



# 2020

## ANNUAL REPORT

HYDROTEK PUBLIC COMPANY LIMITED



# Vision

A sustainable leader of infrastructure and environmental engineering services in Thailand and ASEAN

# Mission

1. Provide full-range services from engineering, procurement, construction, installation, and commissioning which focusing on international quality standard, work efficiency, reasonable price and on time delivery.
2. Manage and control construction cost efficiently.
3. Develop human resource and study as well as develop technology regularly and constantly.
4. Build good relationship with customer via its excellent and impressed after sales service.
5. Expand its business with stability and sustainability under building and development organization framework to be a high efficiency organization.
6. Business expansion to cover all forms of customer service According to company policy.



# CONTENTS

Message from the Boards of Directors	I
The Board of Directors	II
Financial Highlight	III
Business Policy and Overview	
■ Business Policy and Overview	1
■ Change and Major Development in Past 3 Years	3
■ Shareholding Structure of the Company and its subsidiaries	8
Nature of Business	
■ Nature of Business	12
■ Marketing and Competition	27
Risk Factors	31
Legal Disputes	38
General Information and Other Significant Information	49
Securities Information and Shareholders	51
Management	
■ Organization Chart	52
■ Director and Management Structure	53
■ Details of Directors and Executives	64
Corporate Governance	84
Corporate Social Responsibilities	106
Report of Shareholding of the Directors and Executives	108
Report of the Nomination and Remuneration Committee	109
Report of the Risk Management Committee	111
Internal Control and Risk Management	112
Related Party Transactions	115
Report of the Audit Committee	122
Report of the Boards of Directors' Responsibilities for Financial Statements	124
Financial Position and Operating Result	125
Financial Statements	150



## Message from the Board of Directors

In the year 2020, the company encountered with unfavorable business environment and a serious epidemic causing the company's business operations outside the country to delay the implementation of its projects. The company has made great adjustments in the adjustment of business strategy in such circumstances. By focusing on work in the construction of infrastructure with state enterprises in Thailand. Because it is an organization that still has purchasing power, stable and an ongoing budget.

Approaching 2021, the company expects that the construction industry trend will be the government organizations and state enterprises will increase due to the economic stimulus policy. By increasing public investment in basic utilities in which the company is an experienced government contractor and qualifications for many government agencies and state enterprises Giving the company an opportunity In choosing a good job That gives the company a backlog and good performance. Which will enable the company to be a leader in the construction of public utilities and can make a profit overall for the company. This will be the basis for the company to grow steadily. In other missions next of the company.

On behalf of the Board of Directors I have to express my gratitude to the shareholders, customers and sponsors of the company as well as executives and employees working with determination and sacrifice, I would like everyone to believe that the company will conduct business. In accordance with the principles of good governance and will lead the company to become stronger and more stable.



**Mr. Somprasong Panjalak**  
**Chairman of the Board**



# Board of Directors



**Mr. Somprasong Panjalak**

Chairman of the Board of Directors / Director



**Mr. Bancherd Thongcharoen**

Chief Executive Officer /

Member of the Nomination and Remuneration Committee /

Member of the Risk Management Committee / Director



**Mr. Somcharn Panjalak**

Member of the Nomination and Remuneration Committee /

Member of the Risk Management Committee / Director



**Mr. Slieb Soongswang**

Member of the Risk Management Committee / Director



**Air chief marshal Surasak Meemanee**

Chairman of the Audit Committee / Independent Director

Chairman of the Risk Management Committee /

Member of the Nomination and Remuneration Committee /



**Professor Dr. Kamphol Panyagometh**

Member of the Audit Committee / Independent Director /

Chairman of the Nomination and Remuneration Committee

**Dr. Siridech Kumsuprom**

Member of the Audit Committee / Independent Director /

Member of the Nomination and Remuneration Committee



## Financial Highlight

(Unit: Million Baht)

Item	2018	2019	2020
Total Assets	1,049.57	408.61	427.59
Total Liabilities	799.66	434.67	424.21
Total shareholders' Equity	251.79	(26.07)	3.38
Construction Income	190.56	253.82	161.84
Service Income	4.95	15.64	2.51
Revenue from Sale	0.00	0.00	0.00
Gross Profit (Loss)	(2.30)	(46.53)	3.18
Net Profit (Loss)	(243.35)	(277.59)	(74.27)
Earnings (Loss) per share (Baht)	(0.36)	(0.35)	(0.08)

## Financial Ratio

Item	2018	2019	2020
Gross Profit Margin (%)	(1.18)	(17.27)	1.94
Net Profit Margin (%)	(121.11)	(98.99)	(45.19)
Return on Equity (%)	(167.35)	(246.31)	(637.92)
Return on Assets (%)	(30.15)	(38.07)	(17.76)
Debt to Equity (times)	3.18	(16.47)	136.83
Book Value per Share (Baht)	0.37	(0.03)	0.00



## Business Policy and Overview

Hydrotek Public Company Limited operates construction, management and investment in environmental engineering business which Water Treatment Plant service is a main income. The company is one of leaders for major customer services and able to provide services from less complicated services which are highly competitive to experience based services which are less competitive such as Water Treatment Plant for petrochemical industry, desalination plant, wastewater treatment plant and wastewater recycle plant. With 30 year-experience, the Company understands customers' need and has various types of service provide for customers' need.

- 1) Construction (Engineering, Procurement and Construction): the Company can offer individual service or total solution service
- 2) Water management services both water and waste water systems
- 3) Water Operator of Water Treatment Plant and Wastewater Treatment Plant

The Company has 4 services

1. Water Treatment Plant such as Portable Water Plant, Desalination Plant and Demineralization Plant
2. Wastewater Treatment Plant and Wastewater Recycle Plant
3. Solid Waste Treatment Plant
4. Waste to Energy





The company's vision and mission are reviewed annually with review and approval from the company's Board of Directors No. 3/2021 on 1 March 2021.

### Vision

A sustainable leader of infrastructure and environmental engineering services in Thailand and ASEAN

### Mission

1. Provide full-range services from engineering, procurement, construction, installation, and commissioning which focusing on international quality standard, work efficiency, reasonable price and on time delivery.
2. Manage and control construction cost efficiently.
3. Develop human resource and study as well as develop technology regularly and constantly.
4. Build good relationship with customer via its excellent and impressed after sales service.
5. Expand its business with stability and sustainability under building and development organization framework to be a high efficiency organization.
6. Business expansion to cover all forms of customer service According to company policy.



## Change and Major Development in Past 3 Years

Year	Change and Major Development
2018	<ul style="list-style-type: none"> <li>- Following Hydrotek Public Company Limited (the “Company”)’s Board of Directors’ Meeting No. 2/2018 held on January 15, 2018, resolved to approve the increase of the number of directors of the Company in the number of 1 persons by appointing Air Chief Marshal Surasak Meemanee to be the new directors of the Company.</li> <li>- The Company had registered the paid-up capital from Baht 486,484,072.00 to Baht 589,968,760.00 with the Department of Business Development, Ministry of Commerce, effective on January 5, 2018.</li> <li>- The Board of Directors’ meeting No.6/2018 held on April 3, 2018 have approved the following agendas; <ul style="list-style-type: none"> <li>■ resolved to propose to the shareholders’ meeting to consider and approve an acquisition and an entire business transfer, according to an Entire Business Transfer Plan between the Company and a new incorporated limited company, SUT Holding Company Limited (“SUTGH”).</li> <li>■ resolved to propose to the shareholders’ meeting to consider and approve the registered capital in the amount of THB 380,314,690, from the current registered capital of THB 589,968,760 to be the registered capital of THB 970,283,450, by way of issuance 380,314,690 ordinary shares, having a par value of THB 1 in order to allocate as follows: <ol style="list-style-type: none"> <li>1) To allocate 195,000,000 newly issued shares, having a par value of THB 1, to offer and allocate to the specific investor (Private Placement) at an offering price of THB 1 per share, with the total value of THB 195,000,000.</li> <li>2) To allocate 185,314,690 newly issued shares, having a par value of THB 1, to serve an exercise of conversion right of Convertible Debenture, with an offering value of THB 1 with the total amount of THB 265,000,000.</li> </ol> </li> <li>■ Approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company’s registered capital.</li> <li>■ Approve the allocation of the Company’s newly issued ordinary shares on a Private Placement basis and the issuance and offering convertible debenture on a private placement basis (Private Placement)</li> <li>■ Approved the increase of the number of directors of the Company in the number of 1 persons by appointing Mr. Suppalerk Na Songkhla to be the new directors of the Company.</li> </ul> </li> </ul>

Year	Change and Major Development
	<p>The mentioned agendas were approved on Extraordinary General Meeting No.1/2017 dated 21 November 2017</p> <ul style="list-style-type: none"> <li>- The Company had registered the paid-up capital from Baht 589,968,760.00 to Baht 784,968,760 with the Department of Business Development, Ministry of Commerce, effective on July 20, 2018.</li> <li>- The Board of Directors' Meeting No. 11/2018 held on August 10, 2018, resolved to approve the increase of the number of directors of the Company in the number of 1 persons by appointing Dr. Siridech Kumsuprom to be the new directors of the Company.</li> <li>- The Board of Directors' Meeting No. 11/2018 held on August 10, 2018, resolved to approve the appointment of Mr. Suppalerk Na Songkla as Co-Chief Executive Officer. The appointment shall be effective on 14 August 2018.</li> </ul>
2019	<ul style="list-style-type: none"> <li>- Following Hydrotek Public Company Limited (the "Company")'s Board of Directors' Meeting No. 3/2019 held on March 19, 2019, resolved to approve the capital increase of Baht 412,108,599 from the existing registered capital of Baht 970,283,450 to Baht 1,382,392,049 by means of issuing 412,108,599 newly-issued ordinary shares with a par value of Baht 1.00 per share in order to accommodate the allocation of the newly-issued ordinary shares which are <ul style="list-style-type: none"> <li>■ Allocation for the capital increase via the General Mandate of Baht 313,987,504 issuing and allocating not more than 313,987,504 new ordinary shares with a par value of Baht 1 per share as follows: <ol style="list-style-type: none"> <li>1) To capital increase by the General Mandate of Baht 235,490,628 from the exceeding 235,490,628 newly issued ordinary shares with a par value of Baht 1 per share will be allocated to existing shareholders of the Company in proportion to their shareholding (Right Offering: RO)</li> <li>2) To capital increase by the General Mandate of Baht 78,496,876 from the exceeding 78,496,876 newly issued ordinary shares with a par value of Baht 1 per share will be allocated to specific investors under a Private Placement scheme (Private Placement: PP)</li> </ol> <p>In allocating the newly-issued ordinary shares by any or all of the methods under (1), (2), the allocated amount shall not exceed 30 percent of the total paid-up capital 235,490,628 shares or Baht 235,490,628 at par value of Baht 1 per share</p> </li> <li>■ Allocation to support the exercise of warrant for HYDRO Warrants No.1 (HYDRO -W1) in the amount of 98,121,095 shares at a par value of 1 Baht.</li> </ul> </li> </ul>



Year	Change and Major Development
	<p>The Transaction was approved on Annual General Meeting of Shareholders for the year 2019 dated 30 April 2019.</p> <ul style="list-style-type: none"> <li>- The Company had registered the paid-up capital from Baht 970,283,450 to Baht 1,382,392,049 with the Department of Business Development, Ministry of Commerce, effective on May 17, 2019.</li> <li>- Following Hydrotek Public Company Limited (the“Company”)’s Board of Directors’ Meeting No. 4/ 2019 held on April 24, 2019, resolved to approved the appointment of Dr. Siridech Kumsuprom as Audit Committee.</li> <li>- Following Hydrotek Public Company Limited (the“Company”)’s Board of Directors’ Meeting No. 5/ 2019 held on May 13, 2019, resolved to approved the appointment of Air Chief Marshal Surasak Meemanee as Chairman of the Audit Committee.</li> <li>- Following Hydrotek Public Company Limited (the“Company”)’s Board of Directors’ Meeting No. 7/2019 held on July 30, 2019, resolved to approved the appointment of Mr. Sarun Yansopananan to be the new directors of the Company and Chief Executive Officer</li> <li>- The Board of Directors’ meeting No.9/2018 held on August 15, 2019, has resolved to propose the Shareholders’ Meeting to consider approved the following agendas; <ul style="list-style-type: none"> <li>■ To consider approving the disposal of investment in SUT Global Co. , Ltd. to Mr. Suparuek Na Songkhla, Mr. Inthidej Pala-in and Miss Nittaya Na Songkhla, and the execution of a share purchase agreement, other arrangements, contracts and documents in connection with the disposal of investment in SUT Global Co., Ltd.</li> <li>■ To consider approving the reduction of the Company’s registered capital by THB 185,314,690 from the existing registered capital of THB 1,382,392,049 to be THB 1,197,077,359 by cancelling 185,314,690 ordinary shares with a par value of THB 1 per share.</li> <li>■ To consider approving the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital.</li> </ul> </li> </ul> <p>The mentioned agendas were approved on Extraordinary General Meeting No.1/2019 dated 23 September 2019.</p>

Year	Change and Major Development
	<ul style="list-style-type: none"> <li>- The Company had registered the paid-up capital from Baht 1,382,392,049 to Baht 1,197,077,359 with the Department of Business Development, Ministry of Commerce, effective on November 6, 2019.</li> <li>- Following Hydrotek Public Company Limited (the“Company”)’s Board of Directors’ Meeting No.11/2019 held on November 12, 2019, resolved to approved the appointment of Mr. Somcharn Panjalak to be the new directors of the Company.</li> </ul>
2020	<ul style="list-style-type: none"> <li>- The Board of Directors’ meeting No.2/2020 held on January 31, 2020, has approved the allocation for newly issued ordinary shares by general mandate as follows:- <ul style="list-style-type: none"> <li>■ To allocate the newly-issued ordinary shares not exceeding 156,993,752 shares with the par value at Baht 1.00 per share, to offered the existing shareholders of the Company in proportion to their holding (Right Offering) at the ratio of 5 existing ordinary shares to 1 newly-issued ordinary shares.</li> <li>■ To allocate 78,496,876 new ordinary shares with a par value of 1.00 Baht per share for sale to Mrs Parutai Shinawatra (Private Placement).</li> <li>■ To set the offering price to the existing shareholders of the company according to the proportion of shareholding and the private placement at the price of Baht 0.29 per share.</li> </ul> </li> <li>- On March 13, 2020, the Company has received the refusal of the subscription for the newly issued ordinary shares to Private Placement (Private Placement: PP).</li> <li>- The Board of Directors’ meeting No.4/2020 held on JApril 10, 2020, resolved to cangle the capital increase via General Mandate, which allocated to existing shareholders (Right Offering: RO), distributed on March 9 - 13, 2020, in amount of 2,325 shares.</li> <li>- The Board of Directors’ meeting No.4/2020 held on April 10, 2020, has resolved to propose the Shareholders’ Meeting to consider approved the following agendas; <ul style="list-style-type: none"> <li>■ To approve the decrease of the registered capital from the existing registered capital of Baht 1,197,077,359.00 to Baht 883,089,855.00 by canceling the unallocated ordinary shares in the amount of Baht 78,496,876.00 and unsold ordinary shares in the amount of Baht 235,490,628.00 at a par value of Baht 1.00.</li> <li>■ Approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the decrease of the Company’s registered capital.</li> </ul> </li> </ul>

Year	Change and Major Development
	<ul style="list-style-type: none"> <li>■ To approve the increase of the registered capital of Baht 784,968,760.00 from Baht 883,089,855.00 of the previous registered capital to Baht 1,668,058,615.00 by issuing 784,968,760 new ordinary shares with a par value of Baht 1.00.</li> <li>■ To approve the allotment of the capital increase shares in the number of 784,968,760 shares with a par value of Baht 1.00 per share to existing shareholders in proportion to their shareholding (Rights Offering) at the ratio of 1 existing share to 1 new share, with a fraction of shares to be disregarded at the offering price of Baht 0.14 per share.</li> <li>■ Approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital.</li> <li>■ Approve the amendment of the articles of association of the Company to be conform with the electronic conference.</li> </ul> <p>The mentioned agendas were approved on Extraordinary General Meeting No.1/2020 dated 20 May 2020.</p> <ul style="list-style-type: none"> <li>- The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on May 28, 2020 for reduction of capital and on May 29, 2020 for increment of capital.</li> <li>- On June 15 - 19, 2020, the Company offers ordinary shares by number of 495,416,810 shares to existing shareholders. Such ordinary shares comprise par value of Baht 1.00 per share. Shares are offered in the price of Baht 0.14 per share aggregating to total amount of Baht 69,358,353.40. The Company recorded expenses in respect of shares distribution net of income tax by amount of Baht 360,000.00 as deducted transactions in the discount on share capital.</li> <li>- The shares increment is registered for paid-up from Baht 784,968,760.00 to Baht 1,280,385,570.00 equivalent to ordinary shares by number of 1,280,385,570 shares in the par value of Baht 1.00 per share at the Ministry of Commerce on June 29, 2020.</li> <li>- Following Hydrotek Public Company Limited (the "Company")'s Board of Directors' Meeting No.6/2020 held on July 8, 2020, resolved to approved the appointment of Mr. Bancherd Thongcharoen to be the new directors of the Company.</li> <li>- Following Hydrotek Public Company Limited (the "Company")'s Board of Directors' Meeting No.7/2020 held on August 5, 2020, resolved to approved the appointment of Mr. Bancherd Thongcharoen to be the new directors of the Company.</li> </ul>

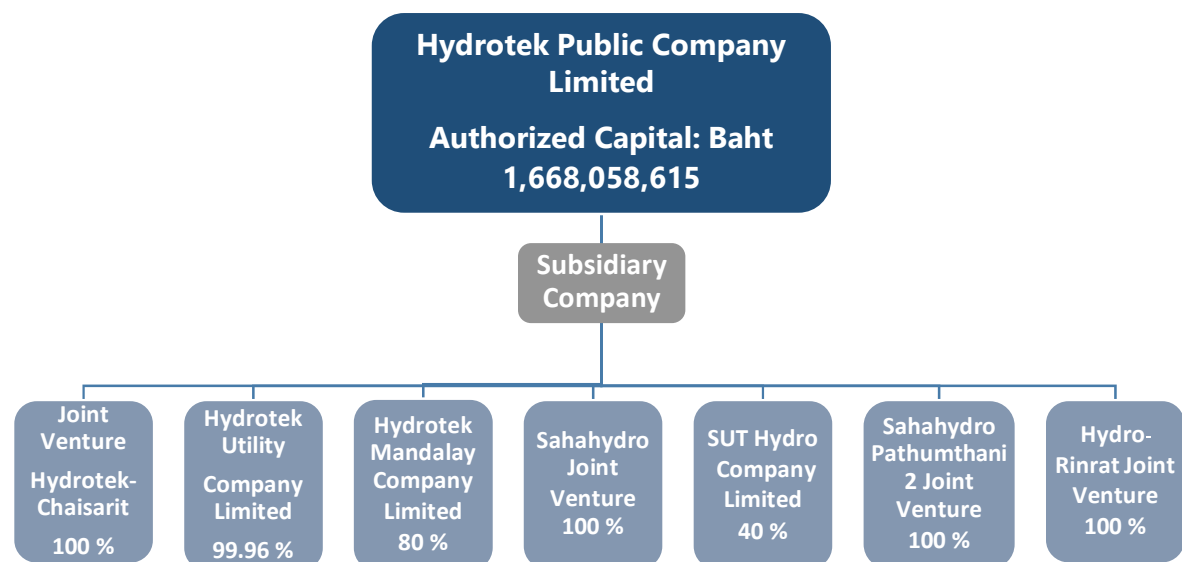
Year	Change and Major Development
	<ul style="list-style-type: none"> <li>- The Annual General Meeting of Shareholders of the year 2020 held on August 11, 2020, resolved to approved the appointment of Mr. Somprasong Panjalak to be the new directors of the Company in replacing of one vacant directors.</li> <li>- Following Hydrotek Public Company Limited (the“Company”)'s Board of Directors' Meeting No. 9/ 2020 held on September 8, 2020, resolved to approved the appointment of Mr. Somprasong Panjalak to be the new Chairman of the Board of Directors of the Company.</li> </ul>

### Shareholding Structure of the Company and Its Subsidiaries

Hydrotek Public Company Limited is to operate the construction, management and investment in environmental engineering business are following:

- 1) Construction (Design, Supply, Construction, Installation & Commissioning), the company can offer individual service or total solution service
- 2) Operation and Maintenance
- 3) Investment in Water Treatment and Wastewater Treatment System Project

Shareholding Structure of the Company as follows:



**Remark :** - The Company had registered the paid-up capital from Baht 486,484,072.00 to Baht 589,968,760.00 with the Department of Business Development, Ministry of Commerce, effective on January 5, 2018.



-As at December 31, 2017, the Company recorded money received from the incremental of capital in the amount of Baht 103,484,688.00 in the account of advance receivable of shares subscription fee by reflecting as separate transaction under the caption of shareholders equity.

The Extraordinary General Meeting of Shareholder's No.1/2018 with held on May 10, 2018, has resolved the following details:-

-To approve the increase of the Company registered capital in the amount of Baht 380,314,690, from the current registered capital of Baht 589,968,760. 00 to be the new registered capital of Baht 970,283,450.00, by way of issuance 380,314,690 ordinary shares, having a par value of Baht 1.00

-To approve the allocation newly issued shares at the offering on a private placement basis as follows:

1) The allocation of 195,000,000 newly issued ordinary shares, having a par value of THB 1 per share, at the offering price of THB 1 with the total of THB 195,000,000.00 , in order to offer and allocate to the specific investor which is offering that the Shareholders' Meeting has a resolution clearly specified the offering price; and

2) the allocation of 185,314,690 newly issued ordinary shares, having a par value of THB 1 per share, to support exercise of conversion right of Convertible Debenture, with the total value of THB 265,000,000 at the offering price of THB 1,000.00 per share to the specific investor, which is offering that the Shareholders' Meeting has a resolution clearly specified the conversion price which is equal to THB 1.43 ( notes to financial statements No. 35)

The Company had registered the authorized capital from Baht 589,968,760.00 to Baht 970,283,450.00 with the Department of Business Development, Ministry of Commerce, effective on June 22, 2018.

On July 20, 2018, The Company allocation of 195,000,000 newly issued ordinary shares, having a par value of THB 1 per share, at the offering price of THB 1 with the total of THB 195,000,000.00 to SUTG Holding Co., Ltd.\*

\*For the purpose of financial reporting. the Company uses the closing price at the acquisition date to measure the value of the consideration transferred in the business combination in accordance with the requirements of the financial reporting standards applicable to business combinations. As a result, the premium on share capital occurred in the amount of Baht 81.90 million. (as described in Notes no. 35)

The Company had registered the authorized capital from Baht 589,968,760.00 to Baht 970,283,450.00 with the Department of Business Development, Ministry of Commerce, effective on July 20, 2018.

The Annual General Meeting of Shareholders for the year 2019 with held on April 30, 2019, has resolved the following details:-

-Allocation for the capital increase via the General Mandate of Baht 313,987,504 issuing and allocating not more than 313,987,504 new ordinary shares with a par value of Baht 1 per share as follows:

1) To capital increase by the General Mandate of Baht 235,490,628 from the exceeding 235,490,628 newly issued ordinary shares with a par value of Baht 1 per share will be allocated to existing shareholders of the Company in proportion to their shareholding (Right Offering: RO)

2) To capital increase by the General Mandate of Baht 78,496,876 from the exceeding 78,496,876 newly issued ordinary shares with a par value of Baht 1 per share will be allocated to specific investors under a Private Placement scheme (Private Placement: PP)

In allocating the newly-issued ordinary shares by any or all of the methods under (1), (2), the allocated amount shall not exceed 30 percent of the total paid-up capital 235,490,628 shares or Baht 235,490,628 at par value of Baht 1 per share

-Allocation to support the exercise of warrant for HYDRO Warrants No. 1 (HYDRO -W1) in the amount of 98,121,095 shares at a par value of 1 Baht.

- The Company had registered the paid-up capital from Baht 970,283,450 to Baht 1,382,392,049 with the Department of Business Development, Ministry of Commerce, effective on May 17, 2019.

The Extraordinary General Meeting of Shareholder's No. 1/2019 with held on September 23, 2019, has resolved the following details:-

-To consider approving the disposal of investment in SUT Global Co., Ltd. to Mr. Suparuek Na Songkhla, Mr. Inthidej Pala-in and Miss Nittaya Na Songkhla, and the execution of a share purchase agreement, other arrangements, contracts and documents in connection with the disposal of investment in SUT Global Co., Ltd.

-To consider approving the reduction of the Company's registered capital by THB 185,314,690 from the existing registered capital of THB 1,382,392,049 to be THB 1,197,077,359 by cancelling 185,314,690 ordinary shares with a par value of THB 1 per share.

-To consider approving the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.

- The Company had registered the paid-up capital from Baht 1,382,392,049 to Baht 1,197,077,359 with the Department of Business Development, Ministry of Commerce, effective on November 6, 2019.
- The shares increment is registered for paid-up from Baht 784,968,760.00 to Baht 1,280,385,570.00 equivalent to ordinary shares by number of 1,280,385,570 shares in the par value of Baht 1.00 per share at the Ministry of Commerce on June 29, 2020.

## Subsidiary Companies' Business Operation

- Hydrotek-Chaisarit joint venture was achieved an agreement on 24 February 2014 with registered capital of Baht 1,000,000. The Company's proportion of 100%. The objective of the joint venture operation is to submit proposal for the construction bid of the medical waste treatment systems.
- Hydrotek Utility Company Limited was established on 13 January 2015 with registered capital of Baht 10,000,000 which divided into 100,000 common shares, at a par value of Baht 100 per share. The Company's proportion is 99.96% and the Director and executives' proportion is 0.04%. The objective is to operate in investment project, which operate and selling portable water and related businesses.
- Hydrotek Supreme Mandalay Company Limited was established on 15 July 2015 with registered capital Dollars 500,000 at a par value of Dollar 1 per share. The company's proportion is 80% The objective is to operate in investment project, which construct, operate and maintenance of the Central Wastewater Treatment Plant and Collection System for Mandalay Industrial Zone, The Republic of the Union of Myanmar.
- Sahahydro joint venture was achieved an agreement in April 2017 with registered capital of Baht 1,000,000. The objective of the joint venture operation is to submit proposal for the construction bid of the medical waste treatment systems. The Company's proportion is 51.00% of share capital. On July 2018, the first amendment to the agreement has been entered into, which both parties agreed that Hydrotek would be solely responsible for the operation of the said joint venture. As a result of the said amendment, Hydrotek Public Company Limited is the sole venturer in Sahahydro joint venture with the 100.00% shareholding.
- SUT Hydro Company Limited was established on 24 October 2018 with registered capital of Baht 1,000,000. The objective is to increase company competitiveness in accordance to construction project bidding and operating. The Company directly holds the shares at 40.00% of SUT Hydro Company Limited's share capital.
- Sahahydro Pathumthani 2 joint venture was achieved an agreement on 15 May 2020 with registered capital of Baht 1,000,000. The Company's proportion is 51% and Sahakam has 49% shareholding, with the objective to work and construction project, The renovate and expand the Provincial Waterworks Branch. Rangsit, Thanyaburi-Lamlukka-Klongluang District, Pathum Thani Province (Part 2) and jointly work on the construction in case of project in the event that Hydro-Rinrat joint venture is a contractual party with Saha Hydro Pathum Thani 2 (project owner) Later, amendment to the agreement has been entered into, which both parties agreed that Hydrotek would be solely responsible for the operation of the said joint venture. As a result of the said amendment, Hydrotek Public Company Limited is the sole venturer in Sahahydro Pathumthani 2 joint venture with the 100.00% shareholding.
- Hydro-Rinrat joint venture was achieved an agreement on 22 October 2020 with registered capital of Baht 1,000,000. The Company's proportion is 75% and Rinrat Limited Partnership has 25% shareholding, with the objective to work and construction project, The renovate and expand the Provincial Waterworks Branch. Rangsit, Thanyaburi-Lamlukka-Klongluang District, Pathum Thani Province (Part 2) and jointly work on the

construction in case of project in the event that Hydro-Rinrat joint venture is a contractual party with Saha Hydro Pathum Thani 2 (project owner) Later, amendment to the agreement has been entered into, which both parties agreed that Hydrotek would be solely responsible for the operation of the said joint venture. As a result of the said amendment, Hydrotek Public Company Limited is the sole venturer in Hydro-Rinrat joint venture with the 100.00% shareholding.



## Nature of Business



Hydrotek Public Company Limited is to operate the construction, management and investment in environmental engineering business, as listed:

**1. Construction (Engineering, Procurement and Construction): the Company can offer individual service or total solution service.**

The Company can offer individual service or total solution service from engineering, procurement, construction and installation including commissioning. The clients will be responsible for the entire investment costs, employ the Company to undertake the construction and pay the construction costs to the Company as specified in the contract. The total solution service offers full service, convenience and reduces burden in procurement of equipment. In seeking experienced engineering consultant and contractor for construction work, the Company will hire a subcontractor who delivers good work and previously worked with the Company.

**2. Water management services both water and waste water systems**

The O&M clients are clients who previously employed the Company to undertake EPC. The Company will be responsible for the operation of the system to produce water as per the customer's required quality and quantity. The contract period of the operation and maintenance will be 3 to 6 years. The clients will pay monthly fees calculated from the quantity of produced water and unit price. The Company will be responsible for the entire costs of water production such as chemicals, raw water, and salary.

