baht, which increased the full amount from the last year. It was a result of the change in accounting policies because of the adoption of the

Financial Reporting Standard No. 9 which was adjusted from other long-term investments and revalue increased of 9.74 million Baht.

	(Unit: Thousand Baht)
	31 December 2020
	Consolidated and Separate
	financial statements
<u>Financial assets at FVTPL</u>	
Nakhonluang Capital Public Co., Ltd.	30,981
K-Tech Construction Public Co., Ltd.	30
Total financial assets at FVTPL	31,011
Less: Allowance for impairment loss	(30)
Total other non-current financial assets - net	30,981

■ Property, plant and equipment

Property, plant and equipment are Baht 1,009.29 million which increased from the last year by Baht 116.57 million. The increase was mainly from the new land revalue by independent appraisers in 2020 by Baht 91.39 million, and assets under installation of Baht 30.38 million, and decreased from the first implementation of the Financial Reporting Standard No.16.

■ Right-of-use assets

Right-of-use assets are 71.10 million Baht, which increased the full amount from the last year. It was a result of the change in accounting policy from the first implementation of the Financial Reporting Standard No.16.

■ Assets for production of filtrated water that must be transferred at end of agreement of subsidiary

Assets for production of filtrated water that must be transferred at end of the agreement of the subsidiary is 75.26 million Baht which increased by 66.70 million Baht. It was mainly increased from assets between installations. These are assets for the production of treated water of WIIC Water Company Limited (a Subsidiary) which will be transferred to the contract parties after the end of the 10-year agreement to produce and sell treated water, which will expire in 2029.

■ Intangible assets

Intangible assets are Baht 148.99 million which decreased from the last year by Baht (3.40) million. It was mainly decreased from accumulated amortization, and increased from the right to use HDPE fittings under PWA and computer software.

■ **Deferred tax assets**

Deferred tax assets are Baht 24.78 million which increased from the last year by Baht 7.73 million by net from recording income tax expense and recording of deferred income tax assets from the deficit of subsidiaries under Accounting Standard No. 12 Income Tax.

■ **Advance payment for plant and equipment**

Advance payment for plant and equipment is Baht 1.89 million which decreased from the last year by Baht (7.41) million. It was mainly decreased from the investment in the purchase of WEHOLITE INTERNAL WELDING MACHINE and other machinery.

■ **Other non-current assets**

Other non-current assets are Baht 10.18 million which increased from the last year by Baht 0.24 million. It was mainly withholding tax will be refunded of a subsidiary.

EFFICIENCY RATIO		2020	2019	2018
Return on assets	(%)	4.66	1.04	0.66
Return on fixed assets	(%)	20.72	11.99	9.21
Assets turnover	(เท่า)	0.69	0.60	0.66

Return on assets is 4.66% which increased from the year 2019 that return on assets was 1.04%. The main reason is the Company's net profit increased from the last year from the revenue from sales and services increased from the last year both in the HDPE pipe business and water management business. Besides, the cost-to-income ratio in the HDPE pipe business was lower than in 2019.

Besides, the Company's total assets increased by 352.64 million Baht or 16.24%, mainly from trade and other receivables increased 48.09% from other receivables in joint venture P.S.I-WIJK, property, plant, and equipment increased 13.06%, rights-of-use assets increased full amount from the change in accounting policy from the first implementation of the Financial Reporting Standard No.16. And clean water production assets that need to be transferred at the end of the contract of the subsidiary increased 779.35% while inventories decreased (21.87)% from delivery to customers and recognized revenue in 2020 and the advance payment for building and equipment decreased (79.67)% from the advance payment for the purchase of WEHOLITE INTERNAL WELDING MACHINE and other machinery.

Return on fixed assets is 20.72% which increased from the year 2019 that return on fixed assets was 11.99%. Assets turnover is 0.69 times increased from the last year because the Company's total revenues increased.

14.4 liquidity and Suitability of Capital Structure

1) Sources and uses of funds

In 2020 the Company's capital structure are cash from financing activities which mainly are proceeds from increase in share capital, cash receipt from long-term loans, and cash receipt from issuance promissory note to third party for use as working capital and source of funds for investments in water management of subsidiaries with details of sources and uses of funds for the year 2020 as follows.

Cash flow	2020	Changed (%)	2019	Changed (%)	2018
Net cash from (used in) operating activities	(60,675,273)	(120.93)	289,859,265	(329.12)	(126,509,039)
Net cash from (used in) investing activities	(163,932,640)	(3.30)	(169,528,158)	122.55	(76,175,412)
Net cash from (used in) financing activities	233,370,172	(210.51)	(211,185,038)	(180.66)	261,834,865
Net increase (decrease) in cash and cash equivalents	8,762,259	(109.64)	(90,853,931)	(253.60)	59,150,414
Unrealised (loss) gain on exchange for cash and cash equivalents	3,061,352	(456.10)	(859,686)	1,228.32	(64,720)
Cash and cash equivalents at beginning of year	94,394,077	(49.28)	186,107,694	46.52	127,022,000
Cash and cash equivalents at end of year	106,217,688	12.53	94,394,077	(49.28)	186,107,694

- Net cash used in operating activities is Baht (60.68) million which was in line with the trade and other receivables increased. The change was quite large when compared to the year 2019 that net cash from operating activities was 289.86 million Baht. Because in the year 2019, the Company had an advance received from customers in the Provincial Waterworks Authority Extension Project in the Eastern Economic Corridor Development Project (EEC) area.
- Net cash used in investing activities was (163.93) million Baht which slightly decreased of (3.30)% compared to 2019 that net cash used in investing activities was (169.53) million Baht. The mainly are acquisition of property, plant and equipment (96.32) million Baht, Acquisition of assets for production of filtrated water that must be transferred at end of agreement of subsidiary (66.77) million Baht, acquisition of intangible assets (5.35) million Baht, Increase in cash payment in advance for plant and equipment (1.40) million Baht, and increase in restricted bank deposits (0.71) million Baht.
- Net cash from financing activities was 233.37 million Baht, while in 2019, net cash used in financing activities was (211.19) million Baht. The Company's financing in 2020 from proceeds from increase in share capital 280 million Baht, cash receipt from long-term

loans 172 million Baht, and cash receipt from issuance promissory note to third party. As of 31 December 2020, the Company has fully paid back the promissory notes to third party.

Besides, the Company had net cash used in financing activities such as repayment in short-term loans from financial institutions (109.20) million Baht, repayment of promissory note to third party (100) million Baht, repayment of long-term loans (35.44) million Baht, payment of principal portion of lease liabilities (17.17) million Baht, and dividend paid (56.82) million Baht.

2) Investment expenditure

In 2020 the Company had investment expenditure of Baht (170.55) million such as acquisition of property, plant and equipment (96.32) million Baht, acquisition of assets for production of filtrated water that must be transferred at end of agreement of subsidiary (66.77) million Baht from assets between installation, acquisition of intangible assets (5.35) million Baht from the right to use HDPE fittings under PWA and computer software, increase in cash payment in advance for plant and equipment (1.40) million Baht from advance payment for the purchase of WEHOLITE INTERNAL WELDING MACHINE and other machines, and increase in restricted bank deposits (0.71) million Baht from fixed deposits pledged with the banks to secure credit facilities and guarantees the lease of land.

3) Adequacy of liquidity

LIQUIDITY RATIO		2020	2019	2018
Current ratio	(times)	1.34	0.94	1.18
Quick ratio	(times)	0.84	0.46	0.68
Cash flow ratio	(times)	(0.06)	0.29	(0.17)
Accounts receivable turnover ratio	(times)	3.19	2.92	3.10
Average collection period	(days)	114.42	125.00	117.74
Inventory Turnover ratio	(times)	4.06	3.48	4.55
Average sale period	(days)	89.90	104.89	80.22
Payable turnover ratio	(times)	15.63	32.61	29.29
Repayment period	(days)	23.35	11.19	12.46
Current ratio	(days)	180.97	218.69	185.50

The current ratio is 1.34 times which was higher than the last year that shows the Company's current assets include cash, accounts receivable and inventories higher than short-term liabilities including in the year 2020, the Company has flexibility for short-term liabilities repayment higher than the year 2019.

The quick ratio is 0.84 times which was higher than the last year, reflecting the actual liquidity that the Company has assets can be converted into cash increased from the last year, but still lower than short-term liabilities. While Cash flow ratio is (0.06) times decreased from the last year, reflecting the cash flow from operations is still not enough to repay the Company's short-term liabilities.

The accounts receivable turnover ratio is 3.19 times with Average collection period 114.42 days that shows the Company use time for billing from the sales on credit less than the year 2019. However, the Company's average collection period is quite long as result of the relaxation on credit to the customers to increase the competitiveness of Company. The Company has made credit insurance to mitigate credit risk.

The inventory turnover ratio is 4.06 times with an average sale period of 89.90 days decreased from the last year. In 2018 - 2019, the Company had an average sale period of 80.22 days and 104.89 days respectively. Because the Company can deliver the work received during the year increased from projects in Eastern Economic Corridor (ECC), drought-related projects, projects of Provincial Water Works Authority, and projects in the industrial estates.

The payable turnover ratio is 15.63 times with a repayment period of 23.35 days that longer than the year 2019 that repayment period was 11.19 days because the Company purchased raw materials during the year by the cash term and a 60-day credit term during the plastic resin price decreased, to manage the cost of raw materials.

The year 2020 the Company's cash cycle period (calculated by number of days from the date of payment of raw material until received payment from customers) is shorter than the last year. Because of the Company purchased raw materials during the year by the cash term and a 60-day credit term during the plastic resin price decreased, to manage the cost of raw materials including the company can deliver more work received during the year.

In overall, the Group's operation performance of the year 2020 had the net profit amount of Baht 109.34 million which significantly increased from the previous year. It was from the delivery of the Backlog on hand and the increasing of new sales from projects in Eastern Economic corridor (ECC), drought-related projects, projects of Provincial Water Works Authority and projects in the industrial estates.

4) Ability to repayment

The Company and its subsidiaries' total liabilities in the year 2020 were 1,191.97 million Baht, which decreased by (58.52) million Baht or (4.68)% from the last year that the liabilities size was 1,250.49 million Baht. Most of the liabilities were short-term loans from financial institutions 416.13 million Baht, Long-term loans 262.97 million Baht, Trade and other payables 150.35 million Baht, and Advance received from customers 120.67 million Baht.

The Company 's funds comes from the cash received financing activities which mainly are proceeds from increase in share capital, cash receipt from long-term loans, and cash receipt from issuance promissory note to third party for used as working capital for business operations and as a source of investment in the water management business of the subsidiaries. From the past operations, the Company can be paid liabilities according to conditions and have sufficient ability to pay off liabilities.

4.1) Short-term loans from financial institutions

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(percent per annum)		financial statements		Separate	
	2020	2019	2020	2019	2020	2019
Short-term loans from						
financial institutions	2.91 - 4.37	3.75 - 4.44	416,131	525,335	416,131	525,335
Total short-term loans from financial institutions			416,131	525,335	416,131	525,335

The Company's short-term loans from financial institutions are secured by the mortgage of the Company's land and construction thereon and machinery and the pledge of its fixed deposits at banks.

4.2) Long-term loans

Interest rate	Repayment schedule	Consolidated financial		(Unit: Thousand Baht)	
		statements		Separate financial	
(%)		2020	2019	2020	2019
MLR - 1.75	Monthly installments as from November 2016 - July 2024	43,747	54,876	-	-
MLR - 1.75	Monthly installments as from November 2017 - August 2025	59,895	71,544	-	-
MLR - 1.75	Monthly installments as from March 2020 - October 2027	36,063	-	-	-
MLR - 1.75	Monthly installments as from March 2020 - August 2027	123,273	-	-	-
Total		262,978	126,420	-	-
Less: Current portion		(42,493)	(24,144)	-	-
Long-term loans, net of current portion		220,485	102,276	-	-

Movement of the long-term loan account during the year ended 31 December 2020 are summarised below:

		(Unit: Thousand Baht)
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	126,420	-
Add: Additional borrowings	172,000	-
Less: Repayment	(35,442)	-
Balance as at 31 December 2020	262,978	-

The loans of its subsidiaries are secured by the Company and a subsidiary and the mortgage of the Company's land including the transfer of rights of claim under the agreement granting a license for operate a water supply system, the agreement granting to design, construct and operate a potable water production system, the agreement of production and/or supply of good water (RO) and the agreement granting to design, construct and operate an extension portable water production system that its subsidiaries had received from counterparties.

Under the loan agreements, its subsidiary is required to follow certain conditions stated in the agreement which, among other things, require to maintain debt-to-equity ratio at the rate prescribed in the agreements.

As at 31 December 2020, the long-term credit facilities of the Subsidiary which have not yet been drawn down amounted to Baht 108 million (2019: Nil).

FINANCIAL POLICY RATIO		2020	2019	2018
Debt to Equity ratio	(times)	0.89	1.36	1.16
Interest coverage ratio	(times)	(0.43)	8.16	(2.61)
Debt service coverage ratio	(times)	(0.27)	1.58	(0.75)
Dividend payout ratio	(%)	60.85	91.38	45.64

The Company and its subsidiary manage to ensure that it has appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.89:1 (2019: 1.36:1) and the Company's was 0.66:1 (2019: 1.08:1).

Debt to equity ratio in the year 2020 was 0.89 which decreased from the year 2019 that the debt to equity ratio was 1.36 because the Company increased capital making the shareholders' equity increase and Debt to equity ratio decreased from the last year.

The interest coverage ratio is (0.43) times decreased from the last year which the interest coverage ratio was 8.16 times, shows the Company had cash flow from operating activities overspend and the Company has a lower ability to pay interest compared to the last year.

