

PAE (Thailand) Public Company Limited

ANNUAL REPORT 2019

The background of the cover features a photograph of an industrial facility, likely a refinery or chemical plant, at night. The facility is illuminated with bright yellow lights, and its complex structure of pipes, tanks, and towers is visible against a dark sky. The image is partially obscured by large, overlapping circular shapes in dark blue and teal, which serve as a design element for the report cover.

# ANNUAL REPORT 2019

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### Summary of important financial information of the company

Performance		Year 2019	Year 2018	Year 2017	Year 2016
<b>Sales and construction revenue</b>					
Total revenue	Million baht	402.01	347.49	417.58	528.29
Gross profit (loss)	"	402.01	347.49	417.58	528.29
Net profit (loss)	"	50.67	18.97	12.73	10.80
	Baht / share	(59.98)	(189.21)	(161.54)	(259.02)
<b>Financial status</b>					
Total assets					
Total liabilities	Million baht	559.39	610.90	696.60	814.36
Shareholders' equity	"	1,304.16	1,298.68	1,195.18	1,153.27
	"	(744.77)	(687.79)	(498.57)	(338.90)
<b>Financial ratio</b>					
Working capital ratio					
Debt to equity ratio	Equal to	0.19	0.16	0.20	0.21
Gross profit margin (loss) ( % )	Equal to	(1.75)	(1.89)	(2.40)	(3.40)
Net profit margin (loss) ( % )	Percentage	0.13	0.05	0.03	0.02
Earnings per share	"	(0.14)	(0.54)	(0.39)	(0.49)
Number of paid-up shares	Baht / share	(0.02)	(0.06)	(0.05)	(0.09)
Performance	Million shares	2,770.89	2,770.89	2,770.89	2,770.89

## Message from the Chairman

On behalf of the Board of Directors and Executives PAE (Thailand) Public Company Limited

### Dear Shareholders

From the overall sector of the Thai economy in 2019, there is a slight expansion from the year 2018 due to the support from public and private investment together with the continuous recovery of the global economy. The oil price situation in the oil and natural-gas industry, Petroleum and Petrochemicals are still in a downturn. This is due to the increase in oil production and the volatile oil oversupply from OPEC and non-OPEC production.

The company's direction from the fluctuation of crude-oil prices in the world market that has been steadily declining over the past several years. And, the price of crude oil in the world market in 2019 has remained stable. The company, therefore, has no additional investment in drilling and exploration. For this reason, the company has reduced the non-profit business unit and adjusted the organizational structure to be in line with the current financial status, along with guidelines for reducing and eliminating various risk factors affecting operations.

However, in 2019, the company extended the long-term service contract and also expanded the service of personnel management for maintenance of electrical equipment in other industrial sectors, such as electrical equipment maintenance and measurement. Tools in the manufacturing industry. In addition, we also receive credit support from business partners for the group business operations. Due to the economic conditions that recover, and the government has invested in basic public utilities continuously. Especially related to the EEC, both the infrastructure and investment of the business sector in which the basic structure

Can occurs under the EEC Act, such as high-speed rail connecting 3 airports, which has a positive effect on the country's overall economy and will inevitably result in business growth of the company as well.

The company aims to build long-term stable growth in the business from beginning to end. Collaborate with partners to create opportunities and increase revenue for the company, including affiliates that provide a full range of services focus on maintenance and inspections services continuously. The company has expanded its personnel management services for electrical equipment maintenance in other industries, including expanding customers and giving priority to customer selection, cost control, Liquidity management, developing company personnel and continuously develop service standards to be effective in order to meet customer satisfaction and enhance the potential of the company in the future.

Finally, on behalf of the Board of Directors PAE (Thailand) Public Company Limited. I would like to thank all shareholders, business partners, customers and sponsors in all aspects that has always trusted and supported the company's business operations. Thank you to the management and all employees for their dedication to their duties with diligence and to drive the organization to grow continuously. I would like to assure you that the Board of Directors, the management team and all employees will be dedicated to performing their duties to the best of their ability to enable the organization to achieve stable and sustainable success.



Mr. Charoen Prachamtan  
Chairman of the Board

PAE (Thailand) Public Company Limited

## ประวัติคณะกรรมการบริษัท

### นายเจริญ ประจําแทน

- ตำแหน่ง ประธานกรรมการ และกรรมการอิสระ  
(วันที่ได้รับแต่งตั้ง 19 มีนาคม 2557)
- อายุ 72 ปี
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี -
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่นผู้บริหารผู้ถือหุ้นรายใหญ่หรือบริษัทย่อย / - ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท รัฐศาสตรมหาบัณฑิต มหาวิทยาลัยธรรมศาสตร์
  - ปริญญาตรี วิศวกรรมศาสตรบัณฑิต สถาบันเทคโนโลยีพระจอมเกล้าธนบุรี
  - นิติศาสตรบัณฑิต มหาวิทยาลัยสุโขทัยธรรมาธิราช
  - ประกาศนียบัตรหลักสูตร Director Accreditation Program 56/2006 จาก IOD
  - ประกาศนียบัตรหลักสูตร Director Certification Program 88/2007 จาก IOD
  - ประกาศนียบัตรหลักสูตร Audit Committee Program 14/2006 จาก IOD
  - หลักสูตร Improve The Quality of financial reporting QFR/2006
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - ประธานกรรมการ และกรรมการอิสระ บริษัทพีเอฟอี (ประเทศไทย) จำกัด (มหาชน)
  - ประธานกรรมการตรวจสอบ และกรรมการสรรหาค่าตอบแทน บริษัทพาคูนิ กรุ๊ป จำกัด (มหาชน)
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / - ประธานสมาคมวิทยาลัย มหาวิทยาลัยพระจอมเกล้าธนบุรี
- ประสบการณ์การทำงาน (5 ปีย้อนหลัง)
  - ผู้ตรวจราชการกระทรวงพลังงาน
  - รองอธิบดี (นักบริหาร 9) กรมธุรกิจพลังงาน
  - ผู้เชี่ยวชาญเฉพาะด้านนโยบายและแผน (งานโยธาธิการ)
- ประวัติการ
- ทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## ประวัติคณะกรรมการบริษัท

ร้อยตรีสาโรช สว่างฤทธิ์

- ตำแหน่ง ประธานกรรมการตรวจสอบ กรรมการบริษัท,กรรมการอิสระ  
(วันที่ได้รับแต่งตั้ง 24 กุมภาพันธ์ 2549)
- อายุ 78 ปี
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี -
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาตรี นิติศาสตรบัณฑิต มหาวิทยาลัยธรรมศาสตร์
  - เนติบัณฑิตไทย
  - ประกาศนียบัตรหลักสูตร Director Certification Program 56/2006 จาก IOD
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - ประธานกรรมการตรวจสอบและกรรมการอิสระ, กรรมการบริษัท บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / - ไม่มี -
- ประสบการณ์การทำงาน (5 ปีย้อนหลัง)
  - นายทหารประจำศูนย์รักษาความปลอดภัยสำนักงานผู้บัญชาการทหารสูงสุด
  - กรรมการสมาคมศิษย์เก่าอำนวยศิลป์
  - เลขานุการสโมสรการไฟฟ้านครหลวง
  - กรรมการองค์การไฟฟ้าผานนคร
  - กรรมการบริษัท บจ. กรุงเทพนครคม
  - รองผู้อำนวยการงานธุรกิจการไฟฟ้านครหลวง
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## ประวัติคณะกรรมการบริษัท

นายปณณัณธีร์ ศรีว่องไทย

- ตำแหน่ง กรรมการบริษัท,กรรมการตรวจสอบและกรรมการอิสระ  
(วันที่ได้รับแต่งตั้ง 21 พฤษภาคม 2557)
- อายุ 57 ปี
- สัดส่วนในการถือหุ้นในบริษัท / -ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาตรี นิติศาสตรบัณฑิต มหาวิทยาลัย รามคำแหง
  - ประกาศนียบัตรหลักสูตร Director Accreditation Program 72/2008 จาก IOD
  - ประกาศนียบัตรหลักสูตร Advanced Audit Committee Program 19/2015 จาก IOD
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท, กรรมการตรวจสอบและกรรมการอิสระ บริษัทพีเอฟอี (ประเทศไทย) จำกัด (มหาชน)
  - กรรมการตรวจสอบ, กรรมการอิสระ บริษัทอีเอ็มซี จำกัด (มหาชน)
  - กรรมการ มูลนิธิพิพิธภัณฑ์ วังวรดิศ
  - ที่ปรึกษากฎหมายและทนายความ บริษัท เอ็มวิชั่น จำกัด (มหาชน)
  - ที่ปรึกษากฎหมายและทนายความบริษัท แพลนบี มีเดีย จำกัด (มหาชน)
  - ที่ปรึกษากฎหมายและทนายความ บริษัท ไทยฟิล์ม อินดัสตรี จำกัด (มหาชน)
  - ที่ปรึกษากฎหมายและทนายความ มูลนิธิหม่อมเจ้าหญิงพูนพิศมัยดิศกุล
  - ที่ปรึกษากฎหมายและทนายความ บริษัท เปาจินจง จำกัด และบริษัทในเครือ
  - ที่ปรึกษากฎหมายและทนายความ บริษัท โชคพิรวัชร จำกัด เจ้าของโรงแรมมารีโวก รีสอร์ท แอนด์สปา และ ห้างโวกกระปี่ และบริษัทในเครือ
  - เจ้าของสำนักงานทนายความศรีว่องไทย
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / -ไม่มี-
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## ประวัติคณะกรรมการบริษัท

นางสาวอรุณี หล่อสมิทธิกุล

- ตำแหน่งกรรมการบริษัท, กรรมการตรวจสอบและกรรมการอิสระ  
(วันที่ได้รับแต่งตั้ง 21 พฤษภาคม 2557)
- อายุ 52 ปี
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท การเงิน มหาวิทยาลัย เซนต์หลุยส์ สหรัฐอเมริกา
  - ปริญญาตรี คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์ มหาวิทยาลัย
  - ประกาศนียบัตรหลักสูตร Director Certification Program จาก IOD
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท, กรรมการตรวจสอบและกรรมการอิสระ บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - กรรมการบริษัท กรรมการตรวจสอบและกรรมการอิสระ บริษัท แมสเทค ลิงค์ จำกัด
  - รองกรรมการผู้จัดการอาวุโส สายบัญชีการเงิน บริษัทเออีวิทยา จำกัด (มหาชน)
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / - ไม่มี-
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - ประธานเจ้าหน้าที่การเงิน บริษัท ไฮแอท คอนสตรัคชั่น จำกัด
  - ประธานเจ้าหน้าที่การเงิน บริษัท คลาวด์ คอมพิวติ้ง จำกัด
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -



## ประวัติคณะกรรมการบริษัท

ดร. วรศักดิ์ ฉัตรแก้ว

- ตำแหน่ง กรรมการบริษัท (วันที่ได้รับแต่งตั้ง 24 สิงหาคม 2559)
- อายุ 65 ปี
- สัดส่วนในการถือหุ้นในบริษัท / -ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / -ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาเอก บริหารธุรกิจบัณฑิต University of Northern Philippines
  - ปริญญาโท วิทยาศาสตร์มหาบัณฑิต สาขา วิศวกรรมอุตสาหการและความปลอดภัยมหาวิทยาลัยมหิดล
  - Bachelor of Science Industrial Engineering Adamson University
  - ประกาศนียบัตรหลักสูตร Director Certification Program จาก IOD
  - หลักสูตรพิเศษนักปกครองระดับสูง นปส.รุ่น 57 สถาบันดำรงราชานุภาพกระทรวงมหาดไทย
  - ประกาศนียบัตรขั้นสูงการบริหารงานภาครัฐและกฎหมายเอกชน รุ่น 12 จากสถาบันพระปกเกล้า
  - หลักสูตร ปริญญาโทบริหารธุรกิจระดับสูง จากสถาบันพระปกเกล้า
  - หลักสูตร ภาวะผู้นำของนักปกครองท้องถิ่นรุ่น 25 จากสถาบันพัฒนาภาวะผู้นำการปกครองท้องถิ่น
  - Finance for Executives Program จาก มหาวิทยาลัย มหิดล
  - โครงการฝึกอบรมพัฒนาความสัมพันธ์ระดับผู้บริหาร กองทัพอากาศ รุ่นที่ 9 จากกองทัพอากาศ
- กรรมการบริษัท ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท, บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - กรรมการสหกรณ์ออมทรัพย์การประปานครหลวง
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / -ไม่มี-
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - อดีตรองผู้ว่าการ (วิศวกรรมและการก่อสร้าง) การประปานครหลวง
  - ผู้เชี่ยวชาญการประปานครหลวงระดับ 10
  - ผู้ช่วยผู้ว่าการ (บริการ 2) การประปานครหลวง
  - ผู้ช่วยผู้ว่าการ (บริการ 5) การประปานครหลวง
  - ผู้จัดการสำนักงานประชาสัมพันธ์ สาขาประชาสัมพันธ์
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## ประวัติคณะกรรมการบริษัท

นายพีรช เลิศกิจรุ่งเรือง

- ตำแหน่ง กรรมการบริษัท  
(วันที่ได้รับแต่งตั้ง 24 สิงหาคม 2559)
- อายุ 64 ปี
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี -
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท ศิลปศาสตรมหาบัณฑิต (รัฐศาสตร์) มหาวิทยาลัยรามคำแหง
  - ปริญญาตรี ศิลปศาสตรมหาบัณฑิต (รัฐศาสตร์) มหาวิทยาลัยรามคำแหง
  - มัธยมศึกษาปีที่ 5 โรงเรียนสวนกุหลาบวิทยาลัย
  - หลักสูตร ป.ปร.8 จากสถาบันพระปกเกล้า
  - หลักสูตร ว.ท.บ.54 วิทยาลัยการทัพบก
  - หลักสูตร พ.ต.ส. 3 สำนักงานคณะกรรมการ การเลือกตั้ง
  - หลักสูตร บ.ย.ส.19 วิทยาลัยการยุติธรรม
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท, บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - กรรมการผู้จัดการ บริษัท เอกซ์ค กรุ๊ป จำกัด
  - กรรมการผู้จัดการ บริษัท กัปตันบุชพัฒนา จำกัด
  - กรรมการผู้จัดการ บริษัท เค.พี.เอ. เรียดเอสเตท จำกัด
  - กรรมการผู้จัดการ บริษัท เอสพีแอนด์พี ภาวี จำกัด
  - กรรมการผู้จัดการ บริษัท ตั้งปณิธาน 2558 จำกัด
- การดำรงตำแหน่งใดๆในกิจการหรือองค์กรอื่นในปีที่ผ่านมา / - ไม่มี -
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการผู้จัดการ บริษัท เรด ดีอท
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## ประวัติคณะกรรมการบริษัท

นายสมพร มั่งมี

- ตำแหน่งกรรมการบริษัท,กรรมการบริหาร,กรรมการผู้มีอำนาจลงนามแทนบริษัท  
(วันที่ได้รับแต่งตั้ง 10 กุมภาพันธ์ 2558)
- อายุ 51 ปี
- สัดส่วนในการถือหุ้นในบริษัท / -ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / -ไม่มี -
- คุณวุฒิการศึกษา / การอบรม
  - ปริญญาโท รัฐประศาสนศาสตร์ สถาบันบัณฑิตพัฒน บริหารศาสตร์
  - ปริญญาตรี วิศวกรรมศาสตร์ จุฬาลงกรณ์ มหาวิทยาลัย
  - ประกาศนียบัตรหลักสูตร Director Certification Program รุ่น 226/2016 จาก IOD
  - ประกาศนียบัตรชั้นสูง การบริหารภาครัฐและกฎหมายมหาชน รุ่นที่ 12 สถาบันพระปกเกล้า
  - หลักสูตรนักรับบริหารระดับสูง ธรรมศาสตร์เพื่อสังคม (นมธ3)
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท,กรรมการบริหาร,กรรมการผู้มีอำนาจลงนามแทนบริษัท บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - รองกรรมการผู้จัดการอาวุโส สายงานปฏิบัติการ
  - ที่ปรึกษา บริษัท กลอี่คอนสตรัคชั่น จำกัด
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / -ไม่มี-
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการ บริษัท ไฮควอลิตี้ อินด์สเทรียลโปรดักส์ จำกัด
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## ประวัติคณะกรรมการบริษัท

นายวิรัตน์ ธีระนง

- ตำแหน่งกรรมการบริษัท,กรรมการบริหาร,  
กรรมการผู้มีอำนาจลงนามแทนบริษัท  
(วันที่ได้รับแต่งตั้ง 27 กุมภาพันธ์ 2558)
- อายุ 58 ปี
- สัดส่วนในการถือหุ้นในบริษัท / -ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / -ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท บริหารธุรกิจ มหาวิทยาลัยรามคำแหง
  - ปริญญาตรี สาขาการบัญชีและการเงิน มหาวิทยาลัยหอการค้าไทย
  - ประกาศนียบัตรหลักสูตร Director Certification Program จาก IOD
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท,กรรมการบริหาร,กรรมการผู้มีอำนาจลงนามแทนบริษัท บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - กรรมการบริษัท พีเออี เทคโนโลยีคอลเลอร์วิส จำกัด (มหาชน)
  - รองกรรมการผู้จัดการอาวุโส สายงานบัญชีและการเงิน
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / -ไม่มี-
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการ บริษัท ไลฟ์ อินคอร์ปอเรชั่น จำกัด (มหาชน)
  - กรรมการ บริษัท ไลฟ์ เอสเตท จำกัด
  - ผู้อำนวยการฝ่าย ธนาคารอิสลามแห่งประเทศไทย
  - ผู้อำนวยการฝ่ายบริษัท แพลน เอสเตท จำกัด
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## ประวัติคณะกรรมการบริษัท

นายกัมพล คุปตะวินิจ

- ตำแหน่ง กรรมการบริษัท  
(วันที่ได้รับแต่งตั้ง 20 มิถุนายน 2560)
- อายุ 69 ปี
- สัดส่วนในการถือหุ้นในบริษัท / -ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / -ไม่มี -
- คุณวุฒิการศึกษา/การอบรม
  - : ปริญญาโท บริหารธุรกิจ Asian Institute of Management, Manila, Philippines
  - : ปริญญาตรี วิศวกรรมศาสตร์- California Polytechnic State University San Luis Obispo, California, USA
- ประสบการณ์การทำงาน และการดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท, บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
  - ผู้อำนวยการฝ่ายปฏิบัติการ/Operation Director บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
  - รองผู้อำนวยการ/Vice President Mitsui Engineering Thailand Co., Ltd.
  - รองผู้อำนวยการฝ่ายบริการน้ำมันและก๊าซธรรมชาติ บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
  - ผู้อำนวยการแผนกบริการอุตสาหกรรมและการค้า บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
  - ผู้จัดการแผนกพัฒนารธุรกิจ บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / -ไม่มี-
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการผู้จัดการ บริษัท APEX Health Care
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา  
/- ไม่มี -

## ประวัติคณะกรรมการบริษัท

นายกิตติ อธินันท์

- ตำแหน่ง กรรมการบริษัท  
(วันที่ได้รับแต่งตั้ง 4 ธันวาคม 2561)
- อายุ 66 ปี
- สัดส่วนในการถือหุ้นในบริษัท / -ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / -ไม่มี -
- คุณวุฒิการศึกษา/การอบรม  
: บริญญาตรี บริญญาตรี นิติศาสตรบัณฑิต มหาวิทยาลัยรามคำแหง รุ่น 5 พ.ศ.2522
- ประสบการณ์การทำงานและกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท, บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - เจ้าของสำนักงานกฎหมายกิตติกฎหมาย ที่ปรึกษากฎหมายทนายความ
- การดำรงตำแหน่งใดๆในกิจกรรมหรือองค์กรอื่นในปีที่ผ่านมา / -ไม่มี-
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการอิสระ กรรมการตรวจสอบ บริษัท ไดมอนด์ (สยาม) จำกัด มหาชน
  - รองนายกสมาคมทนายความแห่งประเทศไทย ฝ่ายนโยบายและแผน
  - กรรมการที่ปรึกษากฎหมาย ทนายความ สำนักกฎหมายนรินทร์พงศ์จินากัณฑ์
  - ที่ปรึกษากฎหมาย ทนายความ บริษัท จีพี มอเตอร์ (ประเทศไทย) จำกัด
  - ที่ปรึกษากฎหมาย ทนายความบริษัท สยามวรินทร์นิติการจำกัด
  - นิติกรอาวุโสฝ่ายกฎหมายธนาคารอาคารสงเคราะห์
  - ทนายความสำนักงานจักรพรรดิทนายความ
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## GENERAL INFORMATION

<b><u>NAME OF HOLDING COMPANY</u></b>	PAE (THAILAND) PUBLIC COMPANY LIMITED
REGISTRATION NO.	0107538000291 (BOR. MOR. JOR. 0552)
<b><u>ADDRESS</u></b>	
HEAD OFFICE (PAE THAILAND)	69 SOI ONNUCH 64 (SUKSAMAN), SRINAKARIN ROAD, SUANLUANG, SUANLUANG, BANGKOK 10250
SONGKHLA BRANCH OFFICE	164/6 MOO 6 TUMBOL HUAKHAO, AMPUR SINGHANAKORN, SONGKHLA 90280
RAYONG BRANCH OFFICE 1	88/2 MOO 5, TAMBOL MAKAMKOO, AMPHUR NIKOMPATTANA, RAYONG 21180
RAYONG BRANCH OFFICE 2	300/117 MOO 5, RAYONG CITY PARK VILLAGE, TAMBOL CHOENG NOEN, AMPHUR MUANG, RAYONG 21000
PAE TECHICAL SERVICES	69 SOI ONNUCH 64 (SUKSAMAN), SRINAKARIN ROAD, SUANLUANG, SUANLUANG, 10250
RAYONG BRANCH	67/8 HADSAITHONG RD, MAP TA PHUT, MUANG, RAYONG, 21150
<b><u>CONTACT</u></b>	
TELEPHONE (HEAD OFFICE)	0-2322-0222 (AUTO)
FACSIMILE (HEAD OFFICE)	0-2322-2970-1
EMAIL ADDRESS	<a href="mailto:INFO@PAE.CO.TH">INFO@PAE.CO.TH</a>
COMPANY WEBSITE	<a href="http://WWW.PAE.CO.TH">WWW.PAE.CO.TH</a>
<b><u>STOCK REGISTRAR</u></b>	
NAME	THAILAND SECURITIES DEPOSITORY COMPANY LIMITED
LOCATION	62 RATCHADAPHISEK ROAD, KLONGTOEY, KLONGTOEY, BANGKOK 10110
TELEPHONE	02-009-9000
FACSIMILE	02-009-9991
<b><u>AUDITOR</u></b>	
NAME OF AUDITOR	MS. SUSAN AIEMWANICHA AUTHORIZED AUDITOR NO. 4306 /OR MR. SUCHAT PANICHAROEN AUTHORIZED AUDITOR NO. 4475 AND/OR MS. YUPIN CHUMJAI AUTHORIZED AUDITOR NO. 8622 AND/OR MS. CHERNTA CHOMMERN AUTHORIZED AUDITOR NO. 7570 AND/OR MS. WANDEE AIEMWANICHA AUTHORIZED AUDITOR NO. 8210 /OR MR. KIATTISAK WANICHAHANON AUTHORIZED AUDITOR NO. 9922
NAME OF OFFICE	S.P. AUDIT COMPANY LIMITED
LOCATION	503/31, SKL TOWER, SRI AYUTHAYA ROAD, RAJTHAVEE, BANGKOK 10400
TELEPHONE	02 642-6172-4
FACSIMILE	02 642-6253

## GENERAL INFORMATION

PAE (Thailand) Public Company Limited has established a limited company on 11 May 1964 and registered with the Stock Exchange of Thailand on 13 February 1996 with the objective of undertaking business relating to engineering, production and construction of equipment systems in the excavator industry. Drilling and production of oil and natural gas. The company provides engineering and construction services. Each repair equipment To oil and natural gas production companies Including sending experienced people to work with leading onshore and offshore companies both at home and abroad

The company is capable of engineering and installation in both petroleum, petrochemical, electrical and control systems. Including utilities By constantly focusing on developing good operational strategies in the industry. The company places top priority on quality of work and operations. And work safety Both personnel, materials, equipment, tools, machinery, occupational health and the environment, including the quality of work and satisfaction delivered to customers

### Vision

WE WILL BE THE MOST RECOGNIZED SERVICE PROVIDER. IN ENGINEERING, PERSONNEL, FACILITIES, EQUIPMENT, TOOLS. ENERGY INDUSTRY OIL AND GAS, PETROCHEMICAL AND RELATED INDUSTRIES

### BUSINESS GOALS AND STRATEGIES

Maintaining a leading position in the Engineering, Procurement and Construction (EPC) business, as well as the delivery of skilled personnel to the oil and gas exploration and production industry both domestically and regionally. The company aims to be the leading provider of engineering, procurement and construction (EPC) services. The delivery of skilled personnel, experience and expertise to the client. And services. In the energy industry, oil, gas and petrochemicals, which are the core businesses of the company.





## PAE (THAILAND) PUBLIC COMPANY LIMITED

### MISSION

A leader in the design, planning, construction, equipment (EPC)

Comprehensive Engineering, Procurement and Construction in the Energy Industry Oil and gas  
Petrochemical and alternative energy, relevant both within the country and at the regional level



Providing personnel with expertise to work in the oil and gas exploration and production industry, both domestically and regionally.



Operational cost management And efficient customer service to enable all business operations to achieve their goals



Dedicated to continuously developing the management system and promoting the use of new technology to increase the capability, the growth of the company and to develop the personnel to achieve the target set by the company.



Focus on social responsibility management and adherence to good governance for transparent management. To the sustainable and continuous growth of the organization For the benefit of shareholders

Business partner Staff in the organization Including society and the environment

REVENUE STRUCTURE OF THE COMPANY  
AND ITS SUBSIDIARIES ARE DIVIDED INTO THREE CATEGORIES AS SHOWN ON THE REVENUE VALUE  
OF EACH DEPARTMENT DURING A THREE-YEAR PERIOD AS BELOW TABLE :

	COMPANY SHAREHOLDING %	2019		2018		2560	
		THOUSAN D BAHT	%	THOUSAN D BAHT	%	THOUSAN D BAHT	%
<b>1. SERVICE INCOME OIL AND GAS BUSINESS</b>		209,650	52.14	186,114	53.56	208,527	49.90
1.1 PAE PLC. (THAILAND)	-	-	-	-	-	-	-
1.1.1 SONGKHLA OFFICE	-	-	-	-	-	-	-
1.1.2 RAYONG OFFICE	-	-	-	-	-	-	-
1.1.3 LAN KRABUE OFFICE	-	-	-	-	-	-	-
<b>2 SERVICE INCOME UNDER CONSTRUCTION CONTRACT</b>							
2.1 PAE PLC. (THAILAND)	-	-	-	-	-	43,296	10.36
2.2 PAE TECHNICAL SERVICE PLC.	72.12	-	-	-	-	39,419	9.43
<b>3. REVENUE FROM NON-DESTRUCTIVE TESTING SERVICES (NDT- NON DESTRUCTIVE TESTING)</b>							
3.1 PAE TECHNICAL SERVICE PLC.	72.12	185,227	46.07	152,909	44.00	112,617	26.95
3.1.1 NONDESTRUCTIVE TESTING SERVICE ( NDT )	-	-	-	-	-	-	-
3.1.2 TESTING AND QUALITY ASSURANCE SERVICES	-	-	-	-	-	-	-
<b>4. REVENUE FROM TAP WATER PRODUCTION SERVICES</b>							
4.1 PPS ENERGY AND MARINE CO., LTD.	67.77	7,111	1.77	8,336	2.40	7,240	1.73
<b>5. REVENUE FROM SALES OF PRODUCTS</b>							
5.1 PAE FEDERAL INTERNATIONAL CO., LTD.	55.55	Out of business	-	0.00	-	6,754	1.62
<b>6 OTHER INCOME</b>							
6.1 OASIS DEVELOPMENT CO., LTD.	54.94	-	-	-	-	-	-
6.2 PAE ENERGY SOLUTION CO., LTD.	99.99	111	0.03	130	0.04	-	-
<b>TOTAL</b>		<b>402,099</b>	<b>100.00</b>	<b>374,489</b>	<b>100.00</b>	<b>417,852</b>	<b>100.00</b>

## **NATURE OF BUSINESS**

The company's operating units are grouped into two major business areas:

### **1. OIL & GAS, PETROCHEMICAL AND HYDROCARBON**

The term "Hydrocarbon" refers to services related to Oil and Gas, and Petrochemical Industries, which include engineering and fabrication of a wide range of process equipment; plant design and modification; erection and construction; operation and maintenance for offshore facilities.

Over four decades, the Company has been accepted for professional services that meet the client requirements; for example, Company's ability to undertake any assigned project, meeting deadlines within the allocated budget. The skilled engineers and technicians have high experiences in petrochemical complexes, power plants, refineries to meet with the highest international standards.

In addition, PAE Technical Services Public Company Limited, Major shareholders, is one of the leading non-destructive testing (NDT) companies offering a wide range of third party inspection services to construction and maintenance activities.

### **2. INFRASTRUCTURE**

Infrastructure work Civil engineering for energy and infrastructure systems As well as industrial plants office building Improvement and construction of oil and gas service stations etc.

## BUSINESS OPERATION

### ENGINEERING

#### DEPARTMENT

- Provides engineering design services. Field Survey, Conceptual Design, Front End Engineering Design (FEED) to Detailed Design, Procurement, Selection of materials and equipment for each project, Procurement Assistant, Manpower Supply and Project Management.

### FABRICATION SHOP

#### RAYONG

- Rayong Plant Provide services. Structural work (Fabrication) provides installation services. (Installation) at the client's site. Installation of equipment used in industrial plants, refineries and petrochemicals. Warehouse Mechanical, Electrical, Piping, Instrumentation and other

- Songkhla Songkhla Factory Providing core services in structural work to offshore customers at Songkhla factory. It is the center of offshore services and support in the Gulf of Thailand, including the delivery of technical personnel. Procurement, procurement and rental of equipment Machine to customers in this business group. The factory consists of Cutting & Punching, Forming, Welding, Blasting and Painting. The company has the best Blasting and Paint Shop in Songkhla area.

### OIL & GAS SERVICES

#### DEPARTMENT

- The company provides engineering services to technicians, workers, both onshore and offshore. In general, labor recruitment services, including engineers and staff, are responsible for the work on the rig. The main customers are Chevron Thailand Exploration and Production Ltd.

- The company also provides rental equipment for both onshore and offshore. The dispatch of skilled workers as well as tools to the front of the job quickly and speedily as planned.

### SERVICES, INSPECTION,

#### NON-DESTRUCTIVE

#### (• NON -'S DESTRUCTIVE-

#### TESTING SERVICES, ,

#### NDT ).

- Provided by PAE Technical Services Public Company Limited, the company's subsidiary, is the first non-destructive testing ( NDT) service in Thailand. With staff that are capable and have Experience in all types of non-destructive testing, such as radiation testing (Radiographic Testing) testing using ultrasonic (Ultrasonic Testing) testing the absorption of liquid (Liquid Penetrant Testing) and so on.

- Comprehensive testing of welding the structure (Structure) and pipeline ( Pipelines) , both on-shore and off-shore company with a mobile device. That can be used in factories or in the field with personnel with expertise in the field of inspection Which has been trained and trained effectively Training according to the company's manual ( Practice Control Manual Number QCP-13 (Rev-02)) that is equivalent to the United States Standard (ASNT SNT-TC-1A).

## NATURE OF BUSINESS AND SERVICE OF THE COMPANY AND SUBSIDIARIES (ENGINEERING)

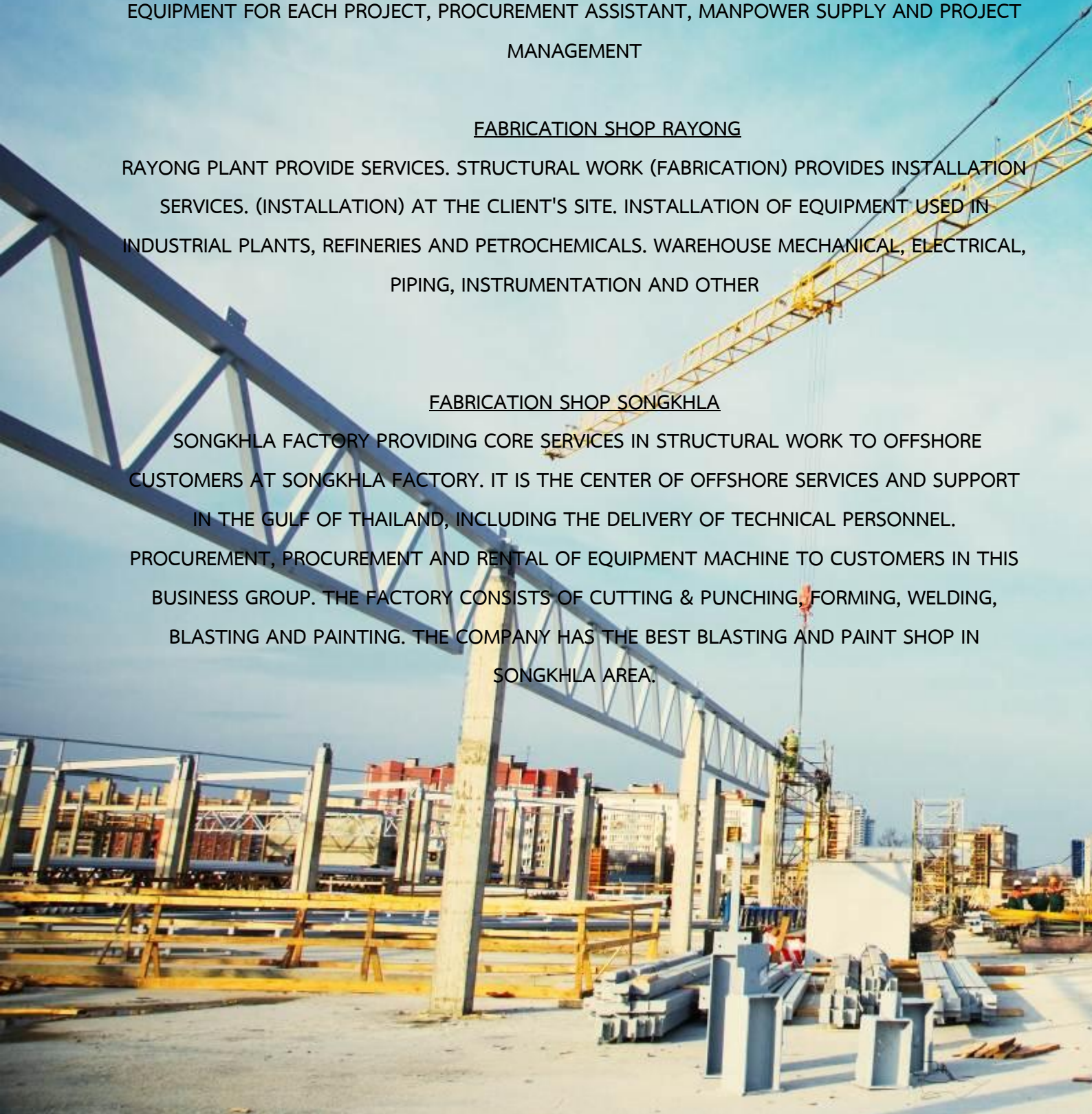
PROVIDES ENGINEERING DESIGN SERVICES. FIELD SURVEY, CONCEPTUAL DESIGN, FRONT END ENGINEERING DESIGN(FEED) TO DETAILED DESIGN, PROCUREMENT, SELECTION OF MATERIALS AND EQUIPMENT FOR EACH PROJECT, PROCUREMENT ASSISTANT, MANPOWER SUPPLY AND PROJECT MANAGEMENT

### FABRICATION SHOP RAYONG

RAYONG PLANT PROVIDE SERVICES. STRUCTURAL WORK (FABRICATION) PROVIDES INSTALLATION SERVICES. (INSTALLATION) AT THE CLIENT'S SITE. INSTALLATION OF EQUIPMENT USED IN INDUSTRIAL PLANTS, REFINERIES AND PETROCHEMICALS. WAREHOUSE MECHANICAL, ELECTRICAL, PIPING, INSTRUMENTATION AND OTHER

### FABRICATION SHOP SONGKHLA

SONGKHLA FACTORY PROVIDING CORE SERVICES IN STRUCTURAL WORK TO OFFSHORE CUSTOMERS AT SONGKHLA FACTORY. IT IS THE CENTER OF OFFSHORE SERVICES AND SUPPORT IN THE GULF OF THAILAND, INCLUDING THE DELIVERY OF TECHNICAL PERSONNEL. PROCUREMENT, PROCUREMENT AND RENTAL OF EQUIPMENT MACHINE TO CUSTOMERS IN THIS BUSINESS GROUP. THE FACTORY CONSISTS OF CUTTING & PUNCHING, FORMING, WELDING, BLASTING AND PAINTING. THE COMPANY HAS THE BEST BLASTING AND PAINT SHOP IN SONGKHLA AREA.