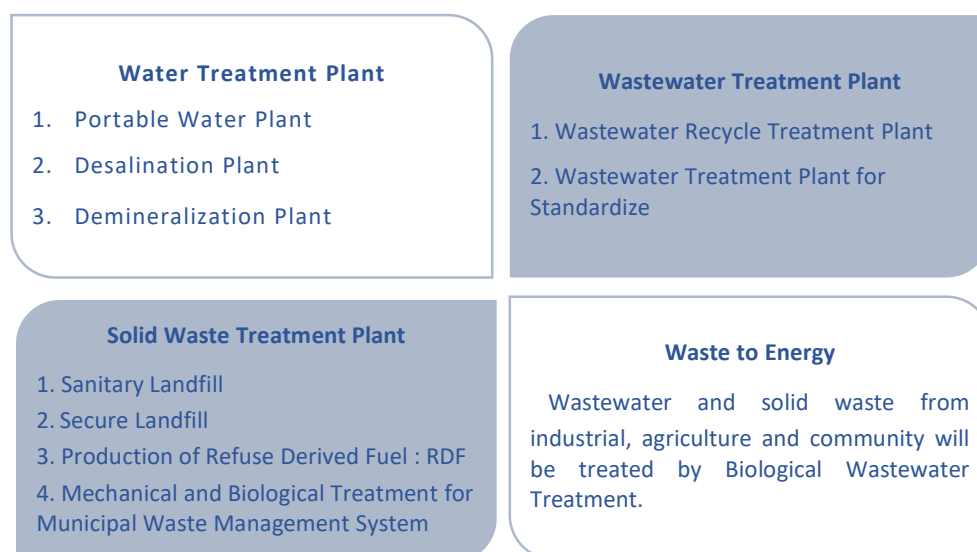
**3. Water Operator of Water Treatment Plant and Wastewater Treatment Plant (Water Operator)**

In form of Build ,Own and Operate (BOO) and Build, Operate and Transfer (BOT), The Company will be responsible for the entire costs incurred from investment and management. The project period will be 10-30 years. The investment cost depends on capacity and size of the project. The contract will provide exclusivity to the Company. The client cannot hire another company to provide similar service during contract period.

## Revenues structure classified by services

Type of Revenues	2017		2019		2020	
	MB	%	MB	%	MB	%
1. Construction	190.56	97.50	253.8	94.20	161.84	98.48
2. Operation and Maintenance	4.95	2.50	15.64	580	2.51	1.52
3. Sales	0.00	0.00	0.00	0.00	0.00	0.00
4. Water Operator	0.00	0.00	0.00	0.00	0.00	0.00

## Products



## 1. Water Treatment Plant

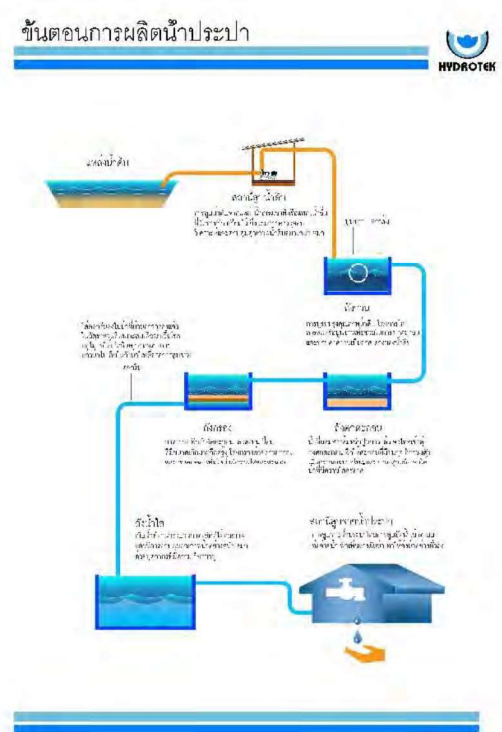
Water Treatment is the process of taking raw water from natural sources such as river, canal, lake, reservoir and the sea and converting into water, which has quality and quantity required by clients. The products from the process are portable water, desalination water and demineralised water for consumption, agriculture and industrial or factory located near the sea or area where water is expensive. Each type of water requires different technologies, which has different level of complexities. Water Treatment Plant can be divided as followings:

## 1.1 Portable Water Plant

Portable Water Plant Process starts with taking raw water into production process to obtain portable water to use in consumption, agriculture and some industrials, which do not require high quality water. The portable water must have Total Dissolved Solid (TDS) less than 500 milligrams per liter and meet the standards set by the Provincial Waterworks Authority (PWA) and Metropolitan Waterworks Authority (MWA). These standards are physical characteristics and chemical characteristics. Physical characteristics include color, taste, odor and turbidity, whilst chemical characteristics are amount of solute and hardness, poisonous characteristics (heavy metal) such as mercury, lead and arsenic. The clients are community and factories. The Portable Water Plant Process is shown in the exhibit below.

### Portable Water Plant Process

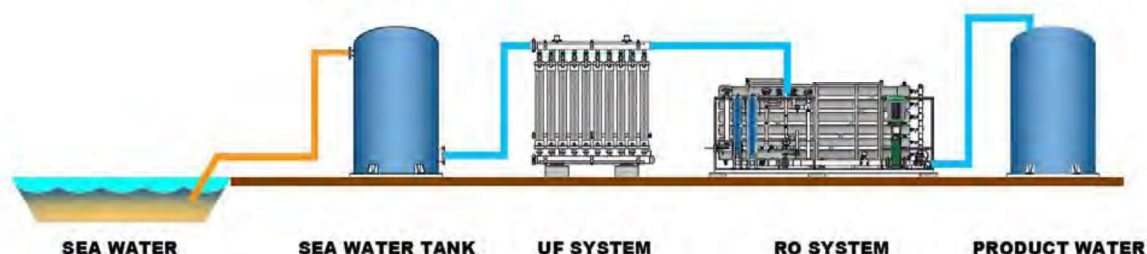
1. Intake raw water. This water still has high turbidity, solute and heavy metals.
2. Improve quality of raw water by adding alum or lime (Calcium Hydroxide) to assist sedimentation process and improve pH.
3. Sedimentation: Raw Water with alum or lime will flow into sediment tank for small sediments to combine into heavier sediments and sink to the bottom of the sediment tank. The water will have more clarity.
4. Filtration: The water from sedimentation process will pass through sand filter to separate fine particles.
5. Disinfection: Add chlorine and kept in storage for further distribution.
6. Quality check and control.
7. Distribute portable water from water tank or pressure portable water into pipeline system.



Byproduct from Portable Water Plant Process is sludge, the majority of which is soil, organic substances, which do not have negative impact on environment. Moreover, in Portable Water Plant Process, there is no hazardous chemical. The chemical used in the process only helps combine small sediment into heavy sediment. The Company will dispose sludge by landfill.

## 1.2 Desalination Plant

Desalination plant is the process that converts sea water into water. Clients are community and manufacturing plants that are located near or by the sea or are in the area where water is expensive or scarcity. Desalination plant process uses sea water, which has high turbidity and high Total Dissolved Solid (TDS), as high as 35,000-45,000 milligrams per liter (mostly Sodium and Chloride). Desalination plant process is similar to portable water plant process but employs more complex technology, which uses MF or UF and RO which called Sea Water Reverse Osmosis (SWRO).



### Desalination Plant Process

1. Intake sea water from the sea.
2. Flow sea water to pass membrane filtration process by using MF or UF, to separate suspension.
3. RO will filter Sodium Chloride to obtain portable water.
4. Store into storage tank for further usage.

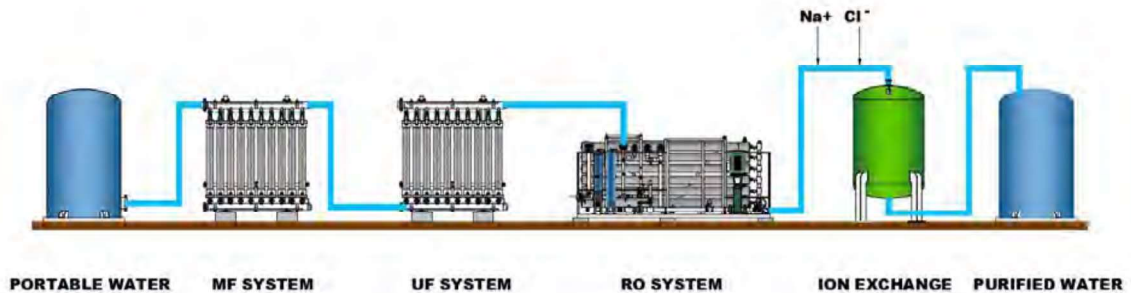
Byproduct from the process is high concentrated saline since desalination process separates Sodium Chloride from sea water. Therefore, the byproducts will be water and high concentrated saline. High concentrated saline does not have negative impact on environment. Solute in high concentrated saline is Sodium Chloride, which is one of solutes of sea water.

Water from desalination process can be processed into purified water by passing demineralization plant process



### 1.3 Demineralization Plant

Demineralization Plant is to filter solute, such as minerals, from portable water plant. This needs Ion Exchange technology, which is more complex than technology used in Portable Water Plant, to produce water at required purity level. The clients are power plants, oil refineries, circuit board manufacturer and drinking water industry. If the water does not meet the required standards, it could cause problem in production since some solutes, such as Calcium Carbonate, Silica, will reduce the efficiency of machine and equipment.



#### Demineralization Plant Process

1. Portable Water flows into mineral filtration process to separate small minerals by passing filtration process with membrane. The process has to start with MF or UF and is followed by RO until the water has only Sodium Ion ( $\text{Na}^+$ ) and Chloride Ion ( $\text{Cl}^-$ ).
2. The water will flow to Ion Exchange Process in which  $\text{Na}^+$  and  $\text{Cl}^-$  will be separated by Resin (Insoluble Polymer with ion exchange qualification), purifying water.
3. Quality check and quality control.
4. Store in the storage for further use.

Byproduct from the process is high concentrated saline (Sodium Chloride:  $\text{NaCl}$ ), which is used in washing the resin. Sodium Chloride has no impact to environment but it has high concentration, which needs to be brought down to allowed level prior to discharging.

The purified water has no benefit to body because all minerals are separated from the water. Hence, drinking water manufacturers add some beneficial minerals during production process to add value to drinking water (mineral water).

## 2. Wastewater Treatment Plant

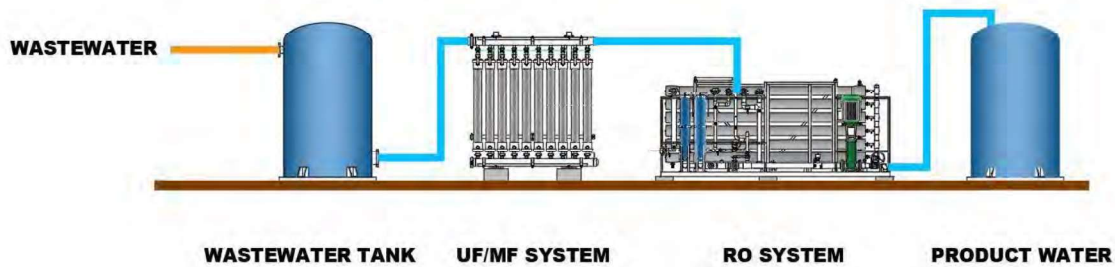
Wastewater Treatment Plant eliminates contaminants occurred from production process from factory or household. The treatment will completely eliminate or partially eliminate contamination to the level that meets water quality standard in accordance with the Notification the Ministry of Science, Technology and Environment No.3 B.E. 2539 (1996) regarding to effluent (wastewater, sewage) standards for different sources (for example, industrial, building, housing estate and agriculture). The wastewater from different sources has different chemicals or contaminants, which can be divided into 5 categories as followings:

1. **Wastewater with organic substances:** from consumption, Biochemical Oxygen Demand (BOD) measures the condition of wastewater. BOD shows the amount of Oxygen required by bacteria to decompose organic substances. Wastewater with low BOD, when discharged into river or canal, will not have negative impact. On the other hand, wastewater with high BOD will cause lower Oxygen in the water and kill fishes or other living things in such resources.
2. **Wastewater with chemical substances:** Chemical Oxygen Demand (COD) measures the condition of wastewater. COD shows the amount of Oxygen used in oxidization process to obtain Carbon Dioxide ( $\text{CO}_2$ ) and water ( $\text{H}_2\text{O}$ ).
3. **Wastewater with suspension:** It has Total Dissolved Solid (TDS) at the level, which requires treatment. TDS value is the amount of dissolved solids, which flow through glass fiber filter. After filtering out suspension, liquid will be evaporated, leaving the solute.
4. **Wastewater with heavy metals**
5. **Wastewater with other chemical substances**

Wastewater treatment plant services depend on the categories of the wastewater and the level of treatment needed by clients. Level of treatment ranges can be recycling or general treatment (treatment to meet wastewater standards by Pollution Control Department, Ministry of Natural Resources and Environment). The Company has two types of wastewater treatments as follows:

### 2.1 Wastewater Recycle Plant

Wastewater Recycle Plant is wastewater treatment process for industrials and industrial estates to improve the quality of wastewater until it can be used again in the production process. Wastewater Recycle Plant improves quality of wastewater from production process which no cost for raw water, therefore, the costs of water reduce. Moreover, Wastewater Recycle Plant preserves environment and reduces water usage from water resources.



### Wastewater Recycle Plant Process

1. Flow Wastewater through membrane filtration system, MF or UF, to separate suspension.
2. Flow Wastewater from membrane filtration system into RO to filter solute from wastewater and store in the storage for further usage.

## 2.2. Wastewater Treatment Plant

Wastewater Treatment Plant is wastewater treatment process for industrials and communities to meet the standards for discharging into water resources. The services can be divided into 3 categories based on type of wastewater as followings:

1. **Physical and Chemical Treatment** It is a preliminary treatment for wastewater from industrials and large communities by screening, grease and oil separation, chemical precipitation and heavy metal treatment.
2. **Biological Treatment** It used biological concept. The Company designs and builds a system which raises microorganism to decompose pollutant in wastewater. This treatment is suitable for wastewater from communities, municipalities, industrials and industrial estates.
3. **Sludge Treatment** It treats sludge from Physical, Chemical and Biological Treatment by removing water from sludge. This sludge becomes drier and reduces in volume, which is easier to transport. The machines used in removing water from sludge are filter press, belt press or centrifuge. This sludge treatment is used for Wastewater Treatment Plant from communities, municipalities, industrials and used for sludge from Water Treatment Plant.

Wastewater Treatment has two groups of clients categorized by sources of wastewater as follows:

### 1) Wastewater Treatment from Communities

Most wastewater from Thailand's communities has organic substances in the water resources, which has BOD at 100 milligrams per liter. Biological Treatment is an appropriate method, using bacteria in treatment. There are two methods as follows:

Aerobic Digestion	Anaerobic Digestion
<ul style="list-style-type: none"> <li>Aerobic Digestion is a treatment using bacteria to decompose organic substances in wastewater by adding oxygen into wastewater in order for bacteria to multiply and rapidly decompose. Bacteria will consolidate and sink to the bottom, gaining clearer water</li> </ul>	<ul style="list-style-type: none"> <li>Anaerobic Digestion is popular among communities since it is simple and has lower costs. This treatment uses bacteria to decompose organic substances without adding oxygen. This process takes a long time and byproduct is pungent gas, which causes odor pollution for communities</li> </ul>

Because Wastewater Treatment from Communities is simple, the Company has a lot of competitors. To avoid this competition, the Company focuses on Wastewater Treatment from Industrials, which requires extensive experiences and chemical method, which is more complex than from Communities.

### 2) Wastewater Treatment from Industrials

Wastewater from industrial has more contaminants than from community. Types of contaminants depend on types of industrials. Biological Treatment alone is insufficient since chemical substances and solute cannot be eliminated by Biological Treatment. Wastewater Treatment from Industrials needs chemical treatment, which is complex, together with Physical, Chemical and Sludge Treatments.

#### Wastewater Treatment Plant Process

##### 1. Pretreatment

Prior to taking wastewater into the process, Pretreatment separates large solids to prevent them from clogging and damaging the pipes. The steps in Pretreatment include:

- Screening separates large solids with screen. There are two types of screen, including coarse and fine screen.



- Crushing is reduction of size or volume of large solids by passing the crusher to reduce the size prior to sending to Grit Removal Process.
- Grit Removal is elimination of sand by reducing flow speed of wastewater in order for sand to sink to the bottom.
- Oil and Grease Removal is elimination of oil and grease from households, canteens, restrooms, gas stations and some industrials by storing wastewater in tank for a certain period in order for oil and grease float to surface for removal.

## 2. Secondary Treatment

It is designed to eliminate organic substances in forms of solute or colloid. It is also called Biological Treatment since it uses bacteria in decomposing organic substances. At present, Wastewater Treatment needs Secondary Treatment to improve the quality of wastewater to meet effluent standards. Biological Treatment has two categories, including:

Aerobic Digestion	Anaerobic Digestion
<ul style="list-style-type: none"> <li>•Add sufficient oxygen into wastewater to prevent pungent odor and allows bacteria to reproduce and decompose organic substances at faster rate. Bacteria will consolidate and sink to the bottom of the sediment tank</li> </ul>	<ul style="list-style-type: none"> <li>•uses anaerobic bacteria in decomposing organic substances. This method is time-consuming and has pungent odor</li> </ul>

### 3. Advanced Treatment

Advance Treatment treats wastewater from the Secondary Treatment Process by removing heavy metals or some other germs, which cannot be eliminated in the Secondary Treatment before discharging to public water resources. Advanced Treatment is not widely preferred as the process is too complicated with high cost. Most users applying this treatment will be for recycle.

### 3. Solid Waste Treatment Plant

Solid waste usually comes from communities and industrials. Solid waste comprises food scraps, paper, broken glass, scraps of wood, plastic, soil, leaves, ashes, etc. The volume of solid waste depends on sources of solid waste. The most common treatment is incineration, composting, recycling, animal feeds and sanitary landfill.

The Company's main service is landfill because of simple process, low costs and environmental preservation. The Company bids the works directly from government agencies, which provide landfill site, which has to meet standards by Pollution Control Department, including proximity to origins of the waste, land size, geography, soil quality and level of underground water. Landfill can be divided into two categories as follows:

**3.1 Sanitary Landfill** is designed for non-hazardous waste. Sanitary Landfill has two methods, including:

<b>Area Method</b>	<ul style="list-style-type: none"> <li>• Is best-suited for area with holes or low area which needed to be reclaimed, such as pond, river bank or other areas which soils are digged for other usage. In this method, waste is pushed into layers, spread, compacted, covered and compacted and then filled with soil and compacted again</li> </ul>
<b>Trench Method</b>	<ul style="list-style-type: none"> <li>• is best-suited for flat land. The process begins with excavating land to construct a trench with the width of at least twice the size of equipment to be used. The depth depends on ground water level. Normally the trench has 2-3 meters in depth and slopes to one side for good drainage when it rains. The removed soil will be used as cover material. After the trench is complete, solid waste will be filled, spread and compacted in the trench</li> </ul>

**3.2 Secure Landfill** is to cater for treated hazardous waste which passes the stabilization. This process starts with placing waste, spreading, compacting, covering (with soil) and compacting by tractor, then covering with soil and re-compacting. The top covering (soil) requires 60 centimeter in thickness. The minimum distance between each soil layer is 60 centimeters. The area will be filled at the required level. Once the trench is filled, waste is left to decompose. During waiting for decomposing, the investigation is required

and the area has to be fenced to protect any attack. During decomposing, landfill expands in volume and generating leachate (liquid from decomposition process). Leachate needs to be treated prior to discharging into water resources or can be recycled.

The Company plans for Waste to Energy business, which uses solid waste to generate fuel to be used in industrials. Solid Waste is decomposed under Anaerobic Decomposition. This decomposition yields landfill gas, comprising of methane ( $\text{CH}_4$ ), Carbon Dioxide ( $\text{CO}_2$ ) and other gases. Methane represents around 45%-60% of total gases and can be used for power plant as for fuel, using with gas pipe line and fuel for vehicles. Moreover, Waste to Energy has indirect benefits by not releasing Methane into atmosphere. Methane is one of greenhouse gases, causing global warming. Methane causes global warming 21 times more than Carbon Dioxide.

### 3.3 Production of Refuse Derived Fuel : RDF

Burning refuse always creates difficulties due to its uncertainty and non-homogeneous nature of the refuse which varies from community and season to others. Moreover, refuse has low heating value while it has high ash volume and humidity. All these cause difficulty for combustor designer and operator and difficulty in controlling environmental impact. Processing refuse by several processes to improve its physical and chemical qualifications to transform it to 'Refuse Derived Fuel (RDF)' can solve the above problems and they can generate energy, too.

RDF process is to improve and transform refuse to be solid fuel having good qualifications in terms of heating value, humidity, size and density which is suitable for being fuel for boiler to generate electricity or heat. It will have constant physical and chemical compositions. General characteristics of the RDF are as follows:

- It is sanitized due to heating so it reduces risks in exposure to germs.
- It is odorless.
- The size is appropriate to feed the incinerator-boiler.
- Its density is higher than normal refuse and bio mass which is convenient for storage and transport.
- Its heating value is higher compared with bio mass and humidity is low.
- It reduces impacts from burning

This technology starts from separating refuse which cannot be burnt metal, glass and stone, harmful and recyclable garbage from the refuse. In some cases, magnetic separator is used to separate metal scraps from the refuse and Eddy Current Separator is used to separate aluminum. After that the refuse is fed to chopper to reduce size and to incinerator to reduce humidity by heat from steam or hot air. The refuse's weight will decrease at almost 50% (the remaining humidity is not higher than 15%). Finally, the refuse is sent to pallet compressor to produce RDF which is appropriate in size and density to transport to sell as fuel. In some cases, CaO is added to the refuse during compression process to control and reduce toxic gases generated from burning.

Design of processes in transforming refuse to fuel depends on current refuse management. For example, if recyclable refuse (such as metal and glass) can be separated from the refuse before entering the process, the process may not need metal or glass separation activity.

Generally, separated garbage can be reused such as metal, aluminum and glass. And organic materials such as food scraps which are high in humidity can be fed to organic gas or soil conditioner production process. Moreover, refuse which is reduced in size is composed of paper, wood and plastic which can be directly burnt as 'Coarse RDF (c-RDF)' or dried and densified to produce 'Densified RDF (d-RDF)'. Consideration of type of RDF produced depends on burning technology, location of plant, refuse and place of fuel use.

Composition of RDF depends on composition of refuse feedstock, storage method and processing system. Qualifications of the RDF are heating value, humidity value, ash volume and sulfur and chloride. Moreover, processing of refuse can reduce humidity causing the heating value to be higher.

Use of RDF is in the forms of electricity and heat which can be used on production site or somewhere else. Moreover, it can be used in co-firing to reduce use of coal in some industries such as cement industry. The combustors transforming RDF to energy are stoker, fluidized bed combustor, gasification combustor or pyrolysis .

### **3.4 Mechanical and Biological Treatment for Municipal Waste Management System : MBT**

Mechanical and biological treatment (MBT) is an efficient waste management technology. It can stabilize organic matter in wastes within a short period of time by controlling the biological activities of aerobic bacteria under suitable conditions, i.e. moisture, temperature, oxygen as well as C/N ratio.

The MBT plant developed by Suranaree University of Technology (SUT) can reduce the treatment time for waste stabilization to a month. This degradation process is accelerated using a turning system, consisting of PLC-controlled vertical screw agitators. The turning system will expose the bottom waste to oxygen, thus increasing the aerobic degradation process and reducing odor caused by anaerobic process. The degraded waste from the MBT has weight reduced by 65% and moisture content of ~30% (w.b.). Approximately 80% of the remaining waste is plastic, which can be suitably used as a material for producing refuse-derived fuel (RDF). The composted organic material, which contains high carbon, can be further used for soil improvement. This technology can be used in an integrated approach for municipal solid waste management, increasing the rate of recycling and substantially reducing the environmental impact.

The concept of waste management using MBT technology consists of (i) stabilization of organic waste, and (ii) separation of degradable and non-degradable materials. On arrival, the MSW was loaded to a belt conveyor and sorted manually to remove recyclable materials such as aluminium can, glass bottle, plastics, metals, etc. The sorted waste (e.g. food waste, plastic, paper etc.) is shredded to reduce its volume using a hammer mill and then loaded to the MBT plant. During composting, the waste material is turned periodically using screw agitators moving on the crane rails. About 1 month, the composting process is finished and the waste becomes stabilized and odorless. All the composted materials are fed into a rotary trammel screen, producing two components: (i) soil-like materials (organic fertilizer); and (ii) non-digestible materials (plastics), which can be used as RDF for fossil fuel substitution.



#### 4. Waste to Energy

Waste to Energy is designed to use wastewater or solid waste from industrials, agricultures and communities, such as sugar factory, tapioca starch plant, palm oil plant, pig manure and waste from communities. Waste will be treated by Biological Wastewater Treatment, using bacteria. It can be divided into 2 processes as follows.

##### Aerobic Digestion

- Organic substances are decomposed into Carbon Dioxide. Microorganism increases 50% (reproduction) by converting organic substances in wastewater. The advantages of this process are high efficiency and short time for treatment. Disadvantage is expensive due to aerator costs and sediment treatment. Moreover, this process cannot be used when wastewater has high organic substances due to insufficient oxygen to be provided

##### Anaerobic Digestion

- 80%-90% of total organic substances are decomposed into Methane and Carbon Dioxide, together called Biogas. Bacteria used in this process grow slowly and require more time. Moreover, efficiency is low due to high Hydraulic Retention Time (time to store wastewater). The treatment system requires large facilities and cannot adjust well with changing in environment. At time, the treatment has Hydrogen Sulfide as byproduct



Aerobic Digestion requires aerators to add oxygen into wastewater, consuming more energy and costs. Byproducts are Carbon Dioxide and water. Anaerobic Digestion's byproduct is Biogas.

The volume of Biogas depends on quantity and quality of waste. Animals waste yields approximately 20-22 cubic meters per ton of animals waste. Wastewater from industrials yields 2-200 cubic meters per ton of wastewater. High quantity of Biogas can be obtained from high COD of wastewater, treatment with heat (Mesophilic Process), and continuous stirring.

## Marketing and Competition

### 1. Marketing

#### 1.4 Product or Service Strategy

The company offers various environmental engineer solutions as water production system, waste water treatment system and waste disposal system. The company also generates income from complete tap water system management and maintenance services ranging from construction and system maintenance. This is because both activities complement each other and they have made the company continuously generate income although the projects have been completed. The company can cover variety of customers' requirement from basic work yet highly competitive to state-of-the-art work requiring high-end engineering technology with less tense competition such as water production service for petrochemical industry, water desalination and recycling waste water treatment. The service starts from construction as designed by customers or total solution starting from design, construction, procurement, installation and commissioning, management and maintenance of tap water system and investment in producing and selling treated water. For construction, the company has emphasized standard practice and on time completion under management who have been experienced in environmental engineering for 30 years. The company has policy to expand to service requiring higher engineering expertise since the competition is less intense and nature of the business is in line with the company's strength. In the past, the company had experiences in SWRO Project of PTT Global Chemical Public Company Limited and RIL Project of RIL 1996 Company Limited. The company is the only Thai company to provide total solution as same as international service providers from Japan, Germany and USA.

Apart from variety of solutions offered to the customers, the company prioritizes quality of construction work, efficient service and on time completion with the use of experienced and knowledgeable workforce. It also checks quality of work in every step by ensuring design to meet the customers' requirement and to be efficiently used, hiring sub-contractors who are reliable under supervision of project engineers and consultants, procuring equipment and materials according to specifications and amount and installation of equipment in up-to-standard practice to get efficient system.

#### 1.2 Price Strategy

The company has clear policy to bid or submit proposal to customers. Before entering into contract, the company will evaluate its readiness considering experiences and expertise of the company and readiness of workforce and team members. The company's cost policy is to refer construction and service cost and estimated expense plus margin (Cost plus Margin method) which is set at not less than 10% of estimated budget. However, if it is necessary to do work with lower margin, the company will report to the company's Board of Directors later at least once per quarter.

### 1.3 Place Strategy

The company gets awarded from 2 channels as bidding and being contacted directly from customers. For bidding, the company focuses on an event with high possibility which is normally government agencies' work. The company always monitors bidding news via media as the Internet, newspaper and advertisement that specify primary specification of bidders such as experiences of work similar to the bid work and being a registered vendor in vendor list. The company will buy bid proposal package to study details and budget of the project and present to authorized persons to approve according to the company's authorization table. For direct contact from customers, private agencies who get recommendations from existing customers and business partners of the company and project consultants of the customers and walking-in customers contact the company due to reputation in the business, sincerity to customers, quality and efficient work, good relationship with customers and business partners and good after-sale service.

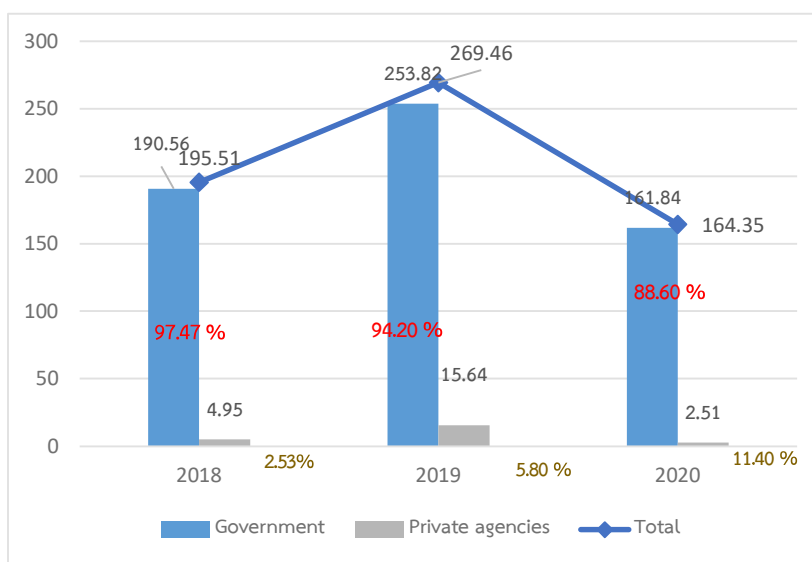
### 1.4 Promotion Strategy

The company's promotion strategy and public relation focus on quality and standard of construction to create efficient system to satisfy the customers and after-sale services and consulting to create good relationship with customers to retain them. Moreover, the company aims to expand its customer base to other businesses as construction and environmental engineering management which require high engineering expertise for high potential and growing business as energy and industrial estate sectors.