Debt service coverage ratio (cash basis) is (0.27) times that shows the Company had cash flow from operating activities less than obligations such as Liabilities repayment, Assets investment expenditure including dividend payment. Because in the year 2020 the Company had net cash used in operating activities of (60.68) million Baht, while the total investment expenditure is (170.55) million Baht.

However, the Company increased its capital during the year 2020 that received 280 million Baht, making the Company sufficient liquidity to operate its business.

14.5 Liabilities obligations and off balance sheet liabilities management

The Company had commitments and contingent liabilities which disclose in notes to the financial statements article 34 of the financial statements 2020 as follows.

1. Capital commitments

As at 31 December 2020, the Group had capital commitments of approximately Baht 23.9 million (2019: Baht 1.5 million), relating to the acquisition of machinery (The Company only: Baht 2.2 million (2019: Baht 1.1 million), relating to the acquisition of machinery).

2. Raw material purchase commitments

As at 31 December 2020, the Group had raw material purchase commitments amounting to Baht 222.7 million (2019: Baht 174.0 million) (The Company only: Baht 222.7 million (2019: Baht 174.0 million)).

3. Long-term service commitments

- (a) The Company entered into Licensing Agreement with Uponor Infra Ltd. for the products under WEHOLITE trademarked for a period of 5 years. The Licensing Agreement is for Licensing Fee and Royalty Fee. For the year ended 31 December 2020, the Licensing Fee and Royalty Fee was approximately Baht 2.8 million (2019: Baht 3.0 million).
- (b) On 17 May 2016, the subsidiary signed an agreement with a company (the Licensor) granting it a license to manage a water supply system, whereby the subsidiary is to manage operation of the water supply distributed to Siam Eastern Industrial Park for a period of 20 years from the first day the water supply system is operational (1 June 2016). The subsidiary has to pay to the

Licensor compensation amounting to Baht 110 million and compensation for rental as stipulated in the agreement at Baht 1.2 million per annum for 20 years. The subsidiary is required to maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at its own expense. The Licensor agrees to purchase treated water that the subsidiary produces in a volume sufficient to meet the demand of its users at the price stipulated in the agreement, with minimum guaranteed purchases of 12,000 cubic meters per day and the subsidiary has to purchase raw water only from the licensor at the price stipulated in the agreement. Moreover, the subsidiary is also obliged to comply with certain provisions and conditions stipulated in the agreement.

- (c) On 21 October 2016, the subsidiary signed an agreement with a company (Employer) to design, construct and operate a potable water production system for Wellgrow Industrial Estate for a period of 20 years from the first day the water supply system is operational. Under the agreement, the subsidiary is responsible for the acquisition of machinery and equipment used in the production of potable water, including installation of potable water system and maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at its own expense. Moreover, the subsidiary is also obliged to comply with certain provisions and conditions stipulated in the agreement. Employer agrees to purchase treated water that the subsidiary produces in a volume to meet the demand of Employer at the price stipulated in the agreement, with minimum guaranteed purchases of 17,500 cubic meters per day.

On 1 October 2018, the subsidiary signed an amendment to the above the agreement, with minimum guaranteed purchases of 17,000 cubic meters per day which will be effective from 1 October 2018 onward.

Subsequently, on 21 July 2020, the subsidiary signed an amendment to the above the agreement, with minimum guaranteed purchases of 10,500 cubic meters per day and increase the selling price per cubic meters which will be effective from 21 July 2020 onward. The subsidiary presented income at the minimum offtake quantities under service income in profit or loss for the year ended 31 December 2020.

- (d) On 4 January 2019, the subsidiary purchased ordinary shares of WIIC PT Company Limited ("WPT") (Formerly known as "WOG ITR Water Solution Company Limited ("WOG ITR")"), the subsidiary of Wiik Water Co., Ltd., with an objective of acquiring the right to manage the water production plant with Ultra filtration and Reverse Osmosis systems to provide services in

accordance with the agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province (client) dated 16 July 2012 with a term of 30 years (at present, such agreement remains 24 years). Under the agreement, WPT is responsible for providing engineers, technicians and person who has knowledge and specialty in design, procurement and installation of Reverse Osmosis systems including the acquisition of machinery and equipment used in the production of RO, and maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at WPT own expense. Moreover, WPT is also obliged to comply with certain provisions and conditions stipulated in the agreement.

- (e) On 31 March 2019, the subsidiary signed the water recycling agreement with a company (Buyer) in Wellgrow Industrial Estate for a period of 10 years from the first day the water supply system is operational. Under the agreement, the subsidiary is responsible for design, construct and install the water recycling system with standard stipulated in the agreement, including acquisition of machinery and equipment used in the production of filtrated water and maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at its own expense. Moreover, the subsidiary is also obliged to comply with certain provisions and conditions stipulated in the agreement, including deliver and transfer ownership of machines, equipment and relevant items, in relation to the entire water recycling system to Buyer when that agreement terms have been expired. Buyer agrees to purchase filtrated water that the subsidiary produces in a volume to meet the demand of Buyer at the price stipulated in the agreement, with minimum guaranteed purchases of 475 cubic meters per day.

4. Guarantees

- (a) As at 31 December 2020, the Company has guaranteed bank credit facilities of its subsidiaries amounting to US dollar 1 million and Baht 595 million (2019: US dollar 1 million and Baht 312 million).
- (b) As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 96.3 million (2019: Baht 57.6 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 35.0 million (2019: Baht 35.0 million) to guarantee payment due to suppliers, Baht 36.0 million (2019: Baht 16.1 million) to guarantee contractual performance, Baht 6.7 million (2019: Baht 5.9 million) to guarantee electricity use, among others, Baht 18.6 million (2019: Baht 0.6 million) to guarantee cash advance received from customers and retention.

14.6 Factors that affect the operating results in future

14.6.1 Economic outlook for 2021

The Thai economy in 2021 tends to recover continually from the latter half of 2020, with key supporting factors as follows: (i) the recovering trend of the world economy and the global trade volume in 2021, driven by the better-than-anticipated progress of the approval and distribution of the COVID-19 vaccine as well as possible additional monetary and fiscal boosts in major economies; (ii) the supports from government disbursements under the annual budgetary framework, state-owned enterprises' capital budget following progresses of key infrastructure projects, and the 1-trillion Baht loan decree; (iii) the gradual recovery of domestic demand both consumption and investments; and (iv) the uncommon low growth base of the economy in 2020. Nevertheless, the limitations and risks to the recovery during 2021 are (i) the uncertainties surrounding the pandemic both domestic and foreign, which may intensify or prolong the situation and thus leads to more stringent containment measures; (ii) the delays in the recovery of the tourism sector; (iii) financial conditions of the households and business sectors, especially amidst a non-fully recovered labor market and business activities; (iv) risk of drought; and (v) volatilities in the global economy and financial market.

Key assumptions for 2021 economic projection

1) The assumptions for the pandemic and vaccines

The assumptions for the pandemic and vaccines are as follows: (i) The new outbreak in Thailand does not intensify and spread to other provinces which can lead to further restriction measures. In the base case, it is expected that the number of new cases in the country will be peak in February 2021, and the pandemic will be kept within the limited area by March, (ii) the vaccines are expected to be effective against COVID-19 and compatible with the human immune system, and (iii) the assumptions for vaccines roll out in the base case scenario is such that in the developed countries at least 50 percent of a population are expected to receive the vaccine by the first half of 2021 and 75 percent of the population by the end of 2021, and in the developing countries, and the emerging market and developing countries including Thailand, at least 50 percent of a population are expected to receive the vaccine by the late 2021 and to reach 75 percent by the first half of 2022. Accordingly, under this baseline assumptions, Thailand and major tourist originating countries are expected to ease their international travel restrictions in the last quarter of 2021. However, the relaxation will be under strict COVID-19 prevention guidelines.

2) The world economy and the global trade volume in 2021

The world economy and the global trade volume in 2021 are expected to expand by 5.2 percent and 6.7 percent, respectively, which are upward revisions from the growth of 4.9 percent and 5.0 percent in the previous projection, and improving from the 3.5-percent and 11.0-percent contractions in 2020. The adjustments were in accordance with the faster-than-expected economic recovery of major countries, particularly the US, China, and Newly Industrialized Economies. There is also support from the progress on vaccine approval and vaccine rollout to the population in the key economies starting from mid-December 2020. Simultaneously, additional stimulus measures from the government in terms of easing fiscal and monetary policies are expected to be continually implemented in order to boost domestic demand.

3) Value of Thai Baht

The average value of Thai Baht in 2021 is expected to be in the range of 29.5 – 30.5 Baht per US dollar, appreciating from 31.3 Baht per US dollar in 2020 and 30.3 – 31.3 Baht per US dollar in the assumption of the previous estimation. This expectation is in line with the progress of vaccination and a faster-than-expected global economic recovery, resulting in investors being more encouraged to move their capital from safe assets to emerging market economies and Thailand. However, there is a risk from the fluctuation of the Baht under the uncertainty of the pandemic situation, vaccine efficiency, and the direction of the policies of major economies which will be implemented to cope with the rising inflation. At the same time, the increase of the US government's long-term bond yield will undermine the depreciation of the US dollar.

4) Crude oil price

The average Dubai crude oil price in 2021 is expected to be within the range of 48.0 – 58.0 US dollars per barrel, an increase from 42.1 US dollars per barrel average in 2020 and is higher than the previous assumed range of 41.0 - 51.0 US dollars per barrel in the previous projection. The factors contributing to upside risks are: (i) the prospect of better-than-expected global economic recovery during 2021, which will drive oil demand. In particular, the US Energy Information Administration (EIA) has forecasted in January 2021 that global oil demand in 2021 will increase by 5.1 million barrels per day from 2020, a growth by 6.0 percent compared to the 8.9-percent decline in 2020, (ii) the agreement among the OPEC as well as its alliances (OPEC+) leading to production cuts during 2021, with Saudi Arabia agreeing to cut further by 1 million barrel per day during February and March 2021, (iii) the low level of US crude oil inventory, which at the end of January was at 70.7 percent of total working storage capacity, which is a 44-week low and lower than before COVID-19 outbreak in the US,

and (iv) within-OPEC geopolitical conflicts which could cause delays in production cut such as the events of Indonesia seizing Iranian tanker and explosions in Saudi Arabia. Nevertheless, the oil price is also subject to downward pressures as follows: (i) the highly uncertain COVID-19 situation as well as the tendency to mutate which will undermine vaccines' efficiency, (ii) the increasing number of oil rigs in the US to 305 rigs at the end of December 2020, which is the fifth consecutive month of increases, and (iii) high levels of petroleum and other liquids commercial inventory of the US and OECD economies at the end 2020 which was higher than anticipated by the EIA in October 2020.

5) The budget disbursement

The budget disbursement are as follows: (i) The FY2021 annual budget disbursement rate of 93.5 percent of overall budget, downwardly revised from 94.4 percent in the previous projection. The current budget is expected to be disbursed by 98.0 percent, equal to the previous estimation. The capital budget is expected to be disbursed by 75.0 percent, lower than an 80.0-percent disbursement rate in the past projection due to a lower-than-expected disbursement rate of capital budget in the first quarter of FY2021. (ii) The carry-over budget disbursement rate of 85.0, the same level as in the previous estimate. (iii) State-owned enterprises' capital budget disbursement of 70.0 percent, equal to the previous assumption. (iv) As of February 11th, the budget under the 1 trillion Baht loan Decree has been disbursed by 402 billion Baht, and expected that about 510 billion Baht will be disbursed during FY2021, compared with a disbursement of 290 billion Baht in FY2021. Therefore, the cumulative disbursement by the end of FY2021 is expected to be 800 billion Baht, accounting for an 80.0 percent disbursement rate of the total budget, and an upward revision from a disbursement rate of 70.0-percent in the previous projection. The adjustment was in regard to new measures to support those affected people from the new transmissions, particularly the Rao-Cha-Na and Rao-Rak-Kan programs worth 247 billion Baht in total.

14.6.2 Marketing strategy

Main Products: PE Pipes & Fittings

1. Solid wall pipes

- Ongoing campaigning for project owners to realize the disadvantages of using low-quality PE pipes.
- Create opportunities for participation in projects related to the EEC.
- Provide technical advice, design, and piping to customers in the petrochemical refinery and power plant groups including building relationships and trust.

2. Weholite

- Create an image of being a leader in the quality of non-pressure pipes.
- Develop the technology of welding which better than other manufacturers.

3. Fitting

- Continuously improve forms and quality of the Fitting
- TIS and ISO registration
- Technology collaboration with LESSO

New products

1. **Data Logger Unit (LDU):** Real time monitoring on computer / mobile phone application
 - Create product awareness and acceptance through seminars, presentation, and demonstration
2. **Being a distributor of technological products for the development of pipeline systems.**

Service business

1. Investing in water management business
2. Welding work for pipes in large projects.
3. Approach turn-key installation projects which WIik has competitive advantage.
4. Attend government tenders.
5. Offer welding / installation work overseas.

14.6.3 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ■ Strong high quality image ■ Experienced personnel ■ Expertise in submarine pipe installation and special projects ■ Technology, financial, and commercial back up from LESSO 	<ul style="list-style-type: none"> ■ Machinery and equipment have been operated for long time. ■ High management and administration cost compared to our competitors.
Opportunities	Threats
<ul style="list-style-type: none"> ■ Shortage of water rises demand of pipes and water management projects. ■ Continuous investment in the EEC ■ Demand from private power plants. ■ Requirement of higher quality PE fitting 	<ul style="list-style-type: none"> ■ High competition in general PE pipe market ■ Effects from low quality manufacturers ■ COVID-19 causes lower efficiency of overseas service and export

15. Report of Audit Committee

The Audit Committee of WIJK Public Company Limited consists of 3 independent directors such as Police General Chidchai Vanasatidya, Ph.D. is Chairman of Audit Committee, Miss Pranee Ratakam and Miss Benjawan Sinkunakorn are members of Audit Committee and Miss Chinanut Jariyarudeechai, Chief Financial Controller is Secretary of Audit Committee.