### (OIL & GAS SERVICES DEPARTMENT)

THE COMPANY PROVIDES ENGINEERING SERVICES TO TECHNICIANS, WORKERS, BOTH ONSHORE AND OFFSHORE. IN GENERAL, LABOR RECRUITMENT SERVICES, INCLUDING ENGINEERS AND STAFF, ARE RESPONSIBLE FOR THE WORK ON THE RIG. THE MAIN CUSTOMERS ARE CHEVRON THAILAND EXPLORATION AND PRODUCTION LTD.

THE COMPANY ALSO PROVIDES RENTAL EQUIPMENT FOR BOTH ONSHORE AND OFFSHORE. THE DISPATCH OF SKILLED WORKERS AS WELL AS TOOLS TO THE FRONT OF THE JOB QUICKLY AND SPEEDILY AS PLANNED.

PAE Technical Service Public Company Limited, a subsidiary  
of PAE Thailand Public Company Limited



PAE TECHNICAL SERVICES PUBLIC COMPANY LIMITED IS A THIRD PARTY ENGINEERING SERVICES PROVIDER FOR NON-DESTRUCTIVE TESTING. NON-DESTRUCTIVE TESTING (NDT) AND INSPECTION AND CERTIFICATION, AS WELL AS THE VERIFICATION AND CERTIFICATION OF LPG AND NGV PIPELINES FOR ORGANIZATIONS TO ACHIEVE THEIR OBJECTIVES. QUALITY ACCORDING TO INTERNATIONAL STANDARDS. AND THE REQUIREMENTS THAT CUSTOMERS WANT. OR LEGAL



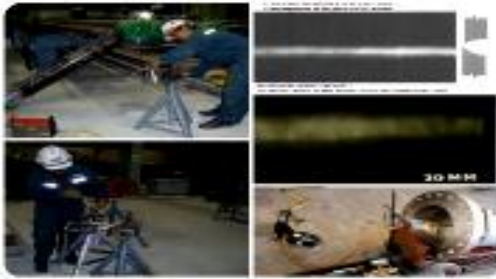
REQUIREMENTS WITH A TEAM OF HIGHLY EXPERIENCED AND HIGHLY EXPERIENCED TOOLS AND TECHNOLOGY. TO MEET AND SATISFY CUSTOMERS IS WIDELY ACCEPTED

#### **NON-DESTRUCTIVE TESTING SERVICES: NDT**

NON DESTRUCTIVE TESTING NON-DESTRUCTIVE TESTING (NDT) REFERS TO THE TECHNICAL PROCESS OF VERIFICATION. USING PHYSICAL PRINCIPLES, EVALUATING DEFECTS AND INSPECTING MATERIALS OR COMPONENTS OF MACHINERY. GAS PIPELINES, CHEMICALS, HIGH PRESSURE BOILERS AND LARGE STEEL STRUCTURES. TO FIND DEFECTS INSIDE THE MATERIAL STRUCTURE THAT CAN NOT BE SEEN WITH THE NAKED EYE. IT DOES NOT CHANGE THE STRUCTURE OF THE PREVIOUS. NEW CONSTRUCTION DURING IN SERVICE AND TURNAROUND SHUTDOWN FOR ESTIMATED LIFETIME. THE COMPANY HAS STAFF WHO HAVE THE KNOWLEDGE, EXPERTISE, MONITORING AND EXPERIENCED NON-DESTRUCTIVE TESTING. ALL STAFFS ARE WELL TRAINED AND TRAINED. THE COMPANY ALSO HAS MOBILE MONITORING AND MEASURING EQUIPMENT THAT CAN BE USED IN THE FACTORY OR FIELDWORK, WHICH MAKES IT A COMPANY. PROVIDING TESTING SERVICES FOR BOTH DOMESTIC AND FOREIGN CUSTOMERS NON DESTRUCTIVE TESTING NON-DESTRUCTIVE TESTING (NDT) REFERS TO THE TECHNICAL PROCESS OF VERIFICATION. USING PHYSICAL PRINCIPLES, EVALUATING DEFECTS AND INSPECTING MATERIALS OR COMPONENTS OF MACHINERY. GAS PIPELINES, CHEMICALS, HIGH PRESSURE BOILERS AND LARGE STEEL STRUCTURES. TO FIND DEFECTS INSIDE THE MATERIAL STRUCTURE THAT CAN NOT BE SEEN WITH THE NAKED EYE. IT DOES NOT CHANGE THE STRUCTURE OF THE PREVIOUS. NEW CONSTRUCTION DURING IN SERVICE AND TURNAROUND SHUTDOWN FOR ESTIMATED LIFETIME. THE COMPANY HAS STAFF WHO HAVE THE KNOWLEDGE, EXPERTISE, MONITORING AND EXPERIENCED NON-DESTRUCTIVE TESTING. ALL STAFFS ARE WELL TRAINED AND TRAINED. THE COMPANY ALSO HAS MOBILE MONITORING AND MEASURING EQUIPMENT THAT CAN BE USED IN THE FACTORY OR FIELDWORK, WHICH MAKES IT A COMPANY. PROVIDING TESTING SERVICES FOR BOTH DOMESTIC AND FOREIGN CUSTOMERS.

## PAE TECHNICAL SERVICE PUBLIC COMPANY LIMITED

# NDT TESTING & INSPECTION SERVICES



Radiographic Testing (RT)



Ultrasonic Testing (UT)



Liquid Penetrant Testing (PT)



Magnetic Particles Testing (MT)



Ultrasonic Thickness Measurement (UTM)



Visual Testing (VT)



Positive Material Identification (PMI)



Vacuum Testing



Hydrostatic Testing



Holiday Detector Testing





## PAE TECHNICAL SERVICE PUBLIC COMPANY LIMITED

### Plant Inspection Service

- On-Stream inspection / CUI inspection of pressure vessel & piping
- In service inspection during plant shutdown / Turnaround of pressure vessel & piping
- Tank external & internal inspection by code & laws.
- Boiler inspection & certification as per MOI.
- Risk based inspection methodology implementation & consultant



### Inspections Works Related to Government Sector

- LPG Storage Tank Inspection Yearly and Annual Inspection (Spherical and Bullet Tank)
- Gas Truck Inspections
- Gas Stations Inspections
- Liquid Hydrocarbon Storage Tank Inspections
- Oil Storage Tank Inspections & Licensee Service



Liquefied Petroleum Gas (LPG)



Natural Gas (NG)



## PAE TECHNICAL SERVICE PUBLIC COMPANY LIMITED

- THE COMPANY ENTERED INTO AN AGREEMENT WITH IRPC PUBLIC COMPANY LIMITED FOR THE CONTRACT OF INSPECTION PRESSURE VESSEL. PROJECT PRESSURE VESSEL, FIRED HEATER AND PIPING INSPECTION TA SAPE (EBSM) 2019 CONTRACT PERIOD (7 FEBRUARY - 30 SEPTEMBER 2019)
- THE COMPANY ENTERED INTO A CONTRACT WITH THE COMPANY PTT OIL AND RETAILING PLC
- KUNMING LIGHT INDUSTRY MACHINERY COMPANY HAS ORDERED / HIRED INSTALLATION BOILER PRESSURE PARTS AND BOILEREXTERNAL PIPING. DURATION 7 MONTHS (6 MAY - 31 DECEMBER 2019)
- IRPC PUBLIC COMPANY LIMITED HAS ORDERED / HIRED INSPECTION PIPING SURVEY FORPRE-INSPECTION 2020 PACKAGE 2 IN RAYONG PROVINCE.
- THE COMPANY ENTERED INTO AN AGREEMENT WITH PTT OIL AND RETAIL PUBLIC COMPANY LIMITED, CONTRACT FOR INSPECTION AND REPAIR OF PRESSURE RELIEF VALVE AT CENTRAL OIL DEPOTS AND PETROLEUM DEPOTS.
- THE COMPANY ENTERED INTO AN EMPLOYMENT CONTRACT WITH IRPC PUBLIC COMPANY LIMITED, THE CONTRACT FOR THE SPRING HANGER INSPECTION 2019-2020 (PACKAGE A) FOR 16 MONTHS (22 JULY 2019 - 22 NOVEMBER 2020).
- THE COMPANY ENTERED INTO AN EMPLOYMENT CONTRACT WITH IRPC PUBLIC COMPANY LIMITED, THE CONTRACT FOR PROCESS BOILER, BOILER, HOT OIL INSPECTION 2019 - 2020 (22 JULY 2019 - 22 MAY 2021)
- IRPC PUBLIC COMPANY LIMITED HAS ORDERED / HIRED FOR OLEH (HOT) PLANT FOR A PERIOD OF 5 MONTHS (12 JULY - 30 DECEMBER 2019).
- IRPC PUBLIC COMPANY LIMITED HAS ORDERED / HIRED PROCESS BOILER, BOILER, HOT OIL INSPECTION FOR YEAR 2019 FOR A PERIOD OF 4 MONTHS (20 AUGUST - 30 DECEMBER 2019).
- IRPC PUBLIC COMPANY LIMITED HAS ORDERED / HIRED CUI AND PROCESS PIPING INSPECTION 2019 FOR A PERIOD OF 2 MONTHS (2 OCTOBER - 30 DECEMBER 2019).
- THE COMPANY RECEIVED THE LOAN WITH INTEREST AND REDEEMED FROM THE MORTGAGE OF THE LAND OF PPS ENERGY AND MARINE COMPANY LIMITED ON 11 OCTOBER 2019.

### PPS Energy and Marine Company Limited

importer sells equipment and tools used in the construction of drilling rigs, producing and distributing raw water / drinking water / tap water, which the company holds 67.77% of the registered capital. to expand production and sales of tap water and support future growth of the company

### PAE Energy Solution Company Limited (a subsidiary of PAE)

PAE Energy Solution Company Limited (a subsidiary of PAE), which operates a training center for individuals both within the PAE companies and outside the organization, both in the house and public.

Initially, the focus will be on safety issues, such as the course on safety at work at the executive level (safety level), safety at work. Supervisor level (Safety Supervisor), Safety, Occupational Health and Working Environment Committee (OCSC), which has been registered and licensed as a training center All three courses above From the safety division Department of Labor Protection and Welfare Ministry of Labor Already

The company has begun training for customers. Both internally and externally, in late 2018, and there are other safety-related courses, such as legal safety Safety at work at high altitude (WORK AT HEIGHT). Safety in the use of scaffolding. (SCAFFOLDING) Safety in use of cranes Safety related to electrical work Safety in working in confined spaces (In the process of registering with the Department of Labor Protection and Welfare)

There is also a specification course. (REQUIREMENT) and internal audits (INTERNAL AUDIT) of the management system ISO9001: 2015, ISO14001: 2015, OHSAS18001: 2007 And also registered with the Department of Industrial Works Is the controller of pollution treatment system Type of consulting company already



## PAE Energy Solution Company Limited

PROVIDE TRAINING TO PROVIDE KNOWLEDGE AND SKILLS TO EMPLOYEES IN MANY COURSES. WITH SPEAKERS IN THE QHSE DEPARTMENT, SUCH AS TRAINING ON THE REQUIREMENTS OF THE MANAGEMENT SYSTEM (ISO REQUIREMENT), ASSESSING ENVIRONMENTAL PROBLEMS (ENVIRONMENTAL ASPECT), WORK SAFETY IN ACCORDANCE WITH THE LAW SAFETY AT WORK AT HEIGHT (WORK AT HEIGHT). SAFETY IN THE USE OF SCAFFOLDING. (SCAFFOLDING) SAFETY IN THE USE OF CRANES ARRANGING FIRE DRILLS AND FIRE EVACUATION DRILLS, 5 SOR. AND FIRST AID.





PROJECTS THAT ARE CURRENTLY BEING IMPLEMENTED IN EACH PROJECT AND THE WORK THAT THE COMPANY HAS RECEIVED THE CONTRACT WORK.





THE COMPANY HAS ALWAYS BEEN TRUSTED BY CUSTOMERS.

IN JANUARY 2019, THE COMPANY RECEIVED A JOB PROVIDING SERVICES IN THE OIL AND NATURAL INDUSTRY TO LEADING COMPANIES. IS THE INSTALLATION OF TOOLS AND EQUIPMENT, PROCUREMENT OF EQUIPMENT, TOOLS AND EQUIPMENT FOR RENT, AS WELL AS PROVIDING LABOR FOR OFF SHORE WORK IN THE AMOUNT OF 170,495,467.22 MILLION BAHT.

- APRIL 2019, THE COMPANY WAS AWARDED A CONTRACT TO PROVIDE ENGINEERING, PIPE AND MECHANICAL SERVICES FROM LEADING COMPANIES WORTH 0.597 MILLION BAHT.
- FROM THE BEGINNING OF THE YEAR UNTIL SEPTEMBER 2019, THE COMPANY HAS PROVIDED MANPOWER SUPPLY SERVICES IN THE TOTAL VALUE OF 20.390 MILLION BAHT AND OVERTIME VALUE OF 2.982 MILLION BAHT RESPECTIVELY
- SINCE SEPTEMBER 2017, THE COMPANY HAS BEEN AWARDED A MANPOWER SUPPLY SERVICE AGREEMENT AT E&I FROM A LEADING COMPANY. IS A CONTINUOUS CONTRACT FOR A PERIOD OF 2 YEARS UNTIL SEPTEMBER 2019, WORTH 54.680 MILLION BAHT AND OVERTIME SERVICE FEE OF 12.875 MILLION BAHT
- OCTOBER 2019, THE COMPANY RECEIVED A CONTRACT TO PROVIDE MAINTENANCE SERVICE AT E&I FOR A LEADING COMPANY WORTH 57.50 MILLION BAHT, DIVIDED INTO 3 CONTRACTS AND OVERTIME SERVICE FEES OF 11.5 MILLION BAHT, WITH A TOTAL OF 24 MONTHS. CONTRACT EXPIRES 30 SEPTEMBER 2021
- THROUGHOUT THE YEAR 2019, THE COMPANY PROVIDED MAINTENANCE & RENTAL SERVICE AND NCR OIL SPILL RESPONSE PROJECT IN THE TOTAL VALUE OF 0.197 MILLION BAHT.
- THROUGHOUT THE YEAR 2019, THE COMPANY PROVIDED MAINTENANCE & RENTAL SERVICE IN THE AMOUNT OF 0.231 MILLION BAHT.
- THROUGHOUT THE YEAR 2019, THE COMPANY HAS PROVIDED SERVICES OF BLASTING, MANPOWER, PROJECT WORTH A TOTAL OF 0.599 MILLION BAHT.



THE WORK THAT THE COMPANY HAS DELIVERED AS OF 31 DECEMBER 2019 IS AS FOLLOWS:

NO.	PROJECT	SCOPE OF WORK	CONTRACT VALUE (MILLION BAHT)
1.	CONSTRUCTION AND INSTALLATION CONTRACT – CHEVRON SONGKHLA	MANPOWER SUPPLY EQUIPMENT RENTAL & FACILITATION	170.495
2.	MANPOWER SUPPLY E&I WORK	MANPOWER SUPPLY	20.390
3.	MANPOWER SUPPLY AND ADVANCE SERVICE FEES	MANPOWER SUPPLY	2.982
4.	IRPC E&I (ADDITION WORK)	ENGINEERING, PIPINS,MECHANIC	0.597
5.	MAINTENANCE & RENTAL SERVICE NRC AND OTHERS	SERVICE	1.027

Work in progress for the construction of the company at the year 2019.

NO.	PROJECT	SCOPE OF WORK	CONTRACT VALUE (MILLION BAHT)
1	งาน MAINTENANCE SERVICE E&I	E&I MECHANIC MAINTENANCE SERVICE	6.731
2	MANPOWER SUPPLY	MAINTENANCE SERVICE	1.430

## PROJECT COMPLETE IN THE YEAR 2016-2018.

NO.	PARTNER / CLIENT / PROJECT	CONTRACT VALUE (MILLION BAHT)	PROJECT TIMELINE	SCOPE OF WORK
1.	TPK	44.593	JANUARY 2014 - JUNE 2016	E&I ELECTRICAL & INSTRUMENT
2.	IRPC	26.85	MAY 2016 - DECEMBER 2016	INSTRUMENT ELECTRICAL , PIPING
3.	PTT	11.33	MARCH 2016 - DECEMBER 2016	GAS STATION WORK, E&I, PIPING
4.	LEC	1.76	MAY 2016 - DECEMBER 2016	SUPPLY MATERIAL CRANE RENTAL
5.	PTT	35.0	AUGUST 2016 - APRIL 2018	OIL TANK E&I, PIPING
6.	HYUNDAI	74.22	JANUARY 2014 - OCTOBER 2015	BUILDING STRUCTURE
7.	SUMSUNG ITD	123.025	JANUARY 2014 - OCTOBER 2015	E & I WORK
8.	PTT PHENOL PTTGC PTTME	41.90	JANUARY 2015 - DECEMBER 2015	INSTRUMENT ELECTRICAL , PIPING
9.	PTT GC TOPS	19.5	APRIL 2016 - DECEMBER 2016	MECHANICAL
10	PTT GC JIFFY 3	1.70	JANUARY 2017 - MARCH 2017	PIPING
11	PTTPLC	2.90	FEBRUARY 2017 - MAY 2017	GAS STATION
12	PTTGC TOPS	0.597	APRIL 2018	ELECTRICAL & INSTRUMENT

THE COMPANY HAS MADE SIGNIFICANT CHANGES AND DEVELOPMENTS REGARDING BUSINESS OPERATIONS AND MANAGEMENT OVER THE PAST SEVERAL YEARS, AS FOLLOWS:

Year 2017

- On 9 March 2017, the Stock Exchange of Thailand announced the process to PAE in case the company is subject to adjust its financial status and operations (NC Phase 2).
- On 20 June 2017, the company informed the progress of solutions to the causes of delisting. That after the investigation of the Central Bankruptcy Court's inquiry, it appears that the court has dismissed the request for business rehabilitation of creditors who submitted requests for business rehabilitation. Subsequently, the Board of Directors' Meeting No. 2/2017, held on June 19, 2017, was formally reported regarding the dismissal of the Court's decision, so the meeting resolved to approve the Company to file a business rehabilitation request. To the Central Bankruptcy Court under the Bankruptcy Act as a new case by submitting the company's own. In this petition, the company, as the debtor, will file the petition by oneself and will present the information to the court correctly and completely that the company is in the condition that must meet the business rehabilitation according to the Bankruptcy Act. As well as being subject to a business rehabilitation plan in order to remedy the delisting from being a listed securities in accordance with the regulations of the Stock Exchange of Thailand. However, the company will still consider the aforementioned approach as a way to remedy the delisting. The business rehabilitation plan which the Court ordered in the future will be considered as a plan for resolving the delisting and the company is confident that it can be resolved within the time specified by the Stock Exchange of Thailand regulations.
- On 20 June 2017, the Company acknowledged the resignation of Miss Kulisara Borintongpong, the position of the Director of the Company, effective from 19 June 2017 onwards and resolved to appoint Mr. Kampon Kuptavinit to be a Director of the Company in replacement of the resigned director, effective from June 19, 2017.
- On 20 June 2017, the company informed the progress of the method to solve the reason for delisting from the listed securities, and the result of the court order not allowing the company to hold the 2017 annual general meeting of shareholders that on 21 June 2017, the company has filed a petition for business rehabilitation with the Central Bankruptcy Court as a black case number No. For. 23/2560 and the court has already received an order for consideration. The court scheduled the hearing for the said case on 11 September 2017.

- On June 29, 2017, the company explained further about the general meeting of the company's shareholders that in the past year 2016, the company could not hold the general meeting of shareholders because the central bankruptcy court ordered not allowing the company to arrange 2016 Annual General Meeting of Shareholders because the company is in the process of rehabilitation proceedings. The company therefore is in a state of suspension of forced debt repayment. Prohibiting any action that creates an obligation or burdens on property which will reduce the company's assets if violated, punishable by imprisonment or fined Or both. However, according to the Bankruptcy Act Section 90/12 (9) in conjunction with Section 90/82, the court therefore considers that the arrangement of the general meeting of shareholders causes considerable financial BURDEN to the company, burdening the company and all creditors in the rehabilitation process. Business under bankruptcy law, therefore, does not allow the company to hold the 2016 Annual General Meeting of Shareholders, which the results of the court order has been continuously in force. Until the court has lifted an order requesting the rehabilitation of creditors, as reported on the Company filed a petition for reorganization into a new case. The company therefore filed a petition with the Central Bankruptcy Court for the Court to consider ordering an arrangement for the 2017 Annual General Meeting of Shareholders as well, since each Annual General Meeting has expenses for conducting the meeting. High and is a commitment to the company in violation of the Bankruptcy Act, Section 1940, Section 90/12, including to not make a court order in this case. The conflict with the court orders that have been issued or has the decision already existing guidelines. The court has received the petition and ordered to suspend the company's annual general meeting of shareholders for the year 2017 until the court changed the order to something else. As a result of the court order, therefore, the company does not Able to hold a shareholders' meeting until the court gives an order.
- On 18 September 2017, the Board of Directors Meeting No. 5/2017 resolved to have PAE Federal International Company Limited (a subsidiary company) to liquidate and liquidate. Because such company provides low return but has high business risk. Currently, the subsidiary is in the process of liquidation.

#### Year 2018

- 9 March 2018, the Stock Exchange of Thailand Notification to proceed with PAE in the case that the company is subject to adjust financial status and operations. The Stock Exchange of Thailand has established guidelines for listed companies with operations or financial positions that may be delisted. The business rehabilitation period is divided into 2 phases: 1) The period for the cause of

delisting is 3 years. Names are announced every 1 year. When the company is still unable to resolve the causes, it may be revoked. Therefore, the Stock Exchange of Thailand will announce the name of the company to improve financial status and operations. This will be effective from 9 March 2018 onwards. PAE is a company that needs to improve its financial status and operations in Phase 3 (NC Phase 3). PAE must comply with the criteria.

- On March 23, 2018, the company informed the progress of the solutions to the causes of delisting from the listed securities, and the result of the verdict that the court dismissed the petition for the business rehabilitation case. Due to the Company has filed a petition for business rehabilitation with the Central Bankruptcy Court as a black case number No. For. 23/2560 and the court has received the order. When the court has finished examining the requestor and the debtor and the objector. Subsequently, the Central Bankruptcy Court issued a judgment or order on March 8, 2018, by dismissing the petitioner / debtor's request. (The request for business rehabilitation of the company) However, the order or the judgment of the bankruptcy court is still considered as the order or the judgment of the court of first instance only. Still, the case of the rehabilitation of the company is still not final. The company is still able to appeal against the order or the judgment of the Central Bankruptcy Court according to the legal process. Therefore, the Board of Directors' Meeting No. 2/2018 held on Thursday 22 March 2018 resolved to approve the company to file an appeal against the Central Bankruptcy Court's order to the Court of Appeals for the Special Court Case to submit arguments against the court's order. Central bankruptcy Due to the reason that the company can argue
- On 8 June 2018, the company reported the progress to the Stock Exchange of Thailand that the company has appealed against the Central Bankruptcy Court to the Court of Appeal within the period specified by the law and the Court of Appeals has received the request for consideration.
- On September 7, 2018, the progress of the resolution of the delisting from the listed company has passed a resolution of the Board of Directors meeting to approve the company to choose to proceed with the business rehabilitation through the Central Bankruptcy Court under the Bankruptcy Act to resolve the cause. Of the said revocation. The company has filed a petition for business rehabilitation with the Central Bankruptcy Court as a black case No. For. 23/2560 and And the court issued an order accepting the petition At this time, the court has completed the examination of the petitioner and the debtor and the objector and the Central Bankruptcy Court

has issued a judgment or order on March 8, 2018, by dismissing the petitioner / debtor's request. (The request for business rehabilitation of the company) However, the order or the judgment of the bankruptcy court is still considered as the order or the judgment of the court of first instance only. Which is still considered that the business rehabilitation case of the company is still not final. The company is still able to appeal against the order or the judgment of the Central Bankruptcy Court according to the legal process. At present, the Company has appealed against the Central Bankruptcy Court to the Appeal Court within the period specified by law. And the appeal court has received the consideration for consideration. The case is still being considered by the Court of Appeal.

- On December 7, 2018, the company informed the Stock Exchange of Thailand to appoint new directors to replace the resigned directors by the resolution of the Board of Directors of PAE (Thailand) Public Company Limited which was held at the meeting No. 05/2018 on 4 December 2018 has the following resolutions: 1. Acknowledging the resignation of Mr. Suriya Tantiwivat from the position of director. This is effective from 4 December 2018 onwards and the meeting of the Board of Directors has resolved to appoint Mr. Kitti Atinan to be a director in place of the resigned director. With effect from 4 December 2018 onwards

#### Year 2019

- On 22 January 2019, the Court of Appeals of the Supreme Court reversed the decision of the Central Bankruptcy Court to rehabilitate the business of the Company and appointed PAE (Thailand) Public Company Limited as the plan preparer under the Bankruptcy Act B.E. 2483, Section 90 / 10 paragraph one and 90/17 paragraph one
- On 22 February 2019, the official receiver announced the order for the business rehabilitation company and the company (debtor) to be the plan preparer in the Government Gazette and notify the order to the registrar, partners and creditors.
- On 5 March 2019, the company reported the progress to the Stock Exchange of Thailand that The company is in the process of preparing the business rehabilitation plan in accordance with the process of the business rehabilitation plan, in which the creditors are required to submit debt repayment for delivery to the official receiver in order to organize a meeting of creditors for consideration and approval of the plan, and the official receiver will propose the plan to Court to consider the plan's approval order

- On 11 March 2019, the Stock Exchange of Thailand notified the company of the operation. The company is a listed company that may be delisted. In the current financial status, the deadline for resolving the delisting is due and the company has requested to extend the time to the Stock Exchange. Then gave the company time to remedy the delisting until 8 March 2020 or the date The Bankruptcy Court has ordered not to approve the plan. Whichever comes first. If the company is unable to resolve all delisting within the time limit, the Stock Exchange of Thailand will propose to the Board of Directors of the Stock Exchange of Thailand for further delisting.
- On 30 August 2019, the company reported the progress to the Stock Exchange of Thailand that The company completed preliminary business rehabilitation plan and submitted to the court on July 18, 2019. At that time, the official receiver was scheduled to convene a meeting of creditors who have submitted requests for debt repayment in accordance with the rules and procedures prescribed by law in order to allow Meeting of creditors considering whether to approve the rehabilitation plan or not After the creditors' meeting approves the rehabilitation plan, the plan preparer will send the plan approved by the creditors meeting to the court and the official receiver, and then the court will consider whether or not to approve the said business rehabilitation plan.
- On 20 September 2019, the company reported the progress to the Stock Exchange of Thailand that according to the official schedule of the meeting date for creditors who have submitted requests for debt repayment in order to consider the business rehabilitation plan of the company. There was a request to postpone the meeting. The official receiver ordered the postponement of the said creditors 'meeting and scheduled a new creditors' meeting. So the creditors will attend the meeting and pass a resolution In considering the business rehabilitation plan of the company
- On 28 October 2019, the company reported the progress to the Stock Exchange of Thailand regarding the report of the creditors' meeting to consider the business rehabilitation plan that As the official receiver has scheduled a meeting of creditors for consideration of the business rehabilitation plan of the company There is a creditors' meeting result which is
  1. The meeting of creditors resolved to accept the plan and the amendment plan in accordance with Section 90/46 (2) and Section 90/48. Of the Bankruptcy Act B.E. 2483
  2. The meeting of creditors considered and resolved to not appoint a committee of creditors under Section 90/55 of the Bankruptcy Act B.E. 2483

## COMPETITION

In the year 2019, the company adjusted its personnel strategy by developing and training its employees to have skills and expertise that can work in many areas. (Multi-skilled) to support the needs of customers who want to reduce operating costs and costs.

### COMPETITORS IN THE SAME INDUSTRY

For the EPC contracting industry, the competition in the country tends to be more intense as the same competitors have improved their potential. Including project management capabilities and engineering experience are important factors While the tendency of petroleum and petrochemical construction projects that the situation is not going well Excessive competition in the same industry may cause obstacles to the work of the company.

### NEW COMPETITORS IN THE SAME INDUSTRY

As for the business of the company, there are now a lot of new competitors due to skilled contractors establish and operate by themselves. When there are many competitors causing high price competition, therefore, the project profits are relatively low.

### THE BARGAINING POWER OF THE SUPPLIER

There is a replacement product. Causing obstacles to penetrate the market, but if a business that joins hands with other partners (Partners) is considered a good opportunity to do other business together

### SUBSTITUTE PRODUCTS

Because there are substitute products Causing obstacles to penetrate the market, but if a business that joins hands with other partners (Partners) is considered a good opportunity to do other business together

### THE POWER OF CUSTOMER NEGOTIATION.

CUSTOMERS HAVE MORE BARGAINING POWER AS THE BUSINESS HAS many competitors, including E-Auction bidding, which is a bid for Real Time bidding for the company to bid within the stipulated time causing immediate decision. Companies need to reduce prices as much as possible in order to win the competition.



## PROCUREMENT OF PRODUCTS OR SERVICE

The operational procedures of the company include both the main contractor and the sub-contractor. (Sub-Contractor) in which the company will accept construction by contacting the employer directly through bidding or negotiation. There are steps in the operation as follows.

1. Bidding and acceptance of work from customers The company will follow the news of the tender as announced by newspaper or from consulting company or design company. And assign the cost estimation department to calculate the costs and expenses that will occur After that, the company will submit the price to participate in the contest by following the procedures set by the purchase department.

2. Procurement through negotiation process may not have competition or quotation It is a job offer from a specific client, choosing the company to be the creator. This method is often used with old customers and has a good relationship between them. After the price and conditions have been agreed, the contract will be signed.

## MARKETING AND COMPETITION

The company focuses on engineering, construction, maintenance services and equipment repair. To companies in the energy industry, including the delivery of experienced staff working with leading companies both onshore and offshore (Onshore & Offshore) both domestically and internationally

The company gives utmost importance to safety at work. Both for personnel Materials, equipment, machine tools And the environment, including the quality of work delivered to customers But due to the current economic competition of the business, the company has changed the marketing strategy. There are improvements in the bidding process. The company will participate in bidding for projects in which the company has special expertise or in the Shut Down and Turnaround Service sections.

## COMPETITIVE STRATEGY

The company has a competitive strategy and a core business policy, focusing on accepting work from many leading organizations of the oil group. Oil refinery, gas separation plants, petrochemical industry and energy groups The company provides the best service and the best ability. The company expects that if customers are satisfied with the work May result in the company being assigned to work from other departments even more.

## TARGET GROUPS

The Company's customers can be divided into 2 groups according to their business characteristics: Hydrocarbon group customers and infrastructure group clients. The characteristics of both groups of customers are both state-owned and private. The target group of the company is oil exploration and drilling, oil refinery, gas separation plant, petrochemical industry. Paper Mill and Power Plant, the proportion of the Company's customers may vary due to economic conditions and circumstances. Therefore, the operation of the company may not depend on particular customers.

## COMPETITION IN THE INDUSTRY OVER THE PAST YEAR

Crude oil prices in the world market in 2019 remained stable at \$ 50-60 per barrel as global crude oil prices continued to drop. And due to the fluctuation of oil prices, the drilling investment is still slow, no additional investment Affecting the project and the amount of work related to the oil and natural energy industry companies The company then changed the strategy to reduce costs in order to reduce the cost of bidding or find a partner to get more jobs than ever.

## RISK FACTORS RISK MANAGEMENT

Risk management risk means the opportunity / event or thing that does not meet the objectives / goals of the current plan. By causing the impact or damage to the organization, both in terms of monetary impact or image or corporate reputation.

Risk management is the process performed by the board, executives and all employees in the organization to assist in formulating operational strategies. The risk management process is designed to identify potential events and it affects the organization and can manage the risk to a level acceptable to the organization to gain reasonable confidence in achieving the objectives / goals set by the organization.

Pae (thailand) public company limited has set a policy on quality, occupational health, safety and environment. In order to demonstrate the organization's commitment and qshe management framework, the management and employees in the organization will implement it by setting goals, strategic plans, and operational plans. Including indicators according to plan including monitoring and evaluating the performance according to the target to assess compliance with the policy including the assessment (internal audit) according to the plan.

For the policy on quality, occupational health, safety and environment of the company are as follows

1. Quality, health, safety and environment policy - iso management system
2. Security policy and occupational health (health & safety policy)
3. Drug and alcohol prohibition policy (drug & alcohol policy)
4. Environmental policy (environmental policy)
5. Stop policy if not safe (stop work authority policy)
6. Fatigue management policy

In this regard, the company policy requires employees to comply with the law, both in writing and intention. For all laws, regulations, environment, health and safety

### Policy of financial risk management

The company has no policy to hold or issue financial instruments for speculation or trading.

### Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates in the future which will affect the financial performance and cash flows of the group, which the group has financial assets and financial liabilities which it exposes to the risk from interest rate .

### Foreign currency risk

The company exposes to foreign currency risk relates to its assets and liabilities in foreign currencies which are not hedged by derivative financial instruments, however the management of the group believed that does not effect significantly to the financial statement.

### Credit risk

The company has the credit risk related to trade receivable. However, the group has a conservative credit policy thus the group expects no significant damage from collecting debt of such accounts receivable. The

group also estimates the allowance for doubtful debt based on the management assessment regarding the account receivables' debt service ability in the past which the management believes it is sufficient.

#### Investment risk of securities holders

Year 2019, the company has continuously suffered operating losses for many years. The consolidated and separate financial statements for the year ended 31 December 2019 of the company have a loss of 56.98 million baht and 47.27 million baht as no. As at December 31, 2019, the company has current liabilities higher than current assets in the consolidated and separate financial statements in the amount of 929.05 million baht and 887.22 million baht, respectively, had negative shareholders' equity in the consolidated and separate financial statements in the amount of 744.77 million baht and 695.28 million baht respectively.