## 2. Target Group Customer

The company's customers are divided into 2 as government agencies and private agencies for which the company serves as Main contractor or Sub-contractor. Before entering into contract, the company will evaluate its capability to prevent risk from delay in completing the work. The factors to consider are work in the past or experiences, readiness of workforce and team members and profitability which must comply with the company's policy. At the same time, the company considers prospective customers to avoid risk from unsettled payment. The government and private agency customers have different methods of awarding channel, conditions and specifications of contractors and terms and conditions in contracts. The government agencies have bidding process while private agencies both disseminate bidding news via media and directly contact the company (by recommendation from existing customers and/or business partners or walking-in). The government agencies have conditions in construction contract for adjustment of price using Escalation Factor or K (K means index to measure value of work on the day the contractor wins the bid compared with that on the handing over day. K is only included in contracts with government agencies, state enterprises and agencies under local administration organization law and other agencies appointed by law to have the same status as local administration body while this index does not appear in private agencies' contracts. The ratio between the government and private agency customers in 2018 – 2020 are shown in the table below.

Customers	2018		2019		2020	
	MB	%	MB	%	MB	%
Government	190.56	97.47	253.82	94.20	161.84	98.47
Private agencies	4.95	2.53	15.64	5.80	2.51	1.53
Total	195.51	100.00	269.46	100.00	164.35	100.00



### 3. Competitions

At present, great number of entrepreneurs has paid more attention to environment preservation to be in line with law and government's regulation due to Global Warming. And due to this environmental preservation trend, there have been more registered environment preservation entrepreneurs in the business with target customers as government agencies which are taking charge of water management as Provincial Waterworks Authority (PWA), Metropolitan Waterworks Authority (MWA), Bangkok Metropolitan Administration (BMA), Sub-district and District Municipality Offices all over the country and private agencies. The competition is on price, quality of work, on time completion and after-sale services while technology of each service is similar among competitors. Considering the company's competitors based on type of work as construction, system management and maintenance of tap water system, details are shown as follows:

### **3.1 Competition in construction business**

Construction business covers water production system, waste water treatment system and recycling waste water treatment system for which competitors are both Thai and joint venture. Contract will cover total solutions starting from design, construction, installation and commissioning. This kind of contract enables contractors to manage cost more efficiently than partial contract especially the one with design or construction work alone. Therefore, construction entrepreneurs have fierce competition in terms of price, quality and on time completion.

### **3.2 Competition in system management and maintenance of tap water system business**

Competition in this business, is multifaceted as price, amount of water produced and quality of water determined or agreed and fast service. At present, competition is intense since it employs basic technology. The competition focuses on price/rate of service, water quality, on time delivery and after sale service.

### **3.3 Competition in water production and water treatment project investment**

In terms of tap water production investment, both domestic and international competitors compete on price since Provincial Waterworks Authority will compare price of water sold to people. The project will cover small area for which PWA's service does not cover. Moreover, the project requires huge investment so the company requires appropriate source of fund to reduce financial expense. And for investment in waste water treatment system, at present, the company focuses on investment in ASEAN countries which starts to pay more attention to waste water treatment by launching regulations and laws on this issue. The competition is mostly against foreign competitors in terms of price, water quality, on time delivery and after-sale service.

## Risk Factors

Hydrotek Public Company Limited have to focus on the implementation of the risk management process as a tool to achieve value added and highest benefits to stakeholders which is in accordance with Good Corporate Governance and transparency operating.

The Risk Management Committee appointed Risk Management Unit to manage corporate risk in systematic way and evaluated enterprise risks that has both internal and external factors with appropriate risk management process. The committee set up risk management measurement and appointed the unit to prepare risk management report in unit level reporting to the Risk Management Committee. Units will meet with Risk Management Unit before presenting progress of risk management plan implementation for which the Risk Management Committee will report the risk management result to the Board of Directors. Risk factors affecting the company's business are as follows:

### 1. Strategic Risk

#### Risk from competition in the industry

The company has 2 groups of customers as government agencies which are taking charge of water management such as Provincial Waterworks Authority (PWA), sub-district and district municipality offices in provinces all over the country and other government agencies such as universities and private sector customers such as petrochemical, energy, steel, food and beverages industries and industrial estates. The company's revenue is from services provided to government and private sectors (both revenue from construction service and system management service) which are various in nature and the company does not depend on any particular customer. However, due to high competition in construction service and as there are large direct competitors to the company, the company's risk are that some private sector agencies use service of other service providers or the company may not win bid of government agencies. And if the company cannot find any other work to compensate for such loss, there may be disruption in revenue which will significantly affect the company's goal achievement.

The government agency customers such as PWA and Bangkok Metropolitan Administration have clear vendor selection criteria in which every construction vendor has to register in vendor list in order to be eligible for bid proposal. The company is classified as first level vendor of PWA and BMA (for route work such as piping and building work such as water tank) which expands the company's chance to be hired by such agencies and sub-contracting from the company's customer. Moreover, competition in the water system construction depending on high engineering technology is not intense. And that the company is one of few private companies which provide service in every level of complexity ranging from work using basic to high engineering technology enables the company to serve variety of customers as petrochemical, energy (power plant) and food and beverages. Therefore, it does not have to depend on any specific customer.



For policy to retain continuity in revenue, the company has defined direction to efficiently control cost to prepare competitive budget and retain profitability and construction quality to create customers' trust and larger opportunity to be awarded other projects in the future.. From this practice, the company is certain to minimize degree of competition to a certain extent.

**Risk from setting strategy**

In order to efficiently run business to create competitiveness, the company has set up goal and strategy which are appropriate for current situation by analyzing internal factors as human resources, administration, and finance etc. and external factors as policy and politics, economic, social and environmental factors. The company may have risk in wrongly analyzing the internal and external factors, hence, it may use inappropriate strategy.

At present, business running in the industry is in fierce competition. Impacted by domestic and international economic volatility and change in the domestic and international politics, the company has arranged review of vision and mission and business plan on annual basis to create continuity in business and to catch up with ever-changing situation. The company holds monitoring and evaluation meeting periodically to review and adjust the work plans to current situation and to achieve the company's goals.

**Risk from revenue uncertainty or the continuous of revenue**

The Company provides its total solution service through two channels which are auction for construction service or bidding projects and direct contact from employer (via introduction from its existing customers, business partner, project consultants including direct contact). The process of awarding the project by bidding method under the regulations of employers focuses on the competitive price mainly. The Company is possible to take risk from revenue uncertainty or the continuous revenue if the Company cannot be awarded from the bidding of new projects or even cutting the budget of the government which will affect the Company's performance to reach its target.

The Company realizes such risk, therefore, it has determined business guidelines to sustain its constant revenues by maintain its construction quality standard. The Company focuses since system design, equipment procurement, construction, and installation. Therefore, the operation after construction will be very efficiency, which is able to treat water and wastewater with high quality at specified quantity, to build customer satisfaction and creditability which will bring more assignments for future project. Besides, the Company has been registered as 1<sup>st</sup> class contractor by PWA's project, and also the 1<sup>st</sup> class contractor of road works and building works by Bangkok Metropolitan Administration (BMA). And the Company has been registered as 2<sup>nd</sup> class contractor of the piping president by drilling, pipelines water service pipes by digging place, civil work and construction of pumping stations and water tanks by the Metropolitan Waterworks Authority (MWA). And Hydrotek - Salcon Consortium is in the process of registering with MWA

also. These would support the Company's reliability of its service provided to its customers and other employers. It will cause the Company at the certain level to be able to generate continuous revenue.

#### **Risk from Water Operator of Water Treatment Plant and Wastewater Treatment Plant**

Currently, the Company expands its business operation to Water Operator of Water Treatment and Wastewater Treatment Plant for government sector and private sector in several industries. The features of such construction service for the employers are that the Company has to be responsible for all occurred expenses of the investment and management of the projects. The period is 10-30 years. The Company may face the risk from the employer which is probable not to pay the service fee to the Company due to lack of liquidity or the employer liquidates before the period of work in the agreement has expired. This will have impact on the Company's operating result in the future.

According to the provision of service of the mentioned above, before awarding or bidding the project, the Company will consider the qualification of the employers by its financial position, reliability of its executives together with profitability ratio as the Company's policy. In addition, the Company diversifies to government agency to protect the risk from not to be receive the service fee. Therefore, the Company believes that the effect from such risk is very low.

#### **Risk from additional work apart from those mentioned in contract**

For the company's service as design, procurement, construction and installation of machine and equipment and commissioning of any system or turn-key service, the customer will be responsible for all investment and hire the company to construct building and system and pay to the company following the contract's terms. The company has risk in change of the customer's requirement after agreeing to sign contract within budget mutually agreed by adding scope of work. In normal case, additional work will be agreed later and the company has to bear the cost arising from the additional work for a certain period. If the additional scope of work is not agreed, the company has to bear cost of the additional work which reduces profitability or loss.

The company's direction to deal with this risk is to clearly define scope of work and check details of contracts carefully before executing. If the customer has additional scope of work, the company will negotiate to expand the scope of work and additional cost with the customers. The addendum must be signed before additional work is done.

**Risk from political instability**

The company's main revenue comes from both government and private sectors in similar proportion. Therefore, the company may be affected by political shift in terms of politics and administration in national, regional and local levels that may affect the company's on-going projects due to delay in payment. Moreover, contracts not yet signed may be cancelled due to change in the government's spending policy. If the budget is cut, number of future projects may be affected and the company may not be able to achieve the goal.

However, the company has closely followed up and analyzed the political situation by arranging monthly meetings of every party to follow up project progress and adjust work plan to response to changing situation and solve problems immediately. The company has checked quality of construction work to be in line with requirement in the contract to expedite acceptance of work and payment of the customers. The company also follows up payment process to prevent lack of cash flow that may affect the company's business as a whole.

## 2. Construction Risk

**Risk from delay of project**

The construction agreement between the Company and each employer is determined the certain period of service which the Company has to deliver the project. It may have some projects getting in trouble of delay of project operation. Mostly, the problem is resulted from employers, for example, revision of construction plan and area preparation for the contractor to work within determined time, Late area delivery and approval of other agencies' area. These consideration and approval may effect timing and cost. However, the Company has reduced the risk of delays. The company has been cooperating and coordinating with employers to ensure construction completion. Otherwise, the problem is caused by the contractor, for example, construction work cannot complete on time, or the cause of uncontrollably external factors, such as, natural disaster and the protest of residences around the project area. If the delay derived from the Company as contractor, the Company will be in charge of the additional expenses as a fine from the employers who are eligible to claim the Company according with the condition specified in the agreements. It would affect the profitability of the projects.

The company is aware of such problem, so it defined clear policy on work flow and prevention of risk by creating plan and timeline according to Critical Path Method. It has held meetings to present construction project plan in advance for every quarter as planning to complete construction before due in contracts, preparing procurement/hire plans and defining directions to management risks from incidents that might cause delay. Moreover, the company coordinates and cooperates with relevant parties to expedite problem solving to complete work within the contract's due or in time.

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**Risk from the obligation of the completed project after delivery**

The Company provides engineering environmental service related with total solution of water treatment including design, construction, procurement, installation, test-run and wastewater treatment. The contracts of the service always specify that the Company has to be responsible for damages, breakdown and errors which might occur after delivering the works to the employers during the period of 1-2 years. Thus, the Company probably takes risk from the obligation in such the period.

However, the Company has set the measurement for strict construction operation by controlling the quality of work according to the standard from design and standard material and equipment procurement as well as regular inspection by site engineer during construction every period and engineer has to send the result report to executive who is the project controller before delivering work to employer. The Company has never faced such risk. However, the Company bought insurance to cover the damage that may occur after project delivery for all projects.

**Risk from the effect of natural disaster**

The Company has realized the risk that might occur from natural disaster, thus the Company has set the measurement to protect the risk from natural disaster including flooding, lightning, earthquake, storm by considering the appropriateness to buy Construction Erection All Risks Insurance for each project with domestic leader insurance company. The condition is to protect damages from flooding and all kinds of natural disaster and insurance amount for compensation the damages which may occur to the construction and assets of the Company has to be the actual payment amount.

Apart from such risk protection, the Company also has set policy to preserve the right with regard to the construction period with the employer by sending letter to ask for period extension to cover the missing period which the Company cannot enter into the construction area.

**Subcontractor Risk**

The Company Subcontractor Risk arises since the company cannot find subcontractor due to various problems such as subcontractor shortage, lack of subcontractors' labor, and a few subcontractor, etc. Moreover, there have been a risk from subcontractor's failure to work as planned by the reason of subcontractor's liquidity, delay of handover which may cause the construction halted and delay in handover works to customer.

However, prior to making a contract with any subcontractor, the subcontractor prequalification shall be done based on reliability and inspection of quality of works undertaken by short-listed subcontractor. If the company discovers that any subcontractor has a lack of liquidity and cannot deliver works as planned, the scope of subcontractor's work will be reducing and new subcontractor shall be searched to mitigate the captioned risk.

In addition, the company has kept create a good connection with subcontractors for working acquaintance causing those become the company's business alliances ready for subcontracting continually and new subcontractors have been increasingly selected to support future addition works.

### 3. Financial Risk

**Liquidity Risk**

The Company has revenues from construction, services and water operator by receiving payment for construction in form of due payment or percent of completion as specified in the agreement. For services and water operator, the Company will receive monthly payment calculated from quantity of produced or treated multiplied by pay rate per unit. When consider the type of clients, the government agency clients are the group of clients who have already been approved the budget from the government but may have a delay in disbursement. For the private clients, if there is any short in financial liquidity, it may affect the ability to pay service fee to the Company.

The Company has realized such risk and has set the protection measurement. Before accepting any construction, service and water operator tasks, it has to consider the employer thoroughly by considering various information especially financial information, operation result, creditability and security of the employer's business. Such operation will assist the Company to face no risk of not receiving payment from the employer. In addition, for foreign customers, the Company will consider and select government agency first with reasonable price, therefore, our customers could pay service fee to the Company from their margin.

### Risk from volatility of construction material price

The Company operates the construction and environmental engineering management business, therefore, the Company has to set the price of construction material and equipment for the whole construction period to maintenance profit. The Company may face the risk from the price volatility of construction material and equipment which will affect the Company's operation result and profitability. The major construction material and equipment are steel, concrete, pipe, pump and valve.

The Company realizes that such risk may occur, therefore, it has set policy to protect and reduce such risk. The Company will estimate the construction cost from construction drawing to calculate quantity and value of construct material of that project. Then, the company's procurement risk management policy is to compare prices of raw materials from more than 1 vendor to get best price and payment condition, to agree on validity of main construction material price to control at least 50% of the total construction material and to order in bulk gathering volume from several projects to build negotiation power to receive lower price to control cost to a certain extent. Some projects, the Company employs turnkey subcontractor ( the subcontractors are responsible for both equipment cost and labor cost) or probably let the subcontractors responsible for labor cost only and the Company will be responsible for material purchase to control the cost. This also make the Company protects and reduces risk from the price volatility of materials and equipment partially.

### Interest rate risk

The interest rate risk is the changing interest rate in the market; the company also could be in difficult situation of the increasing interest rate in the future. Because the company took loan for the investment and the interest has been set as floating rate loan reference from the MLR of the bank. As a result; if in the future that bank increases the interest rate, there will be effect on the company's cost, cash flow, operation. To reduce risk of the interest rate, the company comprehends the necessity of closely monitoring the change but because majorities of debts are short term and letter of guarantee. The company has fairly low risk as a result.

## 4. Compliance Risk

### Risk from projects disapproved by the public

Some government projects may not be done public hearing with local people since they do not understand advantages and disadvantages of the project. So the project may be delayed since the company cannot enter the construction area and it also loses opportunity to get work from other new customers. Such risk is external factor that the customers have to take care of to hand over the area to the company.

However, the Company coordinates with the customers to reserve the right to extend the period and adjust construction plan. Moreover, communication to local people to create trust from them that the project will not affect the society and environment is made to create their acceptance.

## Legal Disputes

### 1. Litigation to the Thai Arbitration Institute: Black Case No. 108/2559

Between	Hydrotek Public Company Limited	"Solicitor"
	Pa Sang Municipal	"Objector"

This case has been litigated and amended dispute proposal to the Thai Arbitration Institute by the Solicitor to claim for a compensation of damages in the total amount of 27,193,378.18 baht.

As of October 24, 2019 the Solicitor has been received the copy of the Arbitration award, as follows

1. The Objector should pay the service fee to the Solicitor in amount of 3,840,000 baht.
2. The Solicitor should repay the advanced fee in amount of 9,872,266 baht.
3. After set-off, the Solicitor should repay the difference to the Objector in amount of 6,032,266 baht.

The Arbitration award is final. If the Solicitor doesn't agree, the Solicitor have the rights to sue to withdraw the Arbitration award within 90 days. The deadline is January 22, 2020.

Arbitration Committee ruled that the company should return the advance payment of 6,032,226 baht including interest at rate of 7.5 percent per annum of principal from date of submission claim until payment is completed to Pa Sang Sub-district Municipality.

On 20 January 2020, the Company submitted a petition to revoke the arbitral award to the Administrative Court. The Pa Sang Municipality filed an objection and submitted a petition to revoke the award as well.

On June 8, 2020 is the deadline for submitting the objection. And on June 12, 2020 is the due date for submission of testimony.

On August 3, 2020, the Opas Ajahnwong Law Office has issued a letter explaining that both Pa Sang Municipality and Hydrotek Company Both do not accept the arbitral award. And has submitted a petition to revoke the award to the Administrative Court and pending consideration of the administrative court. Pa Sang Municipality has no right to enforce the arbitral award at all.

On August 13, 2020, filed a protest to the petition of Pa Sang to the administrative court.

The cases are still pending in the Administrative Court.

### 2. Administrative Case at the Administrative Court: Black Case No.1729/2559

Between	Hydrotek Public Company Limited	"Plaintiff"
	Muang Tak Municipality and Collectively called	"Defendant"



This case has been litigated in the Administrative Court on November 7, 2016, to claims for service fees and damages plus interest until the date of filing as a total of 52,573,041.13 baht. , expenses occurred that are not able to work up to the prosecution date in amount of 629,356 Baht, and a refund of the guarantee money, in accordance with the Bank Guarantee of Export-Import Bank of Thailand, plus interest until the date of filing in amount of 10,603,209.65 baht, in total of 63,805,606.78 baht. The case has been accepted by the Administrative Court on December 30, 2016.

As of February 26, 2019, the case in the process of investigating date appointed by the Administrative Court.

At present, the case is being considered by the Central Administrative Court. The Company is the opinion that the approval of the Tak Municipality for extension of the employment contract to Hydrotek Public Company Limited is 42 days incorrect because the termination of contract at Tak Municipality contract to the resolution of the employment inspector committee and construction supervisor who resolved to extend the construction period to Hydrotek Public Company Limited for 125 days. It also contradicts resolution the inventory committee with the resolution to Hydrotek Public Company Limited extend the construction period of 212 days. And the Tak Municipality has a letter notifying the contract cancellation Job leave notice Letter of notification of fines and forfeiture of collateral with Hydrotek Public Company Limited are also incorrect. Therefore, the Central Administrative Court and the Supreme Administrative Court should have a ruling for Tak City Municipality to compensate Hydrotek Public Company Limited.

The case is in the process of submitting additional factual statements to be submitted to the Administrative Court by February 28, 2021.

**3. Civil Case at the Southern Bangkok Civil Court: Black Case No. Poh. Bor. 1733/2559 Red case No. Poh. Bor 1461/2561**

Between	Hydrotek Public Company Limited	"Plaintiff"
	Krungthai Bank	"Defendant"

This case has been litigated in the Bangkok South Civil Court on November 15, 2016, to claims for contract security fund plus interest until the date of filing as a total of 15,817,074.68 baht.

As of September 19, 2018, the Southern Bangkok Civil Court has adjudicated the Defendant to pay the contact security fund of 15,817,074.68 Baht with 7.5% interest per annum of the total amount 14,646,368.39 baht since November 16, 2017 until completed payment

As at February 26, 2019, Krung Thai Bank filed an appeal against the decision of the Southern Bangkok Civil Court and appeal the Court of Appeals.

As of September 26, 2019, the Court of Appeal has ordered Krung Thai Bank to make payment of 14,646,368.39 baht with interest at the rate of 7.5 percent per annum of principal from October 20, 2014 onwards for 60 days for the company and have Krung Thai Bank pay court fees in the court of first instance.

On November 22, 2019, since the appeal court shortened period of time to receive interest, filing a petition is a must.

On December 6, 2019, the defendant had no petition and had brought the money to the court according to the judgment.

March 30, 2020 submit a petition for withdrawing the petition and requesting a judgment money.

The Supreme Court has permitted the withdrawal of the petition. And to receive money according to the judgment of the Court appeal.

On October 26, 2020, Hydrotek received a judgment money by the decree of Appeal Court in the amount of 14,864,840.06 baht.

Now the case final judgment.

#### 4. Reorganization Case at the Central Bankruptcy Court: Black Case No.Lor 3504/2559

Between	Seafco Public Company Limited	"Plaintiff"
	M.V.S. Development 1688 Company Limited	"Defendant"
	Hydrotek Public Company Limited	"Applicant"

As October 24, 2018, the Central Bankruptcy court has issued a receivership order against the Plaintiff upon the bankrupt action of the Defendant. The Applicant has also submitted an application for payment on January 3, 2019, receiving of 103,725,675.67 baht.

Currently, the creditors' requests for payment are being reviewed. On 30 September 2019, the company sent documents relating request to receive payment to the official receiver. Currently, the documents are being examined by the official receiver.

#### 5. Litigation to the Thai Arbitration Institute: Black Case No. 112/2560

Between	Hydrotek – Salcon Consortium	"Petitioner"
	Metropolitan Waterworks Authority	"Opponent"

This case has been litigated in the Thai Arbitration Institute by the Petitioner on December 15, 2016, to claim for extended the construction period of contract no. G-PK/RB-8 for Construction of Reservoirs for Phet Kasem and Ratburana Distribution Pumping Station in the total amount of 478 days and to claim for the fine of which hold from payment in the total amount of 42,015,000 baht.

As of February 26, 2019, Thai Arbitration Institute had an appointment for witness examination on the opponent side on March 26, 2019, April 3, 2019 and April 4, 2019 while investigating witnesses on the Petitioner side on March 14, 2019 and March 19, 2019.

The Arbitral Tribunal scheduled submission of the closing statement on December 27, 2019 and meeting on January 24, 2020.

On January 10, 2020, the arbitrary tribunal adjudge, The opponent (Metropolitan Waterworks Department) must to the payment or return a fine of 18,388,375 baht and 7.5 interest per year from the date of submission of the dispute(January 15, 2017).

On April 10, 2020, an objector (Metropolitan Waterworks Authority) filed a submitted a petition to revoke the arbitral award to the Administrative Court because they do not agree arbitral awards.

August 7, 2020, Petitioner (Hydrotek – Salcon Consortium) filed an objection.

On August 13, 2020, the Central Administrative Court issued a letter to Petitioner make a petition confirming that it would counterclaim against.

On 1 September 2020, the petitioner confirms that wants to counterclaim to enforce the award of the arbitral tribunal.

The cases are still pending in the Administrative Court.

#### **6. Civil Case at Civil Court: Black case No. Poh 484/2561, Red case No. Poh 6215/2561**

Between	Hydrotek Public Company Limited	"Plaintiff"
	AAS Engineering Service Company Limited	"Defendant"

This case has been litigate in civil court on February 14, 2018, to claim for advance payment plus interest until the date of filing as a total of 538,858.56 baht.

As of November 22, 2018, Civil Court adjudged the Defendant to pay 318,691.30 Baht with 7.5% interest per annum since the date of filing along with attorney fees in amount of 8,000 baht.

As of March 2019, there was an investigation and found that AAS Engineering Service Company Limited did not file a judgment appeal. At this time, the case is in the process of sending the order to seize the assets of the judgement debtor for public auction.

#### **7. Civil Case at Civil Court: Black case No. Poh 3918/2561, Red case No. Poh 4952/2561**

Between	Thoreson Thai Agencies Public Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

This case has been litigated in Civil Court on July 11, 2018, to claim for share payment by the Plaintiff.

As September 24, 2018, Civil Court has adjudicated the Defendant to pay the Plaintiff in amount of 10,937,500 baht with 9.5% interest per annum since February 16, 2018 along with court fee of 10,000 baht.

As of November 8, 2019, the Company made partial payments of 8,566,499.66 baht, with outstanding debt of 4,128,361.49 baht. As of December 12, 2019, the Department of Legal Execution Department 1.

On February 17, 2020, repayment to the plaintiff 4,335,849.30 baht.

Currently, debt service has been completed.

**8. Civil Case at Civil Court: Black case No. Poh 5431/2561 , Red case No. Poh 6571/2561**

Between	UHM Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

The Plaintiff filed a lawsuit against the Defendant to Civil Court on September 20, 2018, claimed for accrued payment of equipment in amount of 699,780 baht with interest of 179,382.88 baht.

As December 12, 2018, both parties agreed that the repayment in amount of 772,688 baht with installment payment of 77,268 baht per month since March 2019 until complete payment on December 31, 2019.

Currently, debt service has been completed.

**9. Civil Case at Civil Court: Black case No. Poh 5290/2561**

Between	Siam Syndicate Technology Public Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

The Plaintiff filed a lawsuit against the Defendant to Civil Court on September 14, 2018, claimed for accrued payment of equipment and services in amount of 4,570,078.48 baht with interest of 471,169.63 Baht. Total of 5,041,248.11 baht.

The Civil Court had appointed to take the Plaintiff's evidence on November 22, 2019 and appointed to hear the judgement on January 22, 2020.

As of November 22, 2019, the contract of compromise has been made on the condition that the Defendant agree to pay the principal in amount of 4,570,078.48 baht with interest of 229,921.52 baht. Total of 4,800,000 baht. The Defendant paid in amount of 200,000 baht on the execution date of the contract and agreed to pay in amount of 4,600,000 baht by monthly installments on the 25th of every month, as follows

1. December 2019 to January 2020, pay 50,000 baht per month.
2. February 2020 to July 2020, pay 100,000 baht per month.
3. August 2020 to July 2021, pay 200,000 baht per month.
4. August 2021 to January 2022, pay 250,000 baht per month.

If the Defendant defaulted the payment, the Defendant agreed to pay 7.5% interest per annum of the remaining principal since the default date and the Plaintiff can immediately execute the case.

At present, it is in the process of repayment of debt according to the judgment as agreed

#### 10. Civil Case at Civil Court: Black case No. Poh 5826/2561

Between	JSY Construction (2480) Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

The Plaintiff filed a lawsuit against the Defendant to Civil Court on October 10, 2018, claimed for retention payment in amount of 1,158,353.12 baht with 7.5% interest per annum since October 11, 2018.

On July 19, 2019, the civil court has scheduled hearings for both parties, and entered into a compromise agreement. The payment is on the 30th of every month if the Defendant defaulted any one of the payment, it assumed the defendant defaulted all payment and should pay 7.5% interest per annum of the remaining principal since the default date as follows,

1. July 2019 to December 2019, the payment isn't less than 50,000 baht per month.
2. From January 2020 to December 2020, the payment isn't less than 70,000 baht per month.

Currently, debt service has been completed.

#### 11. Civil case at Bangkok North Kwaeng Court: Black case No.2031/2561

Between	Eversest Technology Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

The Plaintiff filed a lawsuit against the Defendant to Bangkok North Kwaeng Court on December 14, 2018, claimed for accrued payment of equipment and services in amount of 195,000 baht with interest of 13,203.13 baht.

On March 12, 2019, the Bangkok North Kwaeng Court had appointed to determine matter in dispute. That the parties negotiated for payment in amount of 30,000 Baht on next appointment and on April 30, 2019, the parties negotiated to pay the outstanding debt within 10 months in amount of 20,000 baht on the end of every month. The first payment is on June 30, 2019.

Currently, debt service has been completed.

#### 12. Civil Case at Civil Court: Black case No.1518/2562

Between	Premier Energy Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

Premier Energy Company Limited filed a lawsuit with the Civil Court on March 22, 2019 to claim wages from the project to increase the efficiency of waste disposal system at Langsuan Municipality, the principal amount of 28,090,137 baht interest of 1,117,811.16 baht civil court appoints the settlement Mediate or witness PME.

On June 3, 2019 PME submitted a temporary protection request and the court ordered temporary protection by issuing a freeze-up of the bank account for 5 companies as of April 9, 2019 via the Chaiyaphon Lawyer Office. Has submitted an inquiry to finish the court ordered not to cancel the temporary protection order before the verdict.

On April 11, 2019 the attorney's office submitted a statement of defence to the court, Which the court allowed to extend the submission of the statement to June 1, 2019.

On June 3, 2019, the court accepted and is the date of the meeting of the settlement, mediation or witness examination Therefore requested to postpone the case the court has permission postponing the settlement, mediation or examination of witnesses on August 19, 2019

On June 27, 2019 the prosecution filed a withdrawal of the lawsuit. And withdraw the deposit account and the court has given permission to withdraw the lawsuit and withdraw the account.

At present, it is in the process repayment of debt according to the memorandum of agreement for debt repayment.

### 13. Civil Case at Civil Court: Black case No. Por. 3500/2562

Between	TAB Construction Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

TAB Construction Company Limited filed a lawsuit with the Civil Court on June 28, 2019 to claim wages and damages. From the Sing Buri Provincial Waterworks Authority With the principal of wages 2,422,025.25 baht interest 7.5 percent per year since being sued the civil court made an appointment for the settlement Mediate or witness TAB

August 19, 2019. The company received the mark by closing on July 13, 2019, which will be due on August 13, 2019.

On December 3, 2019, the day for mediation, the parties entered into a compromise agreement by agreeing to pay the debt in the amount of 2,757,791.66 baht.

1. Pay on the contract day of 300,000 baht
2. The rest will be paid in monthly not less than 100,000 baht. The first installment is to be paid by January 31, 2020 and the next installment is to be paid at the end of the following month. Payment is due within December 3, 2020.

If defaulted, allow plaintiff to enforce the outstanding case with interest at the rate of 7.5 percent per annum from the default date onwards until complete payment to the plaintiff.

At present, it is in the process of repayment of the debt according to the judgment as agreed.