The Audit Committee performed its duties and responsibilities that defined in the Charter of Audit Committee and assigned by the Board of Directors which comply to the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. In the year 2020 the Audit Committee held the meeting of all 4 times by meetings with the auditor, the internal auditor and the management that summarized as follows.

- 1. Reviewed the quarterly financial statements and the annual financial statements 2020.** The Audit Committee reviewed quarterly financial statements and the annual financial statements 2020 of the Company and its subsidiaries including related transactions, transactions that may lead to conflicts of interest with the management and internal auditor. In consideration of quarterly and the annual financial statements, the Company invited the auditor attend meetings 1 times. The Audit Committee questioned the auditor on accuracy and completeness, updating of significant transactions which have an impact on the financial statements, adequacy and appropriateness of accounting methods and the scope of audit, information disclosure accurately and an independent of auditor to ensure that the preparation of financial statements in accordance with legal requirements and accounting standards as generally accepted accounting principles. Reliable, timeliness as well as information disclosure in financial statements sufficiently to be useful to investors and users of financial statements.
- 2. Reviewed the internal control and the internal audit.** The Audit Committee reviewed and revised the internal control system with the internal auditor including monitoring performance, audit results, suggestions and progress of implementation on a quarterly basis. Moreover, the Company assessed the adequacy of internal control system under the framework of international standard (The Committee of Sponsoring Organizations of the Treadway Commission: COSO) to achieve more confidence. Assessment results of Internal Control by the management, internal auditor and the Audit Committee commented that the internal control system of the Company adequate and reasonable.
- 3. Reviewed the corporate governance.** The Audit Committee reviewed the performance of defined operational system. The Company's business operation morality and compliance with the Law on the Securities and Exchange, requirements of the Stock Exchange of Thailand as well as other laws related to the business operations of the Company. Especially, the connected transactions,

transactions between the group companies to ensure that the Company follow the normal business practices sensibly. Reviewing the complaint and report process for corruption of the Company in order to comply with good corporate governance principles and the business philosophy of the Company as well as pushing for anti-corruption policy. The Audit Committee evaluated the performance of overall audit committee under the best practices of Audit Committee of the Stock Exchange of Thailand.

4. **Appointment of auditor for the year 2020.** The Audit Committee considered and agreed to appoint EY Office Limited as the auditor of the Company and its subsidiaries for the year 2020 and proposed to the Board of Directors for consideration and proposed to the Annual General Meeting of Shareholders 2020 for approval the appointment of auditor and determined audit fee.
5. **Approved the hiring of the internal auditor of the Company and its subsidiaries for the year 2020.** The Audit Committee appointed JP Tip Audit Company Limited as the Company's internal auditor from 1 January 2020 to 31 December 2020. JP Tip Audit Company Limited assigned Mr. Thanongsak Praditstarn as the main person responsible for the performance of the Company's internal auditor as well as approved the internal audit program as proposed by JP Tip Audit Company Limited.

The Audit Committee performed its duties and responsibilities that defined in the Charter of Audit Committee which was approved by the Board of Directors. By using knowledge, skill, careful, thoughtful and an independent sufficiently for benefit of all stakeholders equally. The Audit Committee commented that the Company's financial reporting is accurate and reliable in accordance with generally accepted accounting standards. The Company has sufficiently risk management with internal control system and internal audit appropriate and effective. The operations in accordance with good corporate governance systems comply with laws requirements and obligations related to the business operations.



(Police General Chidchai Vanasatidya, Ph.D.)

Chairman of the Audit Committee

25 February 2021

16. Report of Executive Committee

The Executive Committee of WIJK Public Company Limited consists of 7 executives such as (1) Mr. Wiboon Sangwithayanon as Chief Executive Officer (2) Mrs. Sumalee Ongcharit (3) Mr. Karn Siriphatras (4) Mr. Yulong Li (5) Mr. Zhe Li (6) Miss Rewadee Whanchid and (7) Miss Chinanut Jariyarudeechai as members of Executive Committee and Mr. Wittaya Janta-ummao is secretary of Executive Committee.

The Executive Committee has performed its duties and responsibilities as defined in the Charter and as assigned by the Board of Directors. During the year 2020, the Executive Committee held 12 meetings, summarized as follows.

- (1) Approve raw materials purchasing to produce in all items which excess from authority of the management.
- (2) Authorized to perform in financial transaction with financial institution in account opening with bank, financial institution and request guarantee from bank, financial institution of not exceeding Baht 50 million.
- (3) Approve the sales under normal transactions of the Company in the absence of guarantees or collateral or not protect or exceed credit limit by insurance in excess amount of Baht 20 million (total amount per client).
- (4) Appointment, removal, transferring, considering meritorious service as well as determine compensation and benefits for employees in various levels including other working group to perform various activities in management of the Company.
- (5) Approve the procurement and investment in fixed assets (over the annual budget) not more than Baht 2 million per time, total not over Baht 5 million per year.

In summary, the Executive Committee complied with the duties and responsibilities defined in the Charter which approved by the Board of Directors by using the knowledge and caution careful adequately to benefit equally the stakeholders.



(Mr. Wiboon Sangwithayanon)

Chief Executive Officer

1 March 2021

17. Report of Nomination and Remuneration Committee

The Nomination and Remuneration Committee of WIIC Public Company Limited consists of 3 independent directors such as Police General Chidchai Vanasatidya, Ph.D. as Chairman of the Nomination and Remuneration Committee, Miss Pranee Ratakam and Miss Benjawan Sinkunakorn as members of the Nomination and Remuneration Committee and Mr. Wittaya Janta-ummao is secretary of Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has performed its duties and responsibilities as defined in the Charter and as assigned by the Board of Directors. During the year 2020, the Nomination and Remuneration Committee held 4 meetings, summarized as follows.

- (1) The Nomination and Remuneration Committee are responsible for the selection of persons to replace directors and executives if the term expires, resign or other cases. This is to be in line with the good corporate governance guidelines of the Stock Exchange of Thailand and accordance with the Articles of Association of WIIC Public Company Limited, The directors and executives of the Company Must be fully qualified according to the Public Limited Companies Act 1992 and the Securities and Exchange Act 1992 and proposed to the Board of Directors to consider and approve as follows.
 - Consider the term of directors, and approve the nominations who will serve as the new directors.
 - Consider and approve the appointment of new directors to replace the resigned directors.
 - Consider and approve the appointment of Executive Committee.
- (2) The Nomination and Remuneration Committee considered the remuneration of Directors by considering the suitability of the duties, responsibility, and the Company's performance and propose to the Board of Directors to consider and approve as follows.
 - Consider and approve the remuneration of the Board of Directors for the year 2020.
 - Consider and approve the payment of the directors' bonus for the year 2020.

In summary, the Nomination and Remuneration Committee complied with the duties and responsibilities defined in the Charter which approved by the Board of Directors by using knowledge and ability, prudence and sufficient independence for the benefit of all stakeholders equally.



(Police General Chidchai Vanasatidya, Ph.D.)

Chairman of the Nomination and Remuneration Committee

25 February 2021

18. Report of the Board of Directors' Responsibility in Financial Statement

The Company's Board of Directors is responsible for financial statements of WIIC Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Mr.Khitsada Lerdwana the Certified Public Accountant from EY Office Limited who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

The Company's Board of Directors appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of WIIC Public Company Limited and its subsidiaries as at 31 December 2020 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



(Mr.Wiboon Sangwithayanon)

Director



(Mr. Yulong Li)

Director

19. Independent Auditor's Report

To the Shareholders of WIJK Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of WIJK 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 WIJK 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 WIJK Public Company Limited and its subsidiaries and of WIJK 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 3 to the consolidated financial statements. In the fourth quarter of 2020, the Group has decided to discontinue application of the relief measures relating to not to take into account forward-looking information when determining expected credit losses, in case of using a simplified approach and not to consider for any reduction in lease payments by lessors, which the Group elected to apply under the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. This has no significant impact on the Group's consolidated and separate financial statements.

However, the Group has elected to continue to apply the temporary relief measures on accounting alternatives relating to measurement of fair value measurement of investments in unquoted equity instruments and impairment of assets. The Group is evaluating the impact on the consolidated and separate financial statements and will consider recording such impact after the relief measures expire.

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 matters and how audit procedures respond to each matter are described below.

Recognition of revenue from sales and service

Revenue from sales and service of the Group forms a significant portion of the Group's total revenues, as at 31 December 2020, sales and service income amounted to Baht 1,614 million and directly affects the Group's profit and loss. The Group has both local and overseas sales and service transactions, with various conditions of revenue recognition. There are therefore risks with respect to the amount and the timing of revenue recognition.

I have examined the recognition of revenue from sales and service of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue from sales and service cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.

- Applying a sampling method to select sales and service transactions to assess whether the revenue recognition was consistent with the conditions stipulated in the sales and service documents and in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for sales and service transactions occurring during the year and near the end of the accounting period, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period.
- Reviewing credit notes that the Group issued to their customers after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

Inventories

Estimating the net realisable value of inventories, as disclosed in Note 6 and 10 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow moving or damage inventories. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is thus a risk with respect to the amount of provision set aside for diminution in the value of inventories.

I assessed and tested the Group's internal controls relevant to the determination of provision for diminution in the value of inventories by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by the management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing net proceeds from sales transactions occurring after the date of the financial statements with the cost of inventories by product line.

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.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 1 March 2021

20. Financial Statements and Notes

WIJK 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	106,217,688	94,394,077	78,800,049	83,086,514
Trade and other receivables	9	604,062,804	407,897,407	509,163,114	289,097,416
Inventories	10	351,290,325	449,623,244	321,806,865	414,931,901
Short-term loans to related party	7	-	-	271,000,000	195,000,000
Advance payment to subcontractors		4,167,970	9,760,801	1,753,837	-
Other current assets		69,062,679	77,471,699	36,336,207	43,822,963
Total current assets		1,134,801,466	1,039,147,228	1,218,860,072	1,025,938,794
Non-current assets					
Restricted bank deposits	11	17,212,937	16,500,000	16,250,000	16,000,000
Other non-current financial assets	4, 17	30,980,695	-	30,980,695	-
Advance payment for purchase of shares		-	5,000,000	-	-
Investments in subsidiaries	12	-	-	192,147,200	192,147,200
Other long-term investments	4	-	21,245,632	-	21,245,632
Property, plant and equipment	14	1,009,289,538	892,723,368	600,965,425	516,198,210
Right-of-use assets	21	71,102,064	-	27,778,241	-
Assets for production of filtrated water that must be					
transferred at end of agreement of subsidiary	15	75,262,704	8,558,887	-	-
Intangible assets	16	148,991,898	152,389,012	3,959,869	504,451
Deferred tax assets	28	24,782,592	17,056,057	16,265,121	11,808,052
Advance payment for plant and equipment		1,890,131	9,297,526	1,395,131	8,802,526
Other non-current assets		10,181,873	9,937,441	1,602,917	1,930,880
Total non-current assets		1,389,694,432	1,132,707,923	891,344,599	768,636,951
Total assets		2,524,495,898	2,171,855,151	2,110,204,671	1,794,575,745

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

WIJK Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)					
	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	416,131,396	525,334,685	416,131,396	525,334,685
Trade and other payables	19	150,351,353	199,801,609	124,980,781	49,000,425
Current portion of long-term loans	20	42,492,806	24,144,269	-	-
Current portion of liabilities under finance lease agreements	4	-	5,549,663	-	4,792,371
Income tax payable		15,722,833	-	15,722,833	-
Current portion of lease liabilities	21	13,262,527	-	7,433,129	-
Advance received from customers		120,670,661	256,346,492	119,617,603	256,275,926
Other current liabilities		86,407,251	78,048,193	72,718,582	41,056,890
Total current liabilities		845,038,827	1,089,224,911	756,604,324	876,460,297
Non-current liabilities					
Long-term loans, net of current portion	20	220,484,973	102,275,667	-	-
Liabilities under finance lease agreements, net of current portion	4	-	12,214,407	-	10,888,427
Lease liabilities, net of current portion	21	57,029,374	-	18,581,988	-
Provision for long-term employee benefits	22	27,355,727	24,613,377	24,171,205	22,065,026
Deferred tax liabilities	28	41,387,557	21,530,640	41,387,557	21,162,229
Provision for decommissioning		578,343	535,335	-	-
Other non-current liabilities		100,000	100,000	100,000	100,000
Total non-current liabilities		346,935,974	161,269,426	84,240,750	54,215,682
Total liabilities		1,191,974,801	1,250,494,337	840,845,074	930,675,979

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

WIJK 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					
725,335,328 ordinary shares of Baht 1 each	23	725,335,328	725,335,328	725,335,328	725,335,328
Issued and fully paid up					
577,427,042 ordinary shares of Baht 1 each					
(2019: 437,427,042 ordinary shares					
of Baht 1 each)	23	577,427,042	437,427,042	577,427,042	437,427,042
Share premium	23	417,162,132	277,162,132	417,162,132	277,162,132
Retained earnings					
Appropriated - statutory reserve	24	48,303,728	42,412,850	48,303,728	42,412,850
Unappropriated		131,866,019	79,709,874	68,704,519	22,248,826
Other components of shareholders' equity		157,762,176	84,648,916	157,762,176	84,648,916
Total shareholders' equity		1,332,521,097	921,360,814	1,269,359,597	863,899,766
Total liabilities and shareholders' equity		2,524,495,898	2,171,855,151	2,110,204,671	1,794,575,745