On 22 January 2019, the court of appeals reversed the rehabilitation plan and appointed the debtor (company) as the plan preparer under the bankruptcy act, 1915, section 90/10. Establishing a company (debtor) as the plan preparer in the government gazette and notifying the said order to the registrar, partners and creditors for filing an application for repayment of debt to the official receiver subsequently, the official receiver has scheduled a meeting of creditors who have submitted debt repayment for consideration of the rehabilitation plan of PAE (Thailand) Public Company Limited and the meeting of creditors has approved the plan and the amendment plan in accordance with section 90/46. (2) and section 90/48 of the bankruptcy act B.E. 2483, and the meeting of creditors has considered and passed a resolution not to appoint a committee of creditors under section 90/55 of the bankruptcy act B.E. 1940, however, the company is still highly uncertain as the business reorganization may take several steps to complete.

## Shareholding Structure

### Securities and Shareholder Information

The registered and paid-up capital as at 31 December 2019 is as follows:

Registered capital	amount	8,051,717,322	baht
Paid-up capital	amount	2,770,889,766.	baht
Common stock	number	2,770,889,766	share
Preferred stock	Number	–	share
Par value	Per share	1	baht

Ordinary shares as at 31 December 2019 amounting to 2,770,889,766 shares

- The Company does not have any preferred shares or other types of shares in which there are any rights or other conditions that are different from ordinary shares.

#### 1. Shareholders

List of the top 10 major shareholders of the Company The number of shares held. The shareholding as of October 15, 2015 (latest book closing date) is as follows.

\*\* Due to PAE (Thailand) Public Company Limited, the Company may be delisted and in the process of revising its financial status and operations to comply with SET regulations. To rectify the cause of the delisting The company has entered into a rehabilitation case. The Company has not yet been able to hold the Annual General Meeting of Shareholders because the Central Bankruptcy Court has ordered the Company not to hold the Annual General Meeting of Shareholders for the year 2017 because the Company is still in existence. During the prosecution proceedings. Therefore, the list of shareholders and the proportion of shareholding remain unchanged as of October 15, 2015 (latest book closing date). \*\* The Company does not have a major shareholder group that defines management policies or procedures. The Company's operations are significant.

No	List of Shareholders	Number of shares held (shares)	Shareholding
1.	Mr. Kohchok Sangthong-Aram	185,800,000	6.71
2.	Mr. Chanachai Leenabanchong	129,498,300	4.67
3.	Thai N.V.D.R. Co.,Ltd.	54,988,800	1.98
4.	Mr. Achada Kesornsuk	39,000,000	1.41
5.	Mr. Chinchai Leenabanchong	28,589,400	1.03
6.	Mr. Jirawut Kuwanan	22,300,000	0.80
7.	Mrs. Anothai Songtai	20,752,700	0.72
8.	Mr. Banjerd Techa-Inthawong	20,000,000	0.72
9.	Mrs. Chintana Kaweewong	19,658,050	0.74
10.	Ms.Kannida Tangkittongcharoen	17,100,000	0.62

\*\* Source: Thailand Securities Depository Co., Ltd. as of October 15, 2015 (latest book closing date)

## 2. Business operations by holding shares in other companies (Holding Company)

Shareholders information of subsidiaries in which the company operates its core business.

- The company does not conduct business by mainly holding shares in other companies (holding company)

## 3. Agreement between major shareholders

-The company does not have a major shareholder that has an agreement between the parties that affects the offering of securities or the management of the company.

## 4. Issuance of other securities

As of 31 December 2016, there were warrants that have not yet been exercised 1,363,302,372 units, expired in the whole year

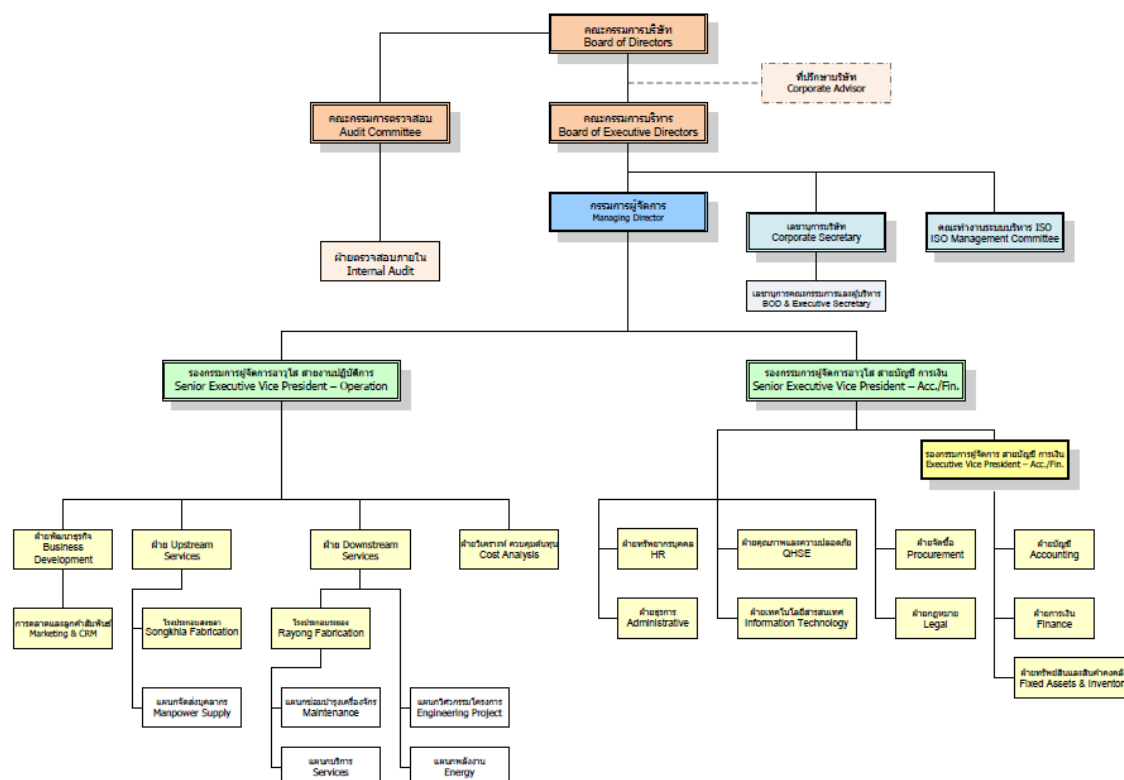
As of December 31, 2017, the company has not set any policy to issue any other securities

As of 31 December 2018, the company has not yet set any policy for issuing any other securities.

As of 31 December 2019, the company has not yet determined any other securities issuance policies.

(Organization Chart) As 31<sup>ST</sup> December 2019

## PAE (Thailand) Public Company Limited : Organization Structure



THE MANAGEMENT OF PAE (THAILAND) PUBLIC COMPANY LIMITED AS AT 31 DECEMBER 2018 HAS THE FOLLOWING NAMES.

No	Name	POSITION
1	MR.SOMPORN MANGMEE	EXECUTIVE DIRECTOR / SENIOR EXECUTIVE VICE PRESIDENT, OPERATIONS DIVISION
2	MR. VERAPHAN NA RANONG	EXECUTIVE DIRECTOR / SENIOR EXECUTIVE VICE PRESIDENT, FINANCIAL ACCOUNTING DIVISION
3	MR.SOMPORN MANGMEE	(ACTING) MANAGING DIRECTOR, BUSINESS DEVELOPMENT DEPARTMENT
4	MR. GUMPON KUPADAVINIJ	UPSTREAM SERVICES MANAGER
5	MR. FARIS DARAMAN	COST CONTROL ANALYSIS MANAGER COST ANALYSIS
6	MISS THARINEE PINPONE	HUMAN RESOURCES MANAGER
7	MR. KITTIPONG TANDICUL	ASSISTANT MANAGING DIRECTOR, QUALITY AND SAFETY DEPARTMENT
8	MR. SAKDA LANGBUPHA	PURCHASING MANAGER
9	MISS VIPARAT SUWANNARAT	ACCOUNT MANAGER

\*\* Names 1-8 are company executives according to the SEC's announcement. Note: Executives means managers or the top four executive positions starting from the bottom down. All persons holding the same position are equivalent to the fourth management position. And shall include persons with management positions in the accounting or financial field that are department managers level or higher or equivalent

### Management structure

The Board of Directors is aware of the principles of good corporate governance and adheres to the principles of good corporate governance. Including good practices for directors according to the guidelines of the Stock Exchange of Thailand Which has clearly defined duties and responsibilities with continuous supervision and follow-up. In addition, the development and improvement of business operations as well as regular personnel development In order to maximize the benefits to the company that will deliver the highest benefit to the shareholders as well Good corporate governance principles The company is aware of the importance of anti-corruption and corruption. And is committed to anti-corruption and corruption in all forms To ensure that the company Have a policy to determine responsibility, guidelines and requirements for appropriate actions To prevent fraud and corruption The company has therefore written a " Anti-Corruption Policy " in writing. To be a clear guideline for conducting business As well as for personnel at all levels to adhere to the operational norms

Board of Directors According to the regulations of the Board of Directors of the Company not less than 5 directors and at least half of the directors must be resident in the Kingdom and must qualify under the law. The Board of Directors as at 31 December 2019 consists of all directors as follows

No.	Name	Position
1	Mr. CHAREON PRAJUNTAN	Chairman of the Board
2	Sub Lt. SAROJ SWANGRIDHI	Chairman of the Audit Committee, Independent Director and Director
3	Miss ONCHULEE LAWSMITHIKUL	Director, Independent Director and Audit Committee
4	Mr. PUNNATHEE SRIWONGTHAI	Director and Independent Director and Audit
5	Mr. PEERACH LERSKIJROONGRUENG	Director
6	Mr. VORASAK CHATKAEW	Director
7	Mr. SOMPORN MANGMEE	Director and Executive Director
8	Mr. VERAPHAN NA RANONG	Director and Executive Director
9	Mr. GUMPON KUPADAKVINIJ	Director
10	Mr. KITTI ATINUN	Director



AUDIT COMMITTEE PAE (THAILAND) PUBLIC COMPANY LIMITED AS AT 31 DECEMBER 2019

No.	Name	Position
1	Sub Lt. SAROJ SWANGRIDHI	Chairman of the Audit Committee
2	Miss ONCHULEE LAWSMITHIKUL	Audit Committee
3	Mr. PUNNATHEE SRIWONGTHAI	Audit Committee

INDEPENDENT BOARD OF DIRECTORS PAE (THAILAND) PUBLIC COMPANY LIMITED AS AT 31 DECEMBER 2019

No.	Name	Position
1	Mr. CHAREON PRAJUMTAN	Chairman of the Board and Independent Director
2	Sub Lt. SAROJ SWANGRIDHI	Chairman of the Audit Committee and Independent Director
3	Miss ONCHULEE LAWSMITHIKUL	Audit Committee and Independent Director
4	Mr. PUNNATHEE SRIWONGTHAI	Audit Committee and Independent Director

Directors and Management Remuneration

The remuneration of the Board of Directors and Audit Committees consist of monthly remuneration, meeting allowance, in year 2019 (including directors resignation during year 2019)

LIST OF DIRECTORS AND EXECUTIVES	BOARD OF DIRECTORS MEETING IN 2019				
	ANNUAL GENERAL MEETING *	BOARD OF DIRECTORS	AUDIT COMMITTEE	EXECUTIVE COMMITTEE	RISK COMMITTEE
Mr. CHAREON PRAJUMTAN	-	5/5	-	-	-
Sub Lt. SAROJ SWANGRIDHI	-	5/5	3/3	-	-
Miss ONCHULEE LAWSMITHIKUL	-	5/5	3/3	-	-
Mr. PUNNATHEE SRIWONGTHAI	-	5/5	3/3	-	-
Mr. SOMPORN MANGMEE	-	5/5	-	10/10	-
Mr. VERAPHAN NA RANONG	-	5/5	-	10/10	3/3
Mr. VORASAK CHATKAEW	-	4/5	-	-	-
Mr. PEERACH LERSKIJROONGRUENG	-	3/5	-	-	-
Mr. GUMPON KUPADAKVINIJ	-	3/5	-	-	-
Mr. KITTI ATINUN	-	4/5	-	-	-

\* The Company did not hold the Annual General Meeting of Shareholders for 2019, (AGM)

### Remuneration for the directors and managements

The Company has regulated the remuneration for directors precisely, by requesting for approval from the shareholders'; and for the remuneration for directors, it will be in accordance with the principles and policies regulated by the Board of Directors. Therefore, this is done in accordance with the Principles of Good Corporate Governance, Clause 10, concerning the set up of remuneration for management. In 2019, the amount of remuneration of directors and management were as stated below:

Position	Remuneration ** Year 2019 (Baht / Person / Time)
Chairman of the Board of Directors	15,000
Chairman of the Executive Board	10,000
Chairman of the Audit Committee	10,000
Director	6,000
Executive Director	6,000
Audit Committee	6,000

#### Remark

\* Directors who hold more than one position They will receive a monthly salary based on the position they received.

\*\*In case that each committee has more than one meeting in a month, the meeting allowance will be paid to the committee member only once per month.

The remuneration of the Board of Directors and Audit Committees consist of monthly remuneration, meeting allowance, in year 2019 (including directors resignation during year 2019)

NAME OF BOARD	Directors and Management Remuneration 2019				
	Board of Directors meeting	Audit Committee	Excutive Committee	Montly Compensation	TOTAL
Mr. CHAREON PRAJUMTAN	30,000	-	-	600,000	630,000
Sub Lt. SAROJ SWANGRIDHI	12,000	20,000	-	360,000	392,000
Mr. PUNNATHEE SRIWONGTHAI	12,000	12,000	-	240,000	264,000
Miss ONCHULEE LAWSMITHIKUL	12,000	12,000	-	240,000	264,000
Mr. SOMPORN MANGMEE	12,000	-	/	240,000	252,000
Mr. VERAPHAN NA RANONG	12,000	-	/	240,000	252,000
Mr. KITTI ATINUN	6,000	-	-	120,000	126,000
Mr. VORASAK CHATKAEW	12,000	-	-	120,000	132,000
Mr. PEERACH LERSKIJROONGRUEN	12,000	-	-	120,000	132,000
Mr. GUMPON KUPADAKVINIJ	6,000	-	-	120,000	126,000
Total remuneration of Directors PAE Thailand Public Company Limited YEAR 2019					2,570,000 BAHT

Executive remuneration The company paid compensation to 8 executives in the total amount of approximately 9,003,600.00 baht and for the year 2019, the company paid compensation to 8 executives in the total amount of 8,546,406.50 baht. The salary model has the following details:

COMPENSATION	2018		2019	
	Number of executives (person)	Amount (baht)	Number of executives (person)	Amount (baht)
SALARY	8	9,003,600.00	8	8,546,406.50

**\*\*\* Non-monetary compensation**

-None-

THE MANAGEMENT OF PAE (THAILAND) PUBLIC COMPANY LIMITED AS AT 31 DECEMBER 2019 HAS THE FOLLOWING NAMES.

No	Name	POSITION
1	MR.SOMPORN MANGMEE	EXECUTIVE DIRECTOR / SENIOR EXECUTIVE VICE PRESIDENT, OPERATIONS DIVISION
2	MR. VERAPHAN NA RANONG	EXECUTIVE DIRECTOR / SENIOR EXECUTIVE VICE PRESIDENT, FINANCIAL ACCOUNTING DIVISION
3	MR.SOMPORN MANGMEE	(ACTING) MANAGING DIRECTOR, BUSINESS DEVELOPMENT DEPARTMENT
4	MR. GUMPON KUPADAVINIJ	UPSTREAM SERVICES MANAGER
5	MR. FARIS DARAMAN	COST CONTROL ANALYSIS MANAGER COST ANALYSIS
6	MISS THARINEE PINPONE	HUMAN RESOURCES MANAGER
7	MR. KITTIPONG TANDICUL	ASSISTANT MANAGING DIRECTOR, QUALITY AND SAFETY DEPARTMENT
8	MR. SAKDA LANGBUPHA	PURCHASING MANAGER
9	MISS VIPARAT SUWANNARAT	ACCOUNT MANAGER

\*\* Names 1-8 are company executives according to the SEC's announcement. Note: Executives means managers or the top four executive positions starting from the bottom down. All persons holding the same position are equivalent to the fourth management position. And shall include persons with management positions in the accounting or financial field that are department managers level or higher or equivalent

## CORPORATE GOVERNANCE

The Board realize of good corporate governance principles and adheres to good corporate governance principles, including guidelines for directors in accordance with the guidelines of the Stock Exchange of Thailand. Which has clearly defined duties and responsibilities with continuous supervision and monitoring There are development and improvement of business operations, including personnel development on a regular basis. In order to maximize the benefits for the company and the highest benefit to the shareholders as well. In this regard, PAE (Thailand) Public Company Limited has a business philosophy of morality, honesty, transparency and in accordance with good corporate governance principles. The company is aware of the importance of combating corruption and corruption. And is committed to combating corruption and corruption in all forms To ensure that the company has a policy, determining responsibilities, practices and appropriate operations To prevent corruption and corruption The company has therefore prepared "Anti-Corruption and Corruption Policy" in writing as a clear guideline for business operations. As well as for personnel at all levels to abide by as a standard in their operations

In 2019, the management structure of the company consists of 4 committees, namely the Board of Directors. , Audit Committee, Executive Committee, and Risk Management Committee The details are as follows

Company has determined that the board of directors has the authority to approve the policy And approval and amendment of the annual budget plan While the Executive Committee has the authority to approve and amend the business plan

In terms of investment approval And approval of the acquisition and disposition of assets related to the business operation of the company Must be approved by the Executive Board and the Board of Directors However, such approval authority will depend on the size of the above transactions, with the Board of Directors having the authority to approve the above transactions in regard to the overall budget management of the Company without limitation. While the Executive Committee has the authority to approve the purchase of goods and services. In addition, the Company has established various approval authority before entering into any transactions related to financial contracts such as while the Executive Committee has the authority to approve The above transactions in regard to investment budget Approval of purchase requests for products and services without limit And approval of purchase orders in the amount not exceeding 5 million baht and the request for reimbursement of expenses such as certification fees, travel expenses, monthly expenses Including the approval of withdrawal / Clearing the trial payment. The various committees of the company have the tenure and scope of authority of each committee as follows:

1. Board of Directors of PAE (Thailand) Public Company Limited As at 31 December 2019,  
PAE (Thailand) Public Company Limited has a list of 10 directors as follows:

NO	NAME	POSITION
1	MR. CHAREON PRAJUMTAN	CHAIRMAN OF THE BOARD
2	SUB LT. SAROJ SWANGRIDHI	CHAIRMAN OF THE AUDIT COMMITTEE, INDEPENDENT DIRECTOR AND DIRECTOR
3	MISS ONCHULEE LAWSMITHIKUL	DIRECTOR, INDEPENDENT DIRECTOR AND AUDIT COMMITTEE
4	MR. PUNNATHEE SRIWONGTHAI	DIRECTOR AND INDEPENDENT DIRECTOR AND AUDIT
5	MR. PEERACH LERSKIJROONGRUENG	DIRECTOR
6	MR. VORASAK CHATKAEW	DIRECTOR
7	MR. SOMPORN MANGMEE	DIRECTOR AND EXECUTIVE DIRECTOR
8	MR. VERAPHAN NA RANONG	DIRECTOR AND EXECUTIVE DIRECTOR
9	MR. GUMPON KUPADAKVINIJ	DIRECTOR
10	MR. KITTI ATINUN	DIRECTOR

MISS WARAPHORN WONGSINGTO COMPANY SECRETARY

### **Authorities and Responsibilities of the Board of Directors**

In accordance with the Regulations of the Company, the Board of Directors has authorities and responsibilities to manage the Company according to the objectives, regulations, and resolutions of shareholders' meetings with honesty, maintaining the best interests of the Company. The Board of Directors might assign one or more directors, or other persons to perform activities on their behalf, except in matters regulated by law where they must receive resolutions from shareholders' meetings prior to performing the activities, such as sale or transfer of the overall business or a major part of the business, or an increase or decrease of capital of the Company.

The Board of Directors should have to meet at least 1 time in 3 months. The meeting location should be at the head office, nearby province, of other appropriate place which Chairman and representative from the Chairman will be arranged.

### **Authority And responsibilities of the Board of Directors**

1. Perform duties in accordance with the law, objectives, regulations of the company. Board resolution And resolutions of the shareholders' meeting With responsibility Careful And honesty
2. Considering the details and approving the vision, business strategy. Direction of business Business Policy And the budget of the company. As the Board of Directors And management.

3. Supervise the management and performance of the Executive Committee. Chairman of the board Managing Director, Management or any person assigned to perform such duties. To be in line with the policy set by the Board of Directors.
4. Follow up the Company's performance. Continuously to comply with the Company's operating plan and budget.
5. To oversee and ensure the adequacy of the financial reporting system, including the internal control system. And the internal audit system. And financial
6. Make a statement of financial position. And the statement of comprehensive income at the end of the fiscal year. And signed to certify the financial statements. To be proposed to the shareholders' meeting at the annual general meeting. For approval
7. To approve the selection and appointment of auditors. And the appropriate remuneration. As proposed by the Audit Committee. Prior to the Annual General Meeting of Shareholders For approval
8. To set up a written policy on corporate governance in accordance with good corporate governance. And to implement such policies effectively. To be confident that the company. Responsible for all stakeholders with fairness.
9. To consider and approve the appointment of qualified and non-qualified persons as prescribed in the Public Limited Company Act BE 2535 (as amended), the Securities and Exchange Act BE 2535 (as amended). Further, including relevant regulatory and / or regulatory announcements. Take position In the case where the director vacates office for any reason other than the expiration of his term, he / she shall consider and approve the appointment of directors replacing those retired by rotation. The directors 'remuneration is proposed to the shareholders' meeting for approval.
- 10.Appointment of Subcommittees Including the Audit Committee. Executive Committee Nomination and Remuneration Committee Or any other committees The duties and responsibilities of such committees are to support and support the performance of duties of the Board.
11. To consider and fix the name of the authorized director of the Company.
12. To consider the appointment of an executive as defined by the Securities and Exchange Commission or the Capital Market Supervisory Board. The Company also considers the remuneration of such executives as proposed by the Nomination and Remuneration Committee.
- 13.Ask for professional opinions from external organizations. If necessary, to make the right decision.

14. Promoting directors and management of the Company Attended the seminar of the Thai Institute of Directors Association In the course related to the duties and responsibilities of the directors and management.

15. To supervise the performance of the Company effectively and to protect any interests related to all stakeholders.

#### **Elements and Appointment of the Board of Directors**

The Board of Directors must not be less than 5 persons which appointed by shareholders' meeting. Half of the number of directors must have residence in the Kingdom of Thailand with appropriate qualification.

The election of the Board of Directors shall be followed as procedure:

1. One shareholder has the voting right equivalent to 1 share per 1 vote
2. Each shareholder must exercise all votes to elect one person or several persons to be the directors, but the shareholder could not divide one's votes between directors
3. The nominees who receive the highest votes are the persons elected as the directors of the Company. In case nominees are elected by equal votes and exceed number of approved directors, the Chairman of the Board will exercise the final vote.

During the annual general meeting every year, one-third of the directors will be rotated out of the position. In case the number of directors could not be divided into exactly three parts, the number to be rotated will be as close to one-third as possible. For the directors who would be rotated out of the position during the first and second year after registering the Company, the drawing lots method will be applied to assign who will be rotated. For subsequent years, the director who has been in the position for the longest term will be rotated out. The directors who are rotated according to the term may be re-elected.

In case that there is any director resign by other reason out of rotation, directors should elect an appropriate person who has more experience, knowledge, and have no legal prohibition to be replaced in the next meeting, except the director will be remaining in position only 2 months. The replacement director will be in term of position only as the remaining of resigned director. The resolution for appointment by the Board of Directors should not be at least of third-fourth of remaining directors at that time.



## 2. The Board of Directors as of 31<sup>st</sup> December 2019

As of 31 December 2019, there are 3 directors as follows

- |                   |             |                                   |
|-------------------|-------------|-----------------------------------|
| 1. Sub.Lt. Saroj  | Sawangridhi | Chairman of the Audit Committees  |
| 2. Miss. Onchulee | Lawsmithkul | Director and Audit Committee      |
| 3. Mr. Pannatee   | Sriwongthai | Director and Audit Committee      |
| Miss Nittakan     | Changket    | Secretary of the Audit Committees |

The term of office is 2 years and the rules of the Audit Committee include the purpose of setting up the Audit Committee, scope of duties and responsibilities, composition and qualifications, term of office. The term of the Audit Committees is 2 years per period.

The scope of duties and responsibilities of the Audit Committees to the Board of Directors are as the following:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that there are suitable and efficient; to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independence person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- a. an opinion on the accuracy, completeness, and creditability of the Company's financial report,
  - b. an opinion on the adequacy of the Company's internal control system,
  - c. an opinion on the compliance with the law on securities and exchange, the exchange's regulations, or the laws relating to the Company's business,
  - d. an opinion on the suitability of the auditor,
  - e. an opinion on the transaction that may lead to conflicts of interests,
  - f. the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - g. an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter; and
  - h. other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of Audit Committees.

### 3. Executive Committee (as of 31 December 2019) :

As of 31 December 2019, there are 2 directors as follows

1. Mr. Somporn Mangmee Executive Committee/ Directors / is knowledgeable in engineering
- 2 .Mr. Veraphan Na Ranong Executive Committee/ Directors/ is knowledgeable in accounting and

finance

Miss Sarocha Khamparnonda Secretary of Executive Committee

Scope of executive authority

1. Perform the goal. And the direction of the company. To comply with the policy set by the Board of Directors by adopting Good Corporate Governance to develop and deploy the system seriously.
2. Set rules, guidelines and guidelines for the operation of the company.
3. Define employee work regulations.
4. Define criteria. And select the projects that participate in the auction. To propose to the

next Executive Board.

5. To approve the nomination, transfer, dismissal of supervisors, supervisors, supervisors.

And staff

6. Approve the adjustment of wages, salaries and benefits.
7. Approve And conduct the auction Or do business with the agency. Or individuals
8. Take action on matters. Authorized by the Board of Directors to operate

### Nomination of Directors and Executives

For the candidates. The Executive Chairman / Managing Director / Executive Committee will be the primary consideration. To screen qualified individuals with the knowledge, skills and experience that are beneficial to the company's operations and to good understand the company's business. And able to administer achieve objectives and goals set by the Board of Directors and proposed to the Board of Directors for further approval. How to select the person to be appointed director The shareholders will select the appropriate person in the experience, knowledge, ability to benefit the company. To become a director The resolution of the shareholders' meeting requires the majority votes of the shareholders who attend the meeting and have the right to vote.

### Nomination of Directors and Executives by the Board of Directors

The Company hasn't the specific committee for Board of Directors and Executive Directors. The selection of persons to be appointed as directors will be based on the nature of business and plans in the future. Therefore, the qualifications of the directors must be clearly defined. The Board of Directors has the opportunity to invite the directors and shareholders to participate in the

nomination of qualified directors. To accomplish the intent of the company. And the appointment of directors has the following criteria and methods.

(1) In the election of directors, one shareholder shall have one vote for one vote.

(2) In the election of directors Each shareholder will use all of the votes in (1) to elect one or several persons to be directors. In the case of election of several persons as directors How many votes can not be divided?

(3) The persons receiving the highest number of votes in descending order shall be elected as directors, equal to the number of directors to be elected at that time. In cases where the persons elected in descending order have the same number of votes in excess of the number of directors required or will be elected at that time. The chairman of the meeting shall have the casting vote.

#### 4. Name of Independent of Director (as of 31 December 2019) :

As of 31 December 2019, there are 4 directors as follows

1. Mr. Chareon Prajumtan	Chairman of the Board of Directors Is a director with knowledge of engineering / and has legal knowledge
2. Sub.Lt. Saroj Sawangridhi	Chairman of Audit Committees Is a director with legal knowledge
3. Miss. Onchulee Lawsmithkul	Director and Audit Committee Is a director with knowledge in accounting and finance
4. Mr. Pannatee Sriwongthai	Director and Audit Committee Is a director with knowledge of laws and regulations
Miss Waraphorn Wongsingto	Secretary of Independent of Director knowledgeable in finance and banking

#### Qualification process And the criteria for the selection of independent directors.

Independent Directors The Company determines the composition of the Board of Directors to be composed of at least one-third of the total number of directors of the Company. The meeting authorizes independent directors to participate in the Board of Directors. In 3 of the whole board And at least three independent directors. The criteria for the selection of independent directors shall be in accordance with the criteria for selection of directors. The qualifications of those who will serve as independent directors. Considering the qualifications and prohibitions of directors under the Act. Public Companies and Securities and Exchange Laws, as well as relevant regulatory announcements and / or regulations. Independent directors are qualified. Specialization Work experience And other appropriateness to be proposed to the shareholders' meeting for appointment as a director of the Company. If any one of them is vacated prior to the expiration of the term The Board of Directors may appoint an independent director who has the qualifications specified above to assume the position. An independent director who is appointed as a substitute director shall be in office only for the remaining term of the independent director whom he replaces.

#### The Board of Directors has determined the qualifications of independent directors as follows:

- Holding no more than 1 % of the total voting shares of the Company, parent company, major shareholder or the controlling person of the company, including the shareholding of related persons of the independent director.



- Not being or being a director who is involved in the management of employees, employees, consultants who receive a regular salary. Or the controlling authority of the parent company, the major shareholder Or of the controlling person of the company Unless it has ceased to exist at least two years prior to the date of filing of the application for issuance and offering of securities, such prohibited characteristics shall not include the case where the independent director was a government official. Or consultant Of the government agency which is the major shareholder Or the controlling authority of the company
- Not a person with a blood relationship. Or by legal registration. In the manner of a parent, spouse, sibling and child, including the spouse of the child Other directors, executives, major shareholders Controlling Authority Or persons to be nominated as directors The executive or the controlling person of the company.
- No or have had any business relationship with the parent company, major shareholder or major shareholder. Or the controlling authority of the applicant. In a way that may hinder the use of independent judgment. Including neither being nor ever being a significant shareholder. Or the controlling authority of the person who has a business relationship with the parent company, the major shareholder Or the controlling authority of the applicant. Unless it has ceased to exist at least two years prior to the date of filing the application for issuance and offering of securities.
- Not being or being the auditor of the company, parent company, major shareholder Or the controlling authority of the company And not a significant shareholder. Controlling Authority Or partner of the audit firm. The auditors of the parent company, the major shareholder Or the controlling person of the company is under Unless it has ceased to exist at least two years prior to the date of filing the application for issuance and offering of securities.
- Is not or has been a professional service provider, including providing legal advice or financial advisory services. The service fee is more than 2 million baht per year from the parent company, the major shareholder. Or the controlling authority of the company And not a significant shareholder. Controlling Authority Or the partner of that professional service provider. Unless it has ceased to exist at least two years prior to the date of filing the application for issuance and offering of securities.
- Not being a director appointed to represent the Company's directors. Major Shareholders Or shareholders who are related to major shareholders of the Company
- Not engage in the same business and is a significant competitor to the Company's business. Is not a partner in a partnership? Or a director who is involved in the management of employees, employees, consultants who receive a regular salary. Or hold more than 1% of the total voting shares of other companies. It operates the same business and is a significant competition for the company.

- There is no other characteristic that makes it impossible to express independent opinions about the Company's operations.
- Not being a director assigned by the Board to make decisions on the Company's business

#### **5. Risk Management Committee, PAE (Thailand) Public Company Limited**

As of December 31 , 2019, consisting of 7 members as follows

1. Mr. Veraphan Na Ranong Chairman of the Risk Management Committee / is knowledgeable in accounting and finance
2. Mr. Kampon Kupta Winit Directors / is knowledgeable in engineering
3. Mr Insect Phrom Suwan Directors / is knowledgeable in engineering
4. Mr. Kittipong Tanthikul Directors / is knowledgeable in quality, occupational health, safety and environment
5. Mr. Chayaphon Siritunyakorn Directors/ is knowledgeable in quality, occupational health, safety and environment
6. Miss Siriwan Chanduang Directors / is knowledgeable in quality, occupational health, safety and environment

Miss Sakuna Boonsom is the secretary of the Risk Committee / is knowledgeable in quality, occupational health and environment.

#### **Scope of Authority and Responsibilities of the Risk Management Committee**

- Define management guidelines and risk management framework.
- Assess various risks, both internal and external.
- Proposed prevention and / or guidance. Reduce the risk level to an acceptable level.
- Monitor, evaluate and improve the implementation plan. To reduce the risk continuously and suit the business conditions.
- Review the adequacy of risk management policies and systems. Including the effectiveness of the system and compliance with the policy

## Corporate Governance

The company has performed in accordance with good practices in accordance with the principles of good corporate governance. According to the regulations of the Stock Exchange of Thailand for listed companies in 2017 to apply as follows

The Board of Directors has implemented a process to review the implementation of good corporate governance principles for listed companies in 2017 and realize the responsibility as a leader that has to supervise the organization to have good management. The board of directors and executives have performed their duties with responsibility and caution. And to be honest with the organization, including supervising the operations of the company in accordance with the regulations of the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.

The Board has assigned scope of duties and responsibilities to the President. And the management clearly As well as following up and supervising the President and management to perform their assigned duties.

### Corporate Governance code of subsidiaries and associated companies

The Board of Directors define a policy for overseeing the operations of subsidiaries by allowing management to take the following actions:

The management apply a qualified executive committee to represent the company. Became a director in a subsidiary in proportion to its shareholding in order to oversee and control business operations.

- Ensure Engagement subsidiaries and associated companies to perform according to the approval and operation authority Including the disclosure of information and take any action to comply with the law on compliance with the requirements of the correct disclosure.

- Meeting summary report of the operations of the subsidiaries and affiliated companies with the Board of Directors every quarter. And in the event that there are significant issues Such as increasing capital, decreasing capital or dissolution of subsidiaries To inform the meeting in advance every time. To hold a meeting of the Executive Committee and the Board of Directors for approval before taking any other actions

## Management and Internal Control

Policies and methods for supervising the management of the use of the company's internal information The Executive Board is aware of good corporate governance principles and practices in accordance with good corporate governance, including best practices for directors in accordance with the guidelines of the Stock Exchange of Thailand. Which has clearly defined duties and responsibilities with continuous supervision and monitoring In addition, it is required to develop and improve business operations as well as personnel development on a regular basis. To maximize company benefits Which will deliver the highest benefit to the shareholders as well and to comply with Section 59 of the Securities and Exchange Act B.E. 1992 The company also stipulates that the directors and executives of the company, which means spouses and children who are not sui juris. Must prepare a report on securities holding And report changes in the holding of their securities according to the form And within the period specified in the regulations Reporting of securities holding and submitting to the Office of the Securities and Exchange Commission For overseeing the use of internal information Employees can invest in securities. Which must not use inside information for trading And must not result in a conflict of interest And to comply with the rules and regulations regarding the use of internal information Employees who know material inside information or affect the price of securities The information has not been disclosed in the stock market. Do not use inside information to buy or sell securities before public disclosure. In order to make trading securities transparent and fair Because internal information is an important factor that investors use to make investment decisions, such as information about buying or selling a business. Receiving various project work Or other financial information Internal disclosure of information is not allowed. If there is no sufficient legal reason and without the consent of the company's authority And employees who know or have the opportunity to know the company's inside information will buy, sell, transfer or accept the transfer of securities issued by the company. Only during the specified period And that employee must report the sale and purchase of securities to the company

The company has supervised the use of internal information in accordance with the principles of good corporate governance. Which has been specified in writing in the company's internal information policy manual Which will be given to the directors, executives and employees upon first entering the work In summary, the important policies are as follows.