**14. Civil Case at Civil Court: Black case No. Por. 3073/2562**

Between	Phoenix Chemical Supply Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

Phoenix Chemical Supply Company Limited filed a lawsuit with the Civil Court on June 12, 2019 to claim wages and make a refund of the work guarantee. With principal amount of 194,526 baht interest 52,107.27 baht and principal guarantee amount 52,927.50 baht in the total amount of 304,560.77 baht.

The Civil Court made an appointment for mediate on November 14, 2019 which the both parties can't negotiate. The Civil Court made an appointment to take evidence of the Plaintiff on February 25, 2020 and to take evidence of the Defendant on February 25, 2020. And to hear the judgement on April 28, 2020.

Currently, debt service has been completed.

**15. Civil Case at Civil Court: Black case No. Por. 3211/2562**

Between	T. Worakoon Company Limited	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

T. Worakoon Company Limited filed a lawsuit with the Civil Court on 19 June 2019 to claim money from trading with principal amount of 919,178.37 baht, interest 22,714.63 baht.

On December 2, 2019 an appointment was made with mediation to spread. The parties have made a compromise agreement. By agreeing to pay the debt in the amount of 941,893 baht.

1. Pay by check dated on the contract signing date, amount 100,000 baht.
2. The outstanding amount is 841,893 baht. The installment payment is not less than 40,000 baht. The payment must be completed within 18 installments. Payment is made on the 10th of the month. The first installment is paid on February 10, 2020 and the next installment is over until payment is completed.

By transferring into the plaintiff's account if defaulted, the defendant agrees to pay the debt to the plaintiff under the lawsuit of the amount that has not been paid and pay interest at the rate of 7.5 percent per annum of defaulted principal until complete payment.

At present, it is in the process of repayment of the debt according to the judgment as agreed.

**16. Civil Case at Civil Court: Black case No. Por. 1636/2562**

Between	Mr. Cherdchai Piyapan	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant 1"
	Sredama Engineering Company Limited	"Defendant 2"
	Miss. Sujira Sredama	"Defendant 3"



Mr. Cherdchai Piyapan filed a lawsuit with the Civil Court on July 31, 2019 to claim money from trading with principal amount of 1,582,704 baht interest 259,949.66 baht.

The Civil Court appointed the parties to determine the date for taking evidence on November 19, 2019 and postpone the appointment to examine the application for permission to submit testimony on January 15, 2020.

Sisaket Provincial Court the hearing of the witnesses is scheduled for July 30, 2020 and the hearing of the witnesses for the defendants on 31 July 2020.

On October, 18, 2020 the court appointment to hear the judgment.

The court judge dismissed the case of Defendant 1 (Hydrotek), due to the Plaintiff's witnesses unable to satisfactory evidence that Hydrotek has given Defendant 2, Defendant 3, to represent the order. And evidence of defendant 1, heard the Plaintiff's witnesses refute that the defendant 1 had never had legal relations with Plaintiff following the lawsuit against Defendant 1, so there was no debt to be liable under the lawsuit.

On January 18, 2021, the plaintiff submitted an appeal to the Court of First Instance.

On February 8, 2021, defendants 2, defendants 3, submitted a judgment to the Court of First Instance.

**17. Civil Case at Civil Court: S.A. Service and Construction Part., Ltd. And Mr. Sirawut arundee.**

Between	Hydrotek Public Company Limited	"Plaintiff"
	S.A. Service and Construction Part., Ltd	"Defendant 1"
	Mr. Sirawut arundee	"Defendant 2"

Hydrotek Public Company Limited filed a lawsuit with the Civil Court on March, 25, 2020, to be liable under the hire of work in the floodgate construction project Tha Yang Pumping Station with principal of 127,330 baht, interest 7.5 per year.

On June, 15, 2020, day of taking evidence, the defendant did not come to court on an appointment and did not submit an answer. The court issued a decree for both defendants to comply with the judgment. And the court issued a judgment against the defendant Pay the debt in the amount of 157,330 baht plus interest 7.5 per year of the principal from December 15, 2018 until the payment is complete.

On August 6, 2020, court Issue a warrant execution the defendant to pay the debt.

On August 11, 2020, a warrant was issued to the defendant.

During the investigation of the defendant's property.

**18. Civil Case at Civil Court: SA Engineering and Intertrade Co., Ltd.**

Between	Hydrotek Public Company Limited	"Plaintiff"
	SA Engineering and Intertrade Co., Ltd.	"Defendant"

Hydrotek Public Company Limited filed a lawsuit with the Civil Court on March, 25, 2020, to be liable under the contract of sale for the floodgate construction project Tha Yang Pumping Station with principal of 429,573.88 baht, interest 7.5 per year.

On June, 15, 2020, day of taking evidence, the defendant did not come to court on an appointment.

On July 13, 2020 at 9:00 a.m., the court scheduled to hear and decision.

On August 11, 2020, a warrant was issued to the defendant.

During the investigation of the defendant's property.

#### 19. Civil Case at Civil Court: As well Engineering Co., Ltd. Black case No. Por.E 137/2563

Between	As well Engineering Co., Ltd.	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

As well Engineering Co., Ltd. filed a lawsuit against the court on August 19, 2020, liable for hire of work. Acknowledgment of debt condition letter for B.R.P Steel Rayong Project with principal amount of 473,031.15 baht, interest 7.5 per year amounting 112,311.90 baht and performance guarantee of 360,725.25 baht.

On October 19, 2020, the Court made a pretrial conference both parties. The court saw that the plaintiff's case and the defendant could come to an agreement, so they sent the matter to the meeting center to find a date and time to mediate between both parties. The initial agreement the plaintiff proposed the defendant to enter into a compromise agreement. The plaintiff proposed that the defendant pay 2 installments in the amount of the debt filed is 473,037.15 baht without interest.

On March 5, 2021 at 9:00 a.m., with the date of the contract agreeing to issue checks payable for the first installment of 236,518.57 baht and the remaining 1 installment due on April 5, 2021.

At present, it is in the process of repayment of debt according to the judgment as agreed.

#### 20. Civil Case at Civil Court: Sangsuwan tractor Part., Ltd. Black case No. Por. 1769/2563

Between	Sangsuwan tractor Part., Ltd.	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

Sangsuwan tractor Part., Ltd. filed a lawsuit to the court on October 22, 2020, to be liable under the agreement, and to repay the PWA project, Khon Kaen branch with the principal amount of 889,701.49 baht, 7.5 interest per year, amounting to 173,674.61 baht, including the performance guarantee of 1,063,376.10 baht.

On November 14, 2020, the Court made a pretrial conference both parties. The court saw that the plaintiff's case and the defendant could come to an agreement, so they sent the matter to the meeting center to find a date and time to mediate between both parties. The initial agreement the plaintiff proposed the defendant to enter into a

compromise agreement. The plaintiff proposed the defendant to pay 30% of the debt amount equal to 319,012.80 baht and the rest 6 installments without interest.

On January 27, 2021, at 9:00 a.m., was made a compromise agreement. By agreeing to issue a check payable for the first installment of 319,012.80 baht and the rest of 6 installments, payable on the 27th of every month by transferring money to a Kasikorn bank account, account name Mr. Sawat Khamat, account number 324 293 0362

At present, it is in the process of repayment of debt according to the judgment as agreed.

**21. Civil Case at Civil Court : Aqua Nishihara Co., Ltd. Black case No. Por. 6234/2563**

Between	Aqua Nishihara Co., Ltd.	"Plaintiff"
	Hydrotek Public Company Limited	"Defendant"

Aqua Nishihara Co., Ltd. Filed a lawsuit on December 9, 2020 for liability under the hire of work, contract of sale, and payment And claim damages for PTT PHENOL Rayong Project and Water Supply System Project of Universal Utilities Company Limited, Chonburi, with the principal amount of 3,657,454 baht, interest 7.5 per year, amount 1,122,186.30 baht, totaling funds filed 4,797,640.30 baht.

On February 10, 2021, the Court appointment a pretrial conference. (The court postponed the hearing date due to the coronavirus problem).

## General Information

Company Name in Thai	: บริษัท ไฮโดรเทค จำกัด (มหาชน)
Company Name in English	Hydrotek Public Company Limited
Registration Number	0107554000097
Nature of Business	<p>Construction, Operation and Maintenance, and Water Operator for environmental engineering business which are :</p> <ol style="list-style-type: none"> <li>1. Construction (Engineering, Procurement, and Construction: EPC)</li> <li>2. Water management services both water and waste water systems</li> <li>3. Water Operator of Water Treatment Plant and Wastewater Treatment Plant (Water Operator)</li> </ol> <p>The company has 4 products:</p> <ol style="list-style-type: none"> <li>1. Water Treatment Plant such as Portable Water Plant, Desalination Plant and Demineralization Plant</li> <li>2. Wastewater Treatment Plant, and Wastewater Recycle Plant</li> <li>3. Solid Waste Treatment Plant, using solid waste to landfill for decomposing and the process will generate Methane to be used as fuel.</li> <li>4. Waste to Energy, using wastewater with high COD ( Chemical Oxygen Demand) from industrial for processing to yield Biogas and Methane to be used as fuel</li> </ol>
Head Office	1 TP&T Tower, 14thFloor, Soi Vibhavadee- Rangsit 19, Chatuchak, Chatuchak, Bangkok, 10900, Thailand
Telephone Number	(66) 2-936-1661-2
Facsimile Number	(66) 2-936-1669
Website	<a href="http://www.hydrotek.co.th">www.hydrotek.co.th</a>
Authorized Capital	Baht 1,668,058,615, 1,668,058,615 shares
Paid-up Capital	Baht 1,280,385,570, 1,280,385,570 shares as at December 31, 2020
Par Value	Baht 1 per share

## References

### Registrar

#### Thailand Securities Depository Company Limited

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel: (66) 2-009-9000

Fax: (66) 2-009-9991

### Auditor

Miss Susan Eiamvanicha                      Certified Public Accountant No. 4306

#### SP Audit Company Limited

503/31 K.S.L Tower 18<sup>th</sup> Fl., Sri Ayudhya Road, Phayathai, Ratchathewi Bangkok 10400

Tel: (66) 2-642-6172-4

Fax: (66) 2-642-6253

Remark: Investors can find additional the company's information from Annual Registration Statement (56-1) at

[www.sec.or.th](http://www.sec.or.th) or [www.hydrotek.co.th](http://www.hydrotek.co.th)

## Registered and paid-up capital

The company's registered capital of 1,668,058,615 baht (one thousand six hundred and sixty-eight million fifty-eight thousand six hundred and fifteen) of which has been paid up 1,280,385,570 baht (one thousand two hundred and eighty million three hundred eighty-five thousand five hundred and seventy baht) ordinary shares as at December 31, 2020 at the par value of 1 baht per share.

## Shareholders

Major Shareholders as at December 31, 2020.

	No. of Shares	%
Miss Parisa Chayavasan	390,000,000	30.46
Mr. Somprasong Panjalak	210,000,000	16.40
<b>Mr. Slib Soongswang's group</b>	<b>77,816,114</b>	<b>6.07</b>
- Mr. Slib Soongswang	77,765,006	6.07
- Ms. Sujin Srichaiphani	38,255	0.00
- Ms. Suda Srichaiphani	12,751	0.00
- Mrs. Kobkul Patanaporn	102	0.00
Mr. Kitti Jivacate	73,524,560	5.74
Mr. Titpat Amornnuntipat	64,902,800	5.07
Mr. Surachet Chaipattamanon	42,721,700	3.34
Ms. Sukanya Phalee	41,840,000	3.27
Mrs. Kruawan Traisawatwong	37,839,500	2.96
Ms. Wilawan Charumanophat	20,132,000	1.57
Miss. Jarinee Poopram	17,005,086	1.33
<b>Total</b>	<b>975,781,760</b>	<b>76.21</b>

Remark: Mr. Slib Soongswang's group comprised of Mr. Slib Soongswang, sister of his wife and his sister.

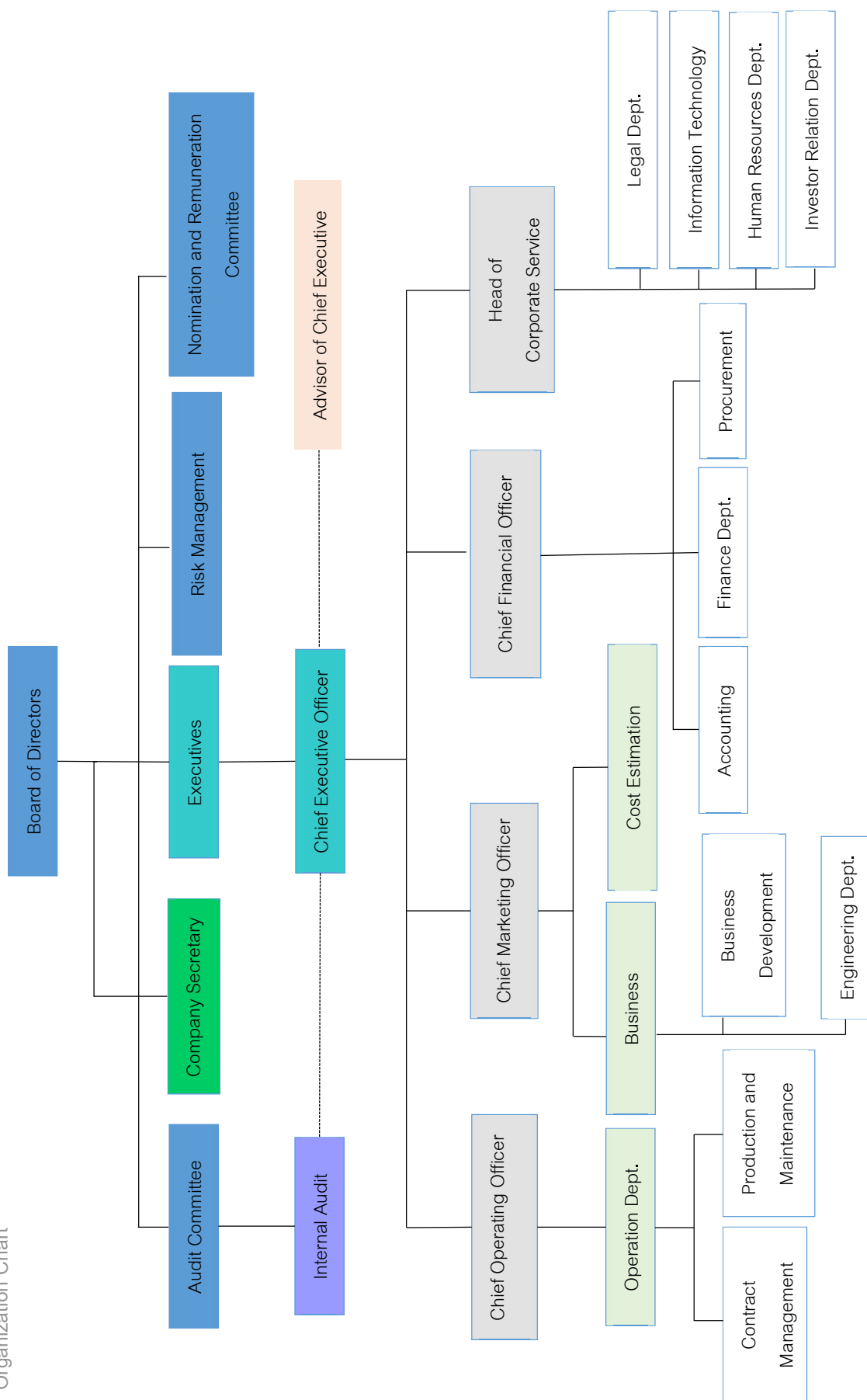
## Restriction on foreign shareholders

Foreign shareholders can collectively hold the Company's issued shares by not more than 49.00%. As at December 31, 2020, shares held by foreigner were at 0.02%.

## Dividend Policy

The Company's dividend payout policy is at a minimum of 40% of net profit after tax and legal reserve. The dividend payment may change subject to investment plan, necessity and appropriateness in the future under the condition that it has to maximize the benefit of the shareholders such as have to reserve for loan repayment or business expansion or in case that there are any changes of the market conditions which may affect the Company's cash flows in the future by authorizing the Company's the Board of Directors to consider. The resolution of the Board of Directors to approve the dividend payment will be proposed to the shareholders' meeting for approval except for interim dividend payment which the Board of Directors has power to approve the interim dividend payment and report to shareholder's meeting for acknowledgement.

Organization Chart





## Directors and Management Structure

The Company's management structure consists of 5 groups of directors such as the Board of Directors, the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Executive Committee. Directors were considered from knowledge and experience in the field of business, morals, responsibility, transparency and ethic.

### 1) The Board of Directors

As at December 31, 2020, the Company's Board of Directors comprised of 7 directors as follows:

- |                                       |   |
|---------------------------------------|---|
| 1. Mr. Somprasong Panjalak            | Director / Chairman of the Board  |
| 2. Mr. Bancherd Thongcharoen          | Director / Chief Executive Officer / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee                                  |
| 3. Mr. Somcharn Panjalak              | Director / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee  |
| 4. Mr. Slib Soongswang                | Director / Member of the Risk Management Committee  |
| 5. Air Chief Marshal Surasak Meemanee | Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee / Chairman of the Risk Management Committee / Independent Director |
| 6. Professor Dr. Kamphol Panyagometh  | Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee / Independent Director   |
| 7. Dr. Siridech Kumsuprom             | Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee / Independent Director   |

Ms. Jiratchaya Wongchai is secretary of the Board of Directors and the secretary of the Company.

Remark : \* Mr. Bancherd Thongcharoen, Director was appointed from the Board of Directors' meeting no.13/2020 as an Acting as the Company Secretary in replacement of Ms. Jiratchaya Wongchai who resigned the positions. The appointment was effective on November 30, 2020.

Authorized Directors: Mr. Somprasong Panjalak or Mr. Bancherd Thongcharoen or Mr. Slib Soongswang or Mr. Somcharn Panjalak two of four directors sign on behalf of the company with the Company's seal affixed.

Restriction of Directors' power: None

Remark : \* Mr. Bancherd Thongcharoen was appointed from the Board of Directors' meeting no.6/2020 as Director in replacement of Mr. Sarun Yansopanana who resigned the positions. The appointment was effective on July 10, 2020.

\* Mr. Bancherd Thongcharoen was appointed from the Board of Directors' meeting no.7/2020 as Director / Chief Executive Officer / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee. The appointment was effective on August 5, 2020.

\* Mr. Slib Soongswang resigned as Chairman of the Board. The resignation was effective on September 1, 2020.

\* The Annual General Meeting of Shareholders of the year 2020 held on August 11, 2020, resolved to approved the appointment of Mr. Somprasong Panjalak to be the new directors of the Company in replacing of one vacant directors.

\* Mr. Somprasong Panjalak was appointed from the Board of Directors' meeting no.9/2020 as Chairman of the Board. The appointment was effective on September 8, 2020.

### Scope of Duties and Responsibilities of the Board of Directors

- 1) To determine or change the Company's authorized directors.
- 2) To determine policy, strategy, business trend and monitor and ensure that the administration operate efficiently and effectively according to the policy, strategy and business trend that have been set in order to maximize economic value to shareholders and sustain growth except for policy or any operation that required the approval from the shareholders' meeting
- 3) To decide on material issues such as business plan, budget, large investment project, management authority and other issues as specified by laws.
- 4) To evaluate performance and determine remuneration of the management.
- 5) To responsible for performance and operation of the management by performing with high determination and caution.
- 6) To provide accounting system, financial reports and credibility audit as well as ensure the process for the evaluation of the appropriateness of the internal control and internal audit to be effective and efficient, risk management, financial reports and following up the result.
- 7) To ensure that there is no conflict of interest between related persons and the Company.
- 8) To determine internal rules or regulations.
- 9) To report the Board of Directors' responsibilities for financial statements preparation by presenting with the auditor's opinion in the annual report and covering all material issues according to the Code of Best Practice for Directors of Listed Companies.
- 10) Power for the following tasks which can be implemented only obtain the approvals from Shareholders' Meeting which any directors or related persons who might be involved with either conflict of interest transaction or beneficial conflict transaction with the Company or its subsidiaries shall not be granted the right to vote in that matter.
  - (n) Matters stipulated by Laws must be obtained the resolutions from Shareholders' Meeting.
  - (ญ) Transactions that any directors are involved with either conflict of interest or any other beneficial conflicts particularly stated by the Laws or regulations of the Stock Exchange of Thailand must be obtained the resolutions from Shareholders' Meeting.

Besides, the following matters must be approved by the Board of Directors with majority vote of the directors attending the meeting and approved by the Shareholders' Meeting with the votes not less than 3 over 4 of total votes of the eligible shareholders present in the meeting.

- (ก) To sale or transfer all or major parts of the Company's business.
- (ข) To purchase or acquire of other company or other private company.
- (ค) To make, amend or terminate the contract related to the rent of all or some major parts of the Company's business. The appointment of other person who will manage the Company's business or the merging with other person in order to share profit and loss.
- (ง) To amend the Memorandum of Associations or the Articles of Associations.
- (จ) To increase or decrease capital, to issue debenture, to merge or to terminate the business.
- (ฉ) Other matters as stated by the Laws related to Securities and / or regulations of the Stock Exchange of Thailand which must be obtained the approval from The Board of Directors' meeting and shareholders' meeting with the votes mentioned above.

11) The Board of Directors may appoint a set of directors as appropriate to be Executive Committee to perform the tasks as assigned by the Board of Directors.

Such authorization will not entitle the Executive Committee to approve on any matters that might be conflict of interest to himself or related person or other matter that may cause any beneficial conflict whatsoever with the Company or subsidiary (if any) as well as stated that has to obtain the approval from shareholders' meeting in case entering into related transaction and acquisition or disposition of major assets to comply with the SET's regulations.

#### Scope of Duties and Responsibilities of Chairman of the Board

- 1) To ensure operation of the Board with the standard of corporate governance.
- 2) Set the agenda and run the meeting. The Objective for achieve efficiency and effectiveness to implement its business.
- 3) To determine the policy with the Board and management for set goals.
- 4) To support the Board and executive to development of strategy.

#### 2) The Executive Committee

As at December 31, 2020, the Executive Committee of the Company comprised of 3 persons as follows:

- |                              |                                     |
|------------------------------|-------------------------------------|
| 1. Mr. Bancherd Thongcharoen | Chairman of the Executive Committee |
| 2. Mr. Somprasong Panjalak   | Member of the Executive Committee   |
| 3. Mr. Somcharn Panjalak     | Member of the Executive Committee   |

Remark : \* Mr. Bancherd Thongcharoen was appointed from the Board of Directors' meeting no. 7/2020 as Chairman of the Executive Committee. The appointment was effective on August 5, 2020.

\* Mr. Somprasong Panjalak was appointed from the Board of Directors' meeting no. 9/2020 as Member of the Executive Committee. The appointment was effective on September 8, 2020.

### Scope of duties and responsibilities of Executive Committee

- 1) To plan and determine policy, direction, strategy and management structure according to and supporting the economic and market condition and propose to the Board of Directors for approval.
- 2) To determine business plan, budget and authority table and propose to the Board of Directors for approval.
- 3) To monitor in order to ensure that the Company is operated in accordance with the approved policy, plan and strategy.
- 4) To consider for entering into business agreement, agreement related to asset acquisition or rights for benefit of the Company as well as determine process and negotiation method in order to enter into such agreement.
- 5) To approve the bidding price at the project amount of not exceed 800,000,000 Baht per project.
- 6) To approve the capital expenditure as stated in annual budget which approved by the Board of Directors or according to the principle as approved by the Board of Directors.
- 7) To manage financial plan with financial institutions for account opening, lending, borrowing, credit line sourcing, providing collateral, pledge, mortgage, guarantee and others including exchange, accepting pledge, consignment, rent or rent out land and properties and registration for the rights of land and properties complying with objectives for the benefit of the Company's operation and propose to the Board of Directors for approval.
- 8) To consider the Company's profit and loss and propose the interim dividend payment or annual dividend payment to the Board of Directors for approval.
- 9) To have power to employ, appoint, transfer, remove, expel, determine wage rates, give gratuities and rewards, raise salaries, considerations and bonuses for employees up from President level.
- 10) To perform other tasks to support the above assignments or as periodically instructed by the Board of Directors.

Executive Committee and the management may authorize the Company's executive staff to approve a single financial transaction or several transactions as Executive Committee and management deem appropriate.

Such authorization will not entitle the Executive Committee and the management or the person authorized by the Executive Committee and the management to approve on any matters that might be conflict of interest to himself or other matter that may cause any beneficial conflict whatsoever with the Company or subsidiary (if any) according to the regulations of the Capital Market Supervisory Board or other related agencies.

The Board of Directors has power to change scope of duties and responsibilities of the Executive Committee and the management as necessary or deemed appropriate.

### 3) Executives

As at 31 December 2020, the executives of the Company comprised of 2 persons as follows:

1. Mr. Bancherd Thongcharoen                      Chief Executive Officer
2. Miss Jarumas Anutchalakom                      Chief Financial Officer

Remark :    \* Mr. Sarun Yansopananan resigned as Chief Executive Officer. The resignation was effective on July 10, 2020.  
               \* Mr. Chitamorn Anupunthanun resigned as Chief Operating officer. The resignation was effective on October 1, 2020.  
               \* Mr. Kantabhon Vanuptikul resigned as Chief Marketing officer. The resignation was effective on October 1, 2020.  
               \* Miss Jarumas Anutchalakom was appointed from the Board of Directors' meeting no.13/2020 as Member of the Executive Committee. The appointment was effective on November 16, 2020.

#### Scope of duties and responsibilities of Chief Executive Officer

- 1) To monitor, oversee and approve normal operation of the Company and may authorize President, executive or other person to perform day-to-day normal operation for specific matter under control of Chief Executive Officer and within time frame as Chief Executive Officer deemed appropriate and Chief Executive Officer may cancel, remove, change or amend such authority.
- 2) To perform as assigned by the Board of Directors or the Executive Committee and the management.
- 3) To be responsible for the administration of taxes, risk and management as well as to propose annual budget to the Board of Directors and to oversee human resources management and allocation to be in line with outline and guideline of budget under laws, regulations and the Company's Articles of Association.
- 4) To consider and approve the bidding price for the project amount not exceed 600,000,000 Baht per project.
- 5) To have power to approve and authorize the expenditure for asset and service procurement for the benefit of the Company with the amount of not exceed 200,000,000 Baht as well as to approve financial transaction which is under annual budget as approved by the Board of Directors.
- 6) To have power to represent the Company to deal with external individual for any related business that is benefit to the Company.
- 7) To approve the appointment of any advisors that is necessary to the Company's operation.
- 8) To perform other tasks as assigned by the Board of Directors of Executive Committee and the management occasionally.

Chief Executive Officer is under control and reports directly to the Executive Committee and the management and has to perform according to guideline and policy as set by the Executive Committee and the management.

Chief Executive Officer is not entitled to approve on any matters that might be conflict of interest to himself or related party or other matter that may cause any beneficial conflict whatsoever with the Company or subsidiary (if any) according to the regulations of the Capital Market Supervisory Board or other related agencies.

The Board of Directors has power to change scope of duties and responsibilities of Chief Executive Officer as necessary or deem appropriate.

### Scope of duties and responsibilities of President

- 1) To monitor, oversee and approve normal operation of the Company and may authorize executive or other person to perform day-to-day normal operation.
- 2) To manage and monitor the general operation of the Company.
- 3) To perform as assigned by the Board of Directors or Executive Committee and the management or Chief Executive Officer.
- 4) To have power to employ, appoint, transfer, remove, expel, determine wage rates, give gratuities and rewards, raise salaries, considerations and bonuses for employees below President level as well as appoint employee representative as the committee of the Company's provident fund.
- 5) To consider and approve the bidding price for the project amount not exceed 300,000,000 Baht per project.
- 6) To have power to approve and authorize the expenditure for asset and service procurement for the benefit of the Company with the amount of not exceed 50,000,000 Baht as well as to approve financial transaction which is under annual budget as approved by the Board of Directors.
- 7) To authorize the issuance of instructions, regulations, announcements, memorandums so that the Company is operated in compliance with the policy and for the Company's interest as well as for the discipline of the organization.
- 8) To have power to represent the Company to deal with external individual for any related business that is benefit to the Company.
- 9) To approve the appointment of any advisors that is necessary to the Company's operation.
- 10) To perform other tasks as assigned by the Board of Directors of Executive Committee and the management or Chief Executive Committee occasionally.

President is under control and reports directly to the Chief Executive Officer and has to perform according to guideline and policy as set by the Executive Committee and the management.

President is not entitled to approve on any matters that might be conflict of interest to himself or his related party or other matter that may cause any beneficial conflict whatsoever with the Company or subsidiary (if any) according to the regulations of the Capital Market Supervisory Board or other related agencies.

The Board of Directors has power to change scope of duties and responsibilities of President as necessary or deem appropriate.

#### 4) Company Secretary

##### Qualification of Secretary

- 1) Having knowledge and understanding in the company's business which are construction, management and investment.
- 2) Understanding duties and responsibilities of secretary.

- 
- 3) Having knowledge and understanding in laws, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
  - 4) Having knowledge and understanding in good corporate governance and code of conduct.

**Scope of duties and responsibilities of Secretary**

- 1) To perform duties with responsibility, carefulness and honesty according to laws and related regulations.
- 2) To assist in the Board of Directors' activities and advise the directors on company's regulation and relevant agencies' regulations.
- 3) To take care of information disclosure in scope of responsibilities according to good corporate governance.
- 4) To administrate and coordinate the Board of Directors and sub committees' meeting and shareholders' meeting include ensure and coordinate to perform in objectives, company's regulation, the Board of Directors and shareholders' resolutions as well as legal requirements and related regulations.
- 5) To prepare and keep notices, minutes of the Board and Shareholders' meeting and annual report.
- 6) To contact and communication with shareholders and the related regulatory units.