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

WIJK Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales	29	1,216,892,352	1,007,325,417	1,107,979,679	906,185,275
Service income	29	396,946,996	208,313,663	283,952,365	131,917,766
Dividend income		-	320,000	-	320,000
Other income		7,952,514	36,541,229	8,618,633	36,607,796
Total revenues		1,621,791,862	1,252,500,309	1,400,550,677	1,075,030,837
Expenses					
Cost of sales		990,283,647	868,534,430	904,985,252	798,375,347
Cost of services		326,722,082	164,459,071	254,210,007	118,574,383
Selling and distribution expenses		44,171,849	58,749,146	44,171,849	58,749,146
Administrative expenses		97,758,813	97,505,965	56,841,925	57,064,195
Total expenses		1,458,936,391	1,189,248,612	1,260,209,033	1,032,763,071
Operating profit		162,855,471	63,251,697	140,341,644	42,267,766
Finance income	25	1,099,286	844,631	9,737,689	12,630,825
Finance cost	26	(34,502,507)	(42,252,812)	(22,689,658)	(34,225,179)
Profit before income tax expenses		129,452,250	21,843,516	127,389,675	20,673,412
Income tax expenses	28	(20,109,441)	(276,754)	(23,747,318)	(4,828,293)
Profit for the year		109,342,809	21,566,762	103,642,357	15,845,119
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax		-	(1,330,485)	-	(1,134,800)
Changes in surplus on revaluation of land - net of income tax		73,113,260	-	73,113,260	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		73,113,260	(1,330,485)	73,113,260	(1,134,800)
Other comprehensive income for the year		73,113,260	(1,330,485)	73,113,260	(1,134,800)
Total comprehensive income for the year		182,456,069	20,236,277	176,755,617	14,710,319
Earnings per share	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.2363	0.0493	0.2240	0.0362
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.2363	0.0493	0.2240	0.0362

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

WIJK Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	129,452,250	21,843,516	127,389,675	20,673,412
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	87,723,564	73,031,222	44,803,048	38,631,961
Doubtful accounts	-	1,241,809	-	1,245,340
Bad debt	-	375,827	-	375,827
Reversal of impairment loss on financial assets	(2,102,322)	-	(2,102,322)	-
Reduction of inventories to net realisable value	5,686,511	1,667,282	5,686,511	1,667,282
Write-off inventories	2,558,993	102,981	2,558,993	102,981
Gain on disposal and write-off of plant and equipment	(217,105)	(1,083,451)	(217,105)	(1,083,451)
Recersal of loss on impairment of property, plant and equipment	-	(28,201)	-	(28,201)
Write-off withholding income tax	2,178,503	623,733	1,607,188	614,287
Long-term employee benefits expenses	4,558,452	7,306,387	3,386,979	6,342,281
Unrealised loss (gain) on exchange	(2,904,769)	749,951	(2,905,698)	733,198
Dividend income	-	(320,000)	-	(320,000)
Finance income	(1,099,286)	(844,631)	(9,737,689)	(12,630,825)
Finance cost	34,502,507	42,252,812	22,689,658	34,225,179
Profit from operating activities before				
changes in operating assets and liabilities	260,337,298	146,919,237	193,159,238	90,549,271
Operating assets (increase) decrease				
Trade and other receivables	(222,272,158)	21,113,717	(220,756,534)	19,991,336
Inventories	90,087,415	(69,580,264)	84,879,532	(66,104,638)
Advance payment to subcontractors	5,592,831	9,669,651	(1,753,837)	9,955,441
Other current assets	8,264,794	6,603,336	7,339,285	13,599,280
Other non-current assets	327,163	(24,573)	327,963	(36,626)
Operating liabilities increase (decrease)				
Trade and other payables	(51,172,440)	17,258,596	71,883,186	19,492,348
Advance received from customers	(135,675,831)	205,376,232	(136,658,323)	207,193,139
Other current liabilities	31,772,254	(4,282,070)	31,112,539	(6,495,762)
Employee benefit paid during the year	(1,816,102)	(301,230)	(1,280,800)	(270,000)
Other non-current assets	-	100,000	-	100,000
Cash from (used in) operating activities	(14,554,776)	332,852,632	28,252,249	287,973,789
Interest paid	(32,044,998)	(41,022,799)	(21,163,429)	(32,932,863)
Corporate income tax paid	(14,722,046)	(3,778,741)	(12,932,590)	(2,351,040)
Cash returns from withholding tax	646,547	1,808,173	-	-
Net cash from (used in) operating activities	(60,675,273)	289,859,265	(5,843,770)	252,689,886

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

WIik Public Company Limited and its subsidiaries
Cash flow statement (continued)

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposits	(712,937)	(500,000)	(250,000)	-
Net cash payment for investment in subsidiary	-	(9,992,717)	-	-
Cash receipt from advance payment for purchase of shares	5,000,000	-	-	-
Cash payment for short-term loans to related party	-	-	(246,000,000)	(120,000,000)
Cash receipt from repayment of short-term loans to related party	-	-	170,000,000	115,000,000
Dividend received from other long-term investment	-	320,000	-	320,000
Acquisition of property, plant and equipment	(96,320,233)	(143,528,504)	(34,753,308)	(20,026,610)
Proceeds from sales of plant and equipment	500,716	1,173,271	500,716	1,173,271
Acquisition of assets for production of filtrated water that must be transferred at end of agreement of subsidiary	(66,773,788)	(9,045,873)	-	-
Acquisition of intangible assets	(5,348,279)	-	(4,472,952)	-
Increase in cash payment in advance for plant and equipment	(1,395,131)	(8,802,526)	(1,395,131)	(8,802,526)
Interest received	1,117,012	848,191	10,616,275	12,336,741
Net cash used in investing activities	(163,932,640)	(169,528,158)	(105,754,400)	(19,999,124)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(109,203,289)	(25,406,518)	(109,203,289)	(25,406,518)
Cash receipt from issuance promissory note to third party	100,000,000	30,000,000	-	-
Repayment of promissory note to third party	(100,000,000)	(30,000,000)	-	-
Cash receipt from issuance bill of exchange	-	150,000,000	-	150,000,000
Repayment of bill of exchange	-	(150,000,000)	-	(150,000,000)
Cash receipt from long-term loans	172,000,000	-	-	-
Repayment of long-term loans	(35,442,157)	(20,932,224)	-	-
Repayment of short-term debentures	-	(150,000,000)	-	(150,000,000)
Proceeds from increase in share capital	280,000,000	-	280,000,000	-
Payment of liabilities under finance lease agreements	-	(3,604,417)	-	(2,861,907)
Payment of principal portion of lease liabilities	(17,168,862)	-	(9,731,657)	-
Dividend paid	(56,815,520)	(11,241,879)	(56,815,520)	(11,241,879)
Net cash from (used in) financing activities	233,370,172	(211,185,038)	104,249,534	(189,510,304)
Net increase (decrease) in cash and cash equivalents	8,762,259	(90,853,931)	(7,348,636)	43,180,458
Unrealised gain (loss) on exchange for cash and cash equivalents	3,061,352	(859,686)	3,062,171	(842,933)
Cash and cash equivalents at beginning of year	94,394,077	186,107,694	83,086,514	40,748,989
Cash and cash equivalents at end of year	106,217,688	94,394,077	78,800,049	83,086,514
Supplemental disclosure of cashflow information				
Non-cash transactions				
Surplus on revaluation of land	91,391,575	-	91,391,575	-
Acquisition of motor vehicle under finance lease agreements	-	12,650,000	-	12,650,000
Increase in other payables from acquisition of equipment	3,697,540	127,362,784	3,640,352	932,040
Increase in right-of-use assets from lease liabilities	3,423,672	-	903,578	-
Transferred cash payment in advance for plant and equipment to plant and equipment	8,802,526	231,000	8,802,526	231,000
Provision for decommissioning of plant and equipment	43,008	39,822	-	-
Transferred advance payment for purchase of shares to investment in subsidiary	-	25,000,000	-	-

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

WIIC Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements						
Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income Surplus on revaluation of assets	
Balance as at 1 January 2019	374,938,533	277,162,132	38,531,907	137,092,314	84,648,916	912,373,802
Profit for the year	-	-	-	21,566,762	-	21,566,762
Other comprehensive income for the year	-	-	-	(1,330,485)	-	(1,330,485)
Total comprehensive income for the year	-	-	-	20,236,277	-	20,236,277
Increase in share capital from stock dividend	33 62,488,509	-	-	-	-	62,488,509
Dividend paid	33 -	-	-	(73,737,774)	-	(73,737,774)
Transferred unappropriated retained earnings to statutory reserve	24 -	-	3,880,943	(3,880,943)	-	-
Balance as at 31 December 2019	437,427,042	277,162,132	42,412,850	79,709,874	84,648,916	921,360,814
Balance as at 1 January 2020	437,427,042	277,162,132	42,412,850	79,709,874	84,648,916	921,360,814
Cumulative effect of change in accounting policy	4 -	-	-	5,569,709	-	5,569,709
Balance as at 1 January 2020 - as restated	437,427,042	277,162,132	42,412,850	85,279,583	84,648,916	926,930,523
Profit for the year	-	-	-	109,342,809	-	109,342,809
Other comprehensive income for the year	-	-	-	-	73,113,260	73,113,260
Total comprehensive income for the year	-	-	-	109,342,809	73,113,260	182,456,069
Increase share capital	23 140,000,000	140,000,000	-	-	-	280,000,000
Dividend paid	33 -	-	-	(56,865,495)	-	(56,865,495)
Transferred unappropriated retained earnings to statutory reserve	24 -	-	5,890,878	(5,890,878)	-	-
Balance as at 31 December 2020	577,427,042	417,162,132	48,303,728	131,866,019	157,762,176	1,332,521,097

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

WIik Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

		Separate financial statements				Other components	
						of equity	
						Other comprehensive	Total
						income	
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Surplus on	Total shareholders' equity
				Appropriated	Unappropriated	revaluation of assets	
Balance as at 1 January 2019		374,938,533	277,162,132	38,531,907	85,157,224	84,648,916	860,438,712
Profit for the year		-	-	-	15,845,119	-	15,845,119
Other comprehensive income for the year		-	-	-	(1,134,800)	-	(1,134,800)
Total comprehensive income for the year		-	-	-	14,710,319	-	14,710,319
Increase in share capital from stock dividend	33	62,488,509	-	-	-	-	62,488,509
Dividend paid	33	-	-	-	(73,737,774)	-	(73,737,774)
Transferred unappropriated retained earnings to statutory reserve	24	-	-	3,880,943	(3,880,943)	-	-
Balance as at 31 December 2019		437,427,042	277,162,132	42,412,850	22,248,826	84,648,916	863,899,766
							-
Balance as at 1 January 2020		437,427,042	277,162,132	42,412,850	22,248,826	84,648,916	863,899,766
Cumulative effect of change in accounting policy	4	-	-	-	5,569,709	-	5,569,709
Balance as at 1 January 2020 - as restated		437,427,042	277,162,132	42,412,850	27,818,535	84,648,916	869,469,475
Profit for the year		-	-	-	103,642,357	-	103,642,357
Other comprehensive income for the year		-	-	-	-	73,113,260	73,113,260
Total comprehensive income for the year		-	-	-	103,642,357	73,113,260	176,755,617
Increase share capital	23	140,000,000	140,000,000	-	-	-	280,000,000
Dividend paid	33	-	-	-	(56,865,495)	-	(56,865,495)
Transferred unappropriated retained earnings to statutory reserve	24	-	-	5,890,878	(5,890,878)	-	-
Balance as at 31 December 2020		577,427,042	417,162,132	48,303,728	68,704,519	157,762,176	1,269,359,597

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

WIJK 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**

WIJK Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of High Density Polyethylene (HDPE) pipe and related certain fittings, Low Density Polyethylene (LDPE) pipe, Polypropylene (PP) pipe, Polybutylene (PB) pipe and Weholite Spiro pipe. The registered office of the Company is as follow:

Factory:	7/214 Moo 6 Amata City Industrial Estate, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong 21140
Head Office:	90 CW Tower A 35 th Floor, Ratchadapisek Road, Huaykwang, Bangkok 10310
Branch:	Benitez Apartments, National Road, Poblacion, Danao City, Cebu, Republic of the Philippines 6004

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 “WIJK Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
<u>Investments in subsidiaries</u>				
Wiik Water Company Limited	Pipe installation services and water management	Thailand	100.00	100.00
WIJK PT Company Limited (held by Wiik Water Company Limited)	Water production with Ultra filtration and Reverse Osmosis systems	Thailand	100.00	100.00

- 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 is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries is prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have 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 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	
			2020	2019
			Percent	Percent
P.S.I - WIIC Joint Venture	Construction	Thailand	99.00	-

On 29 April 2020, the Company and P.S.I. Engineering Co., Ltd. entered into a Joint Venture Agreement which is not registered as a new juristic person namely P.S.I - WIIC Joint Venture in order to participate in construction bidding. The proportion of work responsibilities for the project is P.S.I. Engineering Co., Ltd. with 51 percent of project value and the Company with 49 percent of project value. The P.S.I - WIIC Joint Venture signed a construction contract value of Baht 123.9 million with respect to improvement of drainage pipes for flood prevention project on 29 May 2020.

On 10 August 2020, the Company and P.S.I. Engineering Co., Ltd. entered into the Joint Venture Agreement. The Company agrees to purchase the right for 50 percent of the responsibility in the Project. P.S.I. Engineering Co., Ltd. has a proportion of responsibility of 1 percent of the project value, and the Company has a proportion of responsibility of 99 percent of the project value.

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 equity instruments of non-listed companies that the Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through profit or loss
- Recognition of credit losses that 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 impairment of trade receivables.
- Recognition of derivatives that the Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the 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.