- The company will provide knowledge to the directors and executives of the company. Regarding the duty to report the securities holding of the company by oneself, spouse and children who have not yet become sui juris to the SEC Office under Section 59 and the penalty

under Section 275 of the Securities and Exchange Act including the reporting Acquisition or disposition of securities of the company by oneself, spouse, and children who have not yet become sui juris to the SEC Office under Section 246 and the penalties under Section 298 of the Securities and Exchange Act

- The directors and executives of the company, including their spouses and children who have not yet become legal age, must prepare and disclose the report of securities holding and the report of changes in the holding of the company's securities to the SEC according to the section And penalties under Section 275 of the Securities and Exchange Act and send copies of this report to companies in The same day that the report is submitted to the SEC

- The company requires directors, executives, including management or accounting positions in the finance or department which are department managers level or higher, or equivalent, and relevant operators who are aware of significant internal information. Which affects the price of securities Must suspend the trading of company securities In the period before the financial statements were distributed or the financial status and status of the company Until the company has disclosed the information to the public In which the company will notify directors and executives Including those holding management positions in accounting or finance that are department managers level or higher or equivalent, refrain from trading the company's securities. In writing for at least 30 days in advance of public disclosure. And should wait at least 24 hours after the disclosure of the information to the public, including prohibiting the disclosure of such significant information to other persons. The company has set the disciplinary action for violating the use of inside information for personal benefits. Which starts from the warning in writing to the wage cut, which is temporarily suspended without payment Or dismissal, the punishment is determined by the intent of the action and the seriousness of the offense

- prohibiting directors, management and employees of the company Use company internal information That have or may have an effect on the price change of the company's securities Which has not been made public Which he had known in that position or status Used for buying or selling or offering to buy or sell Or persuade other people to buy or sell or offer to buy or sell shares or other securities (if any) of the company, either directly or indirectly In the manner likely to cause damage to the company Whether directly or indirectly And whether such actions are done for the benefit of oneself or others Or revealing such facts for others to do so Whether or not he receives benefits or not

- prohibiting directors, management and employees of the company Or former directors, executives and employees who have resigned and disclose inside information Or company



secrets As well as the confidential information of business partners of the company that they have learned from their performance for outsiders. Although the disclosure of said information will not cause damage to the company And the business partners of the company

- Directors, executives and employees of the company Or former directors, executives, and employees have the duty to keep the secrets and / or inside information of the company And is responsible for using the company's internal information For the benefit of the company's business only. Directors, management, and employees of the company are prohibited to use secret and / or inside information of the company To use for other companies in which they are shareholders, directors, executives, employees and employees.

- To comply with good governance principles The company also has a policy for directors and executives to report the trading of shares in their own companies including their spouses. And children who are underage As well as related parties under Section 258 of the Securities and Exchange Act B.E. 2535 And submit a copy of securities holding (Form 59-2) that has been reported to the Office of the Securities and Exchange Commission to the company secretary to keep as evidence and report to the board of directors' meeting.

#### RIGHTS OF VARIOUS STAKEHOLDER GROUPS

The Board Define a management system with respect for rights. And to ensure fairness for all groups of business operations, including customers, creditors, business partners, employees and shareholders. Strictly In which shareholders can be part of the company's decision By attending shareholders' meetings with the company or by making inquiries or expressing opinions. As follows Head office telephone number 02-3220222, E-mail: [ir@pae.co.th](mailto:ir@pae.co.th) Company website Topic Investor Relations [www.pae.co.th](http://www.pae.co.th) or Facebook / PAE - Thailand

#### Strengthen Effective Risk Management and internal Control

PAE (Thailand) Public Company Limited recognizes the importance of adequate internal control system. There is a comprehensive internal financial control system. Compliance with applicable laws, regulations and regulations.

In the year 2019, the Audit Committee held 3 meetings with the Company's management. The Board evaluated the internal control of the Company by inquiring from the Management in five aspects: control environment, risk assessment, activity control. Information and

Communication and Result Tracking (Monitoring). The Company's financial information is disclosed in the Company's financial statements and complies with the Securities and Exchange Act and other relevant laws.

#### Compliance with other good corporate governance principles

As the Stock Exchange of Thailand has notified PAE (Thailand) Public Company Limited (PAE) in the event that a company is subject to adjust its financial status, NC (Non-compliance) Phase 3, which is considered to have to improve its financial status and operations due to The shareholders' equity is less than zero.

The company has reported the progress of resolving the cause of delisting according to the deadline and reported the action to resolve the withdrawal to the Stock Exchange when there is significant progress or the progress in each step. Also revealing various information As soon as the website of the Stock Exchange of Thailand progress [www.set.or.th](http://www.set.or.th) Headline News PAE (Thailand) Public Company Limited Abbreviations (PAE)

Customers and shareholders of the company can contact, inquire or comment. At the telephone number of the head office 02-3220222, E-mail: [ir@pae.co.th](mailto:ir@pae.co.th) Company website titled Investor Relations [www.pae.co.th](http://www.pae.co.th) or Facebook PAE - Thailand

## Corporate Social Responsibilities: CSR



The company has considered the business growth. Stable and sustainable success And business operations are necessary to cooperate with many parties in order to participate in conducting business with morality, ethics, responsibility to society and the environment. The company realizes that to work together in unity The company must have a corporate social responsibility of the internal organization to be strong, stable and sustainable first. And once the organization is strong and stable The company has another duty to support the society and the environment, society, community outside together under the principles of good governance, safety standards, attention to the environment for stable and sustainable growth.

## Business with Fair

The company emphasizes management in order to comply with good corporate governance, to promote good governance. To create transparent management Which will be beneficial to the company, shareholders, employees, including stakeholders with the company

## Anti-Corruption and Corruption

PAE (Thailand) Public Company Limited has a business philosophy of morality, honesty, transparency and in accordance with good corporate governance principles. The company is aware of the importance of combating corruption and corruption. And is committed to combating corruption and corruption at all.

To ensure that the company There are policies in determining responsibilities, practices and appropriate operation requirements. To prevent corruption and corruption The company has therefore prepared "Anti-Corruption and Corruption Policy" in writing In order to be a clear guideline for doing business As well as for personnel at all levels to abide by as a standard in their operations.

## Definition of Corruption and Corruption

Corruption and Corruption means the practice or omission of work according to their positions. Or misusing the authority according to his position In order to seek undue benefits By giving a contract, promising, soliciting or accepting inappropriate money, property, or other benefits With government officials Government agency Private sector Or the person who has the duty Whether directly or indirectly In order for the said person to carry out or omit to perform the duties correctly according to the established practice.

## Anti-Corruption and Corruption Policy

Directors, management, and employees of the company must not engage in any action relating to corruption and all forms of corruption. For direct or indirect benefits Which covers businesses in all countries and all related agencies By strictly following the anti-corruption and corruption policy.

## Responsibility

1. The Board of Directors has a duty and responsibility to set policies and supervise to have an efficient anti-corruption and anti-corruption system in order to ensure that the management realizes and gives importance to the fight. Corruption and instill into a corporate culture

2. Audit Committee has a duty for reviewing the financial and accounting reporting system. Internal control system Internal audit system To ensure that it meets international standards with tightness, suitability, modernity and efficiency.

3. The managing director and the executives are responsible and responsible for establishing a system for Promoting and supporting anti-corruption and corruption policies To communicate with employees and all relevant parties, including reviewing the suitability of various systems and measures To comply with business changes, regulations, and legal requirements

4. Internal Audit Department Has a duty and responsibility to inspect and review operations that are correct and in accordance with policies, guidelines, operational authority Regulations and laws to ensure that the company has a control system that is appropriate and sufficient for the risk of fraud and corruption that may occur And report to the audit committee

#### Additional guidelines on prevention of involvement in corruption

1. The company's directors, executives, employees at all levels Must operate with a standardized process with transparency, verifiable And not direct and indirect involved in corruption in all forms

2. Encourage the company's personnel Adhering to legal compliance Work rules and regulations Related announcement And have a conscience in the fight against corruption and corruption in operations By strictly adhering to the following guidelines

- employees Should not neglect or ignore When observing fraud and corruption related to the company, supervisors must notify Or the person in charge And cooperate in the investigation of various facts
  - Not doing any behavior Which shows the intent that it was a corruption, giving or accepting a bribe To those involved with the company in matters that they are responsible for Either directly or indirectly To obtain unlawful benefits
  - Funding Whether money Object or property To which activity or project The name of the company must be specified by the sponsor, there must be an objective. To promote business Good image of the company And must proceed with transparency According to company regulations set forth and legally
3. The company will provide fairness and protection for employees who refuse or report corruption and corruption related to the company.
  4. People who commit fraud and corruption Must be considered discipline in accordance with regulations set by the company. In addition, may be punished according to law. If that act is illegal



5. Business relations and procurement Procure employment with the public or private sector, including contacting with the government or public or private officials, as well as persons involved in the business operations of the company Must be transparent and honest and must comply with relevant laws.
6. The company has a policy of neutral politics. In which all personnel have political rights and freedoms according to the law But should be aware of not taking action Or take any resources Of the company to be used for political activities or activities This will cause the Group to suffer losses from involvement in and political assistance.
7. Directors and executives must be aware of the importance of disseminating knowledge, giving advice to create understanding among subordinates. About Anti-Corruption and Corruption In order for employees to comply with this anti-corruption policy and corruption Including being a good role model Regarding honesty Ethics and code of conduct

#### Whistle –blower System

1 . All whistleblowers must specify the details of the matter to be reported. Or complaints, including names, addresses, and telephone numbers that can be contacted And send to the following channels

2. Notify via Internal audit department of the company
3. Report via Company Secretary or
4. Report via Company website [www.pae.co.th](http://www.pae.co.th)

People who can report clues Or coAll whistleblowers about corruption and corruption are all groups of stakeholders, including shareholders, customers, competitors, creditors, government, community, society, executives and employees of the company.

#### WHISTLE BLOWER AND CONFIDENTIALITY PROTECTION

In order to protect the rights of a whistle-blower and informants in good faith, the company will conceal names, addresses, or any information that can identify a whistle-blower or informant. And keep the information of a whistle-blower and informants confidential. Which is limited to those who are responsible for conducting investigation of complaints, can access such information In the event of a whistle-blower, the company will protect the whistleblower or the

complainant, the witness and the person who provided the information in the investigation. To prevent any danger or unrighteousness Arising from whistleblowing, complaint, witnessing, or giving information. However, the person who receives the information from performing duties relating to the complaint It is responsible for keeping the information of the complaint and the evidence documents of the complainant and the informant confidential. Do not share the information with other people who do not have any responsibilities. Unless it is disclosed as required by law.

#### anti-corruption and corruption policies disclose

1. The company will post an anti-corruption and corruption policy. In a prominent place and the company's intranet so that everyone in the organization acknowledge .

2. The company will disseminate anti-corruption and corruption policies Through the company's communication channels such as Company website Annual report etc. for the public to be informed

#### 3. Respect for human rights

The Company places great importance on respecting human rights and does not take any action that supports activities that violate human rights.

The company will not support any discrimination or discrimination. For reasons of nationality, race, religion, language, age, gender, marital status, most attitudes about sex, disability, popularity in political parties Or other personal concepts

#### 4. Fair labor practices and Knowledge development for personnel

The company focuses on human resource development by continuously developing human resources in accordance with the policy and situation. With the development of knowledge, skills, such as coaching, knowledge sharing, training for personnel to apply knowledge in their operations Especially delivering quality work that exceeds expectations of customers Which will strengthen the organization And supporting sustainable business growth In this regard, the company has prepared a human resource development program covering all levels. With details as follows

- Key Person Development: The Company aims to prepare and develop the development of key personnel of the department or Key Person by selecting suitable personnel. Have knowledge and expertise in the work that is responsible Have personality and work behavior with determination Including having a positive attitude towards work The Human Resources Department, together with the department, has created the Individual Development Plan (IDP) with learning and development styles, such as coaching, knowledge sharing. Internal and external training etc.

- Training The company has given importance to training. And personnel development at all levels, from management levels, management levels, and operations levels To be a guideline for personnel development Enhance capability Therefore has provided training for personnel at all levels. The key to training and personal development Is the tracking and evaluation of the knowledge received, including the transfer of knowledge to relevant parties So that personnel can use what they have learned to make the most of their work. As well as improve the work development to be more efficient

- Knowledge Management The company attaches importance to knowledge sharing in the organization. For employees at all levels, from management levels, management levels, and operations levels The Quality, Occupational Health, Safety and Environment Department or QHSE has implemented the Knowledge Sharing Project to enable personnel to increase knowledge. Come continuously every year Both knowledge of the system of ISO9001, ISO14001, OHSAS18001, management tools, knowledge about occupational health, safety and the environment, as well as relevant laws. And other fields of knowledge suitable for the condition Current events or situations Which employees can apply to maximize benefits at work As well as improve work development to be effective Including can be applied in daily life

#### 5. Responsibility to consumers

The company takes into account the satisfaction of customers. Or consumers Which has conducted Continuous quality management system To ensure that customers or consumers will receive the maximum satisfaction

The company believes that the organization can grow sustainably, must focus and receive support from Stakeholders in various areas involved Which aside from managing the business of the company The company therefore pays attention to the international standard management system. In all systems related to the company's operations Which the company has received the system certification as follows

- Quality management system or ISO 9001: 2015 with emphasis on standardization of quality in operations. Assessing and managing corporate risks, document systems, and providing service training
- Environmental Management System or ISO14001: 2015 With an emphasis on environmental management, assessment and environmental impact management
- Quality Health Safety Management System or OHSAS18001: 2007 The company received 3 management systems certification according to international standards from SGS (Thailand) Co., Ltd. and has upgraded OHSAS18001: 2007 to ISO45001: 2018, covering both the Bangkok Headquarters, Songkhla Branch and Rayong Branch.

#### 6. Caring for the environment

The company arranges preventive management, awareness raising, and participation in preserving the environment, and has set a policy to help reduce global warming through cooperation from employees to use energy efficiently. Help each other turn off electricity and unnecessary appliances. Including supporting the use of recycled paper And the Company gives importance to raising awareness of social responsibility and encouraging the participation of the company's personnel as well as providing opportunities for employees to use their knowledge Ability and participation as a driving force in carrying out activities that are beneficial to society and the environment Including in accordance with the standards ISO14001; 2015

#### 7. Community or social development

The company operates in parallel with participation in community and social development. Beginning with communities in the area near the offices and factories of all branches, including work on various projects received from customers. Since revealing the facts

without concealing And appropriate community participation since before construction And when the project is completed By continually evaluating and resolving potential impacts on the community, and also cooperating with community organizations Government agencies In the project to continuously develop the quality of life of the community

#### 8. disseminating innovation

The company is responsible for the work and the employees. By acting in compliance with relevant laws and standards and treating employees and employees fairly and respecting human rights By fixing fair compensation With welfare not less than the law And have care for health and safety at work. Education Training Develop potential and promote progress Including training to give employees skills in other areas The company is responsible for the environment. Which the company is confident that the company does not create or not cause negative impacts on the environment Which covers the use of raw materials Power consumption Or the use of renewable resources

The company is responsible to customers. By adhering to the relevant laws and standards By steaming about health, safety, fairness, after sales service And tracking customer satisfaction in order to improve products and services The company is responsible for the environment. The company protects that it will not create or cause a negative impact on the environment, production, transportation, use of renewable resources and fair competition. By conducting business openly, transparently And not creating an unfair competitive advantage

## Overview policy

### Business operations of the company

Management system work according to international standards

The company has considered the viewpoint of the management system in accordance with international standards. Come continuously To help the business operations of the company be credible and trustworthy in the business operations Especially in the quality of occupational health, safety and environment (Quality Health Safety and Environment), with guidelines to reduce and eliminate various risk factors affecting operations. And encourage the employees of the company to be healthy and strong. Have both physical and mental readiness for work (Fit for Duty)

the company has received management certification according to international standards from SGS (Thailand) Co., Ltd. continuously and has received management certification according to international standards from SGS (Thailand) Limited. 3 systems and with upgrades OHSAS18001: 2007 to ISO45001: 2018 Covering both the head office of Bangkok, Songkhla branch and Rayong branch

1. Quality Management System ISO9001: 2015
2. Environmental management system ISO14001: 2015
3. Occupational health and safety management system (ISO45001: 2018)

This management system is very important to the organization as it is the first requirement that the customers will consider in submitting a bidding to see that the company is reliable, trust in management. Internal auditing will be conducted, both in terms of documents and operations, which must be consistent with the requirements of all departments and all related branches of the system at least once a year. In 2019, Internal Audit has been added. Manage the project to the SKIC project of SCG in both Pong and Wang Sala

In addition to the aforementioned management systems The company also has performance indicators in both corporate and department KPI of all departments and projects of the company in order to monitor the operational data of each month and summarize the management to be aware of the performance of all departments. For consideration of



improvement Or add strategy In order to achieve the goals of the organization with the QHSE Division or Quality, Occupational Health, Safety and Environment. Is the administrator of the said system and also acts as a consultant for all departments in order to be able to determine the appropriate KPI for each department.

## AUDIT COMMITTEE REPORT

The Audit Committee of PAE (Thailand) Public Company Limited consists of four independent directors as follows: Sub.Lt.Saroj Sawangridhi as the chairman,, Ms.Onchulee Lawsmithikul and Mr. Pannathee Sriwongthai as committee member. All of Audit Committee members with full qualifications conformed to the requirement of Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee has carried out their duties according to the scope and responsibilities authorized by the Board of Directors and according to the rules and regulations of the Audit Committee which complies with the regulation of the Stock Exchange of Thailand. For the year 2017 the meetings were held 6 times in total of which all members of the Audit Committee presented of management, external auditor and internal auditor, as summarized below:

Reviewed the Company's six month period, annual and consolidated financial statements of 2017 which were reviewed and audited by the auditors before presenting them to the Company's board of directors for approval. In meeting with the external auditor and the management were discussed to ensure the financial report are correct, complete and information was sufficiently and disclosed in accordance with accounting standards as well as acknowledging the notes and recommendation of auditor.

1. Reviewed the internal control system to evaluate the appropriateness and effectiveness of The Company's internal control practices. In addition, the Audit Committee considered the internal audit results according to the annual plan prepared pursuant to the rules of risk standard, informed management for responses if issues found and listen to explanations of the external auditor about the internal control system.
2. Oversight of internal auditing to evaluate the performance of the internal audit department which cover missions , scope of operation, duties, responsibilities and independency, approved the annual audit plan and considered quarterly the internal audit result, which the internal auditor provided directly to the Audit Committee.

3. Reviewed compliance with the securities and exchange laws of Thailand and other laws related to the business as well as the compliance with the Company's regulations and other obligations with external parties.
4. Reviewed and advises regarding the inter-related item transactions and other transactions which may have conflict of interest including the disclosure of such transactions according to the regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee agrees disclosure of important information as well as in the financial statements and notes as correct and sufficient.
5. The Audit Committee considered, nominated and proposed the remunerations for the auditors based on their knowledge, skill ,independence, performance and appropriateness of audit fee in order to propose it to the Company's board of directors.

In summary the year 2019, the Audit Committee has performed the duties and responsibilities as authorized utilizing their knowledge with independence and has opinion that the Company's reports of financial information and business operations as correct and has appropriate in accordance with the accounting standard, has an internal control system in place with internal audits that are sufficient and in compliance with law, regulations, obligations and the reporting of inter-related items correctly and a proper.

On behalf of Audit Committee



(Sub.Lt.Saroj Sawangridhi)

Chairman of Audit Committee

PAE (Thailand) Public Cpmpany Limited

MARCH, 6 2020

### Dividend Policy of the Company

The Company has a policy to pay a dividend of not less than 40% of net profit each year. After tax and legal reserve Or as appropriate Depending on the necessity, the dividend payment will not have a significant impact on the Company's normal operations.

Under Section 116 of the Public Companies Act, Section 116, the Company is required to set aside statutory reserve of not less than 5% of its annual net profit after deduction of accumulated deficit brought forward (if any) until the reserve reaches 10% Of the registered capital of the Company Legal reserve can not be paid.

#### Dividend Payment Policy of Subsidiaries PAE Technical Services Public Company Limited

The Board of Directors may consider the annual dividend payment of the Company. It must be approved by the meeting. Shareholder, except for interim dividend payment. The Board of Directors is authorized to pay dividends from time to time when it is deemed that the Company is profitable enough to do so. The meeting should be informed at the next meeting.

The subsidiary has a policy to pay dividends at the rate of not less than 40.0% of net profit after deduction of the reserve. All categories are defined in the Company's Articles of Association and in accordance with the law. If there are no other necessities, the dividend payment will not significantly affect the normal operation of the Company.

#### Dividend policy of other subsidiaries

The dividend policy of other subsidiaries will depend on the results of the capital needs and financial liquidity of the subsidiaries in that year.

For the years ended 31 December 2019 and 2018, the Company and all subsidiaries have not declared dividends. Due to operating loss

## A RELATED PARTY TRANSACTION

Disclose connected transactions with persons who may have conflicts in the past year

Related party transactions that may occur in the future, the directors must comply with various regulations. Established And the directors must not approve any item In which the person or person who may have a conflict of interest in any other way with the company and / or its subsidiaries, including not allowing the other person to act on behalf of the said conflict transaction And must disclose the said transaction to the Board of Directors and / or its subsidiaries for consideration, which the Company and / or its subsidiaries must comply with the law on securities and exchange, regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Regulations regarding disclosure of information, connected transactions and the acquisition or disposal of company assets And / or subsidiaries Including in accordance with accounting standards Disclosure of information about individuals Or related activities determined by the Federation of Accounting Professions under the Royal Patronage

In the event that this is a normal transaction, the company and / or its subsidiaries have stipulated And guidelines on how to comply with general trade practices With reference to the appropriate and fair price and reasonable that can be inspected And present to the Audit Committee for approval in the rules And guidelines for the said practice

In addition, in the event that the audit committee has to give an opinion regarding the appropriateness of the said transaction And the Audit Committee has no expertise in considering the connected transactions. The company will provide people with knowledge. Special expertise such as an auditor or independent property appraiser provide opinions on related party transactions By the opinion of the audit committee or someone with special expertise Will be used in the decision of the Board or shareholders, as the case may be, to ensure that the said transaction will not be a transfer Or transfer benefits between companies or individuals that may have conflicts of interest But it is a transaction that the company considers to maximize the benefits of all shareholder.

## MEASURES FOR RELATED TRANSACTIONS

In the event that there is a connected transaction between the company and a person who may have a conflict of interest Have interest Or may have conflicts of interest in the future The Audit Committee will give opinions on the necessity of Entering into the transaction and the appropriateness of the price of that item by considering various conditions in accordance with the normal business operation in the industry and / or comparing with the price of the third party and / or the price or conditions of the transaction Make such transaction at the same level as the third party and / or can show that the said transaction has a specified price or condition Reasonable or fair If the Audit Committee does not have expertise in considering related transactions that may occur The company will arrange for independent experts or auditors of the company. As the commentator on such related transactions To be used for decision making of the board Audit Committee and / or shareholders, as the case may be With guidelines for considering the necessity and reasonableness of entering into the related party transactions as follows:

1. Service items: is a normal business transaction Or regular business support list By determining the price and trade conditions, there must be criteria for determining the price and conditions to be in the same way as every customer, both related and not related to the company ( Arm's length basis).

2. Purchase of products or services: is a normal business transaction Or regular business support list In which the agreed price and trade conditions between the company and that partner Must be in the same way that the partner has Assignment to other persons other than the company, including entering into such transactions Must not cause the company to lose benefits

3. Items relating to loans : are items that may occur from time to time as necessary and appropriate, such as for use as working capital. To expand the business and expand the business of the company By making such transactions, the Board of Directors The Audit Committee and / or the shareholders will evaluate and give opinion on the reasonableness for entering into such transaction.

For approval of the related transactions People who may have conflicts of interest or have interests in The transaction will not have the right to vote in approving such related transactions. The transaction will not be a migration. Or transfer benefits between companies Or shareholders of the company But it is a transaction that the company has taken into account for the maximum benefit of all shareholders. The Company will disclose the related transactions in the notes to the



financial statements that have been audited by the company's auditor in the annual report. And the annual registration statement of the company (Form 56-1 )

After becoming a listed company on the Stock Exchange of Thailand, the company must comply with the rules and regulations of the SEC, the Capital Market Supervisory Board and the Stock Exchange of Thailand. In regards to related transactions Connected transaction And the acquisition or disposal of assets under the relevant regulations of listed companies strictly

#### Policy on related party transactions

1. Directors and executives of the company prepare reports of their own interests or related persons and inform Let the company know To be used as information for the implementation of the requirements related to related transactions
2. Avoid making related transactions that may cause conflicts of interest.
3. In case of needing to make related transactions The company will follow the procedures and operations in accordance with the relevant laws. Including the criteria set by the SEC and the SET
4. Determine the price and conditions of the related transactions as if doing transactions with third parties ( Arm's length basis) which must be fair, reasonable and bring maximum benefits to the company and all shareholders. If there is no such price The company will compare prices for products or services with external prices. Under similar or similar conditions
5. Stakeholders of the related transactions will not be able to approve or vote to vote on related matters.
6. In considering the related transaction The Company may appoint an independent appraiser to evaluate and compare prices for important related transactions in order to ensure that such related transactions Reasonable and for the best interest of the company and every shareholder

#### 12.5 Trend of related party transactions with persons who may have conflicts of interest in the future

In the future, if there is a transaction between them The company will comply with the law on securities and stock exchange, regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the SEC and the Stock Exchange of Thailand. Or transfer benefits between the company or the shareholders of the company But must be a transaction that the company takes into account the best interests of the company and every shareholder

In the case of a normal transaction And is expected to continue in the future The company will proceed In accordance with the rules and guidelines for compliance with general trade

characteristics With reference to prices and conditions Reasonable and fair, reasonable, can be checked And entering into such transactions will be in accordance with the principles of agreements with general commercial terms as approved by the Board of Directors. In this regard, the management will prepare a summary list of such transactions. to report to the Board of Directors every year, and as part of the transaction, the company will adhere to the laws and regulations of the SEC Including SET, and according to accounting standards on the Company or related parties of. Federation of Accounting Professions

### NAME OF RELATED PARTIES

The related parties and related companies with the Company and its subsidiaries meant individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the same control with the Company and its subsidiaries. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or the employees of the Company and its subsidiaries who have the power to plan and control the operations of the Company and its subsidiaries including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

The Company has significant transactions with related parties and individuals. Such transactions are based on commercial terms and bases agreed upon between the Company and those parties. This is normal business It can be summarized as follows:

<u>NAME OF RELATED PARTIES</u>	<u>RELATIONSHIP</u>	<u>TYPE OF RELATIONSHIP</u>
PAE TECHNICAL SERVICES PUBLIC COMPANY LIMITED	SUBSIDIARY	DIRECT SHAREHOLDING
PACIFIC RESOURCES INTERNATIONAL LIMITED (BVI)	SUBSIDIARY	DIRECT SHAREHOLDING
PAE ENERGY SOLUTION COMPANY LIMITED	SUBSIDIARY	DIRECT SHAREHOLDING
OASIS DEVELOPMENT COMPANY LIMITED	SUBSIDIARY	DIRECT SHAREHOLDING
PPS ENERGY AND MARINE COMPANY LIMITED	SUBSIDIARY	DIRECT SHAREHOLDING
CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED	RELATED COMPANY	MAJOR SHAREHOLDERS SINGLE GROUP
KHUN CHINTANA KAWIWONG	RELATED PERSONS	THE COMPANY SHAREHOLDING

## Inter-revenues and expenses

(Unit: Thousand Baht)

		<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>For the year as at December 31,</u>			
	<u>Pricing Policy</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues from services					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	283	762
PPS Energy & Marine Co., Ltd	Mutual agreed contract price	-	-	127	167
Total		-	-	410	929
Rental income					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	2,630	2,250
PAE Energy & Marine Co.,Ltd..	Mutual agreed contract price	-	-	248	324
Total		-	-	2,878	2,574
Interest income					
PPS Energy & Marine Co., Ltd.	8% per annum	-	-	1,280	1,280
Cost of services					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	37	100
PAE Energy Solution Co., Ltd.	Mutual agreed contract price	-	-	45	83
Total		-	-	82	183
Interest expense					
Khun Chintana Kaweewong	5% per annum	154	131	154	131
Key management remuneration					
Short-term benefits		14,499	15,361	7,520	7,987
Director’ remuneration		4,208	3,831	2,768	2,688
Post-employment benefits		1,525	3,961	1,431	921
Total		20,232	23,153	11,719	11,596

### Rental contracts with related companies

As at December 31, 2019 and 2018, the Company entered into a rental space including building fixtures, side space, extension and radiation room contract with PAE Technical Service Public Co., Ltd, contract dated is January 1, 2017 to December 31, 2020, the rental fee is Baht 0.01 million per month and Baht 0.02 million per month respectively, (Renew the contract every 3 years).

As at December 31, 2019 and 2018, the Company entered into a rental office space contract with PAE Technical Service Public Co., Ltd, contract dated is April 1, 2017 to March 31, 2020, the rental fee is Baht 0.14 million per month and Baht 0.16 million per month respectively, (Renew the contract every 3 years).

As at December 31, 2019 and 2018, the Company entered into a rental office space and service fees contract with PPS Energy & Marine Co., Ltd. for a period of 1 year. If there is no cancellation notice, the contract will be in effect every 30 April of every year at the rental and service rate of Baht 17,500.00 per month and Baht 27,000.00 per month respectively.

As at December 31, 2019 and 2018, short-term loans to related parties are unsecured loans, no inter-contracts and interest was not inter-charge.

As at December 31, 2019 and 2018, long-term loans to related parties are unsecured loan contract and period of loan contract are 18 month from the date of issue. Interest was charged at the rates of 8.00% per annum equally for the both period, a part loan in amount of Baht 0.37 million, no inter-contract and interest was not inter-charge.

For the consolidated and separate financial statements as at December 31, 2019 and 2018, short-term loans from related person in amount of Baht 2.63 million for both year, are loan unsecured promissory notes and period of promissory note are 3 month from the date of issue. Interest was charged at the rates of 5.00% per annum equally for both year.

For the consolidated financial statements as at December 31, 2019 and 2018, short-term loan from related parties in amount of Baht 8.85 million for both year, was loan for working capital of a subsidiary with the loan contract, carried the interest rate of 4.43% per annum for both year (MLR-1.75% per annum).

connected person, it may lead to the conflict of interests

No.	Name of person involved	relationship
1	PAE Technical Services Public Company Limited	<ul style="list-style-type: none"> <li>- The company is a major shareholder, holding 72 per cent. Of the total capital of 12 shares all PTECH (shareholding as at December 31, 2015).</li> <li>- one common directors, is Mr. Veraphan Na Ranong</li> </ul>
2	PPS Energy and Marine Company Limited ("PPS")	<ul style="list-style-type: none"> <li>- Subsidiaries Relationship Direct holding</li> <li>- Long-term loan receivables</li> </ul>

#### Normal business transactions

Is a transaction that the company made to support the company's business operations With general commercial conditions that do not cause the company And related companies and persons who may have conflicts of interest And the company expects this type of transaction to continue in the future With important items as follows

- Office rental list including the area around the office The company has rented office space and the office area from the major shareholder of the company. With the rental rate as specified in the contract The said rental transaction is beneficial and convenient for the company's business operations.

- List of various services That is likely to occur continuously, such as water and electricity, with service fees in accordance with the rates specified in the contract

- The service conditions are in accordance with general trade conditions provided by the company to other customers, which do not cause the company to lose benefits.



## MANAGEMENT DISCUSSION AND ANALYSIS

### RATIO ANALYSIS

	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2019	31 Dec 2018	31 Dec 2017
LIQUIDITY RATIO (TIMES)	0.19	0.16	0.20	0.12	0.12	0.15
ACCOUNTS RECEIVABLE TURNOVER RATIO (TIMES)	4.97	4.72	4.30	5.64	4.78	4.45
AVERAGE COLLECTION PERIOD (DAYS)	73.40	77.29	78.00	64.70	76.36	89.00
TRADE ACCOUNTS PAYABLE TURNOVER (TIMES)	1.25	1.18	1.60	0.80	0.73	1.15
AVERAGE REPAYMENT PERIOD (DAYS)	291.79	308.92	268.96	458.26	500.90	386.14
PROFITABILITY RATIO						
GROSS PROFIT MARGIN (%)	0.13	0.05	0.03	0.09	0.08	3.61%
NET PROFIT MARGIN (%)	(0.14)	-0.54	-0.39	-0.23	-0.84	-44.24%
RETURN ON EQUITY RATIO (%)	(0.08)	-0.28	-0.32	(0.07)	-0.24	-76.43%
EFFICIENCY RATIO						
RETURN ON ASSETS (%)	(0.10)	-0.31	-0.23	(0.11)	-0.34	-21.37%
ASSET TURNOVER (%)	0.72	0.57	0.60	0.47	0.40	0.48

## Management Discussion and Analysis MD&A

Forecasting Thailand's growth rate of the Industrial Production Index (MPI) in 2020 is expected to expand in the range of 2.0 - 3.0 percent, with positive factors from the government's economic stimulus policy. Investors moved production lines to invest in Thailand as a result of the trade war. Driven by public investment from the progress of major investment projects including operations under the Eastern Special Development Zone (EEC) roadmap.

The petrochemical industry in 2020 is expected that the production and export index will grow by 2-4 percent compared to the year 2019 due to the increasing demand for petrochemical in ASEAN. Including the factors supporting the continuous growth of the industry. And the government has a policy to promote industrial investment in the new industry group (New S - Curve) that focuses on investment in products with special features and high performance. Resulting in the continuous expansion of investment in the petrochemical industry in the Eastern Special Development Zone (EEC), which is an investment to expand and create added value of the advanced petrochemical industry. Which will be an important catalyst for the growth of the petrochemical industry in 2020.

However, the Thai economy in the first quarter of 2020 has a higher risk of lower growth. 2% from 3 risk factors, both foreigners delaying investment. Budget is delayed. Which causes disbursement to be reduced. Public investment may be negative. In addition, the outbreak of the corona virus in China and infected people in many countries, including Thailand, risk factors that cause economic growth is lower than expected.

- Covid-19 viral diseases More impact than assessed
- Global trade and investment From the China-US conflict Uncertain
- Investment in large-scale projects may be affected.
- Labor, unemployment declining household income

### 1) Operation review

Year 2019 The company maintains a policy of expanding focus for the offshore oil and gas service industry business. Which allows the company to continue to maintain growth in the

offshore oil and gas service industry, while also expanding personnel management services for electrical equipment maintenance in other industries

Overall performance for the year 2019, the company had total revenue of 402.10 million baht, an increase of 15.72 percent from the year 2018 which had a total income of 347.49 million baht, with the net loss for the year 2019 equal to 56.98 million baht or Loss decreased at 69.89% from the year 2018 which had a net loss of 189.21 million baht.