## 5) Remuneration of the Board of Directors and Executives

### 5.1 Remuneration of the Board of Directors

Name	The Board of Directors' Remuneration and meeting allowance for the year 2020				
	The Board of Director	The Audit Committee	The Risk Management committee	The Nomination and Remuneration Committee	Premium payment 2020
1. Mr. Somprasong Panjalak	90,000	-	-	-	-
2. Mr. Bancherd Thongcharoen	86,000	-	-	-	-
3. Mr. Somcham Panjalak	180,000	-	-	-	-
4. Mr. Slib Soongswang	315,000	-	-	-	-
5. Air Chief Marshal Surasak Meemanee	180,000	180,000	10,000	37,500	-
6. Professor Dr.Kamphol Panyagometh	180,000	60,000	-	50,000	-
7. Dr. Siridech Kumsuprom	180,000	60,000	-	30,000	-
8. Mr. Sarun Yansopananan	94,500	-	-	-	-

Remark: \* Mr. Sarun Yansopananan resigned as Chief Executive Officer / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee. The resignation was effective on July 10, 2020.

\* Mr.Bancherd Thongcharoen was appointed from the Board of Directors' meeting no.7/2020 as Chief Executive Officer / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee. The appointment was effective on August 5, 2020.

\* Mr. Slib Soongswang resigned as Chairman of the Board. The resignation was effective on September 1, 2020.

\* The Annual General Meeting of Shareholders of the year 2020 held on August 11, 2020, resolved to approved the appointment of Mr.Somprasong Panjalak to be the new directors of the Company in replacing of one vacant directors.

\* Mr. Somprasong Panjalak was appointed from the Board of Directors' meeting no.9/2020 as Chairman of the Board. The appointment was effective on September 8, 2020.



## 5.2 Executives' Remuneration

The Company has set policy to determine the amount of the Chief Executive Officer and Chief Executive Officer by consideration of the Nomination and Remuneration Committee. According to the following criteria:

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

Executives' Remuneration	Fiscal year 2020	
	No. of executives	Amount (Baht)
Salary	8	8,506,667.00
Bonus	-	-
Provident Fund	1	26,400.00
Others*	4	1,871,976.86
Total		10,405,043.86

Remark : \* Other include fuel, employee benefits (retirement) and severance pay

## 5.3 Other Remuneration

- None -

## 6) Personnel

### 6.1 Number of employees (exclude executives)

As at 31 December 2020, the staffs' of the Company and subsidiaries were as follows:

	Fiscal year 2020 No. of staffs
1. Permanent Employee	35
- Marketing Division	2
- Operation Division	19
- Account & Finance Division	3
- Invertor Relations Division and Company Secretary	2
- Purchasing Dept.	2
- Human Resources Dept.	1
- Internal Audit	1
- Superior central agencies Information technology Agency	3
- Information technology Agency	1
- Legal Dept.	1
2. Day Laborer	-
<b>Total</b>	<b>35</b>

### 6.2 Remuneration of employee and laborer and type of remuneration

Baht	2020
Permanent Employee's remuneration: salary, bonus, provident fund	20,451,848.00
Laborer's remuneration: wage	15,017.00
Training /Seminar	41,250.00
<b>Total</b>	<b>20,508,115.00</b>

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### 6.3 Human Resources Development Policy

Due to the recent coronavirus situation (COVID-19), there has been a slowdown in some human resource development programs. In terms of training (external – internal) and the consideration of the salaries structure and benefit - welfare of employees. However, the training is still the important things for our organization. Thus, in 2020, we have been training both external and internal courses as follows:

- Leadership and Management courses such as Director Accreditation Program, CFO Orientation Program, Thai Labour Law, Rules and Regulations of Student Loan Fund (2017); Approximately 8.79 hours per person
- Professional Competency Development courses such as Safety Officer for Technical – Supervisor level, Safety Teacher, Duties of Company Secretary, 56-1 One Report; Approximately 9.40 hours per person

In order to take care staffs completely, the company has been collecting accident data and illness from working rate. In 2020, there is no staff that has an accident and illness from working because the company has been training on using tools and equipments to staffs before start working include safety standards workplace.

## Details of Directors and Executives

Mr. Somprasong Panjalak

Director / Chairman of the Board of Directors / Authorized Director

Age (years)

49

Education

Master of Laws, Case Western Reserve University, USA

Bachelor of Laws, Thammasat University

Related training programs held by the Thai Institute of Directors Association (IOD)

DAP: Director Accreditation Program Certificate, Class 147/2561

## Work experiences during the past 5 years

2020 – Present

Director, Chairman of the Board of Directors, Hydrotek Public Company Limited

2019 – Present

Chairman &amp; Chairman of Executive Committee Prime Road Power Public Company Limited

2018 – Present

Director Digital Economy Promotion Agency (DEPA)

2017 – Present

Chairman Clickinter Business Co.,Ltd

2012 – Present

Managing Director Prime Road Group Co.,Ltd

2011 – 2012

Vice President, Compliance Banpu Public Company Limited

2000 – 2011

Partner Baker and McKenzie

## Holding the positions of director / management in other companies

A. Listed company

None

B. Non-listed companies

1. Director Digital Economy Promotion Agency (DEPA)
2. Chairman Clickinter Business Co.,Ltd
3. Managing Director Prime Road Group Co.,Ltd

Director / management positions in rival companies or other None

companies which have businesses related to the Company which

may cause the conflict of interest to the Company

Conflict of interest with the Company / its parent company /

subsidiary / associated company or any juristic person which may

have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who Yes

receives a regular salary

B. Being a provider of professional services (e.g. auditor, legal advisor) Yes

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C.Having a business relationship in the manner which may interfere	No
with his independent discretion (e.g. purchase / sale of raw	
material / goods / service / borrowing / lending), and to specify	
the size of the transaction (if any)	
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 December 2020)	16.40
Date appointed as a director	8 September 2020
Attendance in the Board of Directors' Meeting for the year 2020	6 times out of 13 times (Meeting start time 8 onwards)

**Mr. Bancherd Thongcharoen**

Director / Chief Executive Officer /Authorized Director /Chairman of the Executive Committee / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee

**Age (years)** 44

**Education** Bachelor of Engineer (Civil Engineering), Chiang Mai University  
Master of Engineer (Civil Engineering), Khon Kaen University

**Related training programs held by the Thai Institute of Directors Association (IOD)** DAP: Director Accreditation Program Certificate, Class 176/2020

**Work experiences during the past 5 years**

2020 – Present	Director, Chief Executive Officer, Authorized Director, Chairman of the Executive Committee, Member of the Risk Management Committee, Member of the Nomination and Remuneration Committee, Hydrotek Public Company Limited
2009 – Present	Managing director, Double R Products Public Company Limited
2009 – 2020	Managing Partner, Rinrat Limited Partnership

**Holding the positions of director / management in other companies**

A. Listed company	None
B. Non-listed companies	1. Managing director, Double R Products Public Company Limited 2. Director, Hydrotek Utility Company Limited

**Director / management positions in rival companies or other** None

**companies which have businesses related to the Company which**

**may cause the conflict of interest to the Company**

**Conflict of interest with the Company / its parent company /**

**subsidiary / associated company or any juristic person which may**

**have current conflict or had conflict during the past 2 years**

A. Being an executive director, employee, staff or advisor who receives a regular salary Yes

B. Being a provider of professional services (e.g. auditor, legal advisor) No

C. Having a business relationship in the manner which may No

interfere with his independent discretion (e.g. purchase / sale

of raw material / goods / service / borrowing / lending), and to

specify the size of the transaction (if any)

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Criminal record during the past 10 years	No
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 December 2020)	1.09
Date appointed as a director	5 August 2020
Attendance in the Board of Directors' Meeting for the year 2020	7 times out of 13 times (Meeting start time 7 onwards)

Mr. Slib Soongswang

Director / Authorized Director / Member of the Risk Management Committee

Age (years)

68

Education

Master of Business Administration, Thammasat University

Bachelor of Engineer (Chemical Engineer), Chulalongkorn University

Related training programs held by the Thai Institute of Directors Association (IOD)

RCP: Role of the Chairman Program Certificate, Class 25/2011

EDP: TLCA Executive Development Program Certificate, Class 14/2014

DCP: Director Certification Program Certificate, Class 117/2009

DAP: Director Accreditation Program Certificate, Class 37/2005

Work experiences during the past 5 years

2014 – Present

Member of the Risk Management Committee,  
Hydrotek Public Company Limited

2017 – 2020

Chairman of the Board of Directors, Hydrotek Public Company Limited

2014 – 2019

Member of the Nomination and Remuneration Committee,  
Hydrotek Public Company Limited

2011 – 2019

Chairman of the Executive Committee, Hydrotek Public Company Limited

2011 – 2018

Chief Executive Officer, Hydrotek Public Company Limited

2011 – 2016

Vice Chairman of the Board of Directors, Hydrotek Public Company Limited

Holding the positions of director / management in other companies

A. Listed company

None

B. Non-listed companies

Director, Hydrotek Utility Company Limited

Director / management positions in rival companies or other None

companies which have businesses related to the Company which

may cause the conflict of interest to the Company

Conflict of interest with the Company / its parent company /

subsidiary / associated company or any juristic person which may

have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who No

receives a regular salary

B. Being a provider of professional services (e.g. auditor, legal advisor) No



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C.Having a business relationship in the manner which may interfere	No
with his independent discretion (e.g. purchase / sale of raw	
material / goods / service / borrowing / lending), and to specify	
the size of the transaction (if any)	
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 December 2020)	6.07
Date appointed as a director	15 December 2011
Attendance in the Board of Directors' Meeting for the year 2020	10 times out of 13 times

**Mr. Somchan Panjalak**

Director / Authorized Director / Member of the Risk Management Committee/ Member of the Nomination and Remuneration

Age (years) 45

Education Bachelor of Industrial Engineering in Management, Rajamangala Institute of Technology Khlong 6 (Rajamangala University of Technology Thanyaburi)

Related training programs held by the Thai Institute of Directors Association (IOD) DAP: Director Accreditation Program Certificate, Class 170/2020

**Work experiences during the past 5 years**

2019 – Present	Director, Member of the Nomination and Remuneration Committee Member of the Risk Management Committee, Hydrotek Public Company Limited.
2018 – Present	Associate judge under the Samut Sakhon Youth and Family Court.
2017 – Present	Director, Advanced Certificate Club, Public Economics Management for Executives Director, Advanced Certificate Course in Public Economics Management for Executives, Class 14
2003 – Present	Chairman of the Managing Director, Boyatech Co.,Ltd, Thailand

**Holding the positions of director / management in other company**

A. Listed company	None
B. Non-listed company	Directors, Boyatech Co.,Ltd, Thailand

Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company None

**Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years**

A. Being an executive director, employee, staff or advisor who receives a regular salary No

B. Being a provider of professional services (e.g. auditor, legal advisor) No

C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any) No

Criminal record during the past 10 years No

Family relationship of the executive with the Company None

Shareholding ratio in the Company (percent) (as at 31 December 2020) None

Date appointed as a director 12 November 2019

Attendance in the Board of Directors' Meeting for the year 2020 13 times out of 13 times

Air Chief Marshal Surasak Meemanee

Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee /  
Member of the Nomination and Remuneration Committee / Independent Director

Age (years) 64

Education Degree in National Defence College of Thailand  
Air War College, RTAF  
Air Command and Staff College, RTAF  
Bachelor Degree in Science (Electrical Engineering) Royal Thai Airforce Academy

Related training programs held by the Thai Institute of Directors Association (IOD) DAP: Director Accreditation Program Class 147/2018

#### Work experiences during the past 5 years

2019 – Present	Chairman of the Audit Committee, Hydrotek Public Company Limited Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Independent Director Prime Road Power Public Company Limited
2018 – Present	Director / Independent Director / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee, Hydrotek Public Company Limited
2018 – 2019	Member of the Audit Committee, Hydrotek Public Company Limited
2016 – Present	Advisor Defence Technology Institute (Public Organisation)
2015 – 2016	Chairman of The Renewable energy committee, RTAF
2014 – 2015	Director of Research And Development Centre For Space And Aeronautical Science And Technology, RTAF
2012 – 2014	Deputy Director of communication and electronics, RTAF

#### Holding the positions of director / management in other company

A. Listed company	Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Independent Director Prime Road Power Public Company Limited
B. Non-listed company	None

Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company None

#### Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No

Criminal record during the past 10 years	No
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 December 2020)	None
Date appointed as a director	15 January 2018
Attendance in the Board of Directors' Meeting for the year 2020	13 times out of 13 times

Professor Dr. Kamphol Panyagometh  
 Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee /  
 Independent Director

Age (years) 49

Education Ph.D. (Finance) Schulich School of Business, York University, Canada  
 Master of Business Administration (Finance) National Institute of  
 Development Administration  
 Bachelor of Science, King Mongkut's University of Technology Thonburi

Related training programs held by the Thai Institute of Directors Association (IOD) DAP: Director Accreditation Program Certificate, Class 90/2011

#### Work experiences during the past 5 years

2019 – Present	Chairman of the Nomination and Remuneration Committee Hydrotek Public Company Limited
2019 – Present	Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Independent Director Prime Road Power Public Company Limited
2018 – Present	President of University, The National Institute of Development Administration Professor, Business Administration Department, National Institute of Development Administration
2014 – 2019	Member of the Nomination and Remuneration Committee, Hydrotek Public Company Limited
2013 – 2018	President for Research and Academic Services National Institute of Development Administration
2013 – 2017	Member of the Audit Committee Thai Luxe Enterprises Public Company Limited
2011 – Present	Director, Member of the Audit Committee, Hydrotek Public Company Limited Member of the Audit Committee and Chairman of the Risk Management Committee, Stars Microelectronics (Thailand) Public Company Limited Fund Management Committee National Institute of Development Administration

#### Holding the positions of director / management in other companies

A. Listed companies	1. Member of the Audit Committee and Chairman of the Risk Management Committee, Stars Microelectronics (Thailand) Public Company Limited 2. Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Independent Director Prime Road Power Public Company Limited
B. Non-listed company	President for Research and Academic Services National Institute of Development Administration

Director / management positions in rival companies or other None  
 companies which have businesses related to the Company which  
 may cause the conflict of interest to the Company

Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who receives a regular salary No

B. Being a provider of professional services (e.g. auditor, legal advisor) No

C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any) No

Criminal record during the past 10 years No

Family relationship of the executive with the Company None

Shareholding ratio in the Company (percent) (as at 31 December 2020) None

Date appointed as a director 15 December 2011

Attendance in the Board of Directors' Meeting for the year 2020 13 times out of 13 times

Dr.Siridech Kumsuprom

Director / Member of the Audit Committee / Member of the  
Nomination and Remuneration Committee / Independent Director

Age (years) 47

Education Master of Information Systems (M.Inf.Sys), Griffith University, Australia  
Ph.D. in Business Information Systems (IT Governance), RMIT University, Australia  
Master of Business Administration Accounting, Dhurakij Pundit University  
Bachelor of Accounting, Dhurakij Pundit University

Related training programs held by the Thai Institute of Directors Association (IOD) DAP: Director Accreditation Program Class 121/2015  
Risk Management Program for Corporate Leaders Class 2/2015  
Driving Company Success with IT Governance Class 1/2016

Work experiences during the past 5 years

2019 – Present	Member of the Audit Committee, Member of the Nomination and Remuneration Committee, Hydrotek Public Company Limited Director, Independent Director, Chairman of the Risk Management Committee Member of the Nomination and Remuneration Committee AEC Securities Public Company Limited.
2018 – Present	Director, Independent Director, Hydrotek Public Company Limited
2018 – Present	Dean for College of Innovative Business and Accountancy (CIBA), Dhurakij Pundit University
2015 – Present	Independent Director / Chairman of the Risk Management Committee, Director and Chairman of the Corporate Governance Committee, Eastern Technical Engineering Public Company Limited
2012 – Present	Deputy Dean for Academic Affairs, Faculty of Accounting, Dhurakij Pundit University

Holding the positions of director / management in other company

A. Listed company	1. Director, Independent Director, Chairman of the Risk Management Committee Member of the Nomination and Remuneration Committee AEC Securities Public Company Limited. 2. Independent Director / Chairman of the Risk Management Committee, Director and Chairman of the Corporate Governance Committee, Eastern Technical Engineering Public Company Limited
B. Non-listed company	None

Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company None

Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No

C.Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 December 2020)	None
Date appointed as a director	10 August 2018
Attendance in the Board of Directors' Meeting for the year 2020	11 times out of 13 times



Mr. Sarun Yansopananan

Director / Authorized Director / Member of the Executive Committee / Chief Executive Officer /

Member of the Risk Management Committee/ Member of the Nomination and Remuneration /

Acting for Chief Financial Officer

Age (years) 38

Education Faculty of Commerce and Accountancy, Accounting Program, Chulalongkorn University.  
Master in management of entrepreneurship Bangkok university and Babson college, Boston USA.

Related training programs held by the Thai Institute of Directors Association (IOD) DAP: Director Accreditation Program Certificate, Class 130/2016

Work experiences during the past 5 years

2019 – 2020	Director, Authorized Director, Member of the Executive Committee, Chief Executive Officer, Member of the Risk Management Committee, Member of the Nomination and Remuneration Committee, Acting for Chief Financial Officer, Hydrotek Public Company Limited
2019 – 2020	Consultant, Prime Road Power Public Company Limited
2015 – Present	Chief Executive Officer, C-F-O Company Limited
	Accounting and Financial consultant, C-F-O Company Limited
2012 – Present	Chief Executive Officer, Zione Corporation Company Limited

Holding the positions of director / management in other company

A. Listed company	None
B. Non-listed company	1.Director, SUT Global Company Limited 2.Director, C-F-O Company Limited 3.Director, Zione Corporation Company Limited

Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company None

Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No

Criminal record during the past 10 years No

Family relationship of the executive with the Company None

Shareholding ratio in the Company (percent) (as at 31 December 2020)	None
Date appointed as a director	1 August 2019 – 10 July 2020
Attendance in the Board of Directors' Meeting for the year 2020	4 times out of 13 times (Resigned from the seventh Meeting onwards )

Mr.Chitamorn Anupunthanun  
Chief Operating Officer

Age (years) 58

Education B.Eng.Civil(Envirnmental) King Monkut Institute of Technology Thonburi

Related training programs held by the Thai  
Institute of Directors Association (IOD)

Work experiences during the past 5 years

2019 – 2020	Chief Operating Officer, Hydrotek Public Company Limited
2010 – 2019	Marketing Manager, Hydrotek Public Company Limited

Holding the positions of director / management in other company

A. Listed company	None
B. Non-listed company	None

Director / management positions in rival companies or other  
companies which have businesses related to the Company which  
may cause the conflict of interest to the Company

Conflict of interest with the Company / its parent company /  
subsidiary / associated company or any juristic person which may  
have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No

Criminal record during the past 10 years No

Family relationship of the executive with the Company None

Shareholding ratio in the Company (percent) (as at 31 December 2020) 0.00

Date appointed as a Management 1 August 2019 – 30 September 2020

Mr.Kantaphon Vanuptikul  
Chief Marketing Officer

Age (years) 51

Education B.Eng. in Production Engineering  
King Mongkut institute of Technology, North Bangkok  
Master of Science Technology Management  
Mercer University, Atlanta, Georgia, United State of America

Related training programs held by the Thai -  
Institute of Directors Association (IOD)

**Work experiences during the past 5 years**

2019 – 2020	Chief Marketing Officer, Hydrotek Public Company Limited
2017 – 2018	Project Manager, LC Technology Company Limited
2014 – 2015	Senior Vice President of New Business Development, Inter Far East Energy Corporation Public Company Limited
2011 – 2014	Project Manager to Assistant Department Manager, Renewable Energy Department, Demco Public Company Limited

**Holding the positions of director / management in other company**

A. Listed company	None
B. Non-listed company	None

Director / management positions in rival companies or other None  
companies which have businesses related to the Company which  
may cause the conflict of interest to the Company

Conflict of interest with the Company / its parent company /  
subsidiary / associated company or any juristic person which may  
have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No

Criminal record during the past 10 years No

Family relationship of the executive with the Company None

Shareholding ratio in the Company (percent) (as at 31 December 2020) None

Date appointed as a Management 1 September 2018 – 30 September 2020

Miss Jarumas Anutchalakom  
Chief Financial Officer

Age (years) 32

Education Bachelor of Business Administration (Management Accounting)  
Kasetsart University

Related training programs held by the Thai Federation of Accounting Professions  
Institute of Directors Association (IOD) -Accounting and Tax Planning for normal Business No.1/2018  
and Training Programs -Business Combination and Advanced Consolidate Financial Statement  
IFRS9 and IFRS16  
-Fundamentals of Finance No.1/2020  
-Feasibility Study No.1/2020  
-Financial Projection and DCF (Excel workshop) No.1/2020

**Work experiences during the past 5 years**

2020 – Present	Chief Financial Officer Hydrotek Public Company Limited (Certified Public Accountant)
2017 – 2020	Director of Accounting and Finance TBSP Public Company Limited
2015 – 2017	Assistant Manager of Audit Division KPMG PHOOMCHAI Audit Co., Ltd
2011 – 2015	Senior Auditor Grant Thornton Limited
2010 – 2011	Assistant Auditor Dharmniti Auditing Co., Ltd

**Holding the positions of director / management in other companies**

A. Listed company	None
B. Non-listed companies	None

Director / management positions in rival companies or other None

companies which have businesses related to the Company which  
may cause the conflict of interest to the Company

Conflict of interest with the Company / its parent company /  
subsidiary / associated company or any juristic person which may  
have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who Yes  
receives a regular salary

B. Being a provider of professional services (e.g. auditor, legal advisor) No

C.Having a business relationship in the manner which may interfere	No
with his independent discretion (e.g. purchase / sale of raw	
material / goods / service / borrowing / lending), and to specify	
the size of the transaction (if any)	
Criminal record during the past 10 years	No
Family relationship of the executive with the Company	None
Shareholding ratio in the Company (percent) (as at 31 December 2020)	None
Date appointed as a Management	16 November 2020

Miss Jiratchaya Wongchai  
Company Secretary

Age (years) 32

Education Bachelor's Degree Faculty of Economics in Finance,  
Ramkhamhaeng University

Related training programs held by the Thai Institute of Directors Association (IOD) -

Work experiences during the past 5 years

2019 – 2020	Company Secretary Hydrotek Public Company Limited
2018 – 2019	Investor Relation and Advisor Company Secretary, Hydrotek Public Company Limited
2016 – 2017	Internal Audit, AP Parking Limited
2012 – 2013	Operator, ABL Business Consulting

Holding the positions of director / management in other company

A. Listed company	None
B. Non-listed company	None

Director / management positions in rival companies or other companies which have businesses related to the Company which may cause the conflict of interest to the Company None

Conflict of interest with the Company / its parent company / subsidiary / associated company or any juristic person which may have current conflict or had conflict during the past 2 years

A. Being an executive director, employee, staff or advisor who receives a regular salary	No
B. Being a provider of professional services (e.g. auditor, legal advisor)	No
C. Having a business relationship in the manner which may interfere with his independent discretion (e.g. purchase / sale of raw material / goods / service / borrowing / lending), and to specify the size of the transaction (if any)	No

Criminal record during the past 10 years No

Family relationship of the executive with the Company None

Shareholding ratio in the Company (percent) (as at 31 December 2020) None

## Corporate Governance

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

The Board of Directors realizes role, duty and responsibility as director to the Company and the shareholders and has approved the written corporate governance policy and also reviewed the Corporate Governance Policy, developed from the 2012 Good Corporate Governance Principles for Listed Companies in aligning with the guideline set by the Stock Exchange of Thailand, and the 2017 Corporate Governance Code for Listed Companies as prescribed by the Office of Securities and Exchange Commission. After consideration, the Company has adopted most principles and proposed to the Board of Directors Meeting No. 14/2018 on November 12, 2018 for acknowledgement. As of December 31, 2018, the Company is on the process of reviewing the Corporate Governance Policy to be aligning with the new Corporate Governance Code. The Corporate Governance Policy is set to be guideline to perform which the material substances divided into 5 sections as follows:

### Section 1: Rights of Shareholders

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

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

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



- 6) All directors shall attend the meeting except for necessary circumstance so that the shareholders can inquire with regard to the related matter.

## Section 2: Equitable Treatment of Shareholders

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

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

## Section 3: Roles of Stakeholders

The company emphasis conduct business to cover Stakeholders sustainable and mutual benefits to all related parties. The Board of Directors oversees the management system to ensure that the Company acknowledges the rights of stakeholders by law and treat equally. The Stakeholders expression of opinion, decision

and action takes on matters affecting them. The Company focus stakeholders that we make policy and guidelines to stakeholders. For employee clear guidelines implementation as follows:

**1) Shareholders**

The operation company operates maximum benefit and add value to shareholders in the long term as follows:

- The company manages good corporate governance by the integrity without seeking benefit for themselves or others. The company make maximize shareholder wealth.
- To provide the information about Shareholders' meeting appropriate for the sufficient time of shareholders to decide.
- To provide Independent Directors oversee, complaint and suggest the minority shareholders through the convenient and quick access.
- The company has stipulated control internal audit and risk management effectively.
- Disclosing information to shareholders accurately, completely, and transparently for their acknowledgement the business operation.

**2) Employees**

The company believes that employee are valuable resource because everyone are the drivers of the company. It is possible to treat employee fairly on human rights for employees and the company has a good relationship. The company is regarded to want of employees and also developing performance operation the guidelines as follows:

- To give equality for staffs which do not the difference of nationality, religion, skin, age, or language to be factors for hiring consideration and also hiring the disabled in order that give them chance.
- The Company interest in take care of employees fairly by respect in personal freedom and opinions.
- To develop skills of employees to be appropriate with their duties and responsibilities for enhancement of knowledge and efficiency performance.
- To encourage collaboration within the organization to create a harmonious and discipline.
- To encourage the safety system and occupational health that following safety standards for the worker safety and hygiene, according to the principle operators' safety manual.
- The company has policy of remuneration and welfare according by performance which is indicators in remuneration change for the purpose to motivate performance development and increase the profitability of the company and compared industry trend for justice that accordance with labor law, and also provided welfare and other appreciate benefits both short-term and long-term such as provident fund, insurance groups, etc. However the determination of employee remuneration has consistency with the performance and sustainability of the Company.
- To encourage environmental management in the workplace and motivate employees part of company for decrease turnover of employees.

**3) Customers**

The company policies services the customer turnkey from service, design and engineering, construction contractor as well as commissioning that focus high quality and efficiency. The company treats relationship our clients by customer services. The guidelines as follows:

- To punctual delivery and customer need.
- To confidence the customer by increasing engineering team high experiences and skill.
- Determine the charge by the method is based on construction cost, services and cost estimates at a fair rate.
- The company emphasizes on quality of work, efficient service and standard construction to the satisfaction of the client and provide after sales consultants for impressive clients.
- The company always develops technology.

**4) Business partners**

The company operates within a competitive context honestly by strictly upholding its promise and commitment to business partners. The guidelines as follows:

- To consider the purchase and contract rate at a fair price that validity to price, quality and service from business partners
- The company operates sustainable and transparent that manage under commercial condition and promise for fair to stakeholders.
- Closing information of business partners except they permit disclose.

**5) Competitors**

The company operates within a competitive context, equity and honest. The guidelines as follows:

- The company offers services through two channels: bidding and directly-contacted by clients. The company operates within the framework of competitor well, ethical, transparent and do not exploit the competitor by unlawful.
- The company does not find the benefit from the secret of competitors
- The company do not damage a competitor's reputation without facts.

**6) Creditors**

The company complies with the terms of loans and obligations to its creditors. Based on equality, fairness and transparency in practice the guidelines as follows:

- Do the right contract with creditors for equality and transparency.
- To prepare the contracts require creditor by law in all respects.
- Payment of principle and interest to creditor on time.

**7) Social**

The Company aware of a part of society. Which is responsible for social assistance and support activities in the community, develop community and environment for quality of life and well-being in society. Because we services from design, construction of the collection system and wastewater treatment and water system to private company and government agencies for reduce wastewater is discharged and may enter source water. And water resources management, which valuable resources of our country the guidelines as follows:

- As part of making a conscious response social to preserve water and use appreciate.
- To encourage and support activities develop community water systems they have water for consumption.
- To enhance meeting for exchange of ideas and give knowledge which are experience and specialization of the company to develop way of life in community that company operated.

**8) Business Implementation Policy under Environmental Standards**

The company is aware of preserving environment so it defines to hold on to environmental policy together with the company's business with following practices:

- Provide project management considering environment and frequently monitor the implementation to prevent impacts to nearby community.
- Promote knowledge and understanding in environment to the employees by educating and disseminating information on notice board and/or circulating letters in the company.
- Promote efficient use of resources considering energy saving and reuse.
- To encourage employees have conscience and responsibility on their activity in order to using of resource as efficiently by educating and campaigning on announcement or internal circular letter.
- To be a part of Thai society by the use of expertise and technology on business operated for development quality of water and quality of life in society.

**9) The Company has a non-infringement of human rights policy**

The company determines policy about human rights violation for the purpose of equality all both shareholders, investors, stakeholders, and all related as human rights principle, which will not violate individual rights and liberty.

**10) The Company determines a non-infringement of intellertual property or copyright policy**

The company has non-infringement of intellertual property or copyright policy which prohibit employees to use software that illegal or copy the software.

**11) Anti-corruption and Anti-bribery for Business Benefit Policy and Guidelines**

The company has Anti-corruption and Anti-bribery policy. The Board of Directors, management and employees are forbidden from supporting corruption. And compliance with this policy must be regularly monitored and verified while the guidelines must be regularly updated to be in line with changing business environment. The guidelines are as follows:

1. Directors, management and employees must comply with the Anti-corruption and Anti-bribery policy and must be aware that corruption is not appropriate according to business ethics.
2. The company promotes its personnel to have knowledge in corruption to honestly work and to prevent corruption via communication/PR and circulating letters.
3. The company has appropriate and regular audit and control to prevent inappropriate behaviors of the employees.
4. The company has transparent financial status report which is auditable and accurate to keep benefits of all stakeholders.
5. The company has policy in giving/receiving gifts, reception or expenses to and from persons conducting business with the company to be in line with local customs or trading tradition and to be at appropriate price.
6. The company gives cooperation with government sector to disclose income statement to The Office of the National Counter Corruption Commission for a project in which the company is party to the government sector.
7. Employees must not ignore when finding any action which can be considered an action to report to supervisor or authorized person or the employees must report the channel defined by the company. The company will keep the information secret to protect the person who reveals it.
8. The company will give fairness to the whistleblower and the person who is accused before investigation.
9. The person committing corruption will be considered disciplinary penalty according to the company's regulations. If such guilt is illegal, the person will be convicted.