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 adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the 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, fair value measurement of investments in unquoted equity instruments using the fair value as at 1 January 2020, not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification and impairment of assets.

In the fourth quarter of 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to not to take into account forward-looking information when determining expected credit losses, in cases of using a simplified approach and not to account for any reduction in lease payments by lessors. This has no significant impact on the Group's financial statements.

However, the Group has elected to continue to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	407,897	(2,773)	-	405,124
Non-current assets				
Other non-current financial assets	-	30,981	-	30,981
Other long-term investments	21,246	(21,246)	-	-
Property, plant and equipment	892,723	-	(19,809)	872,914
Right-of-use assets	-	-	82,097	82,097
Deferred tax assets	17,056	555	-	17,611
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	13,142	13,142
Current portion of liabilities under finance lease agreements	5,550	-	(5,550)	-
Non-current liabilities				
Lease liabilities, net of current portion	-	-	66,910	66,910
Liabilities under finance lease agreements, net of current portion	12,214	-	(12,214)	-
Deferred tax liabilities	21,531	1,947	-	23,478
Shareholders' equity				
Retained earnings - unappropriated	79,710	5,570	-	85,280

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	289,097	(2,773)	-	286,324
Non-current assets				
Other non-current financial assets	-	30,981	-	30,981
Other long-term investments	21,246	(21,246)	-	-
Property, plant and equipment	516,198	-	(17,770)	498,428
Right-of-use assets	-	-	34,991	34,991
Deferred tax assets	11,808	555	-	12,363
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	8,108	8,108
Current portion of liabilities under finance lease agreements	4,792	-	(4,792)	-
Non-current liabilities				
Lease liabilities, net of current portion	-	-	24,794	24,794
Liabilities under finance lease agreements, net of current portion	10,889	-	(10,889)	-
Deferred tax liabilities	21,162	1,947	-	23,109
Shareholders' equity				
Retained earnings - unappropriated	22,249	5,570	-	27,819

4.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

Consolidated and Separate
financial statements

Fair value measurement of investments in equity instruments of non-listed companies - net of income tax	7,788
Recognition of an allowance for expected credit losses on financial assets - net of income tax	(2,218)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	5,570

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements

	Carrying amounts under the former basis			
	basis	Classification and measurement in accordance with TFRS 9		
		Fair value through		
		profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	94,394	-	94,394	94,394
Trade and other receivables	407,897	-	405,124	405,124
Restricted bank deposits	16,500	-	16,500	16,500
Other non-current financial assets	21,246	30,981	-	30,981
Total financial assets	540,037	30,981	516,018	546,999

(Unit: Thousand Baht)

Separate financial statements

	Carrying amounts under the former basis			
	basis	Classification and measurement in accordance with TFRS 9		
		Fair value through		
		profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	83,087	-	83,087	83,087
Trade and other receivables	289,097	-	286,324	286,324
Short-term loans to related parties	195,000	-	195,000	195,000
Restricted bank deposits	16,000	-	16,000	16,000
Other non-current financial assets	21,246	30,981	-	30,981
Total financial assets	604,430	30,981	580,411	611,392

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities.

4.2 Leases

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at		
31 December 2019	41,585	4,996
Less: Short-term leases and leases of low-value assets	(388)	(149)
Add: Option to extend lease term	40,629	14,375
Less: Contracts reassessed as service agreements	(4,410)	-
Less: Deferred interest expenses	(15,128)	(2,001)
Increase in lease liabilities due to TFRS 16 adoption	62,288	17,221
Liabilities under finance lease agreements as at		
31 December 2019	17,764	15,681
Lease liabilities as at 1 January 2020	80,052	32,902
Weighted average incremental borrowing rate (percent per annum)	5.93	7.35
Comprise of:		
Current lease liabilities	13,142	8,108
Non-current lease liabilities	66,910	24,794
	80,052	32,902

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land	10,480	-
Buildings	37,739	16,962
Machinery and equipment	25,339	11,529
Furniture, fixtures and office equipment	259	259
Motor vehicles	8,280	6,241
Total right-of-use assets	82,097	34,991

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts has been presented as “Unbilled receivables” under the caption of trade and other receivables in the statement of financial position. The amount recognised as contract assets are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advances received from customers” in the statement of financial position. Advances received from customers are recognised as revenue when the Group performs under the contract.

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).

Finance cost

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

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 and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

5.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

5.5 Property, plant and equipment/Depreciation

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

Lands are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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

Land improvements	-	5	years
Building and improvements	-	5 - 40	years
Machinery and equipment	-	5 - 20	years
Furniture, fixtures and office equipment	-	5	years
Motor vehicles	-	5 - 10	years
Leasehold improvements	-	5	years

Depreciation is included in determining income.

No depreciation is provided on land, assets under installation and building 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.

5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.7 Assets for production of filtrated water that must be transferred at end of agreement of subsidiary

Assets for production of filtrated water that must be transferred at end of agreement of subsidiary are carried at cost less any accumulated amortisation and any provision for impairment losses (if any).

Assets for production of filtrated water that must be transferred at end of agreement of subsidiary has estimated useful lives 5 - 10 years.

Amortisation of assets from production of filtrated water is included in determining income.

No amortisation is provided on assets under installation.

5.8 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 asset 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.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 - 10 years
License for the products under WEHOLITE trademark	5 years
License for use of water supply system	20 years
Right to manage the water production plant with	
Ultra filtration and Reverse Osmosis	24 years
Leasehold	24 years
License for use of HDPE fitting under Provincial	
Waterworks Authority	5 years

Intangible assets with indefinite useful lives (customer list) are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

5.9 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	18 -23 years
Buildings	5 - 8 years
Machinery and equipment	4 - 16 years
Furniture, fixtures and office equipment	2 years
Motor vehicles	1 - 5 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 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.

5.10 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.

5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's 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.

5.12 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 and other 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.

5.13 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 their employees have jointly established a provident fund. The fund is monthly contributed by their employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

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 post-employment benefits are recognised immediately in other comprehensive income.

5.14 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.

5.15 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 recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review 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 record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.16 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

For trade receivables and unbilled receivables, 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

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 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.

5.17 Derivatives

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. 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.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for diminution in value of inventories

In determining an allowance for diminution in the value of inventories, the management is required to make estimates of the loss on damage and slow moving stock, and the net realisable value of inventories based on the amount the inventories are expected to realise.

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.

	Consolidated		Separate		(Unit: Million Baht)
	financial statements		financial statements		Transfer Pricing
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	Policy
Transactions with subsidiaries company					
(eliminated from the consolidated financial statements)					
Sales	-	-	23	8	Market price
Other income	-	-	1	-	Market price
Interest income	-	-	9	12	4.4 to 7.0 percent per annum (2019: 4.3 to 7.8 percent per annum)

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade and other receivables - related party (Note 9)				
Trade receivables				
Subsidiary	-	-	689	3,535
Total trade receivables - related party	-	-	689	3,535
Other receivables				
Subsidiary	-	-	-	869
Total other receivables - related party	-	-	-	869
Total trade and other receivables - related party	-	-	689	4,404

Short-term loans to related party

As at 31 December 2020 and 2019, the balances of short-term loans between the Company and its subsidiary and the movements are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	1 January 2020	during the year	during the year	31 December 2020
Short-term loans				
Subsidiary				
Wiik Water Company Limited	195,000	246,000	(170,000)	271,000
Total	195,000	246,000	(170,000)	271,000

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefits expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	41,854	34,445	30,988	24,514
Post-employment benefits	2,110	2,662	1,402	2,055
Total directors and managements remuneration	43,964	37,107	32,390	26,569

Guarantee obligations with related parties

The Company had outstanding guarantee obligations with its subsidiaries, as described in Note 34.4 to the financial statements. No guaranteed fee was charged for those guarantees. In addition, the Company has mortgaged its land and construction thereon with net book value of Baht 120 million (2019: Baht 88 million) as collateral against long-term loan of its subsidiary.

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	165	165	95	95
Bank deposits	106,053	94,229	78,705	82,992
Total	<u>106,218</u>	<u>94,394</u>	<u>78,800</u>	<u>83,087</u>

As at 31 December 2020, bank deposits in saving and current accounts carried interests between 0.05 and 0.30 percent per annum (2019: between 0.05 and 1.00 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related party (Note 7)</u>				
Aged on the basis of due dates				
Not yet due	-	-	689	3,535
Total trade receivables - related party	<u>-</u>	<u>-</u>	<u>689</u>	<u>3,535</u>

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	154,395	128,540	141,231	105,241
Past due				
Up to 3 months	100,142	79,346	86,199	57,859
3 - 6 months	56,151	41,418	56,151	20,851
Over 6 - 12 months	30,946	19,512	8,289	19,495
Over 12 months	65,427	87,521	51,737	46,027
Total	407,061	356,337	343,607	249,473
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(29,448)	(28,777)	(29,448)	(28,777)
Total trade receivables - unrelated parties - net	377,613	327,560	314,159	220,696
Retention receivables as per contract	21,515	13,549	18,291	9,302
Total	399,128	341,109	332,450	229,998
Total trade receivables - net	399,128	341,109	333,139	233,533
<u>Other receivables</u>				
Other receivables - related party (Note 7)	-	-	-	860
Other receivables - unrelated parties	634	473	168	-
Accrued income	12,491	7,325	-	-
Unbilled receivables - related party (Note 7)	-	-	-	9
Unbilled receivables - unrelated parties	191,810	58,990	175,856	54,695
Total other receivables	204,935	66,788	176,024	55,564
Total trade and other receivables - net	604,063	407,897	509,163	289,097

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
As at 31 December 2019	28,777
The impacts of financial reporting standards related to financial instruments	2,773
As at 1 January 2020	31,550
Provision for expected credit losses	5,817
Amount recovered	(7,919)
As at 31 December 2020	29,448

Part of the above overdue receivables aged over 90 days are secured by assignment to get payment from the customer, bank guarantees or guaranteed by the customer's directors and the Company is able to collect interest on overdue balances of certain delinquent receivables. Accordingly, the management believes that the allowance is adequate to cover the possible losses that may arise from the uncollectibility of the existing receivables.

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	238,238	303,562	(29,960)	(24,177)	208,278	279,385
Work in process	17,031	52,934	-	-	17,031	52,934
Raw materials	105,079	99,570	(372)	(907)	104,707	98,663
Spare parts and factory supplies	21,712	18,641	(439)	-	21,273	18,641
Total	382,061	474,707	(30,771)	(25,084)	351,290	449,623

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	228,179	288,246	(29,960)	(24,177)	198,219	264,069
Work in process	10,830	44,649	-	-	10,830	44,649
Raw materials	105,079	99,570	(372)	(907)	104,707	98,663
Spare parts and factory supplies	8,490	7,551	(439)	-	8,051	7,551
Total	352,578	440,016	(30,771)	(25,084)	321,807	414,932

During the current year, the Group reduced cost of inventories by Baht 6 million (2019: 2 million) (The Company only: Baht 6 million (2019: 2 million)), to reflect the net realisable value. This was included in cost of sales.

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
			(%)	(%)				
Wiik Water Co., Ltd.	170,000	170,000	100.00	100.00	199,662	199,662	-	-
Total					199,662	199,662	-	-
Less: Allowance for impairment loss					(7,515)	(7,515)		
Total investments in subsidiaries - net					192,147	192,147		

On 23 December 2020, the Board of Directors of the Subsidiary approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the capital increase of Baht 90,000,000 from Baht 170,000,000 to Baht 260,000,000 by issuing 900,000 new ordinary shares with a par value of Baht 100 per share, at the offering price of Baht 166 per share, and scheduled for the Extraordinary General Meeting of Shareholders on 9 February 2021.

On 23 December 2020, the Board of Directors of the Company approved the following transactions:

1. Approved Wiik Water Co., Ltd. ("Subsidiary"), a 100% shareholding subsidiary increase its capital of 900,000 shares at par value of Baht 100 per share, from 1,700,000 shares to 2,600,000 shares.
2. Approved the Company subscribes to 450,000 newly issued ordinary shares of a subsidiary with a par value of Baht 100 per share at Baht 166 per share, a total of Baht 74.70 million.
3. Approved the Company to waive the right to purchase 450,000 newly issued ordinary shares of a subsidiary.
4. Approved Wiik Water Co., Ltd. to allocate the remaining 450,000 ordinary shares to specific directors, executives, and employees of the Company and its subsidiaries of 13 persons and the investors who are not related to the Company of 7 persons.