#### Describe the status and significant changes

The company's performance in 2019 is likely to improve compared to the same period last year. The gross profit is approximately 50.67 million baht or 12.60% of the total income, which is better than the year 2018 with the gross profit of 5.46% of the total income. The company has a 10.19% negative return on assets and 30.97% negative in 2019 and 2018 respectively, with a 7.65% negative return on equity and 27.51% on negative in 2019 and a year. 2018, respectively. The reason is due to the company performance that still has a net loss. According to the reasons mentioned above

And on November 27, 2015, the company was requested by a trade creditor to the Central Bankruptcy Court to request the company to rehabilitate the business. And on 1 April 2016, the Central Bankruptcy Court has ordered to accept the business rehabilitation request. According to the black number case No. For. 6/2016, there are 6 creditors filing objections and wishing to defend the case. However, during the year 2016, the second objecting creditor, the creditor who is the only preferential financial institution of the company, filed a petition to withdraw the objection to the bankruptcy court. And the court ordered the withdrawal of objections On 19 May 2017, the Central Bankruptcy Court dismissed the petition. According to the red number case No. For. 20/2017, on June 19, 2017, the meeting of the Board of Directors No. 2/2017 passed a resolution approving the company to request the business rehabilitation by itself. And on 21 June 2017, the Central Bankruptcy Court issued an order accepting the request for business rehabilitation. According to the Black Case No. For. 23/2560 and on March 8, 2017, the Central Bankruptcy Court dismissed the petition. According to the red number case

No. For 9/2560, the company has filed an appeal against the order of the Central Bankruptcy Court to the Court of Appeal Central Bankruptcy Case Department

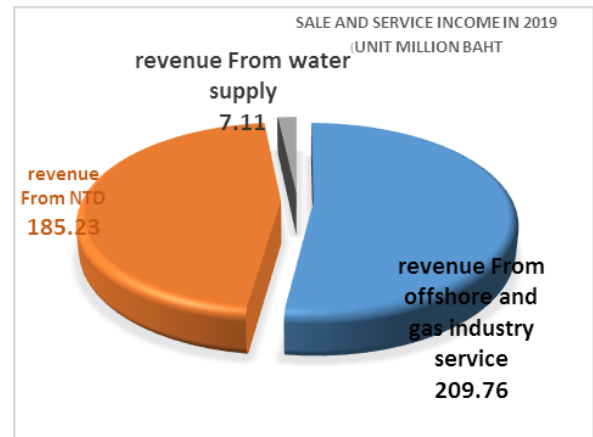
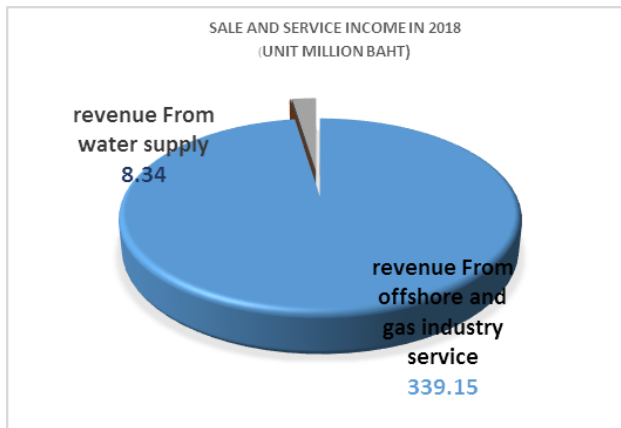
on 22 January 2019, the Court of Appeals Has ruled that the business rehabilitation and the establishment of the company (debtor) as the plan preparer under the Bankruptcy Act B.E. 2458, Section 90/10 and on February 22, 2019, the official receiver announced the order in the Government Gazette And notify all creditors to file an application for repayment of debt to the official receiver After the Special Court of Appeals has dismissed the rehabilitation plan 3 creditors who objected to the schemes submitted an appeal to the Supreme Court and filed an appeal with the Court in order to object to the judgment of the Court of Appeals for the Special Court that ruled the business rehabilitation. And appointed the company (debtor) to be the plan preparer on March 3, 2020. The Central Bankruptcy Court made an appointment to hear the case in which the opposition filed a petition for petitioning the Supreme Court to object to the verdict of the appeals court. As a result, the court issued an order accepting the objection of the opposing party for consideration. And the debtor (company) has to submit an appeal to the Supreme Court within 30 days from the date of receiving the order

#### Summary of operations and income classified by segment

##### Revenue from sales and services

In the year 2019, the company has sales and service revenue totaling 402.10 million baht, which comes from 3 main businesses, which are (1) service income from the oil and natural gas industry in the amount of 209.76 million baht (2) job income NDT (Non-Destructive Testing) service 185.23 million baht (3) Revenue from tap water production 7.11 million baht, an increase of 54.61 million baht or an increase of 15.72 percent from 2018, which has total sales and service income Total 347.49 million baht Details are as follows:

revenue by business type				
Income	2018		2019	
	Million Baht	%	Million Baht	%
Revenue from offshore oil and gas industry services	339.15	97.60	209.76	52.17
Revenue from NDT	-	-	185.23	46.07
Revenue from water production	8.34	2.40	7.11	1.76
Total income	347.49	100.00	402.10	100.00

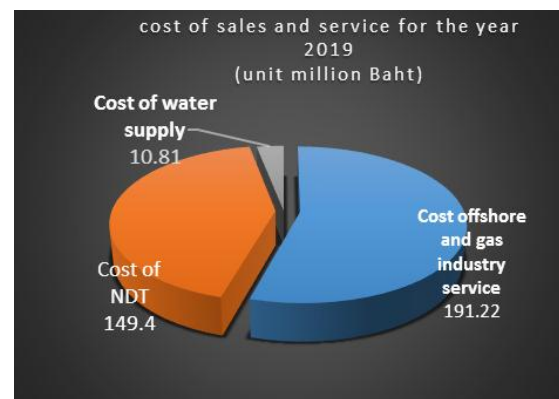
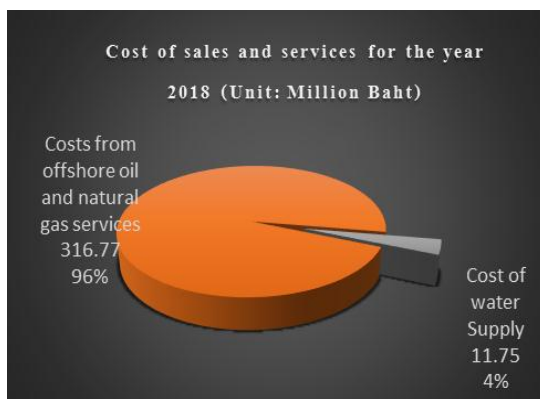


Overall sales and service income increased. Because the company still maintains the base of oil and natural gas business And the installation business is mainly The company has focused more on expanding the service business. By allowing more skilled employees and equipment to be rented on drilling rigs in the southern Gulf of Thailand In addition, the Company also extended personnel management services for electrical equipment maintenance work in other industrial sectors as a long-term commitment.

#### Cost and Sales Service

- Year 2019 has cost of sales and services Which is equivalent to 351.43 million baht or 87.40% of revenue from sales and services Increased from the year 2018 which has cost of sales and services in the amount of 328.52 million baht or 6.97% increasing according to the increase in revenue and services However, due to strict cost control measures, the ratio of cost of sales and services when compared to income is likely to improve from the previous year of 94.54 percent, down to 87.40 percent in 2019.

#### Selling / administrative expenses and doubtful accounts



In the year 2019, the company had selling and administrative expenses of 110.02 million baht, a slight increase compared to 2018 which was 90.84 million baht or 27.36 percent of sales and service income.

## 2) Financial status overview

As of 31 December 2019, the company had total assets of 559.39 million baht, a decrease of 8.43% compared to the previous year. Most of the total assets consist of current assets of 213.92 million baht and land. Buildings and equipment of 345.46 million baht. The company has total liabilities of 1,304.16 million baht. Current liabilities account for 87.64 percent of total liabilities. The shareholders' equity of the company as of December 31, 2019 is negative by 744.77 million baht. The shareholders' equity of the company has decreased due to the loss from past operations.

- Cash and cash equivalents

As of December 31, 2019, the company had cash and cash equivalents in the amount of 28.64 million baht, which is net cash derived from investing activities

- Inventories and depreciation

In 2019, the company had inventories in the amount of 12.27 million baht, an increase compared to 2017 which was 10.54 million baht due to the work in process increased by 5.63 million baht. Allowance for inventories decreased by 0.64 million baht from product quality management. The balance can be controlled more efficiently.

- Trade and other receivables

The company has a net trade receivables as of 31 December 2019 in the amount of 92.49 million baht, an increase of 69.22 million baht from year 2018, which is an increase according to the increased income. Most of the trade receivables are due for repayment. As for trade receivables that are overdue for more than 12 months, the company has set up an allowance for doubtful accounts for almost a hundred percent which is considered sufficient enough. And other receivables in the amount of 3.18 million baht



- Liability

As of December 31, 2019, the company has total liabilities of 1,304.16 million baht, consisting of trade and other payables of 287.91 million baht and defaulted liabilities from a local financial institution of approximately 608.08 million baht. At present, the company has stopped paying principal and interest to creditors. Said since January 2016 due to being under the law on protection of business under Section 90/12 regarding "suspension state Each debt (Automatic Stay) ".

- Current ratio

In the year 2019, the Company's working capital ratio was equal to 0.18 times, which is close to the level compared to the year 2018 due to current liabilities, which are defaulted liabilities in the amount of 608.08 million baht from the company stopped paying the principal and interest to the said creditors since January 2016, while current assets in the category of trade receivables increased.

- Profitability ratio

In the year 2019, the company has increased profitability from the year 2018 with the gross profit approximately 50.67 million baht or 12.60% of the total revenue which is likely to improve from the year 2018 with only a percentage of gross profit 5.46 of total revenue for the profitability The company has a return on using negative assets of 10.19 percent, return to shareholders' equity is negative at 7.65 percent due to the results of operations that the company still has Net loss

- Sufficiency of liquidity and ability to pay off debt

The company still has sufficient cash flow and from a long-term service income from a major customer, which has been extended for another 3 years, the contract expires on 30 September 2022 and the long-term service contract for electrical equipment maintenance. And measuring tools in the manufacturing industry The contract commences on October 1, 2019. The contract is valid for 2 years from the date of the contract. And the contract began on February 1, 2020, ended October 31, 2022, respectively, as well as supporting credit lines from trading partners for use in the Group's normal business operations. In this regard, the company

mainly uses credit term management with its suppliers by negotiating credit terms with suppliers in accordance with the billing period from the accounts receivable of the company. The company is confident that it will be able to provide working capital for future operations sufficient for business operations.

- **Obligation**

As of December 31, 2019, the Company has letters of guarantee issued by a local financial institution. In order to be bound by the company's contract of sales of 179.54 million baht, a decrease of 129.81 million baht from the previous year, as well as the liabilities that may arise from the lawsuit which is currently in the court's consideration process has not been completed. And is under the law protecting the business under Section 90/12 with "Automatic Stay".

### **3.)Major factors and influences that may affect future operations or financial status**

On November 27, 2015, the company has been sued by a creditor to file a petition with the Central Bankruptcy Court to request the business rehabilitation. And on 1 April 2016, the Central Bankruptcy Court issued an order accepting the petition for business rehabilitation according to the Black Case No. For 6/6, there were 6 creditors filed objections and wish to fight the case. However, during the year 2016, the creditors who submitted objections to the second party, which is the only financial institution creditor with preferential rights, filed a petition to withdraw the objection to the bankruptcy court. And the court has an order allowing to withdraw objections Subsequently, on 19 May 2017, the Central Bankruptcy Court dismissed the petition. According to the Red Case No. For 20/2017 on 19 June 2017, the Board of Directors Meeting No. 2/2017 passed a resolution to request the Company to request the rehabilitation of the Company by themselves. And on 21 June 2017, the Central Bankruptcy Court issued an order accepting the petition for business rehabilitation According to the Black Case No. Fri 23/2560 and on 8 March 2017, the Central Bankruptcy Court sentenced the petition According to the red number case No.F. 6/2560, the company has filed an appeal against the Central Bankruptcy Court's order to the Court of Appeal. Central Bankruptcy Court.

Subsequently, on 22 January 2019, the Court of Appeals Has ruled that the business rehabilitation and the establishment of the company (debtor) as the plan preparer under the Bankruptcy Act B.E. 2458, Section 90/10 and February 22, 2019, the Receiver has announced the

order in the Government Gazette And notifying all creditors to file an application for repayment of debt to the official receiver After the Special Court of Appeals has dismissed the rehabilitation plan 3 creditors who objected to the schemes submitted an appeal to the Supreme Court and filed an appeal with the Court in order to object to the judgment of the Court of Appeals for the Special Court that ruled the business rehabilitation. And appointed the company (debtor) to be the plan preparer on March 3, 2020. The Central Bankruptcy Court made an appointment to hear the case in which the opposition filed a petition for petitioning the Supreme Court to object to the verdict of the appeals court. As a result, the court issued an order accepting the objection of the opposing party to consider and have the debtor (company) file a petition with the Supreme Court within 30 days from the date of receiving the order.

However, the company still has sufficient cash flow to operate from long-term service income from a large customer. Which has been renewed on 1 October 2019, the contract is valid for 3 years from the date of the contract And the company has also expanded the services of personnel management for maintenance of electrical equipment in other industrial sectors Which is an increase in long-term commitment With a long-term service contract for maintenance of electrical equipment and measuring tools in the manufacturing sector The contract commences on October 1, 2019. The contract is valid for 2 years from the date of the contract. And the contract began on February 1, 2020, ended on October 31, 2022, respectively. In addition, the credit line was also supported by business partners for use in the normal course of business operations of the Group. From the economic situation that is starting to recover In addition, the government government will continue to invest in basic public utilities. Especially related to the EEC, both the infrastructure and investment of the business sector In which the basic structure Will occur under the EEC Act, such as high-speed rail connecting 3 airports, airports and U-Tapao aircraft repair center Laem Chabang Port Which has a positive effect on the country's overall economy And will inevitably result in the company's business performance growing as well

In addition, the company has reduced business units that do not generate profits and improve the organization structure to be in line with the current financial position. As for the long-term strategy, the company will expand its business from upstream to downstream.

Together with partners, create opportunities and increase revenue for the company, including affiliated companies that offer comprehensive services. Focus on continuous maintenance and inspection services.

#### Auditor's remuneration

Audit fees for the year 2018-2019

Annual audit fee 2019 SP Audit Company Limited (Office)

(Baht)

Company name And subsidiaries	Total audit fees	Total audit fees
	2018	2019
PAE Public Company Limited (Thailand)	1,470,000	1,770,000
PAE Technical Service Co., Ltd.	480,000	555,000
PPS Energy Co., Ltd.	170,000	170,000
OASIS Development Co., Ltd.	40,000	40,000
PAE Energy Solution Co., Ltd.	40,000	40,000
Pacific Resources Company Limited	20,000	20,000
<b>Total audit fees</b>	<b>2,240,000</b>	<b>2,595,000</b>

(Baht) )

(Non Audit Fee)	25,753	14,795
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## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of PAE (Thailand) Public Company Limited and its subsidiaries

### **Opinion**

I have audited the accompanying consolidated and separate financial statements of PAE (Thailand) Public Company Limited and its subsidiaries (the Group) and of PAE (Thailand) Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the PAE (Thailand) Public Company Limited and its subsidiaries and of PAE (Thailand) Public Company Limited as at December 31, 2019, and its consolidated and separate financial performance and its consolidated and separate 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 Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Material Uncertainty Related to Going Concern**

As discussed in Note 2 to the financial statements, the Group have experienced the continuous operating losses, and the consolidated and separate financial statements for the year ended December 31, 2019, present an operating losses in amount of Baht 56.98 million and in amount of Baht 47.27 million respectively. As at December 31, 2019, the Group has current liabilities exceed than current assets according to the consolidated and separate financial statements in amount of Baht 929.05 million and in amount of Baht 887.22 million respectively, the Group has negative shareholders according to the consolidated and separate financial statements in amount of Baht 744.77 million and in amount of Baht 695.28 million respectively. Subsequently, On 22 January 2019, the Court of Appeal for Specialized Cases reverse the judgement to have the rehabilitation and assign the debtor (the Company) as the planer according to the Bankruptcy Act BE 2458, Section 90/10, on February 22, 2019, the official receiver ordered the rehabilitate and set up the plan preparer in the Government Gazette and notify the order

to the registrar, Company partnership and all creditors to submit an application for receive payment to the official receiver within March 22, 2019. However, after the Court of Appeal for Specialized Cases dismissed the case to the Company returned to business rehabilitation, the 3 creditors who were the objectors in the case, filed a petition requesting permission to petition and filed an appeal to the court to oppose the judgment of the Court of Appeal for Specialized Cases that sentenced the Company to rehabilitate and set the Company (the debtor) to be the plan maker. On March 3, 2020, The Central Bankruptcy Court made an appointment to hearing the order of the objections submitted by the opposition petition. Appealing against the verdict of appeal the specialized cases, resulting to the court issued an order to accepting the objection for consideration and the debtor (the Company) had to submitted an appeal to the Supreme Court within 30 days from the date of receiving the order and in the case of business rehabilitation the Central Bankruptcy Court had to set the date for examination of witnesses and petitioners on 8 and 9 April 2020. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, these conditions, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our assurance is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, 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.

#### ***The recoverable amount of the assets***

According to the notes to the financial statements no 17

According to the consolidated and separate financial statements, Group recognized loss on impairment of property plant, and equipment in the consolidated and separate statement of comprehensive income for the year ended 31 December 2019, amounting to Baht 4.39 million and amounting to Baht 6.45 million respectively, I therefore determine the recoverable amount of assets is key audit matter in my auditing because the data that the appraiser used to determine the fair value of the assets that the most of data is unobservable inputs. Therefore, the appraiser must use more judgement in selecting assets that are similar to the Company's assets as comparative information and use techniques to adjust the selling price to suit with the Company's assets and in case of the asset is unique the appraiser needs to determine factors that are caused by physical deterioration, obsolescence and economic deterioration or from external factors that may cause the assets to not be used normally. And changes in assumptions relating to such factors will significantly affect the fair value of assets. Therefore, I give priority to testing the reasonableness of the assumptions used by appraiser.

How my audit addressed the key audit matter.

- I assessed the reasonableness of the assumptions and methods used by the appraiser to calculate the fair value of the assets as follows:



- 1) Review the assessment report and consider the reasonableness of the judgements that the appraiser used to support the determination of the fair value of the asset.
- 2) Test the suitability and adequacy of the evidence that the appraiser used to determine the fair value of an asset by testing the evidence that the appraiser received from the management and the actual financial information of the Company.
- 3) Test of value calculation

As a result of testing, I found that the assumptions used by the appraiser in the preparation of the net present value of assets is reasonable.

#### **Other Information**

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charge with governance to correct the materially misstatement.

#### **Responsibilities of Management and Those Charge with Governance for the Financial Statements**

Managements 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 Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 have 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.

SP Audit Company Limited



(Miss Yuphin Chumjai)

Certified Public Accountant (Thailand) No.8622

Bangkok

March 6, 2020

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	28,638,064	47,276,345	15,135,462	40,662,915
Trade and other receivables	92,490,749	69,220,929	45,750,396	28,706,040
Unbilled receivables	70,285,356	46,781,938	41,712,492	33,122,908
Retention receivables under contracts	2,672,212	3,193,437	2,603,736	1,357,180
Current portion of receivables under financial lease contract	1,299,403	1,159,308	-	-
Short-term loans and accrued interest income to other parties	-	-	-	-
Short-term loans to related parties	-	-	-	-
Inventories	12,271,567	10,541,378	9,288,361	7,528,787
Other current assets	6,267,048	6,297,706	3,748,813	3,606,217
<b>Total current assets</b>	<b>213,924,399</b>	<b>184,471,041</b>	<b>118,239,260</b>	<b>114,984,047</b>
<b>Non-current assets</b>				
Restricted bank deposits	4,089,375	8,598,510	1,296,330	5,836,654
Investments in subsidiaries	-	-	79,328,543	79,328,543
Investments in third parties	100,000	-	-	-
Project deposits	5,300,000	-	-	-
Long-term loans to related parties	-	-	-	-
Investment property	38,586,948	38,586,948	35,562,948	35,562,948
Property, plant and equipment	243,980,336	313,455,063	198,610,341	207,869,866
Water rights	-	4,159,562	-	-
Intangible assets	2,382,456	2,904,677	1,142,281	1,473,040
Goodwill	-	-	-	-
Deferred tax assets	1,750,913	3,129,745	-	-
Receivables under financial lease contracts	25,085,559	26,384,962	-	-
Withholding tax	21,020,660	26,854,659	6,264,767	15,919,264
Other non-current assets	3,167,361	2,350,225	2,363,298	1,907,690
<b>Total non-current assets</b>	<b>345,463,608</b>	<b>426,424,351</b>	<b>324,568,508</b>	<b>347,898,005</b>
<b>Total assets</b>	<b>559,388,007</b>	<b>610,895,392</b>	<b>442,807,768</b>	<b>462,882,052</b>

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Defaulted debts	608,079,497	608,079,497	566,597,667	566,597,667
Trade and other payables	287,914,718	273,963,631	250,703,995	231,412,192
Advance receive from construction contracts	62,647,016	62,522,494	62,647,016	62,522,494
Retention payables	27,045,245	27,262,119	27,045,245	27,262,120
Current portion of long-term liabilities				
Loan from financial institutions	7,392,000	6,012,000	-	-
Liabilities under finance lease contracts	675,379	1,210,330	-	191,283
Short-term loan from third parties	63,434,303	73,434,303	27,588,886	27,588,886
Short-term loan from related parties	11,475,000	11,475,000	2,625,000	2,625,000
Estimated delay penalty	56,828,624	56,828,624	56,828,624	56,828,624
Other current liabilities	17,482,371	15,421,470	11,421,540	9,832,048
<b>Total current liabilities</b>	<b>1,142,974,153</b>	<b>1,136,209,468</b>	<b>1,005,457,973</b>	<b>984,860,314</b>
<b>Non-current liabilities</b>				
Long-term loans from financial institutions	14,053,054	23,228,054	-	-
Liabilities under financial lease contracts	1,869,485	838,328	-	-
Deferred income tax liability	15,668	1,423,807	-	-
Employee benefits obligation	38,943,565	30,679,354	26,323,207	19,718,550
Estimated loss from litigation	106,305,244	106,305,244	106,305,243	106,305,244
<b>Total non-current liabilities</b>	<b>161,187,016</b>	<b>162,474,787</b>	<b>132,628,450</b>	<b>126,023,794</b>
<b>Total liabilities</b>	<b>1,304,161,169</b>	<b>1,298,684,255</b>	<b>1,138,086,423</b>	<b>1,110,884,108</b>

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Defaulted debts	608,079,497	608,079,497	566,597,667	566,597,667
Trade and other payables	287,914,718	273,963,631	250,703,995	231,412,192
Advance receive from construction contracts	62,647,016	62,522,494	62,647,016	62,522,494
Retention payables	27,045,245	27,262,119	27,045,245	27,262,120
Current portion of long-term liabilities				
Loan from financial institutions	7,392,000	6,012,000	-	-
Liabilities under finance lease contracts	675,379	1,210,330	-	191,283
Short-term loan from third parties	63,434,303	73,434,303	27,588,886	27,588,886
Short-term loan from related parties	11,475,000	11,475,000	2,625,000	2,625,000
Estimated delay penalty	56,828,624	56,828,624	56,828,624	56,828,624
Other current liabilities	17,482,371	15,421,470	11,421,540	9,832,048
<b>Total current liabilities</b>	<b>1,142,974,153</b>	<b>1,136,209,468</b>	<b>1,005,457,973</b>	<b>984,860,314</b>
<b>Non-current liabilities</b>				
Long-term loans from financial institutions	14,053,054	23,228,054	-	-
Liabilities under financial lease contracts	1,869,485	838,328	-	-
Deferred income tax liability	15,668	1,423,807	-	-
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Estimated loss from litigation	106,305,244	106,305,244	106,305,243	106,305,244
<b>Total non-current liabilities</b>	<b>161,187,016</b>	<b>162,474,787</b>	<b>132,628,450</b>	<b>126,023,794</b>
<b>Total liabilities</b>	<b>1,304,161,169</b>	<b>1,298,684,255</b>	<b>1,138,086,423</b>	<b>1,110,884,108</b>



## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Shareholders' equity</b>				
Share capital				
Authorized share capital				
8,051,717,332 Ordinary shares @ Baht 1.00 each	8,051,717,332	8,051,717,332	8,051,717,332	8,051,717,332
Issued and Paid-up share capital				
2,770,889,766 Ordinary shares @ Baht 1.00 each	2,770,889,766	2,770,889,766	2,770,889,766	2,770,889,766
Premiums on ordinary shares	128,893,569	128,893,569	128,893,569	128,893,569
Discounts on ordinary shares	(940,360,932)	(940,360,932)	(940,360,932)	(940,360,932)
Deficits	(2,769,005,396)	(2,715,677,601)	(2,654,701,058)	(2,607,424,459)
Other components of equity	67,244,887	67,244,887	-	-
<b>Total shareholders' equity</b>	<b>(742,338,106)</b>	<b>(689,010,311)</b>	<b>(695,278,655)</b>	<b>(648,002,056)</b>
Non-controlling interests	(2,435,056)	1,221,448	-	-
<b>Total shareholders' equity</b>	<b>(744,773,162)</b>	<b>(687,788,863)</b>	<b>(695,278,655)</b>	<b>(648,002,056)</b>
<b>Total liabilities and shareholders' equity</b>	<b>559,388,007</b>	<b>610,895,392</b>	<b>442,807,768</b>	<b>462,882,052</b>

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue from services				
Revenue from services contracts	394,988,039	339,152,905	210,014,061	186,114,035
Revenue from water supply services	7,111,721	8,336,094	-	-
<b>Total revenue from services</b>	<b>402,099,760</b>	<b>347,488,999</b>	<b>210,014,061</b>	<b>186,114,035</b>
Cost of services				
Cost of services contracts	(340,611,153)	(316,766,442)	(192,000,157)	(171,718,463)
Cost of water supply services	(10,818,097)	(11,754,695)	-	-
<b>Total cost of services</b>	<b>(351,429,250)</b>	<b>(328,521,137)</b>	<b>(192,000,157)</b>	<b>(171,718,463)</b>
Gross profit	50,670,510	18,967,862	18,013,904	14,395,572
Other income	4,578,348	3,111,262	5,477,758	5,684,004
Profit from reverse liabilities	-	1,203,185	-	1,203,185
Selling expenses	(951,084)	(1,636,012)	(520,110)	(1,320,210)
Doubtful debt (reversal)	(631,842)	(1,217,656)	(292,510)	(642,426)
Loss from impairment of property, plant and equipment	(4,389,602)	(1,376,000)	(6,448,678)	-
Loss from impairment water rights	(4,159,562)	-	-	-
Administrative expenses	(99,743,389)	(86,614,830)	(63,337,826)	(58,648,743)
Financial cost	(2,963,212)	(123,371,543)	(169,137)	(117,872,601)
<b>Loss before tax (expense) revenues</b>	<b>(57,589,833)</b>	<b>(190,933,732)</b>	<b>(47,276,599)</b>	<b>(157,201,219)</b>
Income tax (expense) revenue	605,534	(107,992)	-	-
<b>Loss for the year</b>	<b>(56,984,299)</b>	<b>(191,041,724)</b>	<b>(47,276,599)</b>	<b>(157,201,219)</b>

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Loss for the year</b>	<b>(56,984,299)</b>	<b>(191,041,724)</b>	<b>(47,276,599)</b>	<b>(157,201,219)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss :</b>				
Actuarial gain arising from defined benefit plan of employees	-	1,827,800	-	-
Income tax effect	-	-	-	-
<b>Total items that will not be reclassified subsequently to profit (loss) - net income tax</b>	<b>-</b>	<b>1,827,800</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income for the year - net income tax</b>	<b>-</b>	<b>1,827,800</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>	<b>(56,984,299)</b>	<b>(189,213,924)</b>	<b>(47,276,599)</b>	<b>(157,201,219)</b>
<b>Loss attributable to for the year</b>				
Shareholders of parent company	(53,327,795)	(179,730,183)	(47,276,599)	(157,201,219)
Non-controlling interests	(3,656,504)	(11,311,541)	-	-
	<b>(56,984,299)</b>	<b>(191,041,724)</b>	<b>(47,276,599)</b>	<b>(157,201,219)</b>
<b>Total comprehensive loss attributable to for the year</b>				
Shareholders of parent company	(53,327,795)	(178,411,974)	(47,276,599)	(157,201,219)
Non-controlling interests	(3,656,504)	(10,801,950)	-	-
	<b>(56,984,299)</b>	<b>(189,213,924)</b>	<b>(47,276,599)</b>	<b>(157,201,219)</b>
<b>Basis loss per share (Baht).</b>				
Attributable to shareholders of the parent company	(0.019)	(0.065)	(0.017)	(0.057)

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2019

(Unit : Baht)

## Consolidated financial statements

	Shareholders' equity of Parent Company								
					Other components of equity				
					Other				
					Comprehensive income				
	Issued and fully paid-up share capital	Premiums on ordinary shares	Discounts on ordinary shares	Deficits	Differences exchange rate on conversion of financial statement	Total other components of equity	Total Shareholders' equity of parent company	Non-controlling interests	Total shareholders' equity
<b>Balance as at January 1, 2018</b>	2,770,889,766	128,893,569	(940,360,932)	(2,537,265,627)	67,244,887	67,244,887	(510,598,337)	12,023,398	(498,574,939)
<b>Comprehensive loss for the year</b>									
Loss for the year	-	-	-	(179,730,183)	-	-	(179,730,183)	(11,311,541)	(191,041,724)
Other comprehensive income for the year	-	-	-	1,318,209	-	-	1,318,209	509,591	1,827,800
<b>Total comprehensive loss for the year</b>	-	-	-	(178,411,974)	-	-	(178,411,974)	(10,801,950)	(189,213,924)
<b>Balance as at December 31, 2018</b>	2,770,889,766	128,893,569	(940,360,932)	(2,715,677,601)	67,244,887	67,244,887	(689,010,311)	1,221,448	(687,788,863)
<b>Comprehensive loss for the year</b>									
Loss for the year	-	-	-	(53,327,795)	-	-	(53,327,795)	(3,656,504)	(56,984,299)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	(53,327,795)	-	-	(53,327,795)	(3,656,504)	(56,984,299)
<b>Balance as at December 31, 2019</b>	2,770,889,766	128,893,569	(940,360,932)	(2,769,005,396)	67,244,887	67,244,887	(742,338,106)	(2,435,056)	(744,773,162)

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2019

( Unit : Baht )

## Separate financial statements

	Issued and paid-up share capital	Premiums on ordinary shares	Discounts on ordinary shares	Deficits	Total
<b>Balance as at January 1, 2018</b>	<b>2,770,889,766</b>	<b>128,893,569</b>	<b>(940,360,932)</b>	<b>(2,450,223,240)</b>	<b>(490,800,837)</b>
<b>Total comprehensive loss for the year</b>					
Loss for the year	-	-	-	(157,201,219)	(157,201,219)
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(157,201,219)</b>	<b>(157,201,219)</b>
<b>Balance as at December 31, 2018</b>	<b>2,770,889,766</b>	<b>128,893,569</b>	<b>(940,360,932)</b>	<b>(2,607,424,459)</b>	<b>(648,002,056)</b>
<b>Total comprehensive loss for the year</b>					
Loss for the year	-	-	-	(47,276,599)	(47,276,599)
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47,276,599)</b>	<b>(47,276,599)</b>
<b>Balance as at December 31, 2019</b>	<b>2,770,889,766</b>	<b>128,893,569</b>	<b>(940,360,932)</b>	<b>(2,654,701,058)</b>	<b>(695,278,655)</b>

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

For the year ended December 31, 2019

( Unit : Baht )

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Loss before income tax expenses	(57,589,832)	-190,933,732	(47,276,599)	-157,201,219
Adjustment to profit (loss) before income tax for cash received (paid)				
from operations				
Doubtful debt (reversal)	1,378,550	1,149,006	292,510	268,266
Loss on decline in value of inventories (reversal)	-633,783	2,825,293	659,464	2,955,102
Depreciation	27,906,764	32,266,195	13,471,685	15,333,198
Amortization	576,821	1,248,160	330,759	1,003,719
Loss from unused tax withholding	1,787,768	1,248,909	75,377	6,376
Loss from impairment of water rights	4,159,562	-	-	-
Loss from impairment of property, plant and equipment	4,389,502	1,376,000	6,448,678	-
Loss from impairment of deferred tax assets (reversal)	576,227	1,440,752	-	-
Loss from impairment of other assets	-	-31,981	-	-55,981
(Gain) from exchange rate	-31,064	-	-31,064	-
(Gain) from sale and write-off of property, plant and equipment	-1,262,682	-404,203	-572,501	-376,819
(Gain) from the reversal of liability	-	-1,203,185	-	-1,203,185
Service cost and interest expense	9,931,671	8,431,154	8,093,376	4,254,037
Interest income	-198,467	-292,092	-572,501	-1,481,703
Interest expense	2,963,211	123,371,543	169,137	117,872,601
Loss from operating activities before				
Changes in operating assets and liabilities	-6,045,752	-19,508,181	-18,911,679	-18,625,608
(Increase) decrease in operating assets				
Trade and other receivables	-24,102,012	10,111,113	-18,609,706	20,425,856
Unbilled receivables	-24,076,292	19,692,822	-8,589,583	12,195,972
Retention receivables	521,225	-907,818	-	127,410
Receivables under financial lease contract	1,159,308	1,027,853	-	-
Inventories	-1,096,405	-3,551,484	-2,419,039	-2,955,474
Other current assets	30,657	885,735	-142,595	370,911
Other non-current assets	-6,117,136	-867,000	-455,608	-852,000
Increase (decrease) in operating liabilities				
Defaulted debts	-	25,760	-	-
Trade and other payables	13,078,053	-11,635,280	19,161,137	-11,163,756
Advance received from customers	124,522	-	124,522	-
Retention payables	-216,875	-433,206	-216,875	-433,206
Provision for loss on construction contracts	-	-18,929	-	-18,929
Unbilled costs	-	-5,266,283	-	-5,266,283
Provision for fines and delays	-	-3,531,734	-	-3,531,734
Other current liabilities	2,060,900	-1,686,680	1,589,492	-2,416,505
Employee benefits obligation	-1,667,461	-1,579,920	-1,488,720	-1,415,485
Cash received (paid) from operating activities	-46,347,268	-17,243,232	-29,958,654	-13,558,831

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

For the year ended December 31, 2019

( Unit : Baht )

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities (continue)				
Cash received from interest income	224,984	321,379	598,784	231,840
Cash paid for interest expense	-	-	-	-
Cash paid for income tax	(11,797,657)	(11,684,110)	(6,264,767)	(6,912,020)
Cash received from income tax	15,843,887	30,789,742	15,843,887	30,789,742
<b>Net cash provided from (used in) operating activities</b>	<b>-42,076,054</b>	<b>2,183,779</b>	<b>-19,780,750</b>	<b>10,550,731</b>
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	4,509,136	4,274,714	4,540,324	4,536,570
Cash paid for investments in third parties	(100,000)	-	-	-
Cash paid for acquired of property, plant and equipment	(13,619,970)	(4,745,260)	(10,663,446)	(2,619,271)
Cash received from sale of property, plant and equipment	53,899,804	406,458	575,110	377,000
Cash paid for acquired of intangible assets	(54,600)	-	-	-
<b>Net cash form (used in) investing activities</b>	<b>44,634,370</b>	<b>-64,088</b>	<b>-5,548,012</b>	<b>2,294,299</b>
Cash flows from financing activities				
Increase (decrease) in short-term loan from another person	(10,000,000)	4,000,000	-	-
Paid for long-term loan from financial institutions	(7,795,000)	(1,716,000)	-	-
Paid for liabilities under financial lease contracts	(1,342,485)	(1,903,986)	(191,283)	(333,456)
Paid for interest expense	(2,059,112)	(2,843,714)	(7,408)	(27,755)
<b>Net cash provided from (used in) financing activities</b>	<b>-21,196,597</b>	<b>-2,463,700</b>	<b>-198,691</b>	<b>-361,211</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-18,638,281</b>	<b>-344,009</b>	<b>-25,527,453</b>	<b>12,483,819</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>47,276,345</b>	<b>47,620,354</b>	<b>40,662,915</b>	<b>28,179,096</b>
<b>Cash and cash equivalents at the ending of the year</b>	<b>28,638,064</b>	<b>47,276,345</b>	<b>15,135,462</b>	<b>40,662,915</b>

Supplemental disclosure of cashflows information as stated in note 34.2



## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2019

#### 1. General information

The Company was registered as a company limited in accordance with the Civil and Commercial Code, and converted to a public company limited in accordance with the public limited companies Act B.E 2535 on 29 May 1995, registration number 0107538000291, with its registered head office is located at 69 Soi On-nuch 64, Srinakarin Road, Suanluang, Bangkok Thailand.