## 12) Whistleblower and Relevant Party Protection Policy

The whistleblowers will be appropriately protected from the company such as holding the existing position, protection of work suspension, employment termination or any other action that is unfair treatment to such person. The information received will be kept secret and will not be disclosed to relevant parties except for being forced by law. Any person who knows the information must keep it secret. Intentional disclosure of the information will result in disciplinary penalty.

## 13) Whistleblowing Policy

### Scope of Complaints

Directors, employees or any person acting on behalf of the company can be complained against, if they have committed any action which can be considered corruption.

If the whistleblower does not reveal identity, the coordinator must consider if the information or evidence is clear enough. These following matters will not be considered.

- A complaint with no witness, evidence or corruption that can be investigated.
- It considered that the evidence is not the truth and there is no new evidence to the complaint.

#### Company's Action

- Investigation of the complaint
  - For uncomplicated issue which has clear evidence and does not relate to several units, an appointed or authorized person is eligible to investigate such complaint and the authorized person must have no interest in any complaint.
  - For complicated issue which has a number of evidences or relates to several units, the issue must be presented to CEO and President to consider appointing truth finding committee. The appointed members of the committee must not take part in any interest arising from this issue.

#### Period of Taking Action

When receiving complaint, the authorized or appointed persons will coordinate with the whistleblower within 7 days.

The investigator will consider and report the summary of the case after it is settled to the person who commits corruption within 30 days and the penalty must be approved by the authorized person.

In case of appointing truth finding committee, the case must be closed within 60 days starting from the date of the committee appointment.

In case it cannot be settled in due time, the issue must be presented to the CEO and/or President to consider extension of the investigation period.

#### Reporting

Inspectors have to report the conclusion to complainant, respondent or other personnel, Who has related to acknowledge.

If the complaint affects on the company's reputation, business operation, financial status. must be presented to CEO and President to know immediately to take action and be subject to the Board of Directors' next meeting.

If truth finding committee can prove that the whistleblower provided false information making the alleged defamatory or get damaged. Will be punished according to the regulations of the Company.

#### 14) Channels and clues

The company determines opportunity for all related department to discuss information and give advice or inform complaint which not justice ,illegal and rights violation from operation for enhance business operation to be transparent under good corporate governance. All stakeholders can complain to audit committee.

- e-mail

[audit.committee@hydrotek.co.th](mailto:audit.committee@hydrotek.co.th)

- Letter

HYDROTEK PUBLIC COMPANY LIMITED

1 TP&T Tower, 14<sup>th</sup> Floor 14 Soi Vibhavadee-Rangsit 19, Chatuchak, Chatuchak, Bangkok, 10900

#### Section 4: Disclosure and Transparency

Apart from correct, accurate and timely disclosure of financial reports or other information memorandum to public via various channels according to governed regulations, the Company shall disclose the following information to confirm the transparency of business operation:

- 1) Disclose information related to the performance of the Board of Directors and the Audit Committee such as number of meetings and number of meetings of each director attending for the previous year.
- 2) Disclose valuation method and performance result of the Board of Directors.
- 3) Disclose policy of remuneration of Board of Directors and executives including form or type of remuneration.
- 4) Disclose corporate governance policy and performance in accordance with the policy.
- 5) Disclosure of information in anticipation of circumstances and direction of business and the projection of the Company's future operating performance (Forward-Looking Information)
- 6) Disclosure of material information already released to the public (Material Public Information) should be made clearly and completely, without creating confusion and consistent in order to avoid misunderstanding of the previously disclosed information.
- 7) Disclosure of other information that is not material (Non-material Information) should be made on the basis of truth and without intention to mislead others from the actual financial status, operational performance, or stock prices. Disclosure should not be made in a way that might lead others to understand that stock prices will rise or fall.

Such information not only disclosure to public via Securities and Exchange Commission ("SEC") and SET, but also disclose through the Company's website.

#### Section 5: Board Responsibilities

The Board of Directors comprise of experts with various knowledge and experience such as engineering, management and other expertise which are useful to the operation of the Board of Directors as well as be independence for making decision for the best benefit to the Company and shareholders. The Board of Directors participates in determining (or approval) vision, mission, according to determined business plan and budget with effectiveness and efficiency in order to maximize economic value to the Company and secure the confidence to the shareholders. The Board of Directors also oversees the appropriateness of internal control evaluation process, internal audit, risk management, financial reports and regularly follows up the performance.

##### **1) Structure of the Board of Directors**

- The Company's Board of Directors has 7 persons, comprised of 3 executive directors, 3 non-executives director and 3 of them are independent directors which more than 1/3 of the entire the Board of Directors which can balance the power of executive directors properly
- The Board of Directors support the company to have diversity in the structure inclusive expert who has various knowledge, experience, and specialization that is beneficial to business operation. The expert

have to be intent in moral and honest which they are not limited by gender, nationality, religion, age, professional skills, and other special qualification.

**2) Business Ethics**

In order to operate under good corporate governance and sustainability growth. The Board of Directors announced the Board of Directors' handbook, directors' handbook and code of conducts including improvement for appropriate changing principles. The Board of Directors encouraged employees to follow Business Ethics by announced the anti-corruption and anti-bribery for business benefit policy and guidelines to be suitable for the business environment.

**3) Remuneration of the Board of Directors and executives**

The Company has set policy to determine the amount clearly and transparently and propose to shareholders' meeting for approval every year. The criteria to set the remuneration of the Board of Directors are as follows:

- The remuneration is proper and in line with scope of duties and responsibilities of each director.
- The remuneration is at the attractive level and be able to maintain capable and high quality directors to be with the Company.
- The remuneration structure is clear, transparent and easy to understand.
- The remuneration is comparable to remuneration of other companies in the same or similar industry.
- The company have policy to consider remuneration of chief executive officer, president, and vice president by considered from the nomination and remuneration committee which they will consider remuneration and bonus according by industry trend in the same business to comply with responsibility and performance of the company for retain personnel to be on company and propose to the Board of Directors for approval.

**4) The Board of Director Meeting**

- The Company shall set and proceed meeting according to the Company's Articles of Association, related laws to public company limited and the SET's regulations and shall arrange special meeting when necessary. The chairman of the Board of Directors as the chairman of the meeting shall support thorough consideration and arrange sufficient time for the meeting, therefore, the management can present and explain the major concern thoughtfully.
- The Board determines in advance meeting schedule for all year except for exclusive agenda. The Boards' meeting at least 4 times a year, the Risk Management Committee and the Nomination and Remuneration Committee meeting at least 2 times a year. The Company shall submit the invitation letter including agenda and meeting document to the directors in advance for not less than 7 days prior to the meeting for the Board's review prior to attending meeting. The Company has Risk Management meeting 1 time from 2 times due to The Coronavirus disease (COVID-19) is affecting in Thailand.
- The Board have policy about minimum number of quorum which the Board's meeting will can the votes not less than 2 over 3 of total votes of the Board, and all committee have to attend at least 75% of all



year meeting. Besides, the Company shall record minutes of the meeting accurately and completely in order to be able to be examined by the shareholders.

**Meeting attendance of each director in 2020 (Number of Attendance / Number of Meeting)**

Name	Number of Attendance / Number of Meeting			
	The Board of Director	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee
1. Mr. Somprasong Panjalak	6 / 13	-	-	-
2. Mr. Bancherd Thongcharoen	7 / 13	-	-	1 / 5
3. Mr. Somcharn Panjalak	13 / 13	-	1 / 1	5 / 5
4. Mr. Slib Soongswang	10 / 13	-	1 / 1	-
5. Air Chief Marshal Surasak Meemanee	13 / 13	5 / 5	1 / 1	5 / 5
6. Professor Dr. Kamphol Panyagometh	13 / 13	5 / 5	-	5 / 5
7. Dr. Siridech Kumsuprom	11 / 13	5 / 5	-	4 / 5
8. Mr. Sarun Yansopanan	5 / 13	-	1 / 1	0 / 5

Remark : \* Mr. Bancherd Thongcharoen was appointed from the Board of Directors' meeting no.6/2020 as Director in replacement of Mr. Sarun Yansopanan who resigned the positions. The appointment was effective on July 10, 2020.

\* Mr. Bancherd Thongcharoen was appointed from the Board of Directors' meeting no.7/2020 as Director / Chief Executive Officer / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee. The appointment was effective on August 5, 2020.

\* Mr. Slib Soongswang resigned as Chairman of the Board. The resignation was effective on September 1, 2020.

\* The Annual General Meeting of Shareholders of the year 2020 held on August 11, 2020, resolved to approved the appointment of Mr. Somprasong Panjalak to be the new directors of the Company in replacing of one vacant directors.

\* Mr. Somprasong Panjalak was appointed from the Board of Directors' meeting no.9/2020 as Chairman of the Board. The appointment was effective on September 8, 2020.

## 5) Report of the Board of the Directors

The Board of Directors is responsible for the financial reports preparation including the Company's financial statements, the consolidated financial statements of the Company and subsidiaries (if any) and financial information memorandum as shown in annual report. The financial statements are prepared based on generally accepted accounting standard. The Company applies proper and acceptable accounting standard and complies with such standard regularly. The Company is very careful to prepare and manage sufficient information to disclose in the notes of financial statements.

**6) The Board of Directors Self-Assessment**

The directors will evaluate performance at least one time a year. The directors will work together to consider the result and problem. The assessment result will be analyzed and summarized by the Board of Directors to determine the measurement to improve the efficiency of the Board of Directors further. In 2020, including faculty and individual assessments to the Board of Directors and committees.

- the Board of Directors self-assessment shall be divided into six subjects, namely, structure and qualifications of directors, roles, directors' meeting, duties and responsibilities, relationship with management, and self-development of directors. The assessment result showed that the Board of Directors performed at good level.
- Individual assessment criteria of the Board of Directors can be divided into three topics which are the structure and qualifications of the Board of Directors Board meetings, roles, duties and responsibilities of the Board of Directors. The assessment criteria for all topics is at a good level.
- the Audit Committee self-assessment shall be divided into five subjects, namely, structure and qualifications of directors, self-development of directors, directors' meeting, relationship with management and auditor and duties and responsibilities. The assessment result showed that the Board of Directors performed at good level.
- the Risk Management Committee self-assessment shall be divided into five subjects, namely, duties and responsibilities of the Risk Management Committee, qualifications of directors, structure and qualifications of directors, directors' meeting and roles. The assessment result showed that the Risk Management Committee performed at good level.
- The Nomination and Remuneration Committee self-assessment shall be divided into six subjects, namely, structure and qualifications of directors, roles, directors' meeting, duties and responsibilities, relationship with management, and self-development of directors. The assessment result showed that the Board of Directors performed at good level.
- The Chief Executive Officer self-assessment shall be divided into three subjects, Progress of the plan, Performance measurement and self-development of directors. The assessment result showed that the Chief Executive Officer performed at good level.

**7) Development of directors and executives****- Training for Directors and Executives**

The Company encourages its directors and executives to join seminar which useful for their duties as well as regularly get together for idea exchange between directors and executives. The seminars which the director has to attend are seminars arranged by Thai Institute of Directors (IOD) which are Directors Certification Program (DCP) or Directors Accreditation Program (DAP) or the Audit Committee Program (ACP) or Smart Disclosure Program (SDP) in order to bring knowledge and experience to develop the Company further. In this regard, the Company has regularly sent directors to attend training courses.

In 2020, Mr. Bancherd Thongcharoen, Director and Chief Executive Office, participated in Director Accreditation Program Certificate (DAP), Class 176/2020 and Mr. Somchan Panjalak, Director, participated in Director Accreditation Program Certificate (DAP), Class 170/2020

- **Orientation for New Director**

The Company also arranges for orientation new director. The Board of Directors assigns the company secretary to meeting with director and/or executives for clarification and answer to question, as well as preparing documents and briefing for new directors, such as, information relating to the Company, business overview, shareholding structure, organization structure, listed company director's handbook, the good corporate governance principles, duties of the Board of Directors, and the annual schedule of the Board of Directors's meetings

**8) Investor Relations**

The Board of Directors realizes the importance of the sufficient information disclosure to shareholders, investors and related parties. The disclosed information has to be correct, complete, transparent, widespread and on-time including financial statements, operation result and related information as well as information that affect to the Company's share price according to good corporate governance. The Company shall disclose information and news via various channels such as by mail, disclosure channels of SET and SEC and the Company's website after the Company listed in the SET. Therefore, the shareholders, investors and related parties can use such information for the investment decision.

**The Committee**

The Company comprises the Board of Directors and three committees, namely, the Audit Committee,

The Risk Management Committee and the Nomination and Remuneration Committee. The names of members of committees, including duties and responsibilities of the respective committees are as follows:

**1) The Audit Committee**

As at December 31, 2020, the Company's the Audit Committee comprised of 3 directors as follows:

- |                                       |  |
|---------------------------------------|--|
| 1. Air Chief Marshal Surasak Meemanee | Chairman of the Audit Committee / Independent director |
| 2. Professor Dr. Kamphol Panyagometh  | Member of the Audit Committee / Independent director   |
| 3. Dr. Siridech Kumsuprom             | Member of the Audit Committee / Independent director   |

Mr. Wittaya Amnajsaringkan is the secretary of the Audit Committee.

**Scope of duties and responsibilities of the Audit Committee**

- 1) To ensure that the Company has accurately and adequately disclosed its financial statements to public by cooperating with auditor and in charge executives to prepare financial reports quarterly and annually.

- The Audit Committee may suggest the auditor to examine or investigate any matters considered to be necessary and important during the auditing period.
- 2) To ensure that there are suitable and effective internal control and auditing system in the Company by co-auditing with external auditor and internal control. To determine the independence of the internal control unit as well as to approve for appointment, transferring and termination of head of internal control unit or other unit which is responsible for internal audit.
  - 3) To ensure that the Company is operated in accordance with Laws governing Securities and Exchange, the regulations of the Stock exchange of Thailand and the laws pertaining to the business of the Company.
  - 4) To select and make suggestions regarding the appointment of the Company's auditor together with the audit fee by taking into consideration the credibility, personnel sufficiency, work load of auditing firm as well as experience of the personnel to be appointed as the Company's auditor in order to propose to the Board of Directors for approval in shareholders' meeting. Besides, the Audit Committee has to attend the meeting with the auditor without the management at least once a year.
  - 5) To consider any connected transaction or any conflict of interest transactions and approve such transaction in order to propose to the Board of Directors' meeting and/or shareholders' meeting as stipulated under the laws or related regulations of the Stock Exchange of Thailand to ensure that transaction is fair and for the best benefit to the Company.
  - 6) To review financial management policy and risk management as assigned by the Board of Directors and approved by the Audit Committee.
  - 7) To prepare the Audit Committee report by disclosing on the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and should contain following information:
    - (a) Comments on the preparation process and disclosure of information in the Company's financial statements regarding the accuracy and reliability.
    - (b) Comments on the sufficiency of the Company's internal control system.
    - (c) Comments on the compliance with Laws governing Securities and Exchange, the regulations of the Stock Exchange of Thailand and the laws related to the Company's business.
    - (d) Comments on the appropriateness of auditor.
    - (e) Comments on conflict of interest transactions.
    - (f) Number of the Audit Committee' meetings and attendance of each the Audit Committee.
    - (g) Comments or overview observation which the Audit Committee obtain from performing according to the charter.
    - (h) Report on other matters that shareholders and investors should be concerned within a scope of duties and responsibilities appointed by the Board of Directors.
  - 8) To perform and matters as assigned by the Board of Directors and approved by the Audit Committee.

To perform according to the scope of duties and responsibilities, the audit commit has power to invite any management, executive or staff who related to report, comment, attend the meeting or submit related and necessary document.

To perform its duties, the Audit Committee has direct responsibility to the Board of Directors. The Board of Directors also has responsibility to outsider The Board of Directors has power to adjust and change scope of duties of audit commit as necessary or appropriate.

## 2.) The Risk Management Committee

As at December 31, 2020, the Company's Risk Management Committee comprised of 4 directors as follows:

- |                                       |   |
|---------------------------------------|---|
| 1. Air Chief Marshal Surasak Meemanee | Chairman of the Risk Management Committee<br>/ Independent Director |
| 2. Mr. Bancherd Thongcharoen          | Member of the Risk Management Committee                             |
| 3. Mr. Siib Soongswang                | Member of the Risk Management Committee                             |
| 4. Mr. Somcham Panjalak               | Member of the Risk Management Committee                             |

Miss. Kanyanat Savetsunthorn is the secretary of the Risk Management Committee.

Remark : \* Mr. Bancherd Thongcharoen was appointed from the Board of Directors' meeting no.7/2020 as Member of the Risk Management Committee. The appointment was effective on August 5, 2020.

### Scope of duties and responsibilities of the Risk Management Committee

#### Risk management policy

- 1) To encourage executives and employees develop, awareness and knowledge for risk management and effectively reducing the risk in system.
- 2) To determine risk management for prevention, improvement and transparency.
- 3) To encourage risk management is part of company which shall cover plan, strategic, operation, financial and investment.
- 4) To encourage risk management process that shall cover follow, evaluate, conclude and report risk management and propose to the Board of Directors for approval.
- 5) To determine scope of risk management standard system across the organization.

#### Scope of duties and responsibilities of the Risk Management Committee

- 1) To determine the criteria to assess the level of risk in a project such as construction, services and investment that both quantity and quality, appropriate and effective also determine the Risk Limited.
- 2) To evaluate the risk factors, process and risk management to consistent with operation and cover credit risk, operation risk, liquidity risk and other risk.
- 3) To evaluate the level of risk, rating and risk management strategic for risk is acceptable.
- 4) To report risk assessment and operate for reduce risks to committee.

- 5) To consider and repeat the risk management effectiveness.
- 6) To concern risk assessment in a regular and crisis.
- 7) The Risk Management Committee has the authority to invite the executives or related persons to attend the meeting to provide additional explanation and information
- 8) The Risk Management Committee may seek advice from experts at the expense of the Company in order to be able to perform their duties in accordance with the Charter efficiently.

### 3) The Nomination and Remuneration Committee

As at December 31, 2020, the Company's Nomination and Remuneration Committee comprised of 5 directors as follows:

- |                                       |   |
|---------------------------------------|---|
| 1. Professor Dr. Kamphol Panyagome    | Chairman of the Nomination and Remuneration Committee<br>/ Independent Director |
| 2. Air Chief Marshal Surasak Meemanee | Member of the Nomination and Remuneration Committee<br>/ Independent Director   |
| 3. Dr. Siridech Kumsuprom             | Member of the Nomination and Remuneration Committee<br>/ Independent Director   |
| 4. Mr. Bancherd Thongcharoen          | Member of the Nomination and Remuneration Committee                             |
| 5. Mr. Somcharn Panjalak              | Member of the Nomination and Remuneration Committee                             |

Mr. Weerapong Wuttiwattanukul is the secretary of the Nomination and Remuneration Committee.

Remark : \* Mr. Bancherd Thongcharoen was appointed from the Board of Directors' meeting no.7/2020 as a Member of the Nomination and Remuneration Committee. The appointment was effective on August 5, 2020.

\* Mr. Weerapong Wuttiwattanukul was appointed from the Nomination and Remuneration Committee meeting no.3/2020 as a secretary of the Nomination and Remuneration Committee. The appointment was effective on August 5, 2020.

#### Scope of duties and responsibilities of the Nomination and Remuneration Committee

The Company plans to recruit appropriate personnel and transparent for the Company's executives with professionalism and management without controlling majority of shareholder or any shareholder. The Nomination Committee is a succession plan for the CEO, President and senior executives of the Company to the Board of Directors for approval.

#### Nomination

- 1) To determine qualification of Individuals to hold the position directors and recruit process for replace directors retire or other case that will consider skills, experience and ability.
- 2) To consider and recruit individuals to hold the position director for replace committee retire or other case to propose the Board of Directors and / or shareholders' meeting for approval.
- 3) To provide a succession plan for the CEO, President and Executive Vice President to the Board of Directors for approval.

- 
- 4) To perform other tasks as assigned by the Board of Directors.

### Remuneration

- 1) To propose guidelines and methods of the Board of Directors and Board Committee's remuneration have to be appointed by the Board of Directors, including bonus and attendance fees.
- 2) To decide salary, compensation changes and bonus of the company and propose to the Board of Directors for approval
- 3) Reports to the Board of Directors after the Remuneration Committee's meeting.
- 4) To perform other duties as assigned by the Board of Directors.
- 5) The Nomination and Remuneration Committee has the authority to invite the executives or related persons to attend the meeting to provide additional explanation and information.
- 6) The Nomination and Remuneration Committee may seek advice from experts at the expense of the Company in order to be able to perform their duties in accordance with the Charter efficiently.

### Nomination of Director and Executive

#### Component and Nomination of the Board of Directors

1. The Board of Directors consists of at least 5 persons wherein the directors not less than half of the number of total directors must be domiciled in the Kingdom and they shall have qualifications as provided by law.
2. The Shareholders' meeting shall elect directors in accordance with the criteria and procedures as follows:
  - 2.1 Each shareholder shall have one vote per one share.
  - 2.2 Shareholders shall vote to elect each individual director.
  - 2.3 The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the directors positions are filled. Where the votes case for candidates in descending order are tied, which would otherwise cause the number of directors to be exceed, the chairman of the meeting shall make the final decision.
3. At every annual general meeting, one-third of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire. The directors that must retire from office within the first and second year after the listed of the Company shall be selected by casting lots. In subsequent years, the director who has held office longest shall retire. The directors who retire from the position may be re-elected.
4. Apart from the expiration from term of office, the director shall expire upon death, resignation, lacking of qualification or possessing illegal characteristics, resolution from the shareholders' meeting and the court order.
5. Any directors who want to resign from the office have to submit the resignation letter to the Company and shall be effective on the date the resignation letter reached the Company.

6. The vacancy of the Board of Directors for any reason other than the retirement may be filled by the remaining of the directors by selecting from qualified and no illegal characteristic candidates in the next meeting of the Board of Directors, unless the term of such director is less than 2 months. Any person appointed shall be the director for the remaining term of the director to whom he or she has succeeded and such resolution of the Board of Directors' meeting for the appointment shall be passed by a vote of not less than  $\frac{3}{4}$  of the number of the remaining directors.
7. The shareholders' meeting may pass a resolution removing any director from office prior to retirement as a result of the expiration of the director's term of office, by a vote of not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.
8. The Board of Directors shall select a director to be Chairman of the Board of Directors and the Board of Directors shall select a director or directors to be Vice Chairman of the Board of Directors. The Board of Directors may assign a director or directors to represent the Board of Directors to perform any tasks.

**Besides, the Company's Articles of Association also specifies rules related to the duty of the Board of Directors as follows:**

1. Director is prohibited to be partner of limited partnership or unlimited partnership or be director of private company or other company which engaging in the same business and competing with the Company except inform to the shareholders' meeting prior to the appointment.
2. Director has to perform according to laws, objectives, Articles of Association as well as resolution of the shareholders' meeting with integrity and cautiousness to preserve the benefit of the Company.
3. Director has to inform the Company without delay in case he has direct or indirect conflict of interest from any agreements entering during fiscal year or holds shares or debenture in the Company or related companies by specifying total number increase or decrease during fiscal year.

#### **Component and Nomination of the Audit Committee**

The Company's audit committees has to be appointed by the Board of Directors and approved by the Company's shareholders as well as possess qualifications as required by Securities and Exchange Act including announcement, rules and / or regulations as defined by the SET. The Audit Committee comprises of at least 3 independent directors and at least 1 member of the Audit Committee has to be person who has knowledge and sufficient experience to perform the duty for reviewing the credibility of the financial statements. The term of office of the audit commit is 3 years except expiring according to the Company's Articles of Association and such committee can be re-elected.



### Qualifications of Independent Directors

- 1) Holding shares not more than 1% of the total shares with voting rights of the Company, parent company, subsidiaries, associates, major shareholders or controlling person of the Company which shall be inclusive of the shares held by related persons.
- 2) Not being or having previously been a director who takes part in management, an employee, a staff member or advisor who receives a regular salary, or a controlling person of the Company, parent company, subsidiaries, associates, subsidiaries at the same level, major shareholders or of controlling person of the Company unless the termination of being in such position had occurred at least 2 years before the filing submission date to SEC. Such prohibited characteristics exclude being government staff or advisor of government agency which is the major shareholder or the controlling person of the Company.
- 3) Not being a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, sibling and child as well as child's spouse, of its executives, its major shareholders, its controlling persons or such other persons who will be nominated to be executives or controlling persons of the Company or its subsidiaries.
- 4) Having no current or previous business relationship with the Company, its subsidiaries, its associates, its major shareholders or its controlling persons which may interfere his /her independent discretion , and not being or having previously been a major shareholder or controlling person of the Company which has a business relationship with the Company, its subsidiaries, its associates, its major shareholders or its controlling persons, unless the termination of being in such position had occurred at least 2 years before the filing date to SEC.
- 5) Not being or having previously been an auditor of the Company, its subsidiaries, its associates, its major shareholders or its controlling persons and not being a major shareholder or partner of the audit office of the auditor of the Company, its subsidiaries, its associates, its major shareholders or its controlling persons unless the termination of being in such position had occurred at least 2 years before the filing date to SEC.
- 6) Not being of having previously been any professional service provider including legal advisor or financial advisor who receives more than 2 million baht annually from the Company, its subsidiaries, its associates, its major shareholders or its controlling persons and not being a major shareholder, controlling person or partner of such professional service provider unless the termination of being in such position had occurred at least 2 years before filing date to SEC.
- 7) Not being a director appointed as a representative of the Company's directors, major shareholder or a shareholder who is related to the Company's major shareholder.
- 8) Not operating any business which has the same nature and significant in competition with the Company, its subsidiaries or not being a major shareholder in partnership or a director who takes part in the management, an employee, a staff member or advisor who receives a regular salary or holding shares

more than 1 % of total shares with voting rights of other company who operates same business and significantly competes with the Company and its subsidiaries.

- 9) Having no characteristics that may affect the giving of independent opinions on the operation of the Company and its subsidiaries.
- 10) Independent director according to the above qualifications may be assigned by the Board of Directors to decide for the operation of the Company, parent company, subsidiaries, associates, subsidiaries at the same level, major shareholders or controlling person for collective decision.

#### **Qualifications of the Audit Committee**

- 1) Not being a director assigned by the Board of Directors to manage the operation of the Company, parent company, subsidiaries, associates, subsidiaries at the same level, major shareholders or controlling person. And
- 2) Not being a director of parent company, subsidiaries, associates, subsidiaries at the same level which is a listed company.
- 3) Having knowledge and sufficient experience to perform as the Audit Committee and at least one member of the Audit Committee possesses knowledge and sufficient experience to perform his duty in reviewing the creditability of the financial statements.
- 4) Having duties as specified in SET's notification with regard to qualifications and scope of duties of the Audit Committee.

#### **Component and Nomination of the Risk Management Committee**

The Risk Management Committee has to the Board of Directors, who was appointed the Board of Directors' meeting, consist of executive committee and at least 1 Independent director. Chairman of the Risk Management Committee is independent directors and the term of office of the Risk Management Committee is 3 years except expiring according to the Company's Articles of Association and such committee can be re-elected.

#### **Qualifications of the Risk Management Committee**

- 1) The Risk Management Committee has appointed by The Board of Directors.
- 2) Having knowledge and sufficient experience in the field.
- 3) No restricted freedom of thought about consideration of risk.
- 4) Independent Director or Executive Director is a Chainman of the Risk Management Committee.

#### **Component and Nomination of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is director which has appointed by the Board of Director or shareholders' meeting and the most is Independent directors. The Nomination and Remuneration Committees' meeting at least 2 time per year and the term of office of the Nomination and Remuneration Committee is 3 years except expiring according to the Company's Articles of Association and such committee can be re-elected.

### Qualifications of the Nomination and Remuneration Committee

- 1) The Nomination and Remuneration Committee has appointed by The Board of Directors
- 2) No restricted freedom of thought about consideration the director and executives' remuneration principles.

### Component and Nomination of the Executive Committee

The Executive Committee has to be the Company's director and/or the Company's executive which appointed by the Board of Directors at the number of members as deemed appropriate by the Board of Directors. The Board of Director shall appoint one member to be the Chairman of Executive Committee. Supervision of Operations of Subsidiaries and Associated Companies. The Board of Directors has management mechanism that can control, supervise on administration and is responsible for operations of the subsidiaries to preserve benefits of the Company's investments. The Board of Directors must control the operations of the Company and subsidiaries to comply with the regulations of SET, through the supervision of Board of Directors in order to control, manage and be responsible for the operation of the Company and subsidiaries, with details summarized as follows:

1. The Company's representatives shall be assigned to hold office as directors, executives, or controllers in such companies according to the shareholding proportion. The Board of Directors shall consider and approve on appointment of the Company's representative to hold position of director and or the executives in the subsidiaries and the associated companies, as well as their power, duty and responsibilities. Such persons who are appointed as directors in subsidiaries or associated companies shall have the duty to ensure the best interests of such subsidiaries or associated companies; provided that such appointed persons shall obtain approval from the Board of Directors of the Company prior to passing a resolution or exercising the voting right on significant matters at the same level as that shall be approved by the Board of Directors in the Company's operations. The Company sets out the scope of power, duties and responsibilities of directors and executives as the Company's representatives in such companies to control or participate in the determination of significant policies on their business operations.
2. The Board of Directors continues to control the business operation of subsidiaries or associated companies to meet the approved business policy, goals, operation plan, strategy and budget.
3. with regards to stipulation of important policy on business operations of the subsidiaries and the associated company, they shall be presented to the Company's Board of Directors to consider and approve before proposing to the Board of Directors of the subsidiaries or the associated companies, so that the supervision on their operations shall be efficiently and in line with the operation criteria of the Company.
4. Investment approval, correct operations on data storage, accounting recording as well as regulations established in regard to the related party transaction, the acquisition or disposition of assets or major transactions of the subsidiaries that may significantly affect subsidiaries or associated companies' operations.