13. Joint arrangements - joint operations

Financial information of the Company only and the joint arrangements which are the joint operations in 1 entity 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	Elimination entries	Separate financial statement
Summarised information about financial position:				
Current assets	1,211.2	107.0	(99.3)	1,218.9
Non-current assets	891.3	-	-	891.3
Current liabilities	750.6	105.3	(99.3)	756.6
Non-current liabilities	84.2	-	-	84.2
Unappropriated retained earnings	67.0	1.7	-	68.7

(Unit: Million Baht)

	For the year ended 31 December 2020			
	The Company only	The joint arrangements	Elimination entries	Separate financial statement
Summarised information about profit or loss:				
Total revenues	1,398.3	93.2	(90.9)	1,400.6
Total expenses	(1,260.0)	(91.1)	90.9	(1,260.2)
Operating profit	138.3	2.1	-	140.4
Financial income	9.7	-	-	9.7
Finance cost	(22.7)	-	-	(22.7)
Profit before income tax expenses	125.3	2.1	-	127.4
Income tax expenses	(23.3)	(0.4)	-	(23.7)
Profit for the year	102.0	1.7	-	103.7

14. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements									
	Revaluation									
	basis	Cost basis								
					Machinery		Furniture, fixtures		Building	
	Land	Land	Building and	Leasehold	and	Motor	and office	Assets under	under	Total
		improvement	improvements	improvement	equipment	vehicles	equipment	installation	construction	
Cost/Revaluation										
1 January 2019	240,941	9,657	254,580	5,151	720,739	27,379	27,963	8,688	7,498	1,302,596
Additions	-	-	1,903	-	33,343	35	2,223	1,827	779	40,110
Increase from acquisition of subsidiary	-	-	28,086	-	203,049	-	-	-	-	231,135
Disposals and write-off	-	-	-	-	(5,468)	(410)	(1,440)	-	-	(7,318)
Transfer in (out)	-	-	-	-	18,678	-	-	(10,401)	(8,277)	-
31 December 2019	240,941	9,657	284,569	5,151	970,341	27,004	28,746	114	-	1,566,523
Decrease due to TFRS 16 adoption	-	-	-	-	(12,650)	(14,702)	-	-	-	(27,352)
Additions	-	-	3,354	49	50,049	2,321	1,757	51,290	-	108,820
Revaluations	91,392	-	-	-	-	-	-	-	-	91,392
Disposals and write-off	-	-	(110)	-	-	(1,872)	(7)	-	-	(1,989)
Transfer in (out)	-	-	80	-	20,499	-	333	(20,912)	-	-
31 December 2020	332,333	9,657	287,893	5,200	1,028,239	12,751	30,829	30,492	-	1,737,394

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis								
		Land	Building and improvements	Leasehold improvement	Machinery and equipment	Motor vehicles	Furniture, fixtures and office equipment	Assets under installation	Building under construction	Total
Accumulated depreciation										
1 January 2019	-	7,711	130,484	5,131	436,879	13,231	19,588	-	-	613,024
Depreciation for the year	-	721	6,822	5	50,321	3,267	2,775	-	-	63,911
Increase from acquisition of subsidiary	-	-	24	-	179	-	-	-	-	203
Depreciation on disposals and write-off	-	-	-	-	(5,378)	(410)	(1,440)	-	-	(7,228)
31 December 2019	-	8,432	137,330	5,136	482,001	16,088	20,923	-	-	669,910
Decrease due to TFRS 16 adoption	-	-	-	-	(1,121)	(6,422)	-	-	-	(7,543)
Depreciation for the year	-	600	7,060	7	52,204	615	3,066	-	-	63,552
Depreciation on disposals and write-off	-	-	(110)	-	-	(1,591)	(4)	-	-	(1,705)
31 December 2020	-	9,032	144,280	5,143	533,084	8,690	23,985	-	-	724,214
Allowance for diminution in value										
31 December 2019	-	-	-	-	3,883	-	7	-	-	3,890
31 December 2020	-	-	-	-	3,883	-	7	-	-	3,890
Net book value										
31 December 2019	240,941	1,225	147,239	15	484,457	10,916	7,816	114	-	892,723
31 December 2020	332,333	625	143,613	57	491,272	4,061	6,837	30,492	-	1,009,290
Depreciation for the year										
2019 (Baht 59 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)										63,911
2020 (Baht 61 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)										63,552

(Unit: Thousand Baht)

Separate financial statements

	Revaluation									
	basis	Cost basis								
					Machinery		Furniture, fixtures		Building	
	Land	Land	Building and	Leasehold	and	Motor	and office	Assets under	under	Total
		improvement	improvements	improvement	equipment	vehicles	equipment	installation	construction	
Cost/Revaluation										
1 January 2019	240,941	7,967	244,795	4,623	528,575	17,286	23,879	4,146	7,498	1,079,710
Additions	-	-	708	-	30,784	35	1,444	90	779	33,840
Disposals and write-off	-	-	-	-	(5,468)	(410)	(1,440)	-	-	(7,318)
Transfer in (out)	-	-	-	-	12,411	-	-	(4,134)	(8,277)	-
31 December 2019	240,941	7,967	245,503	4,623	566,302	16,911	23,883	102	-	1,106,232
Decrease due to TFRS 16 adoption	-	-	-	-	(12,650)	(10,903)	-	-	-	(23,553)
Additions	-	-	1,132	-	33,350	2,322	1,311	9,081	-	47,196
Revaluations	91,392	-	-	-	-	-	-	-	-	91,392
Disposals and write-off	-	-	(110)	-	-	(1,872)	(7)	-	-	(1,989)
Transfer in (out)	-	-	80	-	8,054	-	333	(8,467)	-	-
31 December 2020	332,333	7,967	246,605	4,623	595,056	6,458	25,520	716	-	1,219,278
Accumulated depreciation										
1 January 2019	-	7,150	129,744	4,619	391,003	5,066	18,115	-	-	555,697
Depreciation for the year	-	383	5,151	2	27,439	2,717	1,983	-	-	37,675
Depreciation on disposals and write-off	-	-	-	-	(5,378)	(410)	(1,440)	-	-	(7,228)
31 December 2019	-	7,533	134,895	4,621	413,064	7,373	18,658	-	-	586,144
Decrease due to TFRS 16 adoption	-	-	-	-	(1,121)	(4,662)	-	-	-	(5,783)
Depreciation for the year	-	263	5,261	2	27,245	827	2,169	-	-	35,767
Depreciation on disposals and write-off	-	-	(110)	-	-	(1,591)	(4)	-	-	(1,705)
31 December 2020	-	7,796	140,046	4,623	439,188	1,947	20,823	-	-	614,423

(Unit: Thousand Baht)

	Separate financial statements									
	Revaluation basis	Cost basis								
	Land	Land improvement	Building and improvements	Leasehold improvement	Machinery and equipment	Motor vehicles	Furniture, fixtures and office equipment	Assets under installation	Building under construction	Total
Allowance for diminution in value										
31 December 2019	-	-	-	-	3,883	-	7	-	-	3,890
31 December 2020	-	-	-	-	3,883	-	7	-	-	3,890
Net book value										
31 December 2019	240,941	434	110,608	2	149,355	9,538	5,218	102	-	516,198
31 December 2020	332,333	171	106,559	-	151,985	4,511	4,697	716	-	600,965
Depreciation for the year										
2019 (Baht 35 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)										37,675
2020 (Baht 34 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)										35,767

The Group arranged for an independent professional valuer to appraise the value of its land in 2020 by using the market approach.

Key assumptions used in the valuation are summarised below:

	Consolidated and Separate financial statements	Result to fair value where as an increase in assumption value
Price per rai (Baht)	4,000,000	Increase in fair value

Had the land been carried in the financial statements on historical cost basis, its net book value as of 31 December 2020 and 2019 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2020</u>	<u>2019</u>
Land	135,130	135,130

As at 31 December 2020, the Group 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 344 million (2019: Baht 314 million) (The Company only: Baht 341 million 2019: Baht 311 million).

The Group has mortgaged its land and construction thereon and machinery with net book value as at 31 December 2020 of Baht 442 million (2019: Baht 345 million) as collateral against the Group's credit facilities received from financial institutions.

15. Assets for production of filtrated water that must be transferred at end of agreement of subsidiary

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Machinery and Equipment	Furniture and office equipment	Assets under installation	Total
Cost				
31 December 2019	9,046	-	-	9,046
Additions	154	69	66,551	66,774
Capitalised interest	-	-	1,112	1,112
31 December 2020	9,200	69	67,663	76,932

(Unit: Thousand Baht)

	Consolidated financial statements			
	Machinery and Equipment	Furniture and office equipment	Assets under installation	Total
Accumulated amortisation				
31 December 2019	487	-	-	487
Amortisation for the year	1,176	6	-	1,182
31 December 2020	1,663	6	-	1,669
Net book value				
31 December 2019	8,559	-	-	8,559
31 December 2020	7,537	63	67,663	75,263
Amortisation for the year				
2019				487
2020				1,182

Amortisation of such assets for production of treated water has been included as part of cost of sales of treated water.

Assets for production of treated water of the subsidiary will be transferred after the end of the 10-year agreement to produce and sell treated water, which will expire in 2029.

During the year, the Subsidiary capitalised interest amounting to Baht 1.1 million to costs of machinery and equipment. These borrowing costs arose on loans obtained specifically for these projects and were determined based on the capitalisation rate of 3.08 percent per annum. (2019: Nil).

16. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

Consolidated financial statements								
	License for use of water supply system	Customer list	License for the products under WEHOLITE Trademark	Right to manage the water production plant with Ultra filtration and Reverse Osmosis	License for use of HDPE fitting under Provincial Waterworks Authority	Leasehold	Computer software	Total
As at 31 December 2020								
Cost	110,000	12,257	3,720	38,746	3,417	13,391	15,569	197,100
<u>Less</u> Accumulated amortisation	(25,222)	-	(3,720)	(3,210)	(653)	(1,064)	(14,239)	(48,108)
Net book value	<u>84,778</u>	<u>12,257</u>	<u>-</u>	<u>35,536</u>	<u>2,764</u>	<u>12,327</u>	<u>1,330</u>	<u>148,992</u>
As at 31 December 2019								
Cost	110,000	12,257	3,720	38,746	-	12,516	14,513	191,752
<u>Less</u> Accumulated amortisation	(19,711)	-	(3,611)	(1,601)	-	(518)	(13,922)	(39,363)
Net book value	<u>90,289</u>	<u>12,257</u>	<u>109</u>	<u>37,145</u>	<u>-</u>	<u>11,998</u>	<u>591</u>	<u>152,389</u>

(Unit: Thousand Baht)

	Separate financial statements			
	License for use of HDPE fitting under Provincial Waterworks Authority	Computer software	Total	
As at 31 December 2020				
Cost	3,720	15,261	22,398	
<u>Less</u> Accumulated amortisation	(3,720)	(14,065)	(18,438)	
Net book value	-	1,196	3,960	
As at 31 December 2019				
Cost	3,720	14,205	17,925	
<u>Less</u> Accumulated amortisation	(3,611)	(13,809)	(17,420)	
Net book value	109	396	505	

A reconciliation of the net book value of intangible assets for the years ended 31 December 2020 and 2019 are presented below.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	152,389	109,761	505	1,462
Acquisition of computer software	1,056	-	1,056	-
Acquisition of leasehold	875	-	-	-
License for use of HDPE fitting under Provincial Waterworks Authority	3,417	-	3,417	-
Increase from acquisition of subsidiary				
- Right to manage the water production plant with Ultra filtration and Reverse Osmosis	-	38,746	-	-
- Leasehold	-	12,516	-	-
Amortisation for the year	(8,745)	(8,634)	(1,018)	(957)
Net book value at end of year	148,992	152,389	3,960	505

17. Other non-current financial assets

	(Unit: Thousand Baht)
	31 December 2020
	Consolidated and Separate financial statements
<u>Financial assets at FVTPL</u>	
Nakhonluang Capital Public Co., Ltd.	30,981
K-Tech Construction Public Co., Ltd.	30
Total financial assets at FVTPL	31,011
Less: Allowance for impairment loss	(30)
Total other non-current financial assets - net	30,981

18. Short-term loans from financial institutions

					(Unit: Thousand Baht)	
	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term loans from						
financial institutions	2.91 - 4.37	3.75 - 4.44	416,131	525,335	416,131	525,335
Total short-term loans from financial institutions			416,131	525,335	416,131	525,335

The Company's short-term loans from financial institutions are secured by the mortgage of the Company's land and construction thereon and machinery and the pledge of its fixed deposits at banks.

19. Trade and other payables

				(Unit: Thousand Baht)
	Consolidated financial statements	Separate financial statements		
	2020	2019	2020	2019
Trade payables - unrelated parties	129,605	38,901	108,236	30,376
Other payables - unrelated parties	20,746	160,901	16,745	18,624
Total trade and other payables	150,351	199,802	124,981	49,000

20. Long-term loans

		(Unit: Thousand Baht)			
Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
MLR - 1.75	Monthly installments as from November 2016 - July 2024	43,747	54,876	-	-
MLR - 1.75	Monthly installments as from November 2017 - August 2025	59,895	71,544	-	-
MLR - 1.75	Monthly installments as from March 2020 - October 2027	36,063	-	-	-
MLR - 1.75	Monthly installments as from March 2020 - August 2027	123,273	-	-	-
Total		262,978	126,420	-	-
Less: Current portion		(42,493)	(24,144)	-	-
Long-term loans, net of current portion		220,485	102,276	-	-

Movement of the long-term loan account during the year ended 31 December 2020 are summarised below:

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020		126,420	-
Add: Additional borrowings		172,000	-
Less: Repayment		(35,442)	-
Balance as at 31 December 2020		262,978	-

The loans of its subsidiaries are secured by the Company and a subsidiary and the mortgage of the Company's land including the transfer of rights of claim under the agreement granting a license for operate a water supply system, the agreement granting to design, construct and operate a potable water production system, the agreement of production and/or supply of good water (RO) and the agreement granting to design, construct and operate an extension portable water production system that its subsidiaries had received from counterparties.

Under the loan agreements, its subsidiary is required to follow certain conditions stated in the agreement which, among other things, require to maintain debt-to-equity ratio at the rate prescribed in the agreements.

As at 31 December 2020, the long-term credit facilities of the Subsidiary which have not yet been drawn down amounted to Baht 108 million (2019: Nil).