The Company is engaged in provision of serviced under civil construction, engineering and industrial services.

#### 2. Going concern

The Group have experienced the continuous operating losses, and the consolidated and separate financial statements for the year ended December 31, 2019 and 2018, present an operating losses in amount of Baht 56.98 million and Baht 189.21 million respectively (the Separate in amount of Baht 47.27 million and Baht 157.20 million respectively). As at December 31, 2019 and 2018, the Group has current liabilities exceed than current assets according to the financial statements in amount of Baht 929.05 million and Baht 951.74 million respectively (the Separate in amount of Baht 887.22 million and Baht 869.88 million respectively), and the same date, the Group has negative shareholders according to the consolidated in amount of Baht 744.50 million and Baht 687.79 million respectively (the Separate in amount of Baht 695.28 million and Baht 648.00 million respectively). At present, the Company is listed on the Stock Exchange of Thailand (SET) with the SP (Trading Suspension) sign because the Company has operating results and financial status that may be subject to the SET delisting from being a listed company, and as at March 11, 2019 the Stock Exchange of Thailand has extended the amendment of the cause of the revocation to the Company until March 8, 2020, or the date that the bankruptcy court has disagreed with the rehabilitation plan, whichever comes first. The Company is currently requesting to extend the period to resolving the delisting with the Stock Exchange of Thailand.

#### **Filing a petition for rehabilitation**

1<sup>st</sup> time: On November 27, 2015, the Company was filed the petition by one of the creditor to the Central Bankruptcy Court to rehabilitation the business. Subsequently, on April 1, 2016, the court has ordered to accept the petition for business rehabilitation according to Black Case No. พ.6/2559 and 6 creditors have to filed the objection and wish to litigation the case. And during the year 2016, the fifth objection creditor which is financial institutions that only one have preferred mortgages of the Company has filed a petition to withdraw the objection to the Central Bankruptcy Court and the court has ordered to withdraw the objection. Later on May 19, 2017, the

central bankruptcy court has judged to raise the petition for the rehabilitation plan according to the red case no. พ. 20/2560.

2<sup>nd</sup> time : According to the resolution of the board of directors meeting no. 2/2017 on June 19, 2017, has resolution to the Company to filed the rehabilitation plan to the central bankruptcy court by itself and on June 21, 2017, the central bankruptcy court to receive a petition for rehabilitation in the black case no. พ. 23/2560. Later, on March 8, 2018, the central bankruptcy court has judged to raise the petition for the rehabilitation plan according to the red case no. พ. 9/2561.

On March 8, 2018, the Company appealed against the central bankruptcy court's to the court of appeal for Specialized Cases, Bankruptcy Cases Division along with filed a petition to temporary protection during the trial and a petition to not arrange the annual general meeting of shareholders for the year 2018 at the central bankruptcy court.

On January 22, 2019, the Court of Appeal for Specialized Cases reverse the judgement to have the rehabilitation and assign the debtor (the Company) as the planer according to the Bankruptcy Act BE 2458, Section 90/10, on February 22, 2019, the official receiver ordered the rehabilitate and set up the plan preparer in the Government Gazette and notify the order to the registrar, Company partnership and all creditors to submit and filed an application for payment of debt to the official receiver within March 22, 2019.

After the deadline for filing for payment on that date, found that there were 67 creditors of the Company applying for receive payment of debt, total amount of debt claim for payment of Baht 2,508.34 million, consisting of principal Baht 1,815.61 million and interest Baht 692.73 million (outstanding debt as at December 31, 2019, total of Baht 993.00 million).

However, after the Court of Appeal for Specialized Cases dismissed the case to the Company returned to business rehabilitation, the 3 creditors who were the objectors in the case are the objectors No.4, 6 and 7, filed a petition requesting permission to petition and filed an appeal to the court to oppose the judgment of the Court of Appeal for Specialized Cases that sentenced the debtor (the Company) to rehabilitate and set the debtor to be the plan maker.

The lawyer of the Company has submitted a counter-objection to the petition for the petition of the three creditors. The case is under consideration of the Supreme Court. The three creditors filed claims for payment of debts totaling Baht 482.26 million, consisting of principal Baht 315.67 million and interest Baht 166.59 million (the outstanding debt as at December 31, 2019, amounted to Baht 171.09 million).

On 3 March 2020, The Central Bankruptcy Court made an appointment to hearing the order of the objections submitted by the opposition petition. Appealing against the verdict of appeal the specialized cases, resulting to the court issued an order to accepting the objection for consideration and the debtor (the company) had to submitted an appeal to The Supreme Court within 30 days from the date of receiving the order And in the case of business rehabilitation The Central Bankruptcy Court had to set the date for examination of witnesses and petitioners on 8 and 9 April 2020.

The official receiver scheduled the date of the creditors' meeting on September 6, 2019, and on that date if there were no creditors requesting to amend or request the postponement meeting for a reasonable reason, the creditors will vote to the rehabilitation plan which prepared by the debtor (the Company) immediately.

The consolidated and separate financial statements for the year ended December 31, 2019, and 2018, are prepared in according to the continuous operating on the assumption that the Company will have sufficient working capital from. 1) Long-term service income from major customers (3 years contract from June 15, 2019). The contract will expire on June 14, 2022. 2) Service contract for many retail customers that most of them are around two years service period and 3) Support for credit line from business partners for normal business operation and from the verdict of the Court of Appeal for Specialized Cases ordered the company to enter the rehabilitation process as mentioned in the preceding paragraph. As a result, the Company is protected under Section 90/12 on "Moratorium or Automatic Stay" during the rehabilitation process. The management believes that the Company will have sufficient working capital to operate in the next year. However, the Company still has high uncertainty, due to the rehabilitation is just under the beginning and requires duration of time for many processes.

### 3. Basis of financial statements preparation

The consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principle under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals established under the Accounting Professions Act B.E. 2547 which reach the conclusion to be promulgated.

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The presentation in the financial statements are presented in accordance with the determination stated in the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act, B.E. 2543.

The financial statements were prepared and presented currency in Thai Baht which the Group functional currency, rounded to the nearest thousand baht unless otherwise stated and using historical cost basis except those disclosed otherwise in the accounting policies.

The Federation of Accounting Profession (FAP) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2019.

	<u>Effective date</u>
TAS No. 1 Presentation of Financial Statements (revised 2018)	January 1, 2019
TAS No. 2 Inventories (revised 2018)	January 1, 2019
TAS No. 7 Statement of Cash Flows (revised 2018)	January 1, 2019
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2018)	January 1, 2019
TAS No. 10 Events after the Reporting Period (revised 2018)	January 1, 2019
TAS No. 12 Income Taxes (revised 2018)	January 1, 2019
TAS No. 16 Property, Plant and Equipment (revised 2018)	January 1, 2019
TAS No. 17 Leases (revised 2018)	January 1, 2019
TAS No. 19 Employee Benefits (revised 2018)	January 1, 2019
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2018)	January 1, 2019
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2018)	January 1, 2019
TAS No. 23 Borrowing Costs (revised 2018)	January 1, 2019
TAS No. 24 Related Party Disclosures (revised 2018)	January 1, 2019
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2018)	January 1, 2019
TAS No. 27 Separate Financial Statements (revised 2018)	January 1, 2019
TAS No. 28 Investments in Associates and Joint Ventures (revised 2018)	January 1, 2019
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2018)	January 1, 2019
TAS No. 33 Earnings per Share (revised 2018)	January 1, 2019
TAS No. 34 Interim Financial Reporting (revised 2018)	January 1, 2019
TAS No. 36 Impairment of Assets (revised 2018)	January 1, 2019
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2018)	January 1, 2019
TAS No. 38 Intangible Assets (revised 2018)	January 1, 2019
TAS No. 40 Investment Property (revised 2018)	January 1, 2019
TAS No. 41 Agriculture (revised 2018)	January 1, 2019
TFRS No. 1 First-time Adoption of International Financial Reporting Standards	January 1, 2019
TFRS No. 2 Share-based Payment (revised 2018)	January 1, 2019
TFRS No. 3 Business Combinations (revised 2018)	January 1, 2019
TFRS No. 4 Insurance Contracts (revised 2018)	January 1, 2019

	<u>Effective date</u>
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2018)	January 1, 2019
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2018)	January 1, 2019
TFRS No. 8 Operating Segments (revised 2018)	January 1, 2019
TFRS No. 10 Consolidated Financial Statements (revised 2018)	January 1, 2019
TFRS No. 11 Joint Arrangements (revised 2018)	January 1, 2019
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2018)	January 1, 2019
TFRS No. 13 Fair Value Measurement (revised 2018)	January 1, 2019
TFRS No. 15 Revenue from Contracts with Customers	January 1, 2019
TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2018)	January 1, 2019
TSIC No. 15 Operating Leases - Incentives (revised 2018)	January 1, 2019
TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2018)	January 1, 2019
TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2018)	January 1, 2019
TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2018)	January 1, 2019
TSIC No. 32 Intangible Assets - Web Site Costs (revised 2018)	January 1, 2019
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2017)	January 1, 2019
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2018)	January 1, 2019
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2018)	January 1, 2019
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies (revised 2018)	January 1, 2019
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2018)	January 1, 2019
TFRIC No. 12 Service Concession Arrangements (revised 2018)	January 1, 2019
TFRIC No. 14 TAS 19 ( revised 2017) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2018)	January 1, 2019
TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2018)	January 1, 2019
TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2018)	January 1, 2019
TFRIC No. 21 Levies (revised 2018)	January 1, 2019

The Group has adopted such financial reporting standards to the financial statements on the current period. The management assessed that they don't have any significant impact on the financial statements for the current period.

The Federation of Accounting Profession (FAP) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2020.

	<u>Effective date</u>
TFRS No. 9 Financial Instruments	January 1, 2020
TFRS No. 7 Financial Instruments: Disclosures	January 1, 2020
TFRS No. 16 Leases	January 1, 2020
TAS No. 32 Financial Instruments: Presentation	January 1, 2020
TFRIC No. 16 Hedges of a Net Investment in a Foreign Operation	January 1, 2020
TFRIC No. 19 Extinguishing Financial Liabilities with Equity Instruments	January 1, 2020

The Group do not use the financial reporting standards which is effective for the future financial statements before effective date. At present, the management are in the process of assessing the impact of the Thai Financial Reporting Standard No.9, The financial instruments and Thai Financial Reporting Standard No. 16 ,Leases, in the period start to be implemented.

The Group do not use financial reporting standards applicable to financial statements in future periods prior to adoption. And management has assessed that there is no impact on the consolidated financial statements in the period of initial adopted.

In preparation of financial statements in conformity with generally accepted accounting principles the management has to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions so used in preparation of the financial statements are reviewed on regular basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected. The areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Group financial statements include :-

Allowance for doubtful debt, trade and other receivable, unbilled receivable, retention receivable under contracts and other assets

In determining an allowance for doubtful trade and other receivable, unbilled receivable, retention receivable and other assets the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments in subsidiaries

The Company treats investments in subsidiaries as impaired if the business operations of such companies are severely impacted by the economic crisis and the investments will take time to recover their value. The management determines devaluation of such investments based on management's judgement. The use of different estimates and assumptions could affect the amounts of allowances for impairment of investments in subsidiaries adjustments to the allowances may therefore be required in the future.

#### Depreciation of plant and equipment

The management is required to make estimates of the useful lives and residual values of the plant and equipment, the management will review the estimate useful lives and residual values when there are any changes from the estimates made during the prior periods, derecognition of the dilapidated asset or cease of usage from disposal or disused.

In addition, the management is required to review buildings and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Amortization of intangible asset

The management is assessing the useful life of intangible assets, the useful life that the management determined must be related to the future use format of the asset. In determining whether an intangible asset has an indication that it will be impaired or not, the management is required to use discretion to assess the recoverable amount of assets.

#### Deferred tax assets and allowance for impairment

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

#### Provision for fines and delays

In recording provision for fines and delays care warrantee, the management estimates the expenses expected to be incurred as a result of provision for fines and delays based on past experiences of each actual expenses claimed.

#### Estimate on employee benefit obligations

The present value of the estimate on employee retirement benefit is calculated using various assumptions, including discount rate, which is used to determine the expenses related to the employee retirement benefits. Any change in these assumptions would affect the estimate of employee retirement benefits. The Group determine the appropriate discount rate annually and applied to measure the present value of estimated future



cash flows for the settlement of the employee benefit obligations, using the said determined appropriate discount rate. The discount rate is the yield of government bonds that have maturity date approximating the terms of the Group obligations.

#### Lease agreement

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

#### Litigation

The Group normally have contingent liabilities as a result of disputes and litigation. Management use judgment to assess the results of the disputes and litigation and recognize reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.

#### Fair Value

In determining the fair value of financial instruments which are recognised in the statement of financial position that are not actively traded and for which quoted prices are not readily available in active market, the management has to exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Changes in assumptions about these factors may affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Other estimates are disclosed under related caption in these notes to financial statements.

#### 4. Basis of the consolidated financial statements preparation

4.1 The consolidated financial statements consist of the financial statements of the Company and subsidiaries (together called “The Group”).

4.2 A subsidiary companies are enterprise under the control of the Group. This control occurs when the Group have a controlling power directly or indirectly in giving direction of financial policy and operation of that company in order to derive benefits from that subsidiary companies. Also the financial statements of the subsidiary companies will be combined into the consolidated financial statements of the Group commencing from the date of control until the cessation date of such control.

- 4.3 The consolidated financial statements are prepared by using the same accounting policies for similar accounting items or events.
- 4.4 The accounting period of the subsidiary companies ends on the same date as that of PAE (THAILAND) PUBLIC COMPANY LIMITED.
- 4.5 The consolidated financial statements has been prepared by including the financial statements of PAE (THAILAND) PUBLIC COMPANY LIMITED and its subsidiaries after eliminate the significant related party balances and transactions. The Company holds directly and indirectly shares at the percentage of :-

<u>Company name</u>	<u>Nature of business</u>	<u>Incorporated in</u>	<u>Percentage of shareholding</u>	
			<u>2019</u>	<u>2018</u>
<b><u>Subsidiaries</u></b>				
PAE Energy Solution Company Limited	Providing training service in accordance with energy laws	Thai	99.99	99.99
PAE Technical Service Public Company Limited	Construction and hire of work	Thai	72.12	72.12
Pacific Resources International Limited (BVI)	Construction and supply*	The British Virgin Islands	100.00	100.00
Oasis Development Company Limited	Rental apartment	Thai	54.94	54.94
PPS Energy & Marine Co., Ltd.	Water Production	Thai	67.77	67.77

\*Currently, the business is stopped.

The financial statements of the subsidiary were prepared with the same financial date as the company and prepared by using the same significant accounting policies.

The non-controlling interest is measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

## 5. Accounting policies

Significant accounting policies used in the preparation of the financial statements can be summarized as follows :-

5.1 Cash and cash equivalents items include cash, bank deposits in the forms of savings and current accounts, and fixed accounts with term not exceeding three months and not subject to withdrawal restrictions.

5.2 Trade and other receivable are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

### 5.3 Inventories

5.3.1 Consumables and spare parts are stated at cost price by first-in first-out method or net realizable value whichever is lower.

5.3.2 Work in progress comprises the costs of materials, labor, contractor charges, services and overheads, values at the lower of cost and net realizable value

### 5.4 Investments

5.4.1 Investments are recorded by the cost method less accumulated allowance for impairment and recorded the recognition of the change of the investments value in the statement of comprehensive income when the investments has been disposed or impaired.

5.4.2 Investments in subsidiaries: in the separate financial statements are recorded by the cost method less accumulated allowance for impairment and recorded the recognition of the change of the investments value in the statement of comprehensive income when the investments has been disposed or impaired.

5.5 Investment property of the Group are land and building without specific purpose of use in the future and exploiting for rental income or appreciation of the asset. The Group measures the investment property by the cost value, deducted the accumulated depreciation and impairment loss (if any) and calculated depreciation on a straight-line method over their approximate useful-life of 20 years, except for land which is considered to have an indefinite life.

### 5.6 Property, plant and equipment

Lands are stated at cost price after deduction of accumulated allowance for impairment loss (if any), building and equipment are stated at cost price after that plant and equipment are stated at cost deduction of accumulated depreciation and impairment loss (if any) and calculated depreciation on a straight-line method over their approximate useful-life as follows:

Building	20 years
Building improvements	8 – 20 years
Machinery and equipment	8 – 20 years
Furniture and office equipment	5 years
Vehicles	5 – 8 years

Depreciation of assets occurred during the usage period of producing the other fixed assets is calculated and capitalized as a part of the cost of that other assets and it would be ceased when that other fixed assets is ready for its intended use.

The Group did not carry depreciation for land, land improvements and assets under construction.

Replacement cost will be capitalized as a part of carrying amount of assets when it is probable that the Company will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably. Replacement cost will be depreciated by the basis of estimated useful-life. Repair and maintenance expenses are recognized as expenses during the period that they are incurred.

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the net proceeds and the carrying amount and recognized as income or expense in profit or loss of that period.

- 5.7 Intangible assets as software royalty are stated at cost less accumulated amortization expenses and the accumulated impairment loss and calculated on a straight-line method over their approximate useful-life 5-10 years.

#### 5.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

- 5.9 Impairment of assets, the Group assesses at each statement of financial position date whether there is an indication that an asset may be impaired (Excepted goodwill). If any such indication exists, the Group make an estimate of the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in statements of comprehensive income.

The recoverable amount of assets is the greater of fair value less costs to sell the asset or value in use.under the agreement whichever is the higher.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

- 5.10 Trade and other payables are stated at cost.
- 5.11 Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as the expense for the year.
- 5.12 Employee benefits

Short-term employee benefit

The Group recognize salaries, wages, bonuses, contributions to social security fund and provident fund as expense when incurred.

Post-employment benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The defined benefit plan is defined as the post-employment benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method is the allocation of benefits for the current period and previous period that must be paid to employee who provide services to the Group to various periods according to the calculation formula of the benefits of the project and will allocate benefits by straight-line method throughout the service life of the employee until retirement.

Current service cost, past service costs and gains and losses on settlement including gains and losses from reducing project size and project benefit payment when reducing project size will be recognized in the income statement in the period which the transaction occurs

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

- 5.13 Estimation of liabilities: The Group will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group will recorded the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of comprehensive income in the net amount after recovered expense already recognized.

#### 5.14 Financial lease

##### Leases in the financial statements of lessors

Under a finance lease substantially all the risks and rewards incidental to legal ownership are transferred by the lessor. The Group shall recognise assets held under a finance lease as “receivable under financial lease” in their statements of financial positions and present them as a receivable at an amount equal to the net investment in the lease. The sales revenue recognised at the commencement of the lease term is the fair value of the asset, or, if lower, the present value of the minimum lease payments accruing to the lessor, computed at a market rate of interest. The cost of sale recognised at the commencement of the lease term is the cost, or carrying amount if different, of the leased property less the present value of the unguaranteed residual value. The difference between the sales revenue and the cost of sale is the selling profit, which is recognised in accordance with the Group’s policy for outright sales.

##### Leases in the financial statements of lessees

Leases which transferring a significant portion of the risks and rewards of ownership to the lessee are classified as financial leases. Financial leases are recorded as capital expenditures at the lower of the fair value of the leased assets as at the inception of the lease or the present value of the minimum lease payments. Financial lease obligation less financial expenses will record as corresponding long-term

liabilities. Interest charges will record directly to statements of comprehensive income on over the term of the lease.

Leased assets are depreciated on over the useful lives of the leased assets.

5.15 Premiums on ordinary shares when the Company share subscription monies are in excess of the par value of the shares issued, the Company has to set aside this excess amount to a reserve account (“premiums on ordinary shares”). Premiums on ordinary share are not available for dividend distribution.

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

#### 5.17 Non-controlling interests

Non-controlling interests mean book value of the subsidiaries’ net asset according to the holding ratio of non-controlling interests or interests that are not owned by the shareholders of the parent company. Non-controlling interests will declare any item in shareholders’ equity in the statement of consolidated financial position and the net gains (losses) item of non-controlling interests separateing in consolidated income statement. The comprehensive income will be divided to non-controlling interests even if it make negative balance in non-controlling interests.

#### 5.18 Incomes recognition

5.18.1 The revenue from product sales had recognized when transfer the controlling power of agreed product to the buyer and the obligation is completed. In this regard, the Group will assume that the controlling of product when the product has delivered to the customer in accordance with the terms of the contract or agreement and customer is accept the delivered product.

5.18.2 Revenue from oil and gas business services will be recognized as revenue when the Group has transfer the controlling power of products or services for a over time and assume that the performance obligations are satisfaction over time. In this regard, the Group had chosen the input method to complete the measurement of progress of compliance with the workload to be complete by reference to the number of working hours of employees and direct costs that made progress in completing the workload, compare with all inputs that expected to be used in order to fulfill the workload to be complted.



The Group do not included costs that not reflect the operations of the Group to transfer the power of controlling of products or services to customers to be a part of the inputs value that will be used to measure the progress of the fulfillment of the workload to be completed.

5.18.3 The revenue from tap water production services will be recognized as revenue when the Group had transfer the power of controlling of products or services for a over time and assume that the performance obligations are satisfaction over time. In this regard, the Group had chosen the output method to measure the progress of compliance with the workload to be completed by reference to the amount of produce product.

5.18.4 Interest income is recognised on an accrual basis based on the effective interest rate.

5.18.5 Dividend income is recognised when the right to receive the dividends is established.

#### 5.19 Expenses recognition

5.19.1 Payments made under operating leases are recognized in the statement of comprehensive income on a straight line method over the term of the lease. Contingent rentals are charged to the statement of comprehensive income for the accounting period in which they are incurred.

5.19.2 Financial cost consists of interest expense or other expenses in similar nature charged and includes interest default to the statement of comprehensive income in the year such expenses are incurred except in case that they are partly recorded as cost of assets due to the effect of long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amount under finance lease contract is charged to the statement of comprehensive income by effective rate method.

5.19.3 Other expense is recognized on accrual basis.

5.20 Income tax comprises current tax and deferred tax. Income tax is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

#### Current tax

The Group recognise the current tax at the amount expected to be paid to the taxation authorities, are calculated based on taxable profits in accordance with Revenue Code.

#### Deferred tax

The Group recognise the deferred tax 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.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

5.21 The related parties and related companies with the Company and its subsidiaries meant individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the same control with the Company and its subsidiaries. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or the employees of the Company and its subsidiaries who have the power to plan and control the operations of the Company and its subsidiaries including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

5.22 Basic loss per share is calculated by dividing loss for the year of the Parent Company (excludes other comprehensive income) by the weighted averaged number of already issued and fully paid shares during the accounting year.

5.23 The sectoral business operation is disclosed under the separate business sectors of the Group. The business segment is the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

5.24 Financial assets and liabilities carried on the statement of financial position include Bank deposit, trade receivables and payables , other receivables and payables, loan receivables and payables, receivable and payable under financial lease contracts. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

5.25 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 apply 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 measure fair value using valuation technique that are appropriate in the circumstances and maximise 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 categories 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 determine 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 Business transactions with related parties and person

The Company has significant transactions with related parties and individuals. Such transactions are based on commercial terms and bases agreed upon between the Company and those parties. This is normal business It can be summarized as follows:

### 6.1 Inter-assets and liabilities

(Unit: Thousand Baht)				
	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Other receivable				
PAE Technical Service Public Co., Ltd.	-	-	858	1,069
Pacific Resources International Limited (BVI)	-	-	10,798	10,798
Oasis Development Co., Ltd.	-	-	90	90
PPS Energy & Marine Co., Ltd	-	-	1,747	2,883
<b>Total</b>	-	-	13,493	14,840
<u>Less</u> Allowance for doubtful debt	-	-	(12,545)	(13,681)
<b>Net</b>	-	-	948	1,159
Accrued interest income				
PPS Energy & Marine Co., Ltd.	-	-	5,449	4,169

(Unit: Thousand Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Less</u> Allowance for doubtful debt	-	-	(5,449)	(4,169)
Net	-	-	-	-
Short-term loan				
PAE Energy Solution Co., Ltd				
Beginning balance	-	-	32,769	32,769
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	32,769	32,769
Allowance for doubtful				
Beginning balance	-	-	(32,769)	(32,769)
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	(32,769)	(32,769)
Net	-	-	-	-
Pacific Resources International Limited (BVI)				
Beginning balance	-	-	34,169	34,169
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	34,169	34,169
Allowance for doubtful debt				
Beginning balance	-	-	(34,169)	(34,169)
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	(34,169)	(34,169)
Net	-	-	-	-
Oasis Development Co., Ltd.				
Beginning balance	-	-	15,056	15,056
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	15,056	15,056

(Unit: Thousand Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Allowance for doubtful debt				
Beginning balance	-	-	(15,056)	(15,056)
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	(15,056)	(15,056)
Net	-	-	-	-
Total	-	-	-	-
Long-term loans				
PPS Energy & Marine Co., Ltd.				
Beginning balance	-	-	16,374	16,000
Increase in the year	-	-	-	374
Decreased during the year	-	-	-	-
Ending balance	-	-	16,374	16,374
Allowance for doubtful debt				
Beginning balance	-	-	(16,374)	(16,000)
Increase in the year	-	-	-	(374)
Decreased during the year	-	-	-	-
Ending balance	-	-	(16,374)	(16,374)
Net	-	-	-	-
Total	-	-	-	-

As at December 31, 2019 and 2018, short-term loans to related parties are unsecured loans, no inter-contracts and interest was not inter-charge.

As at December 31, 2019 and 2018, long-term loans to related parties are unsecured loan contract and period of loan contract are 18 month from the date of issue. Interest was charged at the rates of 8.00% per annum equally for the both period, a part loan in amount of Baht 0.37 million, no inter-contract and interest was not inter-charge.

(Unit: Thousand Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payable				
PAE Energy Solution Co.,Ltd..	-	-	135	135
Oasis Development Co., Ltd.	-	-	374	374
Total	-	-	509	509
Other payable				
Capital Engineering Network PLC	848	848	-	-
Advance received				
Khun Thanasedth Burinchotisin	-	100	-	-
Accrued interest expenses				
Khun Chintana Kaweewong	897	889	897	889
Short-term loans				
Khun Chintana Kaweewong				
Beginning balance	2,625	2,625	2,625	2,625
Increase in the year	-	-	-	-
Paid during the year	-	-	-	-
Ending balance	2,625	2,625	2,625	2,625
Capital Engineering Network PLC				
Beginning balance	8,850	8,850	-	-
Increase in the year	-	-	-	-
Paid during the year	-	-	-	-
Ending balance	8,850	8,850	-	-
Total short-term loans	11,475	11,475	2,625	2,625

For the consolidated and separate financial statements as at December 31, 2019 and 2018, short-term loans from related person in amount of Baht 2.63 million for both year, are loan unsecured promissory notes and period of promissory note are 3 month from the date of issue. Interest was charged at the rates of 5.00% per annum equally for both year.

For the consolidated financial statements as at December 31, 2019 and 2018, short-term loan from related parties in amount of Baht 8.85 million for both year, was loan for working capital of a subsidiary with the loan contract, carried the interest rate of 4.43% per annum for both year (MLR-1.75% per annum).

## 6.2 Inter-revenues and expenses

(Unit: Thousand Baht)

		<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>For the year as at December 31,</u>			
	<u>Pricing Policy</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues from services					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	283	762
PPS Energy & Marine Co., Ltd	Mutual agreed contract price	-	-	127	167
Total		-	-	410	929
Rental income					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	2,630	2,250
PAE Energy & Marine Co.,Ltd..	Mutual agreed contract price	-	-	248	324
Total		-	-	2,878	2,574
Interest income					
PPS Energy & Marine Co., Ltd.	8% per annum	-	-	1,280	1,280
Cost of services					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	37	100
PAE Energy Solution Co., Ltd.	Mutual agreed contract price	-	-	45	83
Total		-	-	82	183
Interest expense					
Khun Chintana Kaweewong	5% per annum	154	131	154	131
Key management remuneration					
Short-term benefits		14,499	15,361	7,520	7,987
Director’ remuneration		4,208	3,831	2,768	2,688
Post-employment benefits		1,525	3,961	1,431	921
Total		20,232	23,153	11,719	11,596

### 6.3 Rental contracts with related companies

As at December 31, 2019 and 2018, the Company entered into a rental space including building fixtures, side space, extension and radiation room contract with PAE Technical Service Public Co., Ltd, contract dated is January 1, 2017 to December 31, 2020, the rental fee is Baht 0.01 million per month and Baht 0.02 million per month respectively, (Renew the contract every 3 years).

As at December 31, 2019 and 2018, the Company entered into a rental office space contract with PAE Technical Service Public Co., Ltd, contract dated is April 1, 2017 to March 31, 2020, the rental fee is Baht 0.14 million per month and Baht 0.16 million per month respectively, (Renew the contract every 3 years).

As at December 31, 2019 and 2018, the Company entered into a rental office space and service fees contract with PPS Energy & Marine Co., Ltd. for a period of 1 year. If there is no cancellation notice, the contract will be in effect every 30 April of every year at the rental and service rate of Baht 17,500.00 per month and Baht 27,000.00 per month respectively.

### 6.4 Relationship of related companies

<u>Name of related parties</u>	<u>Relationship</u>	<u>Nature of relationship</u>
PAE Technical Service Public Co., Ltd.	Subsidiary	Direct shareholding
Pacific Resources International Limited (BVI)	Subsidiary	Direct shareholding
PAE Energy Solution Co., Ltd.	Subsidiary	Direct shareholding
Oasis Development Co., Ltd	Subsidiary	Direct shareholding
PPS Energy & Marine Co., Ltd.	Subsidiary	Direct shareholding
Capital Engineering Network PLC	Related company	Major shareholder single group
Khun Chintana Kaweewong	Related person	The Company's shareholding

### 7. Trade and other receivables

Consisted of:

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables - non- related entities	176,610	154,996	110,772	94,689
Trade receivables - oversea	206	-	-	-



(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Post date cheque	160	-	160	-
<u>Less</u> Allowance for doubtful debt	(87,661)	(87,603)	(68,549)	(68,402)
Total trade receivables	89,315	67,393	42,383	26,287
Other receivables				
- Related entities	-	-	13,493	14,840
- Non- related entities	2,359	2,359	2,293	2,293
Accrued interest income				
- Related entities	-	-	5,449	4,169
- Non- related entities	16	42	7	34
Prepaid expense	13,245	11,911	12,707	11,478
Advance payment	5,385	5,188	5,170	5,064
Deposits	17,729	17,877	17,582	17,730
Total	38,734	37,377	56,701	55,608
<u>Less</u> Allowance for doubtful debt	(35,558)	(35,549)	(53,334)	(53,189)
Total other receivables	3,176	1,828	3,367	2,419
Total trade and other receivables	92,491	69,221	45,750	28,706

As at December 31, 2019 and 2018, the aging of trade are as follows:-

1

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables				
Not yet due	51,849	40,827	28,915	16,671
Over due				
- Less than 3 months	21,968	16,292	4,155	275
- From 3 to 6 months	4,380	882	63	77
- From 6 to 12 months	1,555	462	178	193

	1		(Unit: Thousand Baht)
		<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
		<u>As at December 31,</u>	<u>As at December 31,</u>
		<u>2019</u>	<u>2018</u>
- More than 12 months		97,224	96,533
Total		176,976	154,996
<u>Less</u> Allowance for doubtful debt		(87,661)	(87,603)
Total trade receivables		89,315	67,393

The normal credit terms for the customer of the Group are approximately 30 - 120 days.

For the year ended December 31, 2019 there was movement in the allowance for doubtful debts of trade and other receivable as follows :-

	1		(Unit : Thousand Baht)
		<u>Consolidated</u>	<u>Separate</u>
		<u>financial statements</u>	<u>financial statements</u>
		<u>2019</u>	<u>2018</u>
As at January 1,		123,152	124,562
Increased(reversal) during the year		67	1,499
Repayment during the year		-	(2,909)
As at December 31,		123,219	121,883

#### 8. Unbilled receivables

Consist of:

	1		(Unit : Thousand Baht)
		<u>Consolidated</u>	<u>Separate</u>
		<u>financial statements</u>	<u>financial statements</u>
		<u>As at December 31,</u>	<u>As at December 31,</u>
		<u>2019</u>	<u>2018</u>
Accrued revenue under service contracts		306,338	282,261
<u>Less</u> Allowance for doubtful debt		(236,053)	(235,480)
Net		70,285	46,781

For the year ended December 31, 2019 and 2018, there was movement in the allowance for doubtful debts of unbilled receivables as follows :-

	1		(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
As at January 1,	235,480	236,022	235,321	235,321
Increased(reversal) during the year	573	(542)	-	-
As at December 31,	<u>236,053</u>	<u>235,480</u>	<u>235,321</u>	<u>235,321</u>

#### 9. Retention receivables under contract

Consist of:

	1		(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
On due according to contracts	2,608	3,074	2,604	1,357
Outstanding over credit term over 12 months	52,143	52,198	52,079	52,079
Total	54,751	55,272	54,683	53,436
<u>Less</u> Allowance for doubtful debts	(52,079)	(52,079)	(52,079)	(52,079)
Net	<u>2,672</u>	<u>3,193</u>	<u>2,604</u>	<u>1,357</u>

For the year ended December 31, 2019 and 2018, there was movement in the allowance for doubtful debts of retention receivable as follows :-

	1		(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
As at January 1,	52,079	52,079	52,079	52,079
Increased(reversal) during the year	-	-	-	-
As at December 31,	<u>52,079</u>	<u>52,079</u>	<u>52,079</u>	<u>52,079</u>

Allowance for doubtful receivables from retention receivable of the consolidated and separate financial statement as at December 31, 2019 and 2018, as follows:-

(Unit : Thousand Baht)

Consolidated and separatefinancial statementsAs at December 31,

	<u>2019</u>	<u>2018</u>
A. The Capital Condominium Project	3,045	3,045
B. Element Srinakarin Project	10,876	10,876
C. Grace Land Khaolak Pang-Nga Project	26,403	26,403
D. Ramada Plaza Hotel Sukumvit Soi 15 Project	7,062	7,062
E. Modus Beach front Condominuim & AI Project	3,485	3,485
F. Other Project	1,208	1,208
Total	52,079	52,079

10. Short-term loans and accrued interest income to other parties

Consist of

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term loans	55,571	55,571	55,571	55,571
Other receivables	18,574	18,574	18,574	18,574
Accrued interest income	16,666	16,666	16,666	16,666
Total	90,811	90,811	90,811	90,811
<u>Less</u> Allowance for doubtful debt	(90,811)	(90,811)	(90,811)	(90,811)
Net	-	-	-	-

For the year ended December 31, 2019 and 2018, the Company has movement of allowance for short-term loans and accrued interest income to other parties.

1

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
As at January 1,	90,811	90,811	90,811	90,811
Increased(reversal) during the year	-	-	-	-
As at December 31,	90,811	90,811	90,811	90,811

## 11. Inventories

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	10,922	15,453	7,852	12,379
Work in progress	5,627	-	5,627	-
<u>Less</u> Allowance for decline in value of goods	<u>(4,277)</u>	<u>(4,912)</u>	<u>(4,191)</u>	<u>(4,850)</u>
Net	<u>12,272</u>	<u>10,541</u>	<u>9,288</u>	<u>7,529</u>

For the year ended December 31, 2019 and 2018, the Group has movement of allowance for decline in value of goods as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
As at January 1,	4,912	2,086	4,850	1,895
Increased (reversal) during the year	<u>(635)</u>	<u>2,826</u>	<u>(659)</u>	<u>2,955</u>
As at December 31,	<u>4,277</u>	<u>4,912</u>	<u>4,191</u>	<u>4,850</u>

## 12. Restricted bank deposits

For the consolidated and separate financial statements as at December 31, 2019 and 2018, the Group has pledged the 12 months bank deposit-fixed account, carried at interest rate 0.65% – 1.25% per annum (Separate :0.08%- 1.05% per annum and 1.05% per annum respectively), as collateral against letters of guarantee. as mentioned in Note no.37.1. However, the Company and its subsidiaries are allowed to withdraw the amount of interest.