5. with the governance mechanism for accurate and full disclosure of financial position and operational results; execution of connected transactions between such companies and related persons; acquisition or disposition of assets; or execution of any other significant transactions of such companies Rules and regulations relating to disclosure and execution of transactions above shall be similar to those of the Company.
6. The Audit Committee shall review accuracy and reliability of financial reports, internal control system, internal auditing works, related party transactions, compliance with related law and regulations as well as monitoring and controlling of subsidiaries and associated companies' operations.
7. The Risk Management Committee shall consider screening the policy and risk management guidelines of subsidiaries and associated companies.

#### **Control of inside information**

The Company set up the rules and regulation for the inside information usage as follows:

1. Determine rules and regulations for the inside information usage in accordance with good corporate governance as follows:
  - (1) Director, executive, employee and staff has to keep the Company's secret and/ or inside information.
  - (2) Director, executive, employee and staff will not use both directly and indirectly any secret and /or inside information to disclose or exploit for personal or other benefit with or without any return.
  - (3) Director, executive, employee and staff will not trade, transfer or receive shares of the Company by using secret and/or inside information and/ or entering into any legal agreement by using secret and/ or inside information which will cause directly or indirectly damage to the Company. Director, executive, employee and staff who work in department which obtain insider information should avoid or cease trading the Company's share during 1 month before the financial statements disclose to the public. This prohibition governs spouse and minor child of director, executive, employee and staff of the Company. Any person who breaches the regulations will be counted as severe violation.
  - (4) Director and executive including the Company's auditor has to report the change of shareholding, such holding has to include the shares hold by the spouse and minor child, to SEC according to Section 59 of the Securities and Exchange Acts B.E. 2535.
2. Announce such rules and regulations for widespread acknowledgement.

### Auditor's Remuneration

The Company paid the audit fee to auditor as follows:

Unit : Baht	2020
Annual audit fee	770,000
Interim financial reporting for three quarters	630,000
<b>Total audit fee</b>	<b>1,400,000</b>
Other audit fee	37,956
<b>Total</b>	<b>1,437,956</b>

## Corporate Social Responsibilities

The Company adhere in business operation along with corporate social responsibility, throughout the process of engineering, construction, procurement, installation, and commissioning for customers. In order to cover all aspects of stakeholders, economy, society and environment with ethics and code of conducts for the social responsibilities' guidelines are continuous and sustainable, therefore the company determines to develop the characters of employees as follow:

- 1. Proper business approach:** The Company encourage and support operations to be impartial by provided various of activities that according with law. The company operates the business according to the ideal policies which the description is clearly in roles of stakeholders and the company will never reveal the client confidential information which case the damage to customers, or deliberately conceal and distort the fact. The company selected partners and provided appreciate procurement and also encourage employees to realize of a fair competition.
- 2. Anti - Corruption:** The Company realizes that corruption are problem with business operation. To support anti – corruption happens, the company has determined anti – corruption policy as writing under business ethics along with encourage employees to understand and realize the importance of implementing the anti – corruption policy and its guidelines by regularity examine performance and continuing review operations. The company also determined channels and clues, fairness investigation process, and proper informant protection measures.
- 3. Respect for Human Rights:** The Company has policy in respect for human rights with equality to all shareholders, investors, stakeholders, and all related department according by human rights principle. The company will not violate personal rights and freedom, discrimination and also give chances for all employees, society, and stakeholders to participate in complaining and comments whether the company's operation might be human rights violation.
- 4. Fair Treatment of employees:** The Company has respected the human rights according to the principle for working, which the company will not objection or prejudgment on hiring, on force, and respect employees to assemble and demonstrate the negotiation with employers, also to protect the working environment, health and safety which is in accordance with the decent company policy. In addition, there will frequently be the training both internal and external agency and encourage employees to learning new things for enhance their performance and advancement.
- 5. Responsibility to consumers:** The Company develops products and services that are not harmful to the consumers and environment, meet the quality standard and under fair conditions. The process is supervised security and confidentiality of the customers are not used to their own interests or those involving wrongful.

6. **Participation in Local Development:** Whenever the company's operation has to associate with local community, the company would educate inhabitants before commencement of work by the professional engineers about effects on the local community to ensure them to realize the benefit for their own place.
7. **Environmental Management:** The Company is a part of management and will control the activity that can lead to the water pollution to local community. The company will be responsible for water treatment system both chemical and non-chemical approaches to eradicate the substance in water resources. The company also associates in rural people's life development, by helping to increase water supply, all aspects of the company mission will mean to assist people to get better quality of life.

## Report of Shareholding of the Directors and Executives (as at 31 December 2020)

		Common Shares (Shares)	Changes in 2020		Common Shares (Shares)
		31 December 2019	Buy	Sell	31 December 2020
1.	Mr. Somprasong Panjalak	84,484,688	125,515,312	-	210,000,000
	Spouse and minor children.	-	-	-	-
2.	Mr. Bancherd Thongcharoen	6,509,400	7,439,800	-	13,949,200
	Spouse and minor children.	-	-	-	-
3.	Mr. Slib Soongswang	38,882,503	38,882,503	-	77,765,006
	Spouse and minor children.	-	-	-	-
4.	Mr. Somcharn Panjalak	-	-	-	-
	Spouse and minor children.	-	-	-	-
5.	Air Chief Marshal Surasak Meemanee	-	-	-	-
	Spouse and minor children.	-	-	-	-
6.	Professor Dr. Kamphol Panyagometh	-	-	-	-
	Spouse and minor children.	-	-	-	-
7.	Dr. Siridech Kumsuprom	-	-	-	-
	Spouse and minor children.	-	-	-	-
8.	Mr. Sarun Yansopananan	-	-	-	-
	Spouse and minor children.	-	-	-	-
9.	Mr. Chitamorn Anupunthanun	30	-	-	30
	Spouse and minor children.	-	-	-	-
10.	Mr. Kantaphon Vanuptikul	-	-	-	-
	Spouse and minor children.	-	-	-	-

Remark: \* Mr. Sarun Yansopananan resigned as Director. The resignation was effective on July 10, 2020.

\* Mr. Chitamorn Anupunthanun resigned as Chief Operating officer. The resignation was effective on October 1, 2020.

\* Mr. Kantaphon Vanuptikul resigned as Chief Marketing officer. The resignation was effective on October 1, 2020.



## Report of the Nomination and Remuneration Committee

In 2020, the Nomination and Remuneration Committee held 5 meetings and passed the important resolutions which can be summarized as follows:

1. To consider the 2020 remuneration for the Board of the Director the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee submitted it to the Board of the Director and shareholders' meetings for consideration and approval, taking into their responsibilities and compared with industry peers and met with approval from the shareholders.
2. The Nomination and Remuneration Committee acknowledged the resignation of Mr. Sarun Yansopananan as Chief Executive Officer, member of the Nomination and Remuneration Committee, Risk Management Committee and Board of Directors. The Nomination and Remuneration Committee proposed the Board of Directors to consider and approve the appointment of Mr. Somcharn Panjalak as acting Chief Executive Officer, to be effective on July 10<sup>th</sup>, 2020
3. The Nomination and Compensation Committee has considered the qualified person to be a member of the Nomination and Compensation Committee for the vacant position. The Nomination and Remuneration Committee proposed the Board of Directors to consider and approve the appointment of Mr. Bancherd Thongcharoen to be the Nomination and Remuneration Committee. Who have experience and expertise in conducting business in the related industry. The appointment was effective on July 10<sup>th</sup>, 2020
4. The Nomination and Remuneration Committee has proposed the Board of Directors to consider and approve the appointment of Mr. Bancherd Thongcharoen as Chief Executive Officer, to be effective on August 5<sup>th</sup>, 2020
5. The Nomination and Compensation Committee acknowledged the early retirement of Ms. Wannee Pewloungsawat, the secretary of the Nomination and Remuneration Committee and approved the appointment of Mr. Weerapong Wuttiwattanakul to be the new secretary of the Nomination and Remuneration Committee, to be effective on August 5<sup>th</sup>, 2020
6. The Nomination and Compensation Committee has considered the qualified person to be the Chief Financial Officer. The Nomination and Remuneration Committee proposed the Board of Directors to consider and approve the appointment. Ms. Jarumas Anutchalakom as Chief Financial Officer, who are knowledgeable, capable and have experience that is beneficial to our company. The appointment was effective on November 16<sup>th</sup>, 2020

The Nomination and Remuneration Committee cautiously completed its duties with integrity, based on the responsibilities designated in its charter. It adhered to the principle of good corporate governance and transparent for the benefits of all stakeholders.



Professor Dr. Kamphol Panyagometh  
Chairman of the Nomination and Remuneration Committee

## Report of the Risk Management Committee

In 2020, the Risk Management Committee held 1 meetings, to review risk management plan and guidelines according to the risk management policy, consider and review of the effectiveness and the appropriateness of the risk management process, which caused by internal and external factors and monitoring progress of risk management with consideration of risk factors are likelihood to impact from risk management in order to make sure that the Company has systematic of risk evaluate by adjusting risks during the year and also recommended risk management guidelines to executives and reported to the Board of Directors. the Risk Management Committee passed the important resolutions which can be summarized as follow:

1. Approved charter of the Risk Management Committee.
2. Approved risk management manual, as a guideline in risk management for employees, to acknowledge their role and responsibility in order to operate enterprise risk management.
3. Monitored risk management progress of construction projects.
4. To consider to appointed Mr. Bancherd Thongcharoen, who have experience and expertise in the business. The appointment was effective on 5 August 2020.

The Risk Management Committee considered that in 2020, the Company has committed in development, risk management to be efficient. The company provided risk management training in organization for employees to understand the objective and also to be able to identify, estimate and analyze the risk that may occur from operation process and set the guidelines of risk management. Including estimate and review performance continuously for good corporate governance.



Air Chief Marshal Surasak Meemanee  
Chairman of the Risk Management Committee

## Internal Control and Risk Management

The Company emphasizes the importance of establishing internal control system for efficient operation reviewing by the Audit Committee to be more appropriate and sufficient for operations along with maintaining the assets and preventing risk including encouraging to follow regulations, rules and laws. The Audit Committee verified and evaluated sufficiency of internal control system and suggested that the Company had adequate system of internal control, covers both financial and managerial aspects to reasonably ensure that the Company achieves objective of work. The Audit Committee continues to focus on internal control assessment result which show no significant defect that effect to accuracy and reliability of financial statement. The company applied the questionair following the SEC to make sue that internal control system is under controlled. Internal control system that covers all 5 aspects ( 1) organization and environment ( 2) risk management ( 3) management control activities (4) information system and (5) communication, which can be summarized as follows:

### 1. Organization and Environment

The Company determined objectives and business plan to ensure business stability and developed efficient work process in order to cope with business changes and manage organization structure with a command line approval authority and responsibility to control and reduce risks that may arise from overlapping benefits. In addition, the Company clearly divided responsibilities into 3 basic functions of the internal audit system, which are approval, transaction and information recording, and asset tracking and monitoring. Such functions are specified in writing from management to employee levels based on approval and execution authority and operating procedures.

### 2. Risk Management

The Company sets up the risk management department belong to the risk management committee. In 2020, the Risk Management Committee had 1 meetings to assess business risk, analyze problem and factors which its arising from both internal and external factors. By prevented or reduced risk to acceptable level including assigned person to be responsible for the risk in each section. The Company determined policies and work plan to implement risk management seriously also monitor risk management of all sections within the organization. Risk Management Committee also let one of representative in each department to review problems, observations, suggestions and countermeasures co that may lend to or resolve of risks. These will be included of training in risk management of organization for executives and employees to have more understanding of this subject.

### 3. Management Control Activities

The company issues practical guide or operating manual for employees in order to be framework based on common system and high efficiency. The mentioned general practice can enhance overall process of each department and reduce unnecessary risk in each process at the same time. The company also considers the way in decentralised structures in order to define scope of responsibility and authority approval limit of each level of the management in writing to be more balanced and still under control, determined responsibilities of each

function appropriately according to the principle of decentralization to achieve efficient operation, and monitors affiliated companies regularly. Moreover, the Audit Committee reviewed and approved annual audit plan. The Audit Committee has internal audit department which is independent to response for monitoring internal control procedures and review critical system at least once a year to cover risky work processes in order to ensure that each section has sufficient supervision in terms of finance, operation, compliance with laws, regulations and rules. In case of any transaction that results in a long-term obligation, the Company required a person responsible for monitoring compliance with conditions and reporting to the Audit Committee periodically to verify appropriateness of the transaction throughout the contract period. The operation department has to monitor the transaction based on the operating manual and complied to related rules, relevant persons of the transaction shall not involve in the approval procedure and shall report to the Audit Committee to verify the appropriateness of the transactions to prevent the relevant persons from exploiting company's benefits to their own advantages.

#### 4. Information System and Communication

The Company emphasizes information systems and data communication both internally and externally, which are the important factors for acknowledging the performance. The Company provides important and sufficient information to the board of directors for their consideration together with supporting documents for each agenda by submitting meeting appointment notice and supporting documents to them at least 7 days in advance. The company secretary acts as a coordinator to submit such information to the board of directors and to record minutes of meeting, questions, comments, and opinions of directors in the board of directors meeting. Moreover, the Company has continuously developed intranet system and Data Systems by applying ERP (mango) system in the planning and management informations which including Accounting and Financing, Procurement, Engineering and Asset to make more efficiently. Such systems have right to access information that is confidential in all departments. To allow only authorized persons to access personal data.

#### 5. Monitoring System

The company has a system for controlling and monitoring, complying with the objectives, policies, regulations, procedures, relevant laws and regulations as well as the internal control system of the Company. In 2020, the Company conducted 5 audit committee meetings which quarterly reported Audit report to the board of directors. In addition, the Internal Audit Department has been assigned to inspect, follow up and evaluate performance regularly, by reporting the results and recommendations to the management to make corrections so that the company has appropriate internal controls. The Internal Audit Department operates independently under supervision, of the Audit Committee. If any significant flaw was found, it would be reported to the Audit Committee and/or the board of directors to consider giving an order for implementing corrective action. Moreover, the Company stipulated that the internal audit department had to monitor internal controls on a regular basis to ensure transparency and good corporate governance of the Company.

## Risk Policy and Management

The Risk Management Committee determined policy to assess business risk arising from both internal and external factors and to reduce such risk to an acceptable level. The Risk Management Committee has monitored, assessed and considered in each process to develop continuously efficient operation that the risk management is appropriate for the business operation and is compliant with objectives and mission of the organization. The risk management is the responsibility of every person within the organization. In 2020, the Company continued the risk management and the risk management monitoring. The Company provided training for all employees to be responsible for and to understand the risk principle within their scope of work in order to ensure appropriateness of risk management. The risk management committee has a duty to approve the risk management plan, review and improve the policy so that it is appropriate for the environment of the Company.

## Related Party Transactions gross

Related Company	Nature of Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Rationality of the Transaction
			2019	2020	
Hydro – Chaisalit Joint Venture	Hydrotek Public Company Limited has 100% proportion with fully authorized	Other-receivable Accrued interest Short term loan Interest income Other income Interest Expense	213,414.85 1,858,787.69 18,715,052.87 - 120,000.00 1,378,102.49	341,814.85 3,181,293.06 17,802,922.36 204,741.45 120,000.00 1,390,119.87	Hydro – Chaisalit joint venture was established for Naresuan University Project which started since 2014 and finished in 2016 with contact amount of 246 million Baht and gross profit margin of the project was 8.5% <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project
Hydrotek Utility Company Limited	Hydrotek Public Company Limited has 100% proportion with fully authorized	Other-receivable	30,775.5	30,775.54	Hydrotek Utility Company Limited was established for Chiangmai Projects. The project started in 2015 until the construction completion of 18 months since receiving the construction approval. The project amount is 285 million Baht with 10% of Internal Rate of Return. <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project

Related Company	Nature of Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Rationality of the Transaction
			2019	2020	
Mr. Slib Soongswang	Director / Major Shareholder	Accrued expenses	90,749.49	-	Short-term loan and operating expenses <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project
		Short term loan	8,650,000.00	-	
		Interest Expense	522,749.29	165,334.70	
		Accrued expenses	271,789.60	-	
		Advance payment	-	476,828.94	
SUT Global Company Limited	Mr.Sarun Yansopananan is an authorized director (End of related business On September 2019)	Advance payment to	3,369,627.71	3,369,627.71	SUT Global has expertise in waste management, which Hydrotek has subcontracted waste projects with the contract amount does not exceed the original contractor. On September 26, 2019, the company sold the investment in the company SUT Global Company Limited. Entered into a share purchase agreement and agreed to enter a loan agreement in the amount of 13,527,636.99 baht at the interest rate of 8.5 percent per year within 10 years from the date of the contract. <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project
		Allowance for expected credit loss	-	(3,369,627.71)	
		Long term loan	13,527,636.99	13,527,636.99	
		Allowance for expected credit loss	(11,314,226.00)	(13,527,636.99)	
		Accrued interest income	910,243.18	94,069.96	
		Allowance for expected credit loss	-	(94,069.96)	
		Other-receivable	20,311,525.81	21,311,525.81	
		Allowance for expected credit loss	(20,311,525.81)	(20,311,525.81)	
		Interest income	1,122,041.13	94,069.96	
		Subcontractor cost	31,039,325.50	-	



Related Company	Nature of Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Rationality of the Transaction
			2019	2020	
Sahahydro Joint Venture	Hydrotek Public Company Limited has 100% proportion with fully authorized	Other-receivable	4,186,592.85	11,318,462.32	Sahahydro Joint Venture was established for the Provincial Waterworks Authority in Chaiyaphum Project with contact amount 522.242 million baht. The project start in 2018 and the contact with be end of the year 2019. The gross profit of the project is 3.86%. <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project
		Allowance for expected credit loss	-	(7,371,935.23)	
		Short term loan	7,500,000.00	5,004,844.90	
		Accrued interest expenses	533,476.02	103,494.70	
		Other income	4,979,264.15	6,665,298.57	
		Interest Expense	533,476.02	205,771.85	
		Interest Income	-	103,247.42	
Hydro-Rintat Joint Venture	Hydrotek Public Company Limited has 100% proportion with fully authorized	Accrued interest income	-	107,891.78	Hydro-Rintat Joint Venture was established for the Provincial Waterworks Authority in Rungsit Project with contact amount 470 million baht. The project started in Nov. 2020 and the contact periods 500 days <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project
		Other receivable	-	1,178,260.00	
		Other income	-	1,107,000.00	
		Other creditors	-	1,000,000.00	

Related Company	Nature of Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Rationality of the Transaction
			2019	2020	
Sahahydro Pathumthani 2 joint venture	Hydrotek Public Company Limited has 100% proportion with fully authorized	Other creditors	-	1,000,000.00	Sahahydro Pathumthani 2 joint venture was established for the Provincial Waterworks Authority in Rungsit Project with contact amount 482 million baht. The project started in Nov. 2020 and the contact periods 500 days <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project
Prime road power PCL.	Co-Chairman of Board of Directors	Other receivable Other income	- -	29,737.27 29,627.14	Rent office area at TP&T building Floor 14 Sized 93.513 square meters <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project

Related Company	Nature of Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Rationality of the Transaction
			2019	2020	
C-F-O Company Limited	Mr.Sarun Yansopananan is an authorized director of C-F-O Company Limited	Others receivable Allowance for doubtful accounts	150,000.00 -	150,000.00 (150,000.00)	The company hired a consultant to carry out the project according to the financial and accounting planning plan, valued at 1,760,000 baht. Contract period March 2019 to January 2020 by Mr Saranyan Yansopananan Was appointed to Chief Executive Officer of Hydrotek Public Company Limited, as of August 1, 2019, therefore terminated the contract for C-F-O Company Limited from August 1, 2019, on which the advisor fees were paid in August 2019. Amount 150,000 baht. <u>Opinion of the Audit Committee</u> To send a letter requesting and tracking the repayment of C-F-O Company Limited to the completed in July 2020.

**Opinion of audit committee**

Hydrotek Public Company Limited has the Audit Committee's meeting No. 3/2021 on 1 March 2021. The Audit Committee discussed related party transactions that might create conflict of interest or potential conflict of interest according to the notification of Securities and Exchange Commission. In the meeting, it was unanimously resolved that such transactions were reasonable. In addition, it was considered that other conditions were justified and a list of your business, as usual. And not a benefit to the person concerned, or there may be a conflict in any way.

**Policy and tendency of related party transaction and acquisition or disposal of company's asset in the future**

In the meeting, it was unanimously resolved to determine the policy on the future related party transaction. Such policy stipulated that audit committee and/ or board of directors had to examine the rationality of the transaction and check whether price and conditions of the transaction are consistent with normal business conditions. In addition, the board of directors had to monitor the company to ensure compliance with Securities and Exchange Law, Notification of Capital Market Supervisory Board, as well as regulation, notification, directive, or requirement of the Stock Exchange of Thailand related to disclosure of information on related party transaction and acquisition or disposal of asset of the company or subsidiary company (if any) and to ensure conformity with accounting standards determined by the Federation of Accounting Professions.

If a related party transaction between the company or subsidiary company (if any) and any person might create conflict of interest or potential conflict of interest in the future, the company would ask the Audit Committee to give an opinion on the necessity of transaction and the appropriateness of price of such transaction by considering all conditions to be consistent with ordinary course of business in the market and comparing the price with that of external party. In case the Audit Committee does not have the expertise in considering related party transaction, the company would ask an independent expert or an auditor of the company to give an opinion on such related party transaction in order to support decision-making of audit committee and/ or board of directors and/ or shareholders as the case may be. The company would disclose the related party transaction in the notes to financial statement reviewed by an auditor of the company.

**Necessity and reasonableness of related transactions**

The Company has set up procedures for approving related transactions by specifying that the transactions of persons who may have conflicts of interest must be considered by the Audit Committee and must be approved by the Board of Directors and directors who will not have the right to vote.

Approval for the principle of trade agreement with general trading conditions for the transaction between the company or subsidiary company (if any) and director, management, or relevant person

Related party transactions between the company and subsidiary company and director, management, or relevant person can be conducted in the future if the trade agreement of such transactions is made in the same way as the general agreement made between a person of ordinary prudence and the other party under the same condition with the bargaining power that is not influenced by his/her title as a director, management, or relevant person.

#### Investor protection measure

In order to protect investors in the future, if there is any related party transaction between the company and any person who might have such conflict of interest or potential conflict of interest, the company will present such transaction in the board of directors meeting attended by audit committee in order to ensure that the related party transaction will be conducted fairly with appropriate pricing policy. The board of directors shall ensure compliance with Securities and Exchange Law as well as regulation, notification, or requirement of the Stock Exchange of Thailand and conformity with requirements for disclosure of information on related party transaction and acquisition or disposal of asset.

## Report of the Audit Committee

The Audit Committee of Hydrotek Public Company Limited consists of 3 independent directors, which are Air Chief Marshal Surasak Meemanee as Chairman of the Audit Committee, Professor Dr. Kamphol Panyagometh and Professor Dr. Siridech Kumsuprom as a member of the Audit Committee. Professor Dr. Kamphol Panyagometh is director who has knowledge and experience in financial accounting and is able to verify the creditability of the financial statements. All directors possess qualifications of independent director according to the notification of the Stock Exchange of Thailand.

The Audit Committee performs duties in accordance with the charter and examines corporate governance with transparency management and responsibility of the board of directors for shareholder. In 2020, the Company conducted 5 audit committee meetings. In each meeting, the company's executives and external auditors attended to acknowledge, comment, discuss and review about the key issues for preparation of the financial statements, important information disclosure and reported results to the board of directors on a quarterly basis. The performance results of the Audit Committee can be summarized as follows:

- Reviewed quarterly and yearly financial statements of year 2020 in order to present them to the board of directors for approval by considering financial statements, which were reviewed and audited by the auditor. In addition the committee regularly had discussed with the auditor to acknowledge and consult about auditor's opinions and founded issues from financial statement to ensure that financial statements were prepared in accordance with the generally accepted accounting principles with sufficient disclosure of information that were useful for the decision-making of users of financial statements and by considering recommendation from auditor with regard to the internal control system to ensure that the observation found during the audit would be considered and implemented properly by the management. The audit committee found that process of issuing financial statement is well-organized enough. As the result, financial statement can be public with quality of finance and accounting standard.
- Reviewed the related party transaction or transaction that may have conflicts of interest to comply with relevant laws and regulations ensuring that such transactions are reasonable and beneficial to the Company and supervised the information of the company to be accurated and completed.
- Reviewed the good corporate governance policy according to the principles of the Stock Exchange of Thailand's regulations and guidelines of the Securities and Exchange Commission and other relevant laws to ensure that the Company complies with the law and related official regulations. In 2020, the Company has prepared a self assessment of compliance with principles of good corporate governance based on the Stock Exchange of Thailand's regulations to improve good corporate governance.
- Reviewed the sufficiency and appropriateness of the internal control system. Internal audit committee has procedured to review work of internal audit which is including to the main mission, job boundary and independence in performing audits by considering internal audit reports and auditor's opinions on important

work system and monitoring results of improvement and did not find any significant problem and controlling developing and improving the audit process which focusing on risk management of the activity to be more effective. The Audit Committee approved the annual internal audit plan, track performance and advice internal audit regularly.

- Reviewed qualifications of auditor by considering past performance, independent practice, and audit fee. The Audit Committee has selected SP Audit Company Limited as the auditor for the year 2020 as the auditor performed duties excellently and appropriate to the operations of the company and possessed proper qualifications in accordance with the notifications of the Stock Exchange of Thailand as well as considered audit fees appropriately to offer to the Board of Directors.
- Maintaining the standard of the Audit Committee by reviewing the performance of duties in accordance with the Audit Committee charter and to be in line with the good corporate governance policy including self assessment of year 2020 to ensure efficiency performance and achieve the objectives. The Audit Committee evaluated the element of audit committee, training and resources, meeting, relationship with auditor and management, as well as future roles of the Audit Committee. In summary, the assessment result shown that the Audit Committee performed duties sufficiently at an excellent level based on requirements from SET.

Considering the overall picture, it can be seen that in 2020, the Audit Committee fully performed duties in accordance with the scope of duties assigned with knowledge, careful and honestly opinions for the best benefits of the Company. The Company has reviewed that the financial statements were prepared in accordance with the generally accepted accounting principles. The financial statements for the accounting period ending 31 December 2020 had no event or issue that has an significantly impact on the financial statements. The disclosure of the transaction was adequate and the Company had operated business according to, including risk management and continuing follow-up risk management to minimize risk in approiare level that were acceptable. The Audit Committee has reasonably confident that the Company's operation can achieve the set goals.



Air Chief Marshal Surasak Meemanee  
Chairman of the Audit Committee

## Report of the Board of Directors' Responsibilities to Financial Statements

The Board of Directors of Hydrotek Public Company limited are responsible for financial statements of the Company, its subsidiaries and information that presented in the annual report 2020 prepared in accordance with financial reporting standards and the financial reporting requirements of the Securities and Exchange Commission by employing the appropriate accounting policy, performing on a regular basis with thoroughly. The assessment of the necessary financial transactions according to the new accounting standards was applied and reasonably consideration as well as disclosure sufficient information in the notes of the financial statements. Auditors have been checked and verified the financial statements and expressed opinion in the auditor's report to be useful for shareholders and general investors who will receive information which presenting correctly, timely and sensibly financial status and operation result.

The Board of Directors realized the responsibilities to oversee the effectiveness of the financial statements report by appointing the Audit Committee which comprised of honorable persons to review the completeness and correctness of the financial statements and the appropriateness of policy as well as to review and ensure the sufficiency and suitability of internal control system and participate in risk evaluation of the Company to protect or reduce risk which may occur from irregular operation which material and sufficient to protect the Company's assets. In addition, the Company has the Internal Audition with directly reporting to the Audit Committee in order to ensure that the accounting record is accurate, adequate, in time and the internal control system is designed to protect against fraud and irregularity. The Audit Committee reported in its reported in the Company's annual report in 2020

The Board of Directors viewed that the internal control system of the Company can assure that the financial statements of Hydrotek Public Company Limited as at 31 December 2020 presenting the financial status, operation result and cash flows, including notes to financial statements correctly and reliability and in accordance with financial reporting standards and correctness in all material respects.



Mr. Somprasong Panjalak

Chairman of the Board



## Financial Position and Operating Result

### Financial Statement

#### (A) Summary of Audit Report

The consolidated and separate financial statements for accounting period 2020 ended on December 31, 2020 of the company and subsidiaries were audited by SP Audit Company Limited. The auditor, Miss Susan Eiamvanicha, Certified Public accountant No. 4306, conducted the audit in accordance with Thai Standards on Auditing and gave an opinion that the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial.

#### Material Uncertainty Related to Going Concern

As mentioned in the notes to financial statements No. 4, the Group faces losses from continued operation for the year ended on December 31, 2020 in the amount of Baht 74.27 million. As at December 31, 2020, the Group's current liabilities exceeded its current assets in the amount of Baht 53.87 million. Such circumstance indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

#### Emphasis of matter

As mentioned in the notes to financial statements No. 39.1, explaining the uncertainty over the outcome of the case that the Company has filed against the counterparty to the Administrative Court demanding of construction fees to be paid to the Company, the said counterparty has filed a counterclaim to the Administrative Court demanding compensation from the Company. Currently such case is under consideration by the Administrative Court. My opinion 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.

#### Recognition of Revenue from Construction

The Group recognizes revenue from construction identified as a single performance obligation satisfied over time according to the amount of the transaction price based on the progress towards complete satisfaction of that performance obligation. The Group measures the progress towards complete satisfaction of the performance obligation with the input method on the basis of the costs incurred (excluding from the measure of progress any

goods or services for which the Group does not transfer control to a customer) relative to the total expected costs for the satisfaction of that performance obligation (Note 4.12). The estimate of the total expected costs for the satisfaction of that performance obligation is a key audit matter because the said estimate of construction cost involved the management's judgments and the carrying amounts of the revenue from construction is considered significant to the Group's financial statements.

#### Key audit procedures

We reviewed the appropriateness of the Group's accounting policies and their conformity to the requirements of the accounting standards. We also reviewed the appropriateness and the consistency of the said construction cost estimating method.

We have obtained an understanding and evaluated the internal controls related to the preparation, review and approval of the said estimate of construction cost.