21. Leases

21.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 23 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Buildings	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Total
1 January 2020 (Note 4.2)	10,480	37,739	25,339	259	8,280	82,097
Additions	-	-	-	-	3,424	3,424
Depreciation for the year	(557)	(7,091)	(3,371)	(111)	(3,114)	(14,244)
Due to the election to apply the Temporary Relief Measures for Accounting Alternatives - reduction in lease payments	-	(175)	-	-	-	(175)
31 December 2020	9,923	30,473	21,968	148	8,590	71,102

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Total
1 January 2020 (Note 4.2)	-	16,962	11,529	259	6,241	34,991
Additions	-	-	-	-	903	903
Depreciation for the year	-	(3,412)	(2,530)	(111)	(1,965)	(8,018)
Due to the election to apply the Temporary Relief Measures for Accounting Alternatives - reduction in lease payments	-	(98)	-	-	-	(98)
31 December 2020	-	13,452	8,999	148	5,179	27,778

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lease payments	84,681	-	29,038	-
Less: Deferred interest expenses	(14,389)	-	(3,023)	-
Total	70,292	-	26,015	-
Less: Portion due within one year	(13,263)	-	(7,433)	-
Lease liabilities - net of current portion	<u>57,029</u>	<u>-</u>	<u>18,582</u>	<u>-</u>

A maturity analysis of lease payments is disclosed in Note 36.2 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
	financial statements	financial statements
Depreciation expense of right-of-use assets	14,419	8,117
Interest expense on lease liabilities	4,181	2,051
Expense relating to short-term leases	10,228	9,223
Expense relating to leases of low-value assets	397	172

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 28 million (Separate financial statements: Baht 19 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of 3 million (Separate financial statements: Baht 1 million).

22. 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>
Provision for long-term employee benefits at beginning of year	24,613	15,945	22,065	14,574
Included in profit or loss:				
Current service cost	4,209	3,315	3,077	2,416
Interest cost	350	485	310	447
Past service costs	-	3,506	-	3,479
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	-	1,663	-	1,419
Benefits paid during the year	<u>(1,816)</u>	<u>(301)</u>	<u>(1,281)</u>	<u>(270)</u>
Provision for long-term employee benefits at end of year	27,356	24,613	24,171	22,065

The Group expect to pay of long-term employee benefits during the next year by Baht 1.6 million (Separate financial statements: Baht 1.4 million) (2019: Baht 1.6 million, separate financial statements: Baht 1.3 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 6.41 - 9.62 years (Separate financial statements: 6.41 years) (2019: 6.41 - 9.62 years, separate financial statements: 6.41 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.5 - 1.6	1.5 - 1.6	1.5	1.5
Future salary increase rate	4.0	4.0	4.0	4.0
Staff turnover rate	0.0 - 39.0	0.0 - 39.0	0.0 - 37.0	0.0 - 37.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.7)	1.9	(1.4)	1.6
Salary increase rate	2.5	(2.2)	2.0	(1.9)
Turnover rate	(1.8)	0.3	(1.5)	0.2

(Unit: Million Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.5)	1.8	(1.3)	1.5
Salary increase rate	2.0	(1.7)	1.7	(1.5)
Turnover rate	(1.6)	0.3	(1.4)	0.2

23. Share capital/Warrant

On 20 April 2020, the Company adjusted the rights of the Company's ordinary share warrants No.2 ("WIIC-W2") under article 4.2 (e) on page 16 in order to protect the rights of the warrant holders, as follows.

New exercise ratio	1 warrant to 1.194 ordinary shares
New exercise price	Baht 4.191 per share

On 11 May 2020, the Annual General Meeting of the Company's Shareholders approved the following resolutions.

1. Approved the decrease in the Company's registered capital from Baht 725,335,328 to be Baht 585,335,328 by canceling allotment the ordinary shares for offering to the Private Placement at a price of Baht 1.50 per share, amount of 140,000,000 shares with a par value of Baht 1 per share. The Company registered the decrease in its registered capital with the Ministry of Commerce on 22 May 2020.
2. Approved the issuance and allocation of not exceeding 140,000,000 new ordinary shares with a par value of Baht 1 per share, to offer to the Private Placement, by authorised to the Board of Director of the Company to determine the offering price at the market price during the offering period and not the low price according to SEC ruling.

3. Approved the increase of the Company's registered capital from Baht 585,335,328 to be Baht 725,335,328 by issuing 140,000,000 new ordinary shares at par value of Baht 1 each to reserve the offering of newly issued ordinary shares offered to the Private Placement. The Company registered the increase in its registered capital with the Ministry of Commerce on 28 May 2020.

On 9 October 2020, the meeting of the Board of Directors of the Company passed resolution approved the allocation and the offering of 140,000,000 new ordinary shares with a par value of 1 Baht per share, at the offering price of 2 Baht per share, a total of Baht 280 million to a specific investor (Private Placement). The Company received payment for the capital increase shares and registered the increase in paid-up capital with the Ministry of Commerce on 27 October 2020.

The Company adjusted the right of warrants to purchase ordinary shares of Company No.2 (WIIC-W2) in compliance with the terms and conditions in Article 4.2 (e) on Page 16 and the terms and conditions in Article 4.2 (b) on Page 12 in order to reserve the right of WIIC-W2 holders with the exercise ratio as follows:

New Exercise Ratio	1 unit of warrant exercised to purchase 1.303 ordinary shares
New Exercise Price	Baht 3.842 per share

As at 31 December 2020, the outstanding warrants to purchase ordinary shares of the Company No.2 ("WIIC-W2") which did not exercise 124,971,656 units.

24. 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.

25. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest income on bank deposits	402	640	327	405
Interest income on loans	697	205	9,411	12,226
Total	1,099	845	9,738	12,631

26. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	30,317	40,979	20,659	33,049
Interest expenses on lease liabilities	4,186	1,274	2,031	1,176
Total	34,503	42,253	22,690	34,225

27. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	180,813	157,537	142,602	122,595
Depreciation and amortization	87,724	73,031	44,803	38,632
Rental expenses from operating lease agreements	10,625	16,276	9,395	9,428
Raw materials and consumables used	661,235	685,564	650,301	672,063
Changes in inventories of finished goods and work in progress	93,816	(38,688)	95,376	(40,478)

28. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	27,649	-	27,649	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,540)	277	(3,902)	4,828
Income tax expenses reported in profit or loss	20,109	277	23,747	4,828

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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax on actuarial loss	-	333	-	284
Deferred tax on gain from revaluation of land	(18,279)	-	(18,279)	-
Total	<u>(18,279)</u>	<u>333</u>	<u>(18,279)</u>	<u>284</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	129,452	21,844	127,390	20,673
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	25,890	4,369	25,478	4,135
Set up of temporary differences on deferred tax for the year	(1,127)	(1,105)	(1,127)	(49)
Effects of:				
Promotional privileges (Note 29)	(3,071)	(2,687)	-	-
Dividends received are excluded from taxable profit	-	(64)	-	(64)
Non-deductible expenses	1,374	1,384	912	948
Additional expense deductions allowed	(2,957)	(1,620)	(1,516)	(142)
Total	<u>(4,654)</u>	<u>(2,987)</u>	<u>(604)</u>	<u>742</u>
Income tax expenses reported in profit or loss	<u>20,109</u>	<u>277</u>	<u>23,747</u>	<u>4,828</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	2,233	515	2,233	515
Allowance for diminution in value of inventories	6,154	5,017	6,154	5,017
Allowance for asset impairment	778	778	778	778
Provision for long-term employee benefits	5,471	4,923	4,834	4,413
Other provision	2,266	12	2,266	12
Unused tax loss	7,881	5,811	-	1,073
Total	24,783	17,056	16,265	11,808
Deferred tax liabilities				
Revaluation surplus of land	39,441	21,162	39,441	21,162
Fair value of other non-current financial assets	1,947	-	1,947	-
Debentures issuing costs	-	369	-	-
Total	41,388	21,531	41,388	21,162

The unused tax losses amounting to Baht 42 million will expire within 2025.

29. Promotional privileges

The subsidiary has received promotional privileges from the Board of Investment. Subject to certain conditions, the significant privileges are as follow:

Details	Promotional certificate no.
	60-0780-1-00-1-0
1. Promotional privileges for the manufacture of	Water supply for industry type 7.1.2 Industrial water supply/stream business
2. Promotional privileges	
2.1 Exemption of corporate income tax for net earnings from promotional activities of not exceeding 100% of investment, exclusive of land and working capital, and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	6 years from the date the promoted operations commenced generating (For corporate income tax which not exceed Baht 53,500,000)

Details	Promotional certificate no. 60-0780-1-00-1-0
2.2 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.	Granted
2.3 Exemption from import duties on machinery as permitted by the BOI	Granted
3. Date of first earning operating income	23 June 2017

The Group's operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales and service income						
Domestic sales and service income	42,698	40,737	1,395,102	954,173	1,437,800	994,910
Export sales and service income	-	-	176,039	220,729	176,039	220,729
Total sales and service income	42,698	40,737	1,571,141	1,174,902	1,613,839	1,215,639

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales and service income						
Domestic sales and service income	-	-	1,215,893	817,374	1,215,893	817,374
Export sales and service income	-	-	176,039	220,729	176,039	220,729
Total sales and service income	-	-	1,391,932	1,038,103	1,391,932	1,038,103

30. Earnings per share

Basic earnings per share is calculated by dividing profits for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to the equity holder at the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the weighted an average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the year (Thousand Baht)	109,343	21,567	103,642	15,845
Weighted average number of ordinary shares (Thousand shares)	462,673	437,427	462,673	437,427
Earnings per share (Baht per share)	0.2363	0.0493	0.2240	0.0362
Diluted earnings per share (Baht per share)	0.2363	0.0493	0.2240	0.0362

There is no calculation of diluted earnings per share for the years ended 31 December 2020 and 2019 since the exercise price of warrant exceeded the fair value of the Company's ordinary shares.

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have two reportable segments as follows:

- The production distribution and pipe installation services segment is a part manufacture distribution and provide welding services for the product of high density polyethylene pipe and fittings, Low Density Polyethylene pipe, Polypropylene pipe, Polybutylene pipe, and Weholite Spiro pipe.

- The water management segment is a part which is water management, water distribution and water supply system, design construction and operation of water supply system.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2020 and 2019 as follow.

(Unit: Thousand Baht)

	The production and installation of the pipeline	The water management	Total Segment reporting	Eliminations and adjustments	Consolidated financial statements
For the year ended 31 December 2020					
Revenue from external customers	1,368,973	244,866	1,613,839	-	1,613,839
Revenue between segments	22,959	-	22,959	(22,959)	-
Other income	8,619	20	8,639	(686)	7,953
Finance income	9,738	75	9,813	(8,714)	1,099
Total Revenue	1,410,289	244,961	1,655,250	(32,359)	1,622,891
Cost of sale and service	(1,120,926)	(145,111)	(1,266,036)	24,277	(1,241,759)
Selling and distribution expenses	(44,172)	-	(44,172)	-	(44,172)
Administrative expenses	(50,309)	(34,972)	(85,281)	-	(85,281)
Income tax income (expenses)	(23,747)	3,638	(20,109)	-	(20,109)
Finance cost	(22,690)	(20,527)	(43,217)	8,714	(34,503)
Depreciation and amortisation	(44,803)	(43,375)	(88,178)	454	(87,724)
Total expenses	1,306,647	(240,346)	(1,546,993)	33,445	(1,513,348)
Segment profit	103,642	4,615	108,257	1,086	109,343

(Unit: Thousand Baht)

	The production and installation of the pipeline	The water management	Total Segment reporting	Eliminations and adjustments	Consolidated financial statements
For the year ended 31 December 2019					
Revenue from external customers	1,029,685	185,954	1,215,639	-	1,215,639
Revenue between segments	8,418	-	8,418	(8,418)	-
Other income	36,928	171	37,099	(238)	36,861
Finance income	12,631	236	12,867	(12,022)	845
Total Revenue	1,087,662	186,361	1,274,023	(20,678)	1,253,345
Cost of sale and service	(881,973)	(91,596)	(973,569)	7,749	(965,820)
Selling and distribution expenses	(58,749)	-	(58,749)	-	(58,749)
Administrative expenses	(53,410)	(38,444)	(91,854)	206	(91,648)
Income tax incomes (expense)	(4,828)	4,845	17	(294)	(277)
Finance cost	(34,225)	(20,050)	(54,275)	12,022	(42,253)
Depreciation and amortisation	(38,632)	(35,981)	(74,613)	1,582	(73,031)
Total expenses	(1,071,817)	(181,226)	(1,253,043)	21,265	(1,213,778)
Segment profit	15,845	5,135	20,980	587	21,567

Major customers

For the year 2020, the Group has revenue from 2 major customers in amount of Baht 303 million and Baht 134 million, arising from sales by the producing plastic pipes and fittings and providing related piping system design, welding and installation services. (For the year 2019, the Group has revenue from two major customers in amount of Baht 115 million and Baht 115 million, arising from sales by the producing plastic pipes and fittings and providing related piping system design, welding and installation services.)

32. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 5 million (2019: Baht 4 million) (The Company only: Baht 3 million 2019: Baht 3 million) to the fund.

33. Dividend payment

On 23 April 2019, the Annual General Meeting of the Company's shareholders passed resolution approved the appropriation of Baht 3.88 million of the retained earnings to the statutory reserve and the payment of a dividend of Baht 0.197 per share, or a total of Baht 73.74 million which comprised by

1. A cash dividend of Baht 0.03 per share or a total of Baht 11.25 million.
2. A stock dividend at a rate of 1 dividend share for every 6 shares held total stock dividend 62,488,509 shares at par value of Baht 1 each, or a total of Baht 62,488,509 equivalent to a total dividend payment of Baht 0.167 per share. In case there is any shareholders that have a remaining share after appropriated stock dividend, the dividend payment will be a cash dividend of Baht 0.167 per share.

On 30 March 2020, the Board of Directors Meeting approved the appropriation of Baht 792,256 of the 2019 net profit to the statutory reserve and the interim dividend payment from the Company's profit for the year 2019 at the rate of 0.03 Baht per share (the Company has a total of 437,427,042 shares entitled to receive dividends), representing a total of Baht 13,122,812 and determined 21 April 2020, as the "Record Date" for receiving dividends by paying such dividends to shareholders on 30 April 2020.