### 13. Investments in subsidiaries

As at December 31, 2019 and 2018, investments in subsidiaries are as follows :-

Name	<u>Separate financial statements</u>									
	<u>Paid-up share capital</u>		<u>Investment ratio</u>		<u>Cost value</u>		<u>accumulated loss on impairment</u>		<u>Carrying amount</u>	
	<u>(Million Baht)</u>		<u>(%)</u>		<u>(Thousand Baht)</u>		<u>(Thousand Baht)</u>		<u>(Thousand Baht)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
PAE Energy Solution Co., Ltd.	5.00	5.00	99.99	99.99	4,999	4,999	(4,999)	(4,999)	-	-
Pacific Resources International Limited (BVI)	86.68	86.68	100.00	100.00	86,681	86,681	(86,681)	(86,681)	-	-
PAE Technical Service Public Co., Ltd.	110.00	110.00	72.12	72.12	79,329	79,329	-	-	79,329	79,329
Oasis Development Co., Ltd.	1.00	1.00	54.94	54.94	549	549	(549)	(549)	-	-
PPS Energy & Marine Co., Ltd.	150.00	150.00	67.77	67.77	82,137	82,137	(82,137)	(82,137)	-	-
Total					<u>253,695</u>	<u>253,695</u>	<u>(174,366)</u>	<u>(174,366)</u>	<u>79,329</u>	<u>79,329</u>

For the year ended December 31, 2019 and 2018, subsidiaries have no dividend payment. Since the operating loss.

For the year ended December 31, 2019 and 2018, the movement of accumulated loss on impairment of investments was as follows:

	<u>(Unit : Thousand Baht)</u>	
	<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>
As at January 1,	174,366	174,366
Reversal during the year	-	-
As at December 31,	<u>174,366</u>	<u>174,366</u>

### 14. Non-controlling interests

The financial information concerning to each subsidiary of the Company which has non-controlling interests before eliminated the inter-transaction was as follows:-

(Unit:Thousand Baht)

	As at December 31, 2019			Total
	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	
Percentage of non-controlling interests	32.23	27.88		
Current assets	5,905	90,673		
Non-current assets	38,306	59,532		
Current liabilities	(93,422)	(22,759)		
Non-current liabilities	(14,111)	(14,447)		
Net assets	(63,322)	112,999		
Carrying amount of non-controlling interests	(23,527)	31,508	(10,416)	(2,435)
Revenue	7,112	185,228		
Loss for the year	(20,332)	10,387		
Other comprehensive profit for the year	-	-		
Total comprehensive loss for the year	(20,332)	10,387		
Loss for the year attributable to non-controlling interests	(6,552)	2,896	-	(3,656)
Total comprehensive loss for the year attributable to non- controlling interests	-	-		

(Unit : Thousand Baht)

	As at December 31, 2018			Total
	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	
Percentage of non-controlling interests	32.23	27.88		
Current assets	5,048	71,239		
Non-current assets	93,910	61,702		
Current liabilities	(117,831)	(17,996)		
Non-current liabilities	(24,118)	(12,333)		
Net assets	(42,991)	102,612		
Carrying amount of non-controlling interests	(16,974)	28,612	(10,416)	1,221
Revenues	8,336	153,092		

(Unit : Thousand Baht)

	As at December 31, 2018			
	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	Total
Loss for the year	(18,074)	(19,637)		
Other comprehensive loss for the year	-	1,828		
Total comprehensive loss for the year	(18,074)	(17,809)		
Loss for the year attributable to non-controlling interests	(5,825)	(5,475)	(11)	(11,311)
Total comprehensive loss for the year attributable to non- controlling interests	-	509	-	509

For the year ended December 31, 2019 and 2018, the Company have movement of non-controlling interests was as follows:-

	(Unit:Thousand Baht)	
	2019	2018
As at January 1,	1,221	12,023
Share of loss for the year	(3,656)	(11,311)
Other comprehensive profit (loss)	-	509
As at December 31,	(2,435)	1,221

#### 15. Investments in third parties

As at December 31, 2019, investments in third parties are as follows :-

Name	Consolidated financial statements									
	Paid-up share capital		Investment ratio		Cost value		accumulated loss on impairment		Carrying amount	
	(Million Baht)		(%)		(Thousand Baht)		(Thousand Baht)		(Thousand Baht)	
	2562	2561	2562	2561	2562	2561	2562	2561	2562	2561
Super Water PPS Co., Ltd.	1.00	-	10.00	-	100.00	-	-	-	100.00	-



16. Investment property

Consisted of: -

(Unit : Thousand Baht)

<u>Consolidated financial statements</u>			
	Land	Building	Total
<b>Cost :</b>			
As at January 1, 2018	38,587	13,883	52,470
Transfer in	-	-	-
As at December 31, 2018	38,587	13,883	52,470
Transfer in	-	-	-
As at December 31, 2019	38,587	13,883	52,470
<b>Accumulated depreciation :</b>			
As at January 1, 2018	-	(13,883)	(13,883)
Transfer in	-	-	-
As at December 31, 2018	-	(13,883)	(13,883)
Transfer in	-	-	-
As at December 31, 2019	-	(13,883)	(13,883)
<b>Net book value :</b>			
As at December 31, 2018	38,587	-	38,587
As at December 31, 2019	38,587	-	38,587

(Unit : Thousand Baht)

<u>Separate financial statements</u>			
	Land	Building	Total
<b>Cost :</b>			
As at January 1, 2018	35,563	-	35,563
Transfer in	-	409	409
As at December 31, 2018	35,563	409	35,972
Transfer in	-	-	-
As at December 31, 2019	35,563	409	35,972

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		
	Land	Building	Total
<b>Accumulated depreciation :</b>			
As at January 1, 2018	-	-	-
Transfer in	-	(409)	(409)
As at December 31, 2018	-	(409)	(409)
Transfer in	-	-	-
As at December 31, 2019	-	(409)	(409)
<b>Net book value :</b>			
As at December 31, 2018	35,563	-	35,563
As at December 31, 2019	35,563	-	35,563

For the consolidated financial statements as at December 31, 2019 and 2018, the Group has mortgaged land with construction, carrying amount of Baht 38.13 million equally for both years (Separate : Baht 35.11 million for the year), as collateral against the credit facility from the financial institutions as in Note 23.

For the consolidated and separate financial statements as at December 31, 2019 and 2018, Investment property as land and buildings are for the benefit of rental income and land held for currently undetermined future use.

As at December 31, 2019 and 2018, the level 3 fair value of investment properties in consolidated financial statements amount Baht 75.06 million for the both period, (the Company only as at December 31, 2019 and 2018, Baht 65.04 million for the both period.) have calculated by “Market Approach” by comparable properties that are similar and traded that similar or different from the property appraised by sufficient number. The valuation must consider in various factors that affect the value of the property as assessed in comparison with market information to compare such as location, city plan, land plot, size of living space, building quality etc. and then analyse the property valuation by using various techniques such as Sale Adjustment - Grid Method, Weighted Quality Score (WQS) and so on.

There are no other changes in valuation techniques during the year.

17. Property, plant and equipment

Consist of: -

(Unit : Thousand Baht)

Consolidated financial statements							
	Land and improvement	Building and improvement	Machinery and equipment	Vehicles	Furniture and equipment	Construction progress	Total
Cost :							
As at January 1, 2018	274,586	273,962	196,117	32,957	54,659	299	832,580
Acquisition	-	-	3,561	1,214	1,184	-	5,959
Transfer in /Transfer out	-	(409)	(49)	-	49	-	(409)
Disposal/Written-off	-	-	(973)	(915)	(868)	-	(2,756)
As at December 31, 2018	274,586	273,553	198,656	33,256	55,024	299	835,374
Acquisition	-	-	8,400	1,862	5,197	-	15,459
Transfer in /Transfer out	-	-	-	(46)	-	-	(46)
Disposal/Written-off	(52,262)	-	(5,482)	(1,128)	-	-	(58,872)
As at 31 December 2019	222,324	273,553	201,574	33,944	60,221	299	791,915
Accumulated depreciation:-							
As at January 1, 2018	(36,808)	(142,219)	(132,898)	(28,074)	(44,145)	-	(384,144)
Depreciation for the year	(30)	(7,772)	(17,852)	(2,650)	(3,962)	-	(32,266)
Transfer in /Transfer out	-	409	49	-	(49)	-	409
Disposal/Written-off	-	-	972	915	867	-	2,754
As at December 31, 2018	(36,838)	(149,582)	(149,729)	(29,809)	(47,289)	-	(413,247)
Depreciation for the year	(30)	(6,170)	(16,191)	(1,901)	(3,615)	-	(27,907)
Transfer in /Transfer out	-	-	-	24	-	-	24
Disposal/Written-off	-	-	5,129	1,128	-	-	6,257
As at December 31, 2019	(36,868)	(155,752)	(160,791)	(30,558)	(50,904)	-	(434,873)
Allowance for impairment:-							
As at January 1, 2018	(50,803)	(54,054)	(2,403)	-	(36)	-	(107,296)
Loss from impairment	(1,376)	-	-	-	-	-	(1,376)
As at December 31, 2018	(52,179)	(54,054)	(2,403)	-	(36)	-	(108,672)
Loss from impairment	(4,202)	(5,656)	-	-	-	-	(9,858)
Reversal loss from impairment	5,320	-	148	-	-	-	2,059
As of December 31, 2019	(51,061)	(59,710)	(2,255)	-	(36)	-	(113,062)
Net book value :							
As at December 31, 2018	185,569	69,917	46,524	3,447	7,699	299	313,455
As at December 31, 2019	134,395	58,091	38,528	3,386	9,281	299	243,980
Depreciation is included in the statement of comprehensive income for the year							
End of December 31, 2018							32,266
End of December 31, 2019							27,907

(Unit : Thousand Baht)

## Separate financial statements

	Land and improvement	Building and improvement	Machinery and equipment	Vehicles	Furniture and equipment	Construction progress	Total
<b>Cost :</b>							
As at January 1, 2018	208,220	219,549	82,440	11,063	44,842	-	566,114
Acquisition	-	-	1,807	-	813	-	2,620
Transfer in /Transfer out	-	(409)	(49)	-	49	-	(409)
Disposal/Written-off	-	-	(957)	(411)	(868)	-	(2,236)
As at December 31, 2018	208,220	219,140	83,241	10,652	44,836	-	566,089
Acquisition	-	-	6,031	-	4,632	-	10,663
Transfer in /Transfer out	-	-	-	-	-	-	-
Disposal/Written-off	(3)	-	-	-	-	-	(3)
As at 31 December 2019	208,217	219,140	89,272	10,652	49,468	-	576,749
<b>Accumulated depreciation:-</b>							
As at January 1, 2018	(36,669)	(127,550)	(54,667)	(9,422)	(37,145)	-	(265,453)
Depreciation for the year	-	(5,333)	(6,463)	(552)	(2,985)	-	(15,333)
Transfer in /Transfer out	-	409	49	-	(49)	-	409
Disposal/Written-off	-	-	957	411	867	-	2,235
As at December 31, 2018	(36,669)	(132,474)	(60,124)	(9,563)	(39,312)	-	(278,142)
Depreciation for the year	-	(3,800)	(6,304)	(552)	(2,816)	-	(13,472)
Transfer in /Transfer out	-	-	-	-	-	-	-
Disposal/Written-off	-	-	-	-	-	-	-
As at December 31, 2019	(36,669)	(136,274)	(66,428)	(10,115)	(42,128)	-	(291,614)
<b>Allowance for impairment:-</b>							
As at January 1, 2018	(46,166)	(33,911)	-	-	-	-	(80,077)
Loss from impairment	-	-	-	-	-	-	-
As at December 31, 2018	(46,166)	(33,911)	-	-	-	-	(80,077)
	(4,202)		-	-	-	-	(9,858)
Loss from impairment		(5,656)					
Reversal from impairment	3,409	-	-	-	-	-	3,409
As at December 31, 2019	(46,959)	(39,567)	-	-	-	-	(86,526)
<b>Net book value :</b>							
As at December 31, 2018	125,385	52,755	23,117	1,089	5,524	-	207,870
As at December 31, 2019	124,589	43,299	22,844	537	7,340	-	198,609

Depreciation is included in the statement of comprehensive income for the year

End of December 31, 2018	15,333
End of December 31, 2019	13,472

According to the consolidated and separate financial statements for the year ended December 31, 2019, the Company recognized loss on impairment of land together construction amounted to Baht 6.45 million. The recoverable amount of assets is calculated from the fair value deducted by costs of disposal which consists of the fair value of the land which calculated based on the Market-Comparison Approach method and the fair value of buildings are calculated based on the Replacement-Cost Approach method which prepared by external independent appraisers who are under the supervision of the SEC.

According to the consolidated financial statements for the year ended December 31, 2019 the subsidiary company has reversal of allowance for impairment of land not use in operation (pond) that was previously recognized in the amount of Baht 1.91 million due to during the period the subsidiary company transfer of ownership of the land to the buyer (See Note No.37.9).

According to the consolidated financial statements as at December 31, 2019 and 2018, the Group have mortgaged land with construction in carrying amount of Baht 166.92 million and Baht 209.95 million respectively. (Separate : as at December 31, 2019 and 2018, amount Baht 137.76 million and Baht 139.73 million respectively), as collateral against the credit facility from the financial institutions as in Note no.23 27 and 37.1.

As at December 31, 2019, land together construction of the subsidiary company's ownership (Assets not used in operation) the carrying amount of Baht 6.28 million is an asset that is in the process of public auction. (See Note No.38.2).

According to the consolidated financial statements as at December 31, 2019 and 2018, the Group have the part of assets acquired under finance lease agreements the carrying amount of Baht 2.62 million and Baht 4.88 million respectively. (Separate : as at December 31, 2018, amount Baht 0.36 million).

According to the consolidated financial statements as at December 31, 2019 and 2018, the Group have the assets which had fully depreciated but they still used. The cost in amount of Baht 327.37 million and Baht 261.57 million respectively. (Separate : as at December 31, 2019 and 2018, amount Baht 218.23 million and Baht 212.18 million respectively).

According to the consolidated financial statements as of December 31, 2019 and 2018, the Group have unused assets these are land with construction and water supply plant in carrying amount of Baht 8.51 million and Baht 104.89 million respectively.

According to the consolidated financial statements as at December 31, 2019 and 2018, the Group have buildings and water supply plant located on land owned by third-party in carrying amount of Baht 0.05 million and Baht 3.39 million, respectively. (Cost price Baht 53.37 million equally for both years).

**18. Water rights**

Consist of:

(Unit : Thousand Baht)

Consolidated financial statementsAs at December 31

	<u>2019</u>	<u>2018</u>
Water rights	4,159	4,159
<u>Less</u> Allowance for impairment	(4,159)	-
Net	<u>-</u>	<u>4,159</u>

As at December 31, 2019, the management of the Group has considered the loss on impairment of water usage rights that remaining in the consolidated financial statements all the amount, since the management of PPS Energy and Marine Co.,Ltd. (subsidiary company) has amended the terms of the memorandum of agreement by specifying that the investor must invest (Purchase) in the land which is the second pond of the subsidiary (See Note No.37.9). Subsequently, the subsidiary company will no longer benefit from selling raw water in that pond anymore.

**19. Intangible assets**

All amounts are software as follow:-

(Unit : Thousand Baht)

	<u>Consolidate</u> <u>financial statement</u>	<u>Separate</u> <u>financial statement</u>
<b>Cost :</b>		
As at January 1, 2018	19,226	16,348
Acquisition	-	-
As at December 31, 2018	<u>19,226</u>	<u>16,348</u>
Acquisition	54	-
As at December 31, 2019	<u>19,280</u>	<u>16,348</u>
<b>Accumulated amortization :</b>		
As at January 1, 2018	(14,999)	(13,797)
Amortization	(1,248)	(1,004)
As at December 31, 2018	<u>(16,247)</u>	<u>(14,801)</u>
Amortization	(577)	(331)
As at December 31, 2019	<u>(16,824)</u>	<u>(15,132)</u>

	(Unit : Thousand Baht)	
	<u>Consolidate</u>	<u>Separate</u>
	<u>financial statement</u>	<u>financial statement</u>
<b>Allowance for impairment :</b>		
As at January 1, 2018	(130)	(130)
Reversal impairment loss	56	56
As at December 31, 2018	(74)	(74)
Impairment loss	-	-
As at December 31, 2019	(74)	(74)
<b>Net book value :</b>		
As at December 31, 2018	2,905	1,473
As at December 31, 2019	2,382	1,142
Amortization is included in the statement of comprehensive income for the year		
End of December 31, 2018	1,248	1,004
End of December 31, 2019	577	331

## 20. Goodwill

Consist of:

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31</u>	
	<u>2019</u>	<u>2018</u>
Goodwill	34,804	34,804
<u>Less</u> Allowance for impairment	(34,804)	(34,804)
Net	-	-

All amount of goodwill is from the purchase price of the common shares (consideration transferred) of PPS Energy and Marine Co., Ltd (Subsidiary company) is higher than the fair value of net assets of the subsidiary at the acquisition date and after the acquisition the management of the Company has found that the subsidiary has not complied performance with the business plan because of the impact of not being able to increase capital in 2015. The management is therefore evaluating the recoverable amount of cash generating unit (CGU) of a subsidiary (assets used in tap water production) and individual assets (non-operating assets). After testing, the Company's management has determined that the recoverable amount is lower than the carrying amount of the subsidiary's investment. As a result, the management is realizing whole amount of loss of impairment of goodwill.

## 21. Deferred tax assets and liabilities

Deferred tax assets and liabilities as at December 31, 2019 and 2018 were as follows :-

(Unit : Thousand Baht)

Consolidated financial statementsAs at December 31,

	<u>2019</u>	<u>2018</u>
Deferred tax assets	1,751	3,130
Deferred tax liabilities	(16)	(1,424)

Movements of deferred tax assets and liabilities for the years ended December 31, 2019 and 2018 were as follows:-

(Unit : Thousand Baht)

Consolidated financial statements

	As at January 1, 2019	Recognized in the profit (loss) for the year	Loss of impairment for the year	As at December 31, 2019
Deferred tax assets				
Trade receivables	289	-	(273)	16
Property, plant and equipment	8,047	(1,035)	-	7,012
Receivables under financial lease contract	(5,509)	232	-	(5,277)
Employee benefits obligation	303	-	(303)	-
Total	3,130	(803)	(576)	1,751
Deferred tax liabilities				
Water rights	(832)	832	-	-
Asset under financial lease contract	(965)	440	-	(525)
Liabilities under financial lease contract	373	136	-	509
Total	(1,424)	1,408	-	(16)
Net	1,706	605	(576)	1,735



(Unit : Thousand Baht)

	Consolidated financial statements			
	As at January 1, 2018	Recognized in the profit (loss) for the year	Recognized in the other comprehensive income	As at December 31, 2018
Deferred tax assets				
Trade receivables	289	-	-	289
Property, plant and equipment	9,074	(1,027)	-	8,047
Receivables under financial lease contract	(6,538)	1,029	-	(5,509)
Employee benefits obligation	1,744	-	(1,441)	303
Total	4,569	2	(1,441)	3,130
Deferred tax liabilities				
Water rights	(832)	-	-	(832)
Receivables under financial lease contract	(947)	(18)	-	(965)
Liabilities under financial lease contract	465	(92)	-	373
Total	(1,314)	(110)	-	(1,424)
Net	3,255	(108)	(1,441)	1,706

## 22. Receivable under financial lease contract

Consist of:

	(Unit : Thousand Baht)	
	Consolidated financial statements	
	As at December 31,	
	2019	2018
Receivable under financial lease contract		
- Within 1 year	3,209	3,147
- More than 1 year	41,877	45,086
Total receivable under financial lease contract	45,086	48,233
<u>Less</u> Deferred interest income	(14,580)	(16,568)
The present value of receivable under financial lease contract	30,506	31,665
<u>Less</u> Current portion	(1,299)	(1,159)
Receivable under financial lease contract over 1 year	29,207	30,506
<u>Less</u> Allowance for doubtful debts	(4,121)	(4,121)
Net	25,086	26,385

As at December 31, 2019 and 2018, the debtor under financial leases are the debtor caused from “Construction design and tap water supply process system” contract dated June 29, 2012 with an unrelated party (the employer), in accordance with the terms of the contract, specify to the subsidiary must invest in the building and tap water supply plant included to proceed to the machine is in working condition under the requirements of the employer. After the subsidiary delivers the assets to the employer within 180 days from the date of the contract, the subsidiary will be granted the concession for the tap water supply for the employer in a period of 20 years commencing from the date of the contract and at the end of the contract the ownership of assets under this contract will be transfer to the employer immediately.

As at December 31, 2019 and 2018, assets used in the production of tap water and concession contract are the part of the assets under the joint venture agreement between the subsidiary company and the joint venture as mentioned in Note 37.9.

### 23. Defaulted debts

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Minimum lease payments under financial lease contracts	16,808	16,808	-	-
<u>Less</u> Deferred input tax	(906)	(906)	-	-
Liabilities under financial lease contracts	15,902	15,902	-	-
Bank overdraft	30,000	30,000	30,000	30,000
Short-term loans (promissory note)	20,141	20,141	20,141	20,141
Long-term loans	343,912	343,912	333,207	333,207
Accrued interest expense	198,124	198,124	183,250	183,250
Total	608,079	608,079	566,598	566,598

### The Company of defaulted debts

As at December 31, 2019 and 2018, the Company has overdraft of Baht 30.00 million for both year short-term loan of Baht 20.14 million and long-term loan of Baht 333.21 million for both years. The whole amount is a loan from a financial institution.

Long-term loan for construction and acquisition of equipment for the Fabrication shop in Songkhla. Borrowings are due for repayment in installments starting from November 30, 2008 until November 18, 2023 (Total 120 periods), bearing interest at the rate as referred to Standard Profit Rate Long-term (SPRL) plus 0% to 0.05% per annum.

Accrued interest expenses is calculated at the highest interest rate in the case of default of the bank lender (15-24% per annum).

Presently the Company stopped to pay the principal and accrued interest to creditors since January 2016 due to pending for orders to the Company to enter into the rehabilitation plan from the central bankruptcy court as described in the Notes no.2.

#### A subsidiary of defaulted debts

Liabilities financial lease contract

As at December 31, 2019 and 2018, has outstanding in amount of Baht 26.59 million, consisted of : the principal in amount Baht 15.90 million, (net VAT in amount Baht 0.91 million) and accrued interest expenses in amount Baht 10.69 million for both years. the whole amount of defaulted debts derived from default of hire-purchase installment in the sell of tap water production machine and leaseback by 2 hire-purchase agreements with a financial institution, which were cancelled and called for return the assets together with the loss of benefits on February 27, 2013. Thence, the subsidiary has classified the whole amount of outstanding liabilities as defaulted debts and recognized the defaulted interest, carried at the rate of 15.00% per annum.

The subsidiary company has stop to pay principal and accrued interest to the creditors since 2015 due to the cancellation of the tap water purchase contract by the contract parties. (See Note 37.10). As a result to the subsidiary company has serious liquidity problems.

On July 14, 2017, subsidiary, a former director of a subsidiary and one company (A counterparty to subsidiary) was sued by a financial institution to the Civil Court in Black Case No. ว11.4709/2560, in the case of breach of a hire purchase contract, a guarantee of recovery of property. It requires the subsidiary to deliver 2 machines in working condition to the creditors. If unable to deliver, the subsidiary and the defendant must jointly compensate Baht 51.77 million, including principal included VAT of Baht 16.81 million, accrued interest expenses of Baht 0.70 million (calculated for filing), late payment of Baht 9.99 million, and delinquent amount of Baht 24.27 million. On May 30, 2018, the court issued a judgment under the red case No. 2560/2561 for the subsidiary to repay the debt to the creditors totaling Baht 17.10 million, included hire purchase (in the case of can't to return the machinery) is Baht 5.40 million, lack of benefit cost Baht 7.80 million with interest at

7.50% per annum calculate from July 14, 2017 (filing date) until the debt is fully repaid and monthly payment for lack of benefit is

Baht 0.325 million per month not exceeding 12 months totaling Baht 3.90 million. However, the management has not yet recognized the gain on reversal of liabilities of Baht 9.49 million (the difference between the carrying amount of the debt and the debt of the court of first instance's judgment) which highly unstable. (See Note 38.2).

#### Long-term loan

As at December 31, 2019 and 2018, Long-term loan classified to defaulted debts are as follow: -

<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Accrued interest</u>		<u>Repayment of principal and interest</u>
				<u>expenses</u>		
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(Million Baht)</u>		
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
4.00	4.00	3.50	3.50	3.20	3.20	<ul style="list-style-type: none"><li>- Term of repayment for principal and interest every month period 1<sup>st</sup> – 9<sup>th</sup> will settle the interest only on a monthly basis, period 10<sup>th</sup> – 45<sup>th</sup> will settle by Baht 20,000.00 installment, , period 46<sup>th</sup> – 81th will settle by Baht 34,400.00 installment and period 82<sup>th</sup> onwards will settle Baht 43,000.00 installment, To complete within 130 months from the date of first drawdown (by 2023).</li><li>- Interest paid monthly from first withdrawal date.</li><li>- Interest rate is MLR per annum, the creditors start to calculated the default interest from August 30, 2016 (default interest rate of 18% per annum).</li></ul>
10.00	10.00	2.44	2.44	0.01	0.01	<ul style="list-style-type: none"><li>- Term of repayment for principal and interest every month period 1<sup>st</sup> – 9<sup>th</sup> will settle the interest only on a monthly basis, period 10<sup>th</sup> – 45<sup>th</sup> will settle by Baht 50,000.00 installment, period 46<sup>th</sup> – 81<sup>th</sup> will settle by Baht 85,700.00 installment and period 82<sup>th</sup> onwards will settle Baht 107,000.00 installment, To complete within 130 months from the date of first drawdown (by 2023).</li><li>- Interest paid monthly from first withdrawal date.</li><li>- Interest rate is MLR per annum, the creditors start to calculated the default interest from September 30, 2016 (default interest rate of 18% per annum).</li></ul>
6.00	6.00	4.74	4.74	0.96	0.96	<ul style="list-style-type: none"><li>- Term of repayment for principal and interest every month period 1<sup>st</sup> – 12<sup>th</sup> will settle the interest only on a monthly basis, and period 13<sup>th</sup> onwards will settle Baht 50,000.00 installment, complete within 132 months from the date of first drawdown (by 2023).</li><li>- Interest paid monthly from first withdrawal date.</li></ul>

<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Accrued interest expenses</u>		<u>Repayment of principal and interest</u>
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(Million Baht)</u>		
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<p>- Interest rate is MLR per annum, the creditors start to calculated the default interest from September 30, 2016 (default interest rate of 18% per annum).</p>						
-	-	0.03	0.03	-	-	- Bank charge fee.
20.00	20.00	10.71	10.71	4.17	4.17	

On May 22, 2017, the subsidiary and one of former director was sued by a financial institution to the civil court in black case no. พป.2848/2560 on offense about breach of loan agreement, guarantee and mortgage agreement by request to the subsidiary company and former directors to pay principal and accrued interest of Baht 12.97 million (debt load as at May 22, 2017), consisting the principal of Baht 10.68 million and accrued interest expense of Baht 2.29 million (See Note 38.2). and on December 7, 2017, the creditor filed a claim with Thai Credit Guarantee Corporation (TCG) for Baht 8.75 million. The management of the subsidiary has classified defaulted debts as consistd the principal amounting Baht 6.31 million and accrued interest expenses amounting Baht 2.44 million totaling amount Baht 8.75 million (credit line Baht 10.00 million) as long-term loan from financial institutions (See Note 27).

On July 16, 2018, the subsidiary and creditors entered into a compromise agreement. The subsidiary agrees to pay the debt by plaint of the creditors in the amount of Baht 14.46 million and interest 18.00% per annum of the principal amount of Baht 10.68 million until the repayment is completed. Payment by monthly installments not less than Baht 0.17 million. The first payment will be commenced on August 2018 and must be repaid within one year from the date of the agreement (See Note 38.2).

The defaulted debt for the entire amount of the guarantee by land together construction, ownership of the Company and subsidiary and well water supply plant are owned by the subsidiary as described in Note no.16 and 17.

24. Trade and other payables

Consist of:

(Unit : Thousand Baht)

<u>Consolidated</u>	<u>Separate</u>
<u>financial statements</u>	<u>financial statements</u>
<u>As at December 31,</u>	<u>As at December 31,</u>

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables				
- Related parties	-	-	509	509
- Third – parties	195,783	214,288	189,750	205,317
Post-date cheque	235	989	5	989
Total trade payables	<u>196,018</u>	<u>215,277</u>	<u>190,264</u>	<u>206,815</u>
Other payables				
Other payables				
- Related parties	848	848	-	-
- Third – parties	49,041	18,325	36,566	7,531
Assets payable	3,998	3,113	-	-
Accrued expenses				
- Third – parties	23,348	9,776	12,423	3,908
Accrued interests expenses				
- Related parties	897	889	897	889
- Third – parties	13,765	15,635	10,554	12,269
Advance received				
- Related parties	-	100	-	-
The guarantee of entering into a joint venture agreement	-	10,000	-	-
Total other payables	<u>91,897</u>	<u>58,686</u>	<u>60,440</u>	<u>24,597</u>
Total trade and other payables	<u>287,915</u>	<u>273,963</u>	<u>250,704</u>	<u>231,412</u>

The Group had trade and other payable and accrued interest expenses of Baht 37.27 million and Baht 41.47 million respectively (Separate : 35.73 million and Baht 40.48 million respectively), the liabilities was lawsuit by the creditors as discussed in Note no.38.

As at December 31 2018, The guarantee of entering into a joint venture agreement of Baht 10.00 million is the guarantee between PPS Energy and Marine Co., Ltd (a subsidiary) and the counterparties as described in note to financial statement No.37.9.

## 25. Retention payables

As at December 31 2019 and 2018, the Company had retention payables of Baht 1.40 million for both year, the liabilities was lawsuit by the creditors as discussed in Note no.38.1.

## 26. Short-term loan from third - parties

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-Term loan from other entities	62,994	62,994	27,589	27,589
Short-Term loan from other persons	440	10,440	-	-
<b>Total</b>	<b>63,434</b>	<b>73,434</b>	<b>27,589</b>	<b>27,589</b>

According to the consolidated and separate financial statements as at December 31, 2019 and 2018, short-term loan from other entity is in amount of Baht 27.59 million for both year, was loan for working capital of the Company with the loan contract, and carried the interest rate of 9.25% per annum and without collateral. The loan is a loan that has been pledged by the creditors as discussed in Note no. 38.1.

According to the consolidated financial statements as December 31, 2019 and 2018, short-term loan from other entity in amount of Baht 35.40 million for both year, was liabilities of a subsidiary with WNSR Pacific Company Limited without contract and interest.

According to the consolidated financial statements as at December 31, 2019 and 2018, the whole amount of short-term loan from other persons was loan for working capital of a subsidiary with the loan contract and promissory note, carried the interest rate of 8.00-10.00% per annum for both year. A part loan in amount of Baht 10.00 million. (credit line in amount Baht 10.00 million) is secured by the land (well) which belongs to a subsidiary, the carrying amount of Baht 30.63 million. During the period, the subsidiary company paid the principal and accrued interest payable in full amount, including to redeem the pledged land from the lender.

27. Long-term loan from financial institutions

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated</u>	
	<u>financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Long-term loan from financial institutions	13,098	20,490
Long-term loan from TCG	8,347	8,750
Total long-term loan	21,445	29,240
<u>Less</u> Current portion	(7,392)	(6,012)
Net	14,053	23,228

The movement in the long-term loans from financial institutions for the year ended December 31, 2019 and 2018, are as follow:-

	<u>Consolidated</u>	
	<u>financial statements</u>	
	<u>2019</u>	<u>2018</u>
As at January 1,	29,240	30,956
<u>Less</u> Repayment	(7,795)	(1,716)
As at December 31,	21,445	29,240

As at December 31, 2019 and 2018, long-term loans from financial institutions are as follow:-

<u>Credit Line</u>	<u>Outstanding</u>	<u>Interest rate</u>	<u>Repayment of principal and interest rate</u>
	<u>balance</u>		
<u>(Million Baht)</u>	<u>(Million Baht)</u>	<u>(% p.a.)</u>	
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
40.00	40.00	13.10	20.49
		MLR+0.50	MLR+0.50
- Term of repayment for principal and interest every month period 1 <sup>st</sup> – 6 <sup>th</sup> will settle the interest only on a monthly basis, period 7 <sup>th</sup> – 36 <sup>th</sup> will settle by Baht 410,000.00 installment, and period 37 <sup>th</sup> onwards will settle Baht 590,000.00 installment, for the period of 7 years. To complete within 84 months from the date of first drawdown (by 2020) (Currently, repayment instalments			



<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Interest rate</u>		<u>Repayment of principal and interest rate</u>
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(% p.a.)</u>		
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
						in amount of Baht 616,000.00).
						- Interest paid monthly from first withdrawal date.
10.00	10.00	8.35	8.75	7.50	7.50	- Repayment all principle and interest under the agreement within January 7, 2018.
50.00	50.00	21.45	29.24			

On July 30, 2019, the subsidiary company has signed in the 2<sup>nd</sup> debt acceptance letter in order to pay to the Thai Credit Guarantee Corporation (TCG) as follows:

- 1) Payment of principal amounting to 373,000 Baht, with payment of 73,000 Baht will be completed within May 2019 and the remaining amount 300,000 Baht is divided into monthly payments at the rate of 50,000 Baht per month for a period of 6 months to complete within November 2019.
- 2) Pay the remaining principal by installments on a monthly basis. The first installment in December 2019 will be completed within 10 years (December 2029) with the following payment details.
  - 1<sup>st</sup> year to 2<sup>nd</sup> year from December 2019 to November 2021, payment by monthly installments not less than 30,000 Baht.
  - 3<sup>rd</sup> year to 4<sup>th</sup> from December 2021 to November 2023, payment by monthly installments not less than 50,000 Baht.
  - 5<sup>th</sup> year from December 2023 to November 2024, payment by monthly installments not less than 70,000 Baht.
  - 6<sup>th</sup> year to 7<sup>th</sup> from December 2024 to November 2026, payment by monthly installments not less than 100,000 Baht.
  - 8<sup>th</sup> year to 10<sup>th</sup> from December 2026 to November 2029, payment by monthly installments not less than 130,000 Baht.
  - On November 2029 payment all outstanding amount.
- 3) After the day that TCG has approved to compound a debt, TCG will charge interest at the rate of 7.50% per annum from the outstanding principal and will suspend calculated interest and will start to pay when the subsidiary company has made full payment of principal, the interest must be paid in full amount within December 2029.
- 4) If the subsidiary company is able to comply with the above all 3 conditions, the creditors will waive the remaining interest before the approval date (7.5 percent per annum of principal Baht 8.75 million from 31 October, 2018 to July 29, 2019).

For the year period ended December 31, 2019, the subsidiary company has already paid the principal amount to TCG in amounting to Baht 0.40 million.