We have audited appropriate and sufficient evidence for each material item involved in the construction cost estimation that has been calculated by the project engineer and approved by the management. We have also tested the calculation of the said construction cost estimation.

#### **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.

As of March 23, 2021, auditor had already read the annual report and reported that no other information is materially inconsistent with the financial statement or auditor's knowledge obtained in the audit, or otherwise appears to be materially misstated

### New Accounting Policies of 2020

The Federation of Accounting Profession (TFAC) has notified to apply the new financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2019 in note to financial statement No. 2.

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period except the implementation of TFRS No.9 Financial Instruments and TFRS No. 16 Leases as described in notes to financial statement No. 6.

The consolidated and separate financial statements for accounting period 2018 ended on December 31, 2019 of the company and subsidiaries were audited by SP Audit Company Limited. The auditor, Miss Susan Eiamvanicha, Certified Public accountant No. 4306, conducted the audit in accordance with Thai Standards on Auditing and gave an opinion that the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position as at December 31, 2016, 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.

### Emphasis of matter

The auditor draw attention the note to the financial statement No. 39.1, which explains the uncertainty over the outcome of the case that the Company has filed a lawsuit to the Administrative Court demanding of construction service fees to be paid to the Company, The Counterparty has filed a counterclaim to the Administrative Court demanding compensation from the Company, Currently such case is under consideration by the Administrative Court. and

The note to the financial statement No. 40, explaining the business acquisition by the Group during the year ended December 31, 2018, whereby the Group engaged an independent appraiser to perform valuation for the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date within one year from the acquisition date in accordance with the requirement of financial reporting standards. Later, the independent appraiser had completed the fair value valuation in June 2019. Thus, the comparative financial information has been retroactively adjusted for the result of the fair value valuation.

**Key Audit Matters****Recognition of Revenue from Construction**

The Group recognize revenue from construction by applying the percentage of completion method. The percentage of completion is calculated by comparing the cost of construction incurred to the end of the reporting period with the estimate of construction cost expected to incur reaching the stage of completion (Note 4.12. The estimate of construction cost expected to incur reaching the stage of completion is a key audit matter because the said estimate of construction cost involved the management's judgments and the carrying amounts of the revenue from construction is considered significant to the Group's financial statements.

The auditor procedures were reviewed the appropriateness of the Group's accounting policies and conformity to the requirements of the accounting standards and also reviewed the appropriateness and the consistency of the said construction cost estimating method. Obtained an understanding and evaluated the internal controls related to the preparation, review and approval of the said estimate of construction cost. The auditor have audited appropriate and sufficient evidence for each item involved in the construction cost estimation that has been calculated by the project engineer and approved by the management. We have also tested the calculation of the said construction cost estimation.

**Significant business acquisition**

During the year ended December 31, 2018, the Group has acquired SUT Global Company Limited at the amount of Baht 541.90 million. Key audit matter is whether the acquisition assets and liabilities of SUT Global Company Limited at the acquisition date has been recognized in accordance with TFRSs including related disclosures. At the reporting date, the Group is still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date.

Accounting policies of the consolidated financial statement preparation basis and details of the business acquisition were disclosed in the Notes 3 and 35 to the financial statements, respectively.

**Key audit procedures**

The auditor had obtained an understanding the business acquisition process and related internal control procedures, Reviewing the design and implementation of the internal control procedures, including examined the terms and conditions of Share Sale Agreement for the acquisition of SUT Global Company Limited, payment documents, share transferred documents and related supporting documents. Examining details of assets and liabilities of SUT Global Company Limited at the acquisition date which consists of the examination of existence, rights, obligations, valuation of assets and liabilities. In addition, I have reviewed the presentation and related disclosures.

### 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.

Auditor's 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 audit of the financial statements, a responsibility of auditor 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 knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

As of July 16, 2020, auditor had already read the annual report and reported that no other information is materially inconsistent with the financial statement or auditor's knowledge obtained in the audit, or otherwise appears to be materially misstated

### New Accounting Policies of 2019

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 in note to financial statement No. 2.

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period except the implementation of TFRS No. 15 Revenue from Contracts with Customers as described in notes to financial statement No. 5.

The consolidated and separate financial statements for accounting period 2018 ended on December 31, 2018 of the company and subsidiaries were audited by SP Audit Company Limited. The auditor, Miss Susan Eiamvanicha, Certified Public accountant No. 4306, conducted the audit in accordance with Thai Standards on Auditing and gave an opinion that the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position as at December 31, 2016, 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.

**Emphasis of matter**

The auditor draw attention the note to the financial statement No. 34.1, which explains the uncertainty over the outcome of the case that the Company has filed a lawsuit to the Administrative Court demanding of construction service fees to be paid to the Company, The Counterparty has filed a counterclaim to the Administrative Court demanding compensation from the Company, Currently such case is under consideration by the Administrative Court. and

The note to the financial statement No. 35, which mentioned the business acquisition during the year ended 31 December 2018. The Group engaged an independent appraiser to perform valuation for the fair value of the identifiable assets acquired and liabilities assumed, including income tax liabilities regarding the said assets. The valuation shall be completed within less than one year from the acquisition date in accordance with the determination of financial reporting standards. Nevertheless, when the independent appraiser has completed the valuation for the fair value of the identifiable assets acquired and liabilities assumed, the Group will retrospectively adjust the financial statements for the year ended on December 31, 2018 regarding the estimation of the identifiable assets acquired and liabilities assumed, which the management has estimated and recognized on the acquisition date.

**Key Audit Matters****Recognition of Revenue from Construction**

The Group recognize revenue from construction by applying the percentage of completion method. The percentage of completion is calculated by comparing the cost of construction incurred to the end of the reporting period with the estimate of construction cost expected to incur reaching the stage of completion (Note 4.12. The estimate of construction cost expected to incur reaching the stage of completion is a key audit matter because the said estimate of construction cost involved the management's judgments and the carrying amounts of the revenue from construction is considered significant to the Group's financial statements.

The auditor procedures were reviewed the appropriateness of the Group's accounting policies and conformity to the requirements of the accounting standards and also reviewed the appropriateness and the consistency of the said construction cost estimating method. Obtained an understanding and evaluated the internal controls related to the preparation, review and approval of the said estimate of construction cost. The auditor have audited appropriate and sufficient evidence for each item involved in the construction cost estimation that has been calculated by the project engineer and approved by the management. We have also tested the calculation of the said construction cost estimation.

### Significant business acquisition

During the year ended December 31, 2018, the Group has acquired SUT Global Company Limited at the amount of Baht 541.90 million. Key audit matter is whether the acquisition assets and liabilities of SUT Global Company Limited at the acquisition date has been recognized in accordance with TFRSs including related disclosures. At the reporting date, the Group is still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date.

Accounting policies of the consolidated financial statement preparation basis and details of the business acquisition were disclosed in the Notes 3 and 35 to the financial statements, respectively.

### Key audit procedures

The auditor had obtained an understanding the business acquisition process and related internal control procedures, Reviewing the design and implementation of the internal control procedures, including examined the terms and conditions of Share Sale Agreement for the acquisition of SUT Global Company Limited, payment documents, share transferred documents and related supporting documents. Examining details of assets and liabilities of SUT Global Company Limited at the acquisition date which consists of the examination of existence, rights, obligations, valuation of assets and liabilities. In addition, I have reviewed the presentation and related disclosures.

### 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.

Auditor's 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 audit of the financial statements, a responsibility of auditor 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 knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

As of March 18, 2019, auditor had already read the annual report and reported that no other information is materially inconsistent with the financial statement or auditor's knowledge obtained in the audit, or otherwise appears to be materially misstated

## New Accounting Policies of 2018

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, 2018 in note to financial statement No. 2.

The Group has not early adopted such financial reporting standards having the effective date to the financial statements on the future periods before the effective dates. The management is currently assessing the first-year impact on the Group's financial statements.

### (B) Summary Table of Financial Status and Operation Result

Statements of Financial Status	Audited					
	Ended 31 Dec 18		Ended 31 Dec 19		Ended 31 Dec 20	
	MB	%	MB	%	MB	%
	Adjusted and reclassified					
Cash and cash equivalents	38.15	3.63	25.74	6.30	44.78	10.47
Short-term investment	-	-	0.82	0.20	1.23	0.29
Other current receivables - person and related parties	24.66	2.35	4.43	1.08	0.03	0.01
Trade and other current receivables - third parties	109.38	10.42	125.74	30.77	112.21	26.24
Contract assets	184.64	17.59	38.77	9.49	48.58	11.36
Retention receivables	2.72	0.26	3.58	0.88	7.86	1.84
Suspend input vat	3.40	0.32	3.77	0.92	3.56	0.83
Non-current assets or disposal asset group classified as held for sales	-	-	-	-	11.50	2.69
<b>Total Current Assets</b>	<b>362.95</b>	<b>34.58%</b>	<b>202.85</b>	<b>49.64%</b>	<b>229.75</b>	<b>53.73</b>
Deposits at bank pledged as collateral	54.21	5.16	49.66	12.15	49.68	11.62
Receivables under the concession agreement	13.90	1.32	-	-	-	-
Long-term loan to related parties	-	-	2.21	0.54	-	-
Investments property	2.97	0.28	2.97	0.73	2.18	0.51
Land and equipment	172.33	16.42	33.96	8.31	19.57	4.58
Right-of-use assets	-	-	-	-	6.17	1.44
Goodwill	421.03	40.11	-	-	-	-
Intangible assetst	6.80	0.65	108.95	26.66	108.97	25.48
Withholding tax deducted at source	5.04	0.48	5.50	1.34	8.17	1.91
Other non-current assets	10.34	0.98	2.50	0.61	3.11	0.73
<b>Total Non-Current Assets</b>	<b>686.62</b>	<b>65.42</b>	<b>205.76</b>	<b>50.36</b>	<b>197.94</b>	<b>46.27</b>
<b>Total Assets</b>	<b>1,049.57</b>	<b>100.00</b>	<b>408.61</b>	<b>100.00</b>	<b>427.59</b>	<b>100.00</b>



Statements of Financial Status	Audited					
	Ended 31 Dec 18		Ended 31 Dec 19		Ended 31 Dec 20	
	MB	%	MB	%	MB	%
	Adjusted and reclassified					
Bank overdrafts and short-term loans due to financial institution	32.23	3.07	31.71	7.76	15.36	3.59
Other current payable - related parties	0.33	0.03	0.36	0.09	0.48	0.11
Trade and other current payables - third parties	200.95	19.15	184.84	45.24	160.93	37.64
Contract liabilities	141.66	13.50	63.19	15.46	101.64	23.77
Unbilled output tax	8.93	0.85	4.40	1.08	2.48	0.58
Current portion						
Provision for warranty	7.25	0.69	4.21	1.03	1.00	0.23
Obligation under finance lease	1.32	0.13	0.00	0.00	1.62	0.38
Short-term loan from person and related parties	10.00	0.95	8.65	2.12	-	-
Accrued income tax	-	-	0.01	-	0.10	0.02
Provision for construction losses	3.14	0.30	3.03	0.74	-	-
<b>Total Current Liabilities</b>	<b>405.82</b>	<b>38.67</b>	<b>300.40</b>	<b>73.52</b>	<b>283.62</b>	<b>66.33</b>
Long-term loans due to third party	125.64	11.97	125.64	30.75	125.64	29.38
Obligation under finance lease	3.46	0.33	-	-	3.69	0.86
Provision for warranty	0.70	0.07	-	-	1.91	0.45
Convertible debentures - liability component	242.29	23.08	-	-	-	-
Employee benefit obligation	11.53	1.10	4.86	1.19	4.65	1.09
Deferred tax liabilities	4.69	0.45	-	-	-	-
Other-non-current liabilities	5.52	0.53	3.77	0.92	4.69	1.10
<b>Total Non-Current Liabilities</b>	<b>393.84</b>	<b>37.52</b>	<b>134.27</b>	<b>32.86</b>	<b>140.60</b>	<b>32.88</b>
<b>Total Liabilities</b>	<b>799.66</b>	<b>76.19</b>	<b>434.67</b>	<b>106.38</b>	<b>424.21</b>	<b>99.21</b>
Authorized share capital	970.28	92.45	1,197.08	292.97	1,668.06	390.11
Paid-up share capital						
1,280,385,570 ordinary shares, at par value of Baht 1.00	-	-	-	-	1,280.39	299.44
784,968,760 ordinary shares, at par value of Baht 1.00	784.97	74.79	784.97	192.11	-	-
Premium on share capital	141.38	13.47	141.38	34.60	141.38	33.06
Discount on share capital	-	-	-	-	(426.42)	(99.73)
Convertible debentures - equity component	21.07	2.01	-	-	-	-
Share subscription received in advance	-	-	-	-	35.85	8.38
Retained earnings (deficits) - Appropriated-legal reserve	9.62	0.92	9.62	2.35	9.62	2.25
Retained earnings (deficits) - Unappropriated	(704.02)	(67.08)	(960.35)	(235.03)	(1,035.71)	(242.22)
Other components of equity	(1.23)	(0.12)	(2.00)	(0.49)	(2.00)	(0.47)

Statements of Financial Status	Audited					
	Ended 31 Dec 18		Ended 31 Dec 19		Ended 31 Dec 20	
	MB	%	MB	%	MB	%
Equity attributable to the owners of the company	251.79	23.99	(26.39)	(6.46)	3.10	0.72
Non-controlling interests	(1.88)	(0.18)	0.32	0.08	0.28	0.07
Total shareholders' equity	249.91	23.81	(26.07)	(6.38)	3.38	0.79
Total Liabilities and Shareholders' Equity	1,049.57	100.00	408.61	100.00	427.59	100.00

Statements of Comprehensive Income	Audited					
	Year 2018		Year 2019		Year 2020	
	MB	%	MB	%	MB	%
Construction income	190.56	97.47	253.82	94.20	161.84	98.47
Service income	4.95	2.53	15.64	5.80	2.51	1.53
Revenue from sale	-	-	-	-	-	-
<b>Total Revenues</b>	<b>195.51</b>	<b>100.00</b>	<b>269.46</b>	<b>100.00</b>	<b>164.35</b>	<b>100.00</b>
Cost of construction	193.83	99.14	302.56	112.28	159.37	96.97
Cost of services	3.99	2.04	13.43	4.99	1.80	1.10
Cost of goods sold	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Costs</b>	<b>197.82</b>	<b>101.18</b>	<b>315.99</b>	<b>117.27</b>	<b>161.17</b>	<b>98.07</b>
Gross Profit	(2.31)	(1.18)	(46.53)	(17.27)	3.18	1.93
Other income /1	5.43	2.78	10.97	4.07	4.02	2.45
Profit before expenses	3.12	1.60	(35.56)	(13.20)	7.20	4.38
Loss on impairment of assets	108.78	55.64	101.63	37.72	3.24	1.97
Loss on disposal of subsidiaries	0.00	0.00	3.09	1.15	0.00	0.00
Administrative expenses	141.00	72.12	133.99	49.72	65.35	39.76
Profit (losses) from operation	(246.66)	(126.16)	(274.27)	(101.79)	(61.39)	(37.35)
Finance cost	19.18	9.81	25.18	9.35	12.61	7.67
Loss before share of loss from investments in associate	(265.84)	(135.97)	(299.46)	(111.14)	(74)	(45.02)
Share of loss from investments in associate	0.54	0.28	3.49	1.30	(0.31)	(0.19)
<b>Losses for the year</b>	<b>(265.30)</b>	<b>(135.69)</b>	<b>(295.97)</b>	<b>(109.84)</b>	<b>(74.31)</b>	<b>(45.21)</b>
Other comprehensive income						
Difference exchange rate from conversion of financial statement	(0.14)	(0.07)	(0.96)	(0.36)	-	-
Actuarial gains	(4.64)	(2.37)	4.36	1.62	(1.09)	(0.66)
<b>Comprehensive losses for the year</b>	<b>(270.08)</b>	<b>(138.14)</b>	<b>(292.57)</b>	<b>(108.58)</b>	<b>(75.40)</b>	<b>(45.88)</b>
Losses attributable to						
<b>Equity holders of the Company</b>	<b>(243.35)</b>	<b>(124.47)</b>	<b>(277.59)</b>	<b>(103.02)</b>	<b>(74.27)</b>	<b>(45.19)</b>
Non-controlling interests	(21.95)	(11.22)	(18.38)	(6.82)	(0.04)	(0.02)
	(265.30)	(135.69)	(295.97)	(109.84)	(74.31)	(45.21)
<b>Basic loss per share (Baht)</b>	<b>(0.36)</b>		<b>(0.35)</b>		<b>(0.08)</b>	
Par value per share (Baht)	1.00		1.00		1.00	
Weighted average of ordinary shares (shares)	678.12		784.97		963.97	

Remark : /1 Other income

- In 2020, Other significant incomes include reversal the provision of warranty 1.99 million baht, interest income 0.83 million baht.
- In 2019, Other significant incomes include Income from winning the case 7.36 million baht, interest income 1.93 million baht.
- In 2018, other significant revenues are Adjustment of the estimate of the guaranteed and unpaid performance guarantee of 2.05 million baht, interest income of 1.33 million baht, refund of bank guarantee fee of 0.81 million baht, adjustment of expenses set back higher than 0.39 million baht.

Statements of Cash Flow	Audited		
	Year 2018	Year 2019	Year 2020
<b>Cash Flow From Operating Activities</b>			
Loss before income tax expense	(243.89)	(281.08)	(73.96)
Adjustments to reconcile loss before income tax income (expenses) for received (used) from operation			
Share of losses from investment accounted by equity method			
Share of profit (loss) attributable to non-controlling interests	(21.95)	(18.38)	(0.04)
Unrealized loss on exchange rate	0.00	0.20	0.01
Doubtful debt	35.16	30.16	11.21
Depreciation	7.04	6.87	3.40
Amortisation of intangible assets	0.50	0.35	0.11
Loss from impairment of assets	108.78	101.63	3.24
Reversal Provision for warranty	(3.76)	(2.51)	(1.29)
(Gain) loss on disposal and written-off of fixed assets	(0.01)	0.25	0.01
Loss on disposal of subsidiary	0.00	3.09	0.00
Gain from redemption of convertible debentures	0.00	(0.61)	0.00
Write-off income tax	0.51	0.00	0.00
Reversal provision for construction losses	2.40	(0.12)	(3.03)
Provision for employee benefit	1.69	1.72	0.89
Interest income	(1.00)	(0.99)	(0.83)
Interest expenses	19.18	25.18	12.61
<b>Loss from operating activities before changes in operating assets and liabilities</b>	<b>(95.33)</b>	<b>(134.24)</b>	<b>(47.67)</b>
Other current receivables - related parties	(24.66)	(0.88)	(0.11)
Trade and other accounts receivable – other companies	(109.76)	14.60	9.21
Contract assets	(85.96)	142.58	(9.81)
Retention receivable	(2.72)	(0.87)	(4.28)
Suspend input vat	0.54	(1.18)	0.21
Construction in progress	0.00	0.00	0.00
Receivables under the concession agreement	(1.19)	(0.85)	0.00
Non-Current Assets	(9.23)	6.56	(0.61)
Trade and other accounts payable – other companies	(0.17)	27.08	0.39
Other payable - related parties	11.39	(3.33)	(-34.76)
Contract liabilities	95.21	(78.47)	38.45
Increase (decrease) in unbilled output tax	8.47	(2.97)	(1.92)
Unbilled output tax	(12.40)	(0.31)	0.92
Non-Current Liabilities	(24.66)	(0.88)	0.00
<b>Cash generated from operating</b>	<b>(225.81)</b>	<b>(32.28)</b>	<b>(49.98)</b>
Cash paid for employee benefits	(2.79)	(3.24)	0.00
Cash received income tax	32.25	0.00	0.00
Cash paid for income tax	(5.44)	(4.27)	(4.45)
<b>Net cash used in operating activities</b>	<b>(201.78)</b>	<b>(39.79)</b>	<b>(54.44)</b>

Statements of Cash Flow	Audited		
	Year 2018	Year 2019	Year 2020
<b>Cash Flow From Investing Activities</b>			
Cash received for subsidiary from business combination	36.51	0.00	0.00
Cash received from disposal of subsidiary	0.00	34.47	0.00
(Increase) decrease in short-term loans to person and related party	21.30	(4.49)	0.00
Increase in short-term investment	0.00	(0.82)	(0.41)
Cash paid for investment subsidiary	(0.47)	3.95	(0.02)
(Increase)/decrease in deposits at bank pledged as collateral	(1.10)	(0.12)	(0.40)
Cash paid for purchase of equipment	0.04	0.01	0.02
Cash received from disposal of equipment	-	0.00	(0.71)
Cash paid for purchase of right-of-use assets	(0.36)	0.00	(0.13)
Cash paid for purchase of intangible assets	0.85	0.73	1.83
Cash received interest income	36.51	0.00	0.00
<b>Net cash provided from (used) in investing activities</b>	<b>56.77</b>	<b>33.72.</b>	<b>0.19</b>
<b>Cash Flow From Financing Activities</b>			
Increase (decrease) in short-term loans from financial institutions	12.39	0.37	(16.35)
Cash received from Short-term loans from person and related parties	0.00	7.30	0.50
Cash paid from Short-term loans from person and related parties	0.00	(8.65)	(9.15)
Cash paid obligation under finance lease	(0.34)	(1.02)	(2.68)
Cash received from Short-term loans from director	0.00	0.00	0.00
Cash paid for long-term loans from financial institutions	0.00	0.00	0.00
Cash received from increment of share capital in subsidiary-non-controlling interests	0.10	0.00	0.00
Cash paid for interest expenses	(1.74)	(4.33)	(3.79)
Cash received from increase of capital	0.00	0.00	69.36
Expenses of issuing share	0.00	0.00	35.85
Distribution expense Common stock	0.00	0.00	(0.45)
<b>Net cash provided from (used) from financing activities</b>	<b>10.40</b>	<b>(6.33)</b>	<b>73.29</b>
Effects of exchange rate change on the balance of cash and cash equivalents	0.00	(0.01)	0.00
<b>Net Increase (Decrease) in Cash and Cash Equivalent</b>	<b>(134.61)</b>	<b>(12.42)</b>	<b>19.04</b>
Cash and cash equivalent at the beginning of the period	172.76	38.15	25.74
Cash and cash equivalent at the end of the period	38.15	25.74	44.78

Financial ratio		Year 2018	Year 2019	Year 2020
<b>Liquidity ratio</b>				
Current Ratio	Times	0.89	0.68	0.81
Quick Ratio	Times	0.24	0.28	0.21
Cash Flow Liquidity Ratio	Times	(0.66)	(0.11)	(0.19)
Account Receivable Turnover	Times	2.50	2.57	3.82
Average Collection Period	Days	144	140	94
Inventory Turnover	Times	0.00	0.00	0.00
Average Sales Period	Days	0.00	0.00	0.00
Account Payable Turnover	Times	2.09	3.29	2.10
Payment Period	Days	172	109	171
Cash cycle	Days	(28)	31	(77)
<b>Profitability ratio</b>				
Gross Profit Margin	%	(1.18)	(17.27)	1.94
Operating Profit Margin	%	(126.16)	(101.79)	(37.35)
Other Profit Margin	%	0.00	0.00	0.00
Cash to Profit ratio	%	(81.81)	(14.51)	88.67
Net profit Margin	%	(121.11)	(98.99)	(44.11)
Return on Equity	%	(107.25)	(246.31)	637.92
<b>Efficiency ratio</b>				
Return on Assets	%	(30.15)	(38.07)	17.76
Return on Fixed Assets	%	(149.65)	(269.12)	(277.46)
Assets Turnover	Times	0.25	0.38	0.40
<b>Financial policy ratio</b>				
Debt to Equity Ratio	Times	3.18	(16.47)	136.83
Interest Coverage Ratio	Times	(9.24)	(0.41)	(2.96)
Fixed Charges Coverage Ratio - Cash basis	Times	(111.73)	(4.06)	(4.17)
Dividend Payout Ratio	%	-	-	-

## Discussion and Analysis of Financial Position and Operating Result

### Operating Result Overview

Hydrotek Public Company Limited's nature of business is construction, management and investment in environmental engineering business. Most of income has been gained from the core business in water supply system and also a leading company providing service for the large-scale project with capability of serving from less complicated project with more competitors to the project required expertise, experience and high engineering technology with less competitors ; for example, water supply for petrochemical industry, desalination plant, waste water treatment plant and waste water recycle plant. With more than 30-year experiences, the company has been able to respond to customers' requirement in term of both project and service types and the services to the customers have been rendered in various forms so as to be in line with customers' requirement as follows:

- 1) Construction (Designing, Procurement, Construction, Machinery installation and Commissioning either partly or entirely)
- 2) Water management services both water and waste water systems
- 3) Investment in Water Treatment Plant and Wastewater Treatment System Project

### Operating Performance and Profitability

#### Income

In the accounting period of 2018, the company and its subsidiaries' total income were Baht 195.51 million, and Baht 269.46 million in 2019 whereas Baht 164.35 million in 2020. Each captioned year consists of the construction income of Baht 190.56 million, 253.82 million and 161.82 million, respectively while the service income of Baht 4.95 million, 15.64 million and 2.51 million, respectively. In 2018-2020, there was no revenue from sale as per the details shown in the below table.

Type of Income (Million Baht)	2018		2019		2020	
	million Baht	Percentage	million Baht	Percentage	million Baht	Percentage
Construction Income	190.56	97.47	253.82	94.20	161.84	98.47
Service Income	4.95	2.53	15.64	5.80	2.51	1.53
Sale Income	0.00	0.00	0.00	0.00	0.00	0.00
Investment Income gained from water supply and wastewater treatment project	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	195.51	100.00	269.46	100.00	164.35	100.00
Other income	5.43		10.97		4.02	

**Construction Income** In 2018, 2019 and 2020 were Baht 190.56 million, 253.82 million and 161.84 million, respectively or representing 97.47%, 94.20% and 98.47% of the total income, respectively and likely due to being gained from the core business. In 2020, the income decreased Baht 91.98 million from 2019 or showing 36.24% increase. In 2020, the construction income from 3 main projects and one of that project is operated in November 2020. In 2019, the construction income from 5 main projects were realized and have finished 3 main projects and another 2 projects are continuing to year 2020. As a result, the construction income gained in this captioned year was less than last year.

**Service Income** In 2018, 2019 and 2020 were Baht 4.95 million, 15.64 million and 2.51 million or accounted for 2.53%, 5.80% and 1.53% of the total income, respectively. In 2020, the service income decreased Baht 13.13 million from 2019, showing of 83.95%. The service income gained in 2019 was an income from ongoing project commencing in 2018. The income was realized and the project was completed and delivered in 2019 and have additional 1 project in 2020.

**Other Income** In 2018, 2019 and 2020 were Baht 5.43 million, 10.97 million and 4.02 million. Comparing to 2019, other income decreased by Baht 6.95 million or an increase of approximately 63.35%. In 2019, other significant income included revenue from winning the lawsuit in the amount of Baht 7.36 million, and revenue from interests in the amount of Baht 1.93 million. In 2020, other significant income include reversal the provision of warranty 1.99 million baht and interest income 0.83 million baht. The other income in the prior year was higher than this year.

#### Cost and Gross Profit

The total cost of the company and its subsidiaries in the accounting period of 2018 was Baht 197.82 million whereas Baht 315.99 million in 2019 and Baht 161.17 million in 2020 or accounted for 101.18%, 117.27% and 98.07% of the company's total income, respectively. The proportion of gross profit was equal to (1.18%), (17.27%) and 1.93%, respectively. Considering cost based on types of income.

**Construction Cost** in the accounting period of 2018, 2019 and 2020 were Baht 193.83 million, 302.56 million and 159.37 million, respectively or representing 101.71%, 119.20% and 98.47% of the construction income with the proportion of gross profit of -1.71%, 19.20%, and 1.53%, respectively. In 2020, the construction cost was decreasing Baht 143.19 million or 47.33%. The increase of construction cost was in line with the decrease of construction income. And the Management can significantly deduct fixed cost and can manage cost in efficiency.

**Service cost** in the accounting period of 2018, 2019 and 2020 were Baht 3.99 million, 13.43 million and 1.80 million, respectively or accounted for 80.61%, 85.87% and 71.71% of the service income with the gross profit of 19.39%, 14.13% and 28.29%, respectively. The increase of service cost was in line with the decrease of service income. And the Management can significantly deduct fixed cost and can manage cost in efficiency.



### Loss in impairment of assets

The company and its subsidiaries had loss in impairment of assets in the accounting period of 2018 2019 and 2020 which was equivalent to Baht 108.78 million, 101.63 million, and 3.24 million respectively, showing a decrease of Baht 98.39 million or 96.81% from 2019. The decreasing amount was because of loss in impairment of the subsidiary's assets in 2019, there were significant items as follows: The waste management system construction for Refuse Derived Fuel production, no certain budget was allocated, affecting the operating result of the company's subsidiary (SUTG Global Company Limited). As of 30 June 2019, the loss in impairment of investment in a subsidiary was realized in sum of Baht 80.74 million. Moreover, there was a plan to terminate the concession agreement on Mandalay Industrial Zone Central Wastewater Treatment Plant and Collecting System Project (CWWTP) in the form of construction project to provide the service of wastewater treatment as the 30-year right exchange of service cost collection from the entrepreneurs in the industrial zone of the another subsidiary because of the total quality of wastewater outlet from the Mandalay industrial Zone was significant higher when compared with agreement in the contract. In order to deal with this issue, land requirement and wastewater tariff will be significantly increased. However, MCDC could not both provide additional land area and accept for increasing of wastewater tariff. In case that subsidiary need to continue this project with the same condition in the contract, the return will not be worth. At present, the subsidiary is drafting the notice for termination of MCDC agreement. Currently, the subsidiary is in the process of drafting the memorandum of agreement on the termination of contract. Therefore, the loss in impairment of investment in a subsidiary was realized in sum of Baht 19.11 million. In 2020, the Company was recognized loss from devalue machine and investment property due to cost amount is higher than net realizable value.

### Loss from sales of investment in a subsidiary

In 2019, the company had sold 132,000 ordinary shares of SUT Global Company Limited to Mr. Suppaluek Na Songkla's group, which was amounted to 66.00% of its registered capital. The company recognized