On 11 May 2020, the Annual General Meeting of the Company's Shareholders approved the appropriation of Baht 792,256 of the 2019 net profit to the statutory reserve and omitted dividend payment for the operating performance year 2019 and acknowledge the interim dividends payment.

On 9 October 2020, the meeting of the Board of Directors of the Company passed resolution approved the interim dividend payment at the rate of Baht 0.10 per share, a total of Baht 43,742,704.

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2020, the Group had capital commitments of approximately Baht 23.9 million (2019: Baht 1.5 million), relating to the acquisition of machinery (The Company only: Baht 2.2 million (2019: Baht 1.1 million), relating to the acquisition of machinery).

34.2 Raw material purchase commitments

As at 31 December 2020, the Group had raw material purchase commitments amounting to Baht 222.7 million (2019: Baht 174.0 million) (The Company only: Baht 222.7 million (2019: Baht 174.0 million)).

34.3 Long-term service commitments

- (a) The Company entered into Licensing Agreement with Uponor Infra Ltd. for the products under WEHOLITE trademarked for a period of 5 years. The Licensing Agreement is for Licensing Fee and Royalty Fee. For the year ended 31 December 2020, the Licensing Fee and Royalty Fee was approximately Baht 2.8 million (2019: Baht 3.0 million).
- (b) On 17 May 2016, the subsidiary signed an agreement with a company (the Licensor) granting it a license to manage a water supply system, whereby the subsidiary is to manage operation of the water supply distributed to Siam Eastern Industrial Park for a period of 20 years from the first day the water supply system is operational (1 June 2016). The subsidiary has to pay to the Licensor compensation amounting to Baht 110 million and compensation for rental as stipulated in the agreement at Baht 1.2 million per annum for 20 years. The subsidiary is required to maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at its own expense. The Licensor agrees to purchase treated water that the subsidiary produces in a volume sufficient to meet the demand of its users at the price stipulated in the agreement, with minimum guaranteed purchases of 12,000 cubic meters per day and the subsidiary has to purchase raw water only from the licensor at the price stipulated in the agreement. Moreover, the subsidiary is also obliged to comply with certain provisions and conditions stipulated in the agreement.
- (c) On 21 October 2016, the subsidiary signed an agreement with a company (Employer) to design, construct and operate a potable water production system for Wellgrow Industrial Estate for a period of 20 years from the first day the water supply system is operational. Under the agreement, the subsidiary is responsible for the acquisition of machinery and equipment used in the production of potable water, including installation of potable water system and maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at its own expense. Moreover, the subsidiary is also obliged to comply with certain provisions and conditions stipulated in the agreement. Employer agrees to purchase treated water that the subsidiary produces in a volume to meet the demand of Employer at the price stipulated in the agreement, with minimum guaranteed purchases of 17,500 cubic meters per day.

On 1 October 2018, the subsidiary signed an amendment to the above the agreement, with minimum guaranteed purchases of 17,000 cubic meters per day which will be effective from 1 October 2018 onward.

Subsequently, on 21 July 2020, the subsidiary signed an amendment to the above the agreement, with minimum guaranteed purchases of 10,500 cubic meters per day and increase the selling price per cubic meters which will be effective from 21 July 2020 onward. The subsidiary presented income at the minimum offtake quantities under service income in profit or loss for the year ended 31 December 2020.

- (d) On 4 January 2019, the subsidiary purchased ordinary shares of WIJK PT Company Limited (“WPT”) (Formerly known as “WOG ITR Water Solution Company Limited (“WOG ITR”)), the subsidiary of Wiik Water Co., Ltd., with an objective of acquiring the right to manage the water production plant with Ultra filtration and Reverse Osmosis systems to provide services in accordance with the agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province (client) dated 16 July 2012 with a term of 30 years (at present, such agreement remains 24 years). Under the agreement, WPT is responsible for providing engineers, technicians and person who has knowledge and specialty in design, procurement and installation of Reverse Osmosis systems including the acquisition of machinery and equipment used in the production of RO, and maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at WPT own expense. Moreover, WPT is also obliged to comply with certain provisions and conditions stipulated in the agreement.
- (e) On 31 March 2019, the subsidiary signed the water recycling agreement with a company (Buyer) in Wellgrow Industrial Estate for a period of 10 years from the first day the water supply system is operational. Under the agreement, the subsidiary is responsible for design, construct and install the water recycling system with standard stipulated in the agreement, including acquisition of machinery and equipment used in the production of filtrated water and maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at its own expense. Moreover, the subsidiary is also obliged to comply with certain provisions and conditions stipulated in the agreement, including deliver and transfer ownership of machines, equipment and relevant items, in relation to the entire water recycling system to Buyer when that agreement terms have been expired. Buyer agrees to purchase filtrated water that the subsidiary produces in a volume to meet the demand of Buyer at the price stipulated in the agreement, with minimum guaranteed purchases of 475 cubic meters per day.

- (f) On 25 December 2019, the subsidiary signed the water supply agreement with a company (Buyer) for a period of 23 years from the first day the water supply system is operational. Under the agreement, the subsidiary is responsible for design, construct and install the water supply system with standard stipulated in the agreement, including acquisition of machinery and equipment used in the production of filtrated water and maintain such machinery and equipment in good and workable condition throughout the term of the agreement, at its own expense. Moreover, the subsidiary is also obliged to comply with certain provisions and conditions stipulated in the agreement, including deliver and transfer ownership of machines, equipment and relevant items, in relation to the entire water treatment system to Buyer when that agreement terms have been expired. Buyer agrees to purchase filtrated water that the subsidiary produces in a volume to meet the demand of Buyer at the price stipulated in the agreement, with minimum guaranteed purchases of 10,500 cubic meters per day.

34.4 Guarantees

- (a) As at 31 December 2020, the Company has guaranteed bank credit facilities of its subsidiaries amounting to US dollar 1 million and Baht 595 million (2019: US dollar 1 million and Baht 312 million).
- (b) As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 96.3 million (2019: Baht 57.6 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 35.0 million (2019: Baht 35.0 million) to guarantee payment due to suppliers, Baht 36.0 million (2019: Baht 16.1 million) to guarantee contractual performance, Baht 6.7 million (2019: Baht 5.9 million) to guarantee electricity use, among others, Baht 18.6 million (2019: Baht 0.6 million) to guarantee cash advance received from customers and retention.

35. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the asset that was measured at fair value, as follows:

(Unit: Million Baht)

Consolidated and Separate financial statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Other non-current financial assets	-	-	31.0	31.0
Land	-	-	332.3	332.3
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	0.1	-	0.1

(Unit: Million Baht)

Consolidated and Separate financial statements				
As at 31 December 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Land	-	-	240.9	240.9

36. Financial instruments

36.1 Derivatives

(Unit: Thousand Baht)

Consolidated and Separate financial statements		
	<u>2020</u>	<u>2019</u>
Derivative liability		
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	123.6	-
Total derivative liability	<u>123.6</u>	<u>-</u>

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 months.

36.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, short-term loans to related party, deposits at bank with restrictions, other non-current financial assets, short-term loans, trade and other payables, long-term loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, short-term loans to related party, deposits with banks and financial institutions and other financial instruments. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group also has a policy to obtain bank guarantees from its customers to secure the partial amounts of receivable balances and have exercised the letters of guarantee to reduce the overdue receivable balances and has implemented the credit risk insurance for some receivables since July 2014 to reduce more credit risk. 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 in the liquidity risk topic.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are 2 types of market risk comprising interest rate risk and currency risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.1	1.1	0.2	-	30.0371	29.9767
Philippine peso	32.6	19.7	30.0	25.4	0.6261	0.5946

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.1	1.1	0.2	-	30.0371	29.9767
Philippine peso	32.6	19.7	30.0	25.4	0.6261	0.5946

Foreign currency sensitivity

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December											
	Consolidated financial statements											
	Fixed interest rates				Floating		Non-interest		Total		Effective	
	Within 1 year		1 - 5 years		interest rate		bearing				interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(% per annum)											
Financial Assets												
Cash and cash equivalents	-	4	-	-	106	89	-	1	106	94	0.05 to 0.30	0.05 to 1.00
Trade and other receivables	-	-	-	-	-	-	604	408	604	408	-	-
Deposits at bank with restrictions	17	17	-	-	-	-	-	-	17	17	0.13 to 0.60	1.00 to 1.05
Other non-current financial assets	-	-	-	-	-	-	31	-	31	-		
Other long-term investment	-	-	-	-	-	-	-	21	-	21	-	-
	17	21	-	-	106	89	635	430	758	540		
Financial liabilities												
Short-term loans	416	525	-	-	-	-	-	-	416	525	2.91 to 4.28	3.75 to 4.44
Trade and other payables	-	-	-	-	-	-	150	200	150	200	-	-
Long-term loans	-	-	-	-	263	126	-	-	263	126	3.83	4.60
Liabilities under finance lease agreements	-	6	-	12	-	-	-	-	-	18	-	0.21 to 20.35
Lease liabilities	13	-	57	-	-	-	-	-	70	-	0.21 to 20.35	-
	429	531	57	12	263	126	150	200	899	869		

(Unit: Million Baht)

	As at 31 December											
	Separate financial statements											
	Fixed interest rates				Floating		Non-interest				Effective	
	Within 1 year		1 - 5 years		interest rate		bearing		Total		interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(% per annum)											
Financial Assets												
Cash and cash equivalents	-	-	-	-	79	83	-	-	79	83	0.05 to 0.30	0.05 to 1.00
Trade and other receivables	-	-	-	-	-	-	509	289	509	289	-	-
Short-term loans to related party	271	195	-	-	-	-	-	-	271	195	4.32 to 5.23	4.32 to 7.82
Deposits at bank with restrictions	16	16	-	-	-	-	-	-	16	16	0.25	1.00
Other non-current financial assets	-	-	-	-	-	-	31	-	31	-	-	-
Other long-term investment	-	-	-	-	-	-	-	21	-	21	-	-
	287	211	-	-	79	83	540	310	906	604		
Financial liabilities												
Short-term loans from financial institutions	416	525	-	-	-	-	-	-	416	525	2.91 to 4.28	3.75 to 4.44
Trade and other payables	-	-	-	-	-	-	125	49	125	49	-	-
Liabilities under finance lease agreements	-	5	-	11	-	-	-	-	-	-	-	0.75 to 20.35
Lease liabilities	7	-	19	-	-	-	-	-	26	16	0.75 to 20.35	-
	423	530	19	11	-	-	125	49	567	590		

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of current ratio. The Group's policy is that not less than 0.9 times over a period of 2 quarters. As at 31 December 2020, the Group has a current ratio of 1.3 times (2019: 1.0 times) (The Company only: 1.6 times, 2019: 1.2 times). The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

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: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	420,264	-	-	420,264
Trade and other payables	-	150,351	-	-	150,351
Lease liabilities	-	16,637	44,064	24,063	84,764
Long-term loans	-	52,184	186,664	56,186	295,034
Total non-derivatives	-	639,436	230,728	80,249	950,413

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	420,264	-	-	420,264
Trade and other payables	-	124,981	-	-	124,981
Lease liabilities	-	8,896	20,224	-	29,120
Total non-derivatives	-	554,141	20,224	-	574,365

36.3 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 interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

37. Capital management

The primary objective of the Group's capital management are to ensure that it has appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.89:1 (2019: 1.36:1) and the Company's was 0.66:1 (2019: 1.08:1).

38. Events after the reporting period

On 9 February 2021, the Extraordinary General Meeting of the Shareholders of Wiik Water Company Limited (the Subsidiary) passed a resolution to approve an increase of Baht 90,000,000 in the registered capital, from Baht 170,000,000 to Baht 260,000,000, by issuing 900,000 new ordinary shares at a par value of Baht 100 per share at the offering price of Baht 166 per share. The initial payment for the shares is required at 25 percent of the new registered capital, and the payment for the remainder will be called for by the Board of Directors upon the necessity.

On 12 February 2021, the Company notified the intention to purchase additional shares of the Subsidiary in the amount of 450,000 ordinary shares of Baht 166 per share, a total of Baht 74,700,000, and to waive the right to purchase the remaining 450,000 ordinary shares. On 16 February 2021, the Company made an initial payment of 25 percent of total payment for the shares, or a total of Baht 18,675,000.

The authorised Director of Wiik Water Co., Ltd. (the Subsidiary), who has been authorised by the Extraordinary General Meeting of the Shareholders, allocated the remaining new ordinary shares to directors, executives, and employees of the Company and the Subsidiary, totaling 13 persons, and to 7 investors who are not related to the Company. The Subsidiary received the initial payment of 25 percent of total payment, or a total of Baht 37,350,000 and registered the increase in its registered capital with the Ministry of Commerce on 23 February 2021.

On 1 March 2021, a meeting of the Company's Board of Directors passed the following resolutions which will be proposed to the Annual General Meeting of the Company's Shareholders for approval.

1. Approve the appropriation of Baht 5,098,622 of the 2020 net profit to the statutory reserve and the payment of a dividend for the second half-year period to the shareholders of Baht 0.09 per share, with 577,427,042 shares entitled to receive the dividend, representing a total of Baht 51,968,434, and acknowledge the interim dividend payment for the first half-year period of Baht 0.10 per share, with 437,427,042 shares entitled to receive dividend, representing a total of Baht 43,742,704. The total payment of dividend in respect of the 2020 net profit amounts to Baht 95,711,138.
2. Approve to increase the registered capital of Baht 16,927,962 from Baht 725,335,328 to Baht 742,263,290 by issuing ordinary shares of 16,927,962 shares with a par value of Baht 1.00 each to reserve for the adjustment of the rights of the warrants to purchase ordinary shares of the Company No.2 (WIIC-W2).

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 1 March 2021.