The credit line of long-term loan of the subsidiaries have pledged land together construction and the water supply plants as mentioned in the notes to financial statements Note no.22 and the former subsidiary's directors offered their guarantee.

## 28. Liabilities under financial lease contracts

Consist of :

	1		(Unit : Thousand Baht)	
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Liabilities under financial lease contracts				
- Within 1 year	727	1,246	-	198
- Over 1 year but not over 5 years	1,930	869	-	-
Total liabilities financial lease contracts	2,657	2,115	-	198
<u>Less</u> Future interest expenses	(113)	(66)	-	(7)
Total present value of liabilities under financial lease contracts	2,544	2,049	-	191
<u>Less</u> Current portion	(675)	(1,210)	-	(191)
Net	1,869	839	-	-

As at December 31, 2019 and 2018, the Group has entered into 7 for the both year (As at December 31, 2018 Separate : 1 contracts), with one of the financial institutions (As at December 31, 2018 Separate : 1 financial institution), the monthly repayable is Baht 0.10 million for the both year (As at December 31, 2018 Separate : the monthly repayable is Baht 0.02 million.) and the contract duration contract of 4 years (As at December 31, 2018 Separate : 4 years), which were guaranteed by the Subsidiary's directors. Financial leases contract the vehicle's ownership still be the lessor until the Group decides to purchase it.

The Group are obliged to pay a minimum rent under finance leases are as follows:-

(Unit : Thousand Baht)

Consolidated financial statement

As at December 31, 2019

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	727	1,930	2,657
Deferred interest expense	(52)	(61)	(113)
Present value of future minimum lease payments	675	1,869	2,544

(Unit : Thousand Baht)

Consolidated financial statement

As at December 31, 2018

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	1,246	869	2,115
Deferred interest expense	(36)	(30)	(66)
Present value of future minimum lease payments	1,210	839	2,049

(Unit : Thousand Baht)

Separate financial statement

As at December 31, 2019

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	-	-	-
Deferred interest expense	-	-	-
Present value of future minimum lease payments	-	-	-

(Unit : Thousand Baht)

Separate financial statement

As at December 31, 2018

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	198	-	198
Deferred interest expense	(7)	-	(7)
Present value of future minimum lease payments	191	-	191

## 29. Employee benefits obligation

For the year ended December 31, 2019 and 2018, employee benefits obligation has the movement as follows:

	1		(Unit : Thousand Baht)	
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Employee benefit obligation as at January 1,	30,679	25,656	19,719	16,880
Current service cost and interest expenses	6,391	6,603	4,552	4,254
Past service cost from plan change	3,541	1,828	3,541	-
Actuarial gain (losses) arising from defined benefit plan	-	(1,828)	-	-
Gain (losses) on the settlement of a defined benefit plan	(1,667)	(1,580)	(1,489)	(1,415)
Employee benefit obligations as at December 31,	<u>38,944</u>	<u>30,679</u>	<u>26,323</u>	<u>19,719</u>

(Revenue) expenses are recognized in the statement of comprehensive income for the year ended December 31, 2019 and 2018, as follows :-

	1		(Unit:Thousand Baht)	
	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current service cost and past service cost	5,575	7,722	3,936	3,768
Interest expense	816	709	616	476
Gain (losses) on the settlement of a defined benefit plan	(1,667)	(1,580)	(1,489)	(1,415)
Total	<u>4,724</u>	<u>6,851</u>	<u>3,063</u>	<u>2,829</u>

### Other comprehensive income

	1		(Unit:Thousand Baht)	
	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Actuarial gain (losses) arising from defined benefit plan	-	(1,828)	-	-

Principal actuarial assumptions as at December 31, 2019 and 2018:-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate	2.66%-2.92%	2.66%-3.40%	2.92%	3.40%
Average salary increase rate	2.00%-7.00%	2.70%-10.00%	2.00%-7.00%	2.70%-10.00%
Employee turnover rate	5.00%-25.00%	5.00%-40.00%	0.00%-25.00%	7.00%-40.00%
Retirement age	60 years	60 years	60 years	60 years

### 30. Basic loss per share

For the year ended December 31, 2019 and 2018, the basic loss per share were calculated from the loss for the year attributable to ordinary shareholders of the Company (excludes other comprehensive income) and the weighted average number of ordinary share outstanding during the year as follows :-

	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Loss attributable to ordinary shareholders of the Company (Thousand Baht)	(53,328)	(179,730)
Weighted average number of ordinary shares for the year (Thousand share)	2,770,890	2,770,890
Basic loss per share (Baht)	(0.019)	(0.065)
	<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Loss attributable to ordinary shareholders of the Company (Thousand Baht)	(47,277)	(157,201)
Weighted average number of ordinary shares for the year (Thousand share)	2,771,890	2,770,890
Basic loss per share (Baht)	(0.017)	(0.057)

### 31. Income tax (expense) revenue

Income tax which is recognized in profit or loss consist of:

(Unit:Thousand Baht)

#### Consolidated financial statements

For the year ended December 31,

	<u>2019</u>	<u>2018</u>
Current income tax		
Current income tax (expense) revenue	-	-
Deferred income tax		
Deferred income tax expense (See Note 21).	605	(108)
Income tax expense recognized in profit or loss for the year	<u>605</u>	<u>(108)</u>

The Group is not liable to corporate income tax for the year ended December 31, 2019 and 2018, because due to tax loss in the current year.

As at December 31, 2019 and 2018 the Group had the deductible temporary differences and unused tax losses for which no deferred tax assets are recognized in the statement of financial position due to the Group managements considered that it is not probable the Group future taxable profit will be available against which the deferred tax assets can be utilized. Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Deferred tax assets</u>				
Allowance for account doubtful and allowance for impairment				
- Allowance for doubtful debt	8,509	8,509	8,509	8,509
- Allowance for impairment of property, plant and equipment	23,348	21,135	17,305	16,015
- Allowance for impairment of investments in subsidiaries	34,873	34,873	34,873	34,873
- Allowance for retention receivables	10,415	7,502	10,415	7,502
Liability under financial leases contracts receivable	-	38	-	38
Employee benefits obligation	5,276	3,955	5,265	3,944
Estimated loss from litigation	21,261	8,202	21,261	8,202

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Total	103,682	84,214	97,628	79,083
<u>Deferred tax liabilities</u>				
Assets under financial lease contract	-	72	-	72
<u>Unused tax losses</u>				
Tax losses carry forward	148,071	173,261	119,352	144,266

As at December 31, 2019 and 2018, the whole amount of deferred tax assets for tax losses, which was classified by expiring year of tax benefits as follows :-

	(Unit:Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Expiring year of tax benefits				
2018	53,674	47,873	48,172	41,932
2019	25,056	53,674	20,893	48,172
2020	19,266	33,333	13,127	29,169
2021	16,311	19,266	9,259	13,127
2022	33,764	19,115	27,901	11,866
Total	148,071	173,261	119,352	144,266

Deferred tax assets for deductible temporary differences do not expire under current tax legislation.

### 32. Expenses by nature

Consist of :

	(Unit:Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Changes in inventories and work in progress	4,052	(2,359)	4,056	(2,955)
Raw materials and consumables used	114,384	98,879	46,481	22,843
Loss from decline in value of inventories (reversal)	(634)	2,825	659	2,955
Loss on construction contract	-	278	-	278

(Unit:Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Loss on impairment of assets (reversal)	8,549	1,376	6,449	-
Loss on impairment of deferred tax assets	576	1,441	-	-
Employee expense	263,283	252,947	162,570	164,584
Management's remuneration	14,499	15,361	7,520	7,987
Depreciation and amortization	18,725	23,352	13,802	16,357
Doubtful accounts	1,371	1,217	293	642
Withholding tax is amortized	1,713	1,242	-	-
Consultant fee	15,170	3,385	14,970	3,385
Other Expenses	19,764	19,421	5,799	16,253
Total	461,452	419,365	262,599	232,329

### 33. Operating segment

Information on business sector operations is as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>					
	<u>For the year ended December 31, 2019</u>					
	<u>Civil</u>	<u>Oil and gas</u>	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Eliminated</u>
	<u>construction</u>	<u>service</u>	<u>production</u>	<u>segment</u>	<u>segment</u>	<u>items</u>
Revenue from sales and services						
Outside customers	-	366,000	10,259	29,068	405,327	(3,228)
Iner-segment	-	37	-	248	285	(285)
Total	-	366,037	10,259	29,316	405,612	(3,513)
Cost of sales and services	-	(312,987)	(15,990)	(28,581)	(357,558)	6,129
Gross profit (loss)	-	53,050	(5,731)	735	48,054	2,616
Other incomes					7,305	(2,579)
Selling expenses					(951)	-
Administrative expenses					(99,062)	(1,461)
Loss on impairment	-	(6,449)	(2,248)	148	(8,549)	-
Finance costs					(4,524)	1,561
Loss before income tax expenses						(57,590)
Income tax expenses						605
Non-controlling interests						3,657



(Unit : Thousand Baht)

Consolidated financial statementsFor the year ended December 31, 2019

	<u>Civil</u>	<u>Oil and gas</u>	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
	<u>construction</u>	<u>service</u>	<u>production</u>	<u>segment</u>	<u>segment</u>	<u>items</u>	
Loss attributable to the Parent Company							53,328
<b>Segment assets :</b>							
Fixed asset	42,912	91,392	32,328	4,832	171,464	-	171,464
Receivables under financial lease contract	-	-	26,385	-	26,385	-	26,385
Unallocated assets							361,539
<b>Total assets</b>							559,388

For the year ended December 31, 2019, the Group have revenues from operation from major customer, as 72.88 % of the revenues from operation.

(Unit : Thousand Baht)

Consolidated financial statementsFor the year ended December 31, 2018

<u>Civil</u>	<u>Oil and gas</u>	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
<u>construction</u>	<u>service</u>	<u>production</u>	<u>segment</u>	<u>segment</u>	<u>items</u>	

(Unit : Thousand Baht)

Consolidated financial statementsFor the year ended December 31, 2018

	<u>Civil</u>	<u>Oil and gas</u>	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
	<u>construction</u>	<u>service</u>	<u>production</u>	<u>segment</u>	<u>segment</u>	<u>items</u>	
Revenue from sales and services							
Outside customers	-	338,488	8,336	666	347,490	-	347,490
Iner-segment	-	100	-	84	184	(184)	-
Total	-	338,588	8,336	750	347,674	(184)	347,490
Cost of sales and services	-	(317,728)	(11,755)	(772)	(330,255)	1,734	(328,521)
Gross profit (loss)	-	20,860	(3,419)	(22)	17,419	1,550	18,969
Other incomes	-	-	-	-	9,472	(5,158)	4,314
Selling expenses							(1,636)
Administrative expenses	-	-	-	-	(93,731)	5,898	(87,833)
Loss on impairment	-	-	(1,376)	-	(1,376)	-	(1,376)
Finance costs	-	-	-	-	(125,026)	1,654	(123,372)
Loss before income tax revenue							(190,934)
Income tax revenue							(108)
Non-controlling interests							11,312
Loss attributable to the Parent Company							(179,730)
<b>Segment assets :</b>							
Fixed asset	45,354	100,509	60,826	-	206,689	-	206,689
Receivables under							
financial lease contract	-	-	27,544	-	27,544	-	27,544
Water rights	-	-	4,159	-	4,159	-	4,159
Unallocated assets						-	372,503
<b>Total assets</b>							610,895

For the year ended December 31, 2018, the Group have revenues from operation from major customer, as 58.59 % of the revenues from operation.

### 34. Additional cash flow information

#### 34.1 Cash and cash equivalents items as following details :-

Consist of :

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	469	342	181	156
Cheque on hand	786	2,169	-	-
Deposits at banks	27,383	44,765	14,954	40,506
Total	28,638	47,276	15,135	40,662

As at December 31, 2019 and 2018 deposits saving accounts and fixed account of the Group bearing interest at the rates of 0.20% to 0.60% per annum (2018: 0.37% to 0.90% per annum) Separate : 0.20% to 0.40% per annum, (2018 : 0.37% to 0.40% per annum).

#### 34.2 Non – Cash transaction

Consisted of :-

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>For the year end December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Acquisition fixed asset under financial lease contract	1,839	1,214	-	-
Transfer deferred value added tax to offsetting liabilities under financial lease contract	-	1,828	-	-

### 35. Financial instruments

#### Policy of financial risk management

The Group has no policy to hold or issue financial instruments for speculation or trading.

**Interest rate risk**

Interest rate risk arises from the fluctuation of market interest rates in the future which will affect the financial performance and cash flows of the Group, which the Group has financial assets and financial liabilities which it exposes to the risk from interest rate as follows:

(Unit: Thousand Baht)

	Consolidated financial statements						
	As at December 31, 2019						
	Fixed interest rates						Interest rate
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Real (Percentage per year)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	27,339	1,299	28,638	0.20%
Trade receivables	-	-	-	-	89,315	89,315	
Unbilled receivables	-	-	-	-	70,285	70,285	
Retentions receivable under contracts	-	-	-	-	2,672	2,672	
Receivable under financial lease contracts	1,299	9,004	16,082	-	-	26,385	5.32%
Restricted bank deposits	-	-	-	4,089	-	4,089	0.65-1.25%
Total	1,299	9,004	16,082	31,428	163,571	221,384	
<b>Financial liabilities</b>							
Defaulted debts	-	-	-	409,955	198,124	608,079	7.50-24.00
Trade and other payables	-	-	-	-	287,915	287,915	-
Retention payable	-	-	-	-	27,045	27,045	-
Short-term loans from third parties	28,029	-	-	-	35,405	63,434	9.25-10.00
Short-term loans from related parties	11,475	-	-	-	-	11,475	4.30-8.00
Long-term loans from financial institutions	7,392	14,503	-	-	-	21,895	MLR+0.50,7.50
Liabilities under financial lease contracts	675	1,869	-	-	-	2,544	2.80-7.50
Total	47,571	16,372	-	409,955	548,489	1,022,387	

(Unit: Thousand Baht)

	Consolidated financial statements						
	As at December 31, 2018						
	Fixed interest rates						Interest rate
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Real (Percentage per year)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	44,719	2,557	47,276	0.37-0.80
Trade receivables	-	-	-	-	67,393	67,393	-
Unbilled receivables	-	-	-	-	46,782	46,782	-
Retentions receivable under contracts	-	-	-	-	3,193	3,193	-
Receivable under financial lease contracts	1,159	8,128	22,378	-	-	31,665	5.32%
Restricted bank deposits	-	-	-	8,599	-	8,599	0.65-1.25
Total	1,159	8,128	22,378	53,318	119,925	204,908	
<b>Financial liabilities</b>							
Defaulted debts	-	-	-	409,955	198,125	608,080	7.50-24.00
Trade and other payables	-	-	-	-	273,963	273,963	-
Retention payable	-	-	-	-	27,262	27,262	-
Short-term loans from third parties	38,029	-	-	-	35,405	73,434	8.00-10.00
Short-term loans from related parties	11,475	-	-	-	-	11,475	4.30-8.00
Long-term loans from financial institutions	-	-	-	29,240	-	29,240	MLR+0.50,7.50
Liabilities under financial lease contracts	1,210	838	-	-	-	2,048	2.80-8.36
Total	50,714	838	-	439,195	534,755	1,025,502	

(Unit: Thousand Baht)

Separate financial statements							
As at December 31, 2019							
Fixed interest rates						Interest rate	
Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Real (Percentage per year)	
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	14,921	214	15,135	0.20-0.37%
Trade receivables	-	-	-	-	42,383	42,383	-
Unbilled receivables	-	-	-	-	41,712	41,712	-
Retentions receivable under contract	-	-	-	-	2,604	2,604	-
Restricted bank deposits	-	-	-	1,296	-	1,296	0.80-1.05%
Total	-	-	-	16,217	86,913	103,130	

(Unit: Thousand Baht)

## Consolidated financial statements

As at December 31, 2018

## Fixed interest rates

Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate Real (Percentage per year)
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**Financial liabilities**

Defaulted debts	-	-	-	383,348	189,250	572,598	15-24%
Trade and other payables	-	-	-	-	250,704	250,704	
Retention payable	-	-	-	-	27,045	27,045	
Short-term loans from third parties	27,589	-	-	-	-	27,589	8%
Short-term loans from related parties	2,625	-	-	-	-	2,625	9.25%
Liabilities under financial lease contracts	-	-	-	-	-	-	-
Total	30,214	-	-	383,348	466,999	880,561	

(Unit: Thousand Baht)

## Separate financial statements

As at December 31, 2018

## Fixed interest rates

Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate Real (Percentage per year)
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**Financial assets**

Cash and cash equivalents	-	-	-	40,490	172	40,662	0.37-0.40
Trade receivables	-	-	-	-	26,287	26,287	-
Unbilled receivables	-	-	-	-	33,123	33,123	-
Retentions receivable under contracts	-	-	-	-	1,357	1,357	-
Restricted bank deposits	-	-	-	5,836	-	5,836	1.050
Total	-	-	-	46,326	60,939	107,265	

**Financial liabilities**

Defaulted debts	-	-	-	383,348	183,250	566,598	15-24
Trade and other payables	-	-	-	-	231,412	231,412	-
Retention payable under contract	-	-	-	-	27,262	27,262	-
Short-term loans from third parties	27,589	-	-	-	-	27,589	8
Short-term loans from related parties	2,625	-	-	-	-	2,625	9.25
Liabilities under financial lease contracts	191	-	-	-	-	191	8.36
Total	30,405	-	-	383,348	441,924	855,677	

### Foreign currency risk

The Group exposes to foreign currency risk relates to its assets and liabilities in foreign currencies which are not hedged by derivative financial instruments, however the management of the Group believed that does not effect significantly to the financial statement.

As at December 31, 2019 and 2018, the Group had assets and liabilities in foreign currencies that were not hedged by derivative financial instruments were as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(unit : '000)		(unit : '000)	
Unhedged liabilities				
USD	14	14	14	14

### Credit risk.

The Group has the credit risk related to trade receivable. However, the Group has a conservative credit policy thus the Group expects no significant damage from collecting debt of such accounts receivable. The Group also estimates the allowance for doubtful debt based on the management assessment regarding the account receivables' debt service ability in the past which the management believes it is sufficient.

### Fair value

Due to the financial assets and liabilities are mainly short-term type and some loans has interest rates similarly to market rates, the Group believes that the carrying amount of such financial assets and financial liabilities reflect values which do not materially differ from their fair values.

### 36. Fair value measurement

Information on assets and liabilities of the Group measured the fair value in the statement of financial position as at December 31, 2019 and 2018, are as follows:

	<u>Fair Value</u>		<u>Fair value</u>	<u>The inputs used in the fair value</u>
<u>Asset/Liability</u>	<u>2019</u>	<u>2018</u>	<u>hierarchy</u>	<u>measurement</u>
Investment property	75.07	75.07	Level 3	Compare the market price with similar assets and adjust with the techniques of the analysts.

(Unit: Million Baht)

### 37. Commitments and contingent liabilities

Apart from liabilities reflected in the consolidated and separate statements, The Group still have other obligations and contingent liabilities as follows :-

37.1 As at December 31, 2019 and 2018, the Group have obligations to banks as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Letters of guarantee	179.54	309.35	179.54	301.67

37.2 As at December 31, 2019 and 2018 the subsidiary's overdraft facilities which have not yet been drawn down amount Baht 7.00 million for both year.

37.3 As at December 31, 2019 and 2018, the Group have obligations on unrendered service agreement as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Commitments regarding to the agreement for contruction in progress	33.36	52.50	10.73	6.70

37.4 As at December 31, 2019 and 2018, the Group have lease which are classified by due of payment as follows :-

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Within 1 year	2,977	5,048	1,028	4,098
Over 1 year but not over 5 years	261	734	-	-
Total	3,238	5,782	1,028	4,098



37.5 On December 31, 2019 and 2018, the subsidiary has outstanding obligation according to the engineering consulting agreements as the following:

(Unit : Million Baht)

<u>Period of Contract</u>			<u>Contract</u>	<u>Consolidated financial statements</u>	
			<u>Value</u>	<u>As at December 31,</u>	
	<u>Start Date</u>	<u>End Date</u>		<u>2019</u>	<u>2018</u>
1st Contract	September 1, 2018	October 31, 2021	0.19	0.11	0.17
2nd Contract	November 1, 2018	October 31, 2021	0.36	0.22	0.34
3 <sup>rd</sup> Contract	December 1, 2017	April 22, 2019	6.20	-	3.50
Total				0.33	4.01

37.6 As at December 31, 2018, the Company entered into a car rental with equipment contract with other company. The contract are 3 years, starting from January 12, 2017, ending on January 11, 2020. The rental fee is Baht 0.075 million per month.

37.7 On December 31, 2019 and 2018, the subsidiary entered into office equipment lease agreements with one company as follows:

(Unit: Thousand Baht)

<u>Period of Contract</u>		<u>Amount</u>	<u>Monthly rental rate</u>	
<u>Start Date</u>	<u>End Date</u>			
1st Contract	September 7, 2018	September 6, 2021	3	14.30
2nd Contract	September 7, 2016	September 6, 2019	1	3.60
3 <sup>rd</sup> Contract	March 6, 2019	March 6, 2022	1	7.00

37.8 As at December 31, 2018, a subsidiary entered into a security fee agreement with a company, contract value is Baht 6.20 million (consisting of the main contract dated April 1, 2018 and the additional contract addendum to the date April 1, 2020), the security fee is Baht 0.035 million per month.

37.9 As at December 31, 2019 and 2018, a subsidiary entered into a memorandum of agreement to enter into a joint venture in the water production expansion project (BOT Projects) and raw water sales project (BBO Project) for those make concessions with a company (First joint venture partner). Contain with the main contract, dated November 15, 2017, first Amendment, dated May 14, 2018 and the second amendment dated November 14, 2018, will be effective until November 14, 2019. Later on March 1, 2019, the first joint venture partner has made a letter of transfer of ownership in accordance with the all memorandum of agreement including revised to one company (New joint venture partner) and new joint venture partners must comply with the terms of the contract as the following:-

- 1) The new joint venture must lease the building and machinery used for tap water supply with transfer of rights and obligations under the concession agreement is described in Note to financial statement No. 22, with leasehold by contract to the subsidiary throughout the life of the project at Baht 25.00 million.
- 2) The new joint venture will have to purchase land which is a pond of a subsidiary company at Baht 32.00 million (carrying amount of Baht 30.62 million) for use as an asset for the operation under the raw water piping project with installation of machines for raw water supply to raw water pipes, if the negotiation of the raw water purchase agreement with the Concessionaire is successful. And have amended the agreement in accordance with the attached record dated November 14, 2018, the joint venture partner purchased the land which is an additional pond of the subsidiary at the price of Baht 14.00 million (carrying amount of Baht 13.69 million). As at December 31, 2019 the first land rights to new investors on 31 December 2019, the subsidiary has transferred ownership of all land to a new venture capital at a price of Baht 53.00 million.
- 3) The subsidiary must be invest in such project at the rate of 10% (Project value after amendment of memorandum agreement in item 2) is approximately amount of Baht 143.00 million). As at the date of the agreement, the joint venture has agreed to pay the guarantee fee to the subsidiary amounting to Baht 10.00 million and the subsidiary agrees to repay the debt to the creditors under the compromise agreement in Black Case No. ๙ ๓ 3520/2558 dated on May 16, 2016. The subsidiary company therefore recognized the mentioned amount under the account of "Joint Venture Agreement Guarantee" (see Note No.24). As at December 31, 2019 the subsidiary company already paid the all amount to the first joint venture and placing investments deposit in the project in the amount of Baht 5.30 million.

37.10 As at December 31, 2019 and 2018, the subsidiary company had obligation under Production and well water Supply Services contract with other company (Employer) Agreement dated June 4, 2009 by the subsidiary company and the employer agree to jointly provide tap water supply services for sale to the Provincial Waterworks Authority (PWA). through the second company under "The Chonburi Water Supply contract" for a total of 20 years. The contract stipulates minimum quantity of tap water production for the first year of not less than 24,000 cubic meter per day and in the next year, the water supply must be not less than 90 % of the tap water production in the first year. The selling price is based on the service fee specified in the contract. Currently, the subsidiary company has ceased its service in accordance with the contract since 2014 as the second company was canceled by "The Chonburi Water Supply contract".

### 38. Lawsuit

As at December 31, 2019 and 2018 the Group are involved in a number of litigations which the results have not yet been finalised as follows:

#### 38.1 Litigations of the Company

##### 1) Labour and infringe cases

<u>Case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</u>
(Black)4910/2552 (Red)213/2555	Civil	1	Compensation termination	1.68	On May 22, 2018 the Supreme Court affirmed the judgement of The Court of first Instance that the Company would pay claim damages of Baht 0.19 million. The case has been suspended due to being under the rehabilitation process.
(Black)264/2557	Civil	1	Goods	1.92	On August 28, 2015, the Supreme Court affirmed the decision of the Court of First Instance to let the Company to pay damages in the amount of Baht 1.82 million included interest at the rate of 7.5 percent of the principal from May 20, 2013, The case has been suspended due to being under the rehabilitation process. (Recognized debt Bath 1.82 million).
(Black)350/2557 (Red)พ.1414/2557	Civil	1	Goods	0.29	On May 6, 2015, the Court of Appeal affirmed the judgment of the Court of first Instance that the Company would pay claim damages of Bath 0.29 million included interest the rate of 7.5 percent at on August 3, 2016 the Supreme Court suspend to trial and temporary dispose of the case due to during enter into the rehabilitation plan . (Recognized debt Bath 0.26 million).
(Black)พ.2293/2557 (Red)พ.601/2558	Civil	1	Rental fee	0.91	On February 11, 2015, the Court of first instance judgment to the Company to pay damages claim of Bath 0.22 million on August 16, 2016 the Court of Appeal suspend to trial and temporary dispose of the case due to during enter into the rehabilitation plan . (Recognized debt Bath 0.25 million).
(Black)พ.1243/2557	Civil	1	Rental fee	10.43	On March 18, 2015, the Court of first instance judgment

<u>Case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</u>
(Red)W.427/2558					to the Company to pay damages claim of Baht 10.42 million with interest rate of 7.5 percent of principal amount of Baht 9.47 million since the date of litigation (July 23, 2014) and on January 15, 2019 the Court of Appeals ordered not to suspend the case. On January 31, 2019, the Company has filed a petition to suspend the trial to during enter into the rehabilitation plan. (Recognized debt Baht 8.08 million).
(Black)1404/2557	Civil	1	Breach the contract	9.52	On March 11, 2015, the Company entered into a compromise agreement with the creditor to repay the debt amounting to Baht 7.69 million, separated into 36 installments of Baht 0.15 million per installment. On February 12, 2019 the Company has filed a petition to refrain from installment payments to during enter into the rehabilitation plan. (As at December 31, 2019, the remaining balance is Baht 4.94 million).
Disputes black case No.W.57/2558, Arbitration was black case 1709/2557	Civil	1	Breach the contract	186.89	Arbitration appointment to submit documents and record deponent on February 15, 2019 and appointment of witnesses for 14 times during Mar 5, 2019 to July 7, 2019, At present, the creditors have withdrawn their petition to arbitration on May 28, 2019 and withdrawn the request to receive payment from the official receiver on 31 July 2019. (Recognized debt Baht 35.20 million).
(Black)W.729/2558	Civil	1	Goods	0.85	On September 23, 2015, the Company entered into a compromise agreement with the creditor to repay the debt amounting to Baht 0.61 million, separated into 18 installments of Baht 0.03 million per installment. On February 12, 2019 the Company has filed a petition to refrain from installment payments to during enter into the rehabilitation plan. (As at December 31, 2019, the remaining balance is Baht 0.24 million).
(Black)W.849/2558	Civil	1	Breach loan	31.86	On September 21, 2015, the court suspend to trial and

<u>Case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</u>
			agreement and promissory notes		temporary dispose of the case due to during enter into the rehabilitation plan. (Recognized debt Baht 40.01 million).
(Black)พ.848/2558	Civil	1	Breach the contract	73.43	On September 21, 2015, the court suspend to trial and temporary dispose of the case due to during enter into the rehabilitation plan.
(Black)พ.111/2558	Civil	1	Breach the contract	0.74	On October 5, 2015, the Company entered into a compromise agreement with the creditor to repay the debt amounting to Baht 0.55 million, separated into 18 installments of Baht 0.03 million per installment. Currently, stop on process to payment to during enter into the rehabilitation plan. (As at December 31, 2019, the remaining balance is Baht 0.30 million).
(Black)691/2558	Civil	1	Rental fee	0.26	On January 18, 2016, the court suspend to trial and temporary dispose of the case due to during enter into the rehabilitation plan. (Recognized debt Baht 0.23 million).
(Black)2002/2559	Civil	1	Breach the contract	4.87	On September 17, 2018, the court made an appointment to make an appointment for examination of witnesses on March 14-15, 2019, On March 14, 2019, the Company has filed a petition to suspend the trial to during enter into the rehabilitation plan. (Recognized debt Baht 4.24 million).
(Black)พ. 38-43, 65-77/2559	Civil	1	Compensation termination	0.31	On April 28, 2016, the court suspend to trial and temporary dispose of the case due to during enter into the rehabilitation plan.
(Black)1140/2559	Civil	1	Compensation termination	1.32	On August 16, 2018, the court sentenced to the Company to pay damages to the plaintiff in the amount of Baht 0.019 million with interest at the rate of 15% from the filing date (May 18, 2016). However, the Company has already paid such amount to the plaintiff completely. Currently, the plaintiff appealed the sentenced. And the case is under consideration of the Court of Appeal for Specialized Cases. On February 12, 2019, The Company has filed a petition to suspend the trial to during enter into the

<u>Case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</u>
					rehabilitation plan.
(Black)พ.547/2561	Civil	1	Reclaim retention	0.54	On July 20, 2018, the Company entered into a compromise agreement with the creditor to repay the debt amounting Baht 0.54 million by separate to 12 installment of Baht 0.05 million per installment. On February 12, 2019, The Company has filed a petition to suspend the trial to during enter into the rehabilitation plan.  (As at December 31, 2019, the remaining balance is Baht 0.32 million).
Disputes black case No. 82/2558, Arbitration	Civil	1	Reclaim advance payment	49.41	Arbitration has appointment to investigate documents on March 12, 2019, appointment to send index documents on March 29, 2019 and appointment of 9 witnesses during May 21, 2019 until July 31, 2019 On February 4, 2019, the Company has filed a petition to suspend the trial to during enter into the rehabilitation plan.  (Recognized debt Baht 37.09 million).
(Black)พ.1849/2558 (Red)พ.700/2559	Civil	1	Rental fee	1.71	On October 30, 2018, the Court of First Instance sentenced to the Company to pay damages in the amount of Baht 1.59 million includes interest at the rate of 7.5% per year from the filing date (September 20, 2015). The case is in the process of appealing and requesting a stay of execution. On February 28, 2019, The Company has filed a petition to suspend the trial to during enter into the rehabilitation plan.  (Recognized debt Baht 1.80 million).
(Black)พ.8491/2561	Civil	1	Compensation termination	0.98	The court appointment to judge the case on February 12, 2019, The Company has filed a petition to suspend the trial to during enter into the rehabilitation plan.
(Black)พ.2504/2561	Civil	1	Breach the contract	0.26	On January 31, 2019, the Company submitted a request to the court to suspend the case because of the Company has during the rehabilitation process. The court made an appointment to on March 6, 2019. The Company has filed a petition to suspend the trial to during enter into the rehabilitation plan.

## 2) Counterclaim for breach of contract

- Black Case No. 858/2556 - The Company is a plaintiff filed a lawsuit against other company (defendant) for breach of contract (delay) with a capital claim of Baht 59.21 million. The defendant filed a lawsuit and counterclaimed to the Company by claiming damages from the Company in the amount of Baht 538.82 million, scheduled for witness examination on January 25, 2019 which on that date the Company has filed a petition to the court to request the suspension of the case because the Company is in the process of requesting for business rehabilitation.
- Black Case No. 3598/2557 - The Company is a plaintiff suing other company (the employer) on the breach of contract with the claim amount of Baht 56.26 million. The sued company filed a lawsuit against the Company by a claim amount included interest total of Baht 415.83 million.
- Red Case No. 1239/2559
- On August 17, 2017, the Civil Court issued a judgment to pay damages claim to the employer (the defendant) totaling Baht 209.52 million.
  - On October 17, 2018, the Court of Appeal sentenced to the Company to pay damages to the employer totaling Baht 178.12 million with interest rate of 15% after the counterclaim date (October 30, 2016) until complete repayment but if the employer receives the payment in accordance with the bank guarantee according to the black case No. 1291/2558, the amount of Baht 43.75 million the Company can be deducted from the amount that must be paid to the employer.
  - On January 21, 2019, the Company filed a petition to dispute the verdict of the Court of First Instance and the Court of Appeal together with requesting a stay of execution. At present, the case is under consideration of the Supreme Court. On February 12, 2019, The Company has filed a petition to suspend the trial to during enter into the rehabilitation plan.
  - On March 7, 2019, the employer has submitted an application for receive payment of debt in accordance with the letter of guarantee with the issuing bank in the amount of Baht 52.52 million.
  - As at December 31, 2019, the Company recognized estimate loss from litigation amounted to Baht 106.31 million. Because the case has not ended, the management therefore cannot estimate the amount of obligation debt that may occur.

## 38.2 Litigations of subsidiary

<u>Case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</u>
(Black)พ.ด. 3520/2558	Civil	1	Breach of contract	14.38	On May 16, 2016, the subsidiary company entered into a compromise agreement with the creditor to repay the

<u>Case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</u>
					debt amounting Baht 10.39 million by paid full amount before May 16, 2018. Currently remaining amount is Baht 0.39 million (see Note no.37.9).
(Black) ๗๑. 2848/2560 (Red) 3781/2561	Civil	1	Breach of loan contract	20.40	<p>- On December 7, 2017, the creditor filed a claim under the guarantee agreement with the Thai Credit Guarantee Corporation (TCG) for Baht 8.75 million. Subsequently, (See Note no.27).</p> <p>- On July 16, 2018, the subsidiary company entered into a compromise agreement with the creditor to repay the debt to the creditors amounting to Baht 14.46 million. But cannot comply with the terms of the compromise agreement.</p> <p>- On February 14, 2019, The Legal Execution Department issued an announcement to confiscate the assets that the subsidiary company had brought to guarantee the debt which consists of land and buildings located in Mae Rim District, Chiang Mai Province</p> <p>- At present, the Legal Execution Department has ordered to take the collateral to be auctioned. (Recognized debt Baht 14.46 million).</p>
(Black) ๗๑. 4709/2560 (Red) 2560/2561	Civil	1	Breach of hire purchase contract	51.77	<p>- On May 30, 2018, the court of first instance issued judgement to the subsidiary company to pay damages to the creditor totaling Baht 17.10 million (See Note no.23).</p> <p>- On October 1, 2018, the subsidiary company filed an appeal and a petition to waive the court fees and expenses related to the prosecution instead the plaintiff in the appeal, approximately amount are Baht 0.24 million.</p> <p>- On February 8, 2019 the Court of Appeals ordered to waive the half amount of fees that will be pay instead the plaintiff and the subsidiary company must be pay the remaining fee within February 23, 2019. If not pay within the specified date will assume that the subsidiary company is not attracted to the appeal. However, the subsidiary did not filing the appeal, therefore the case to</p>



<u>Case</u> <u>number</u>	<u>Prosecuted</u> <u>case</u>	<u>As defendant</u> <u>No.</u>	<u>In charge of</u> <u>or mistake</u>	<u>Damage called</u> <u>by plaintiff</u> (Million Baht)	<u>Adjudication</u>
					be ending. (Recognized debt Baht 26.59 million).

### 39. Approval of the financial statements

The financial statements have been approved for issue by the Board of Directors' the Company on March 6, 2020.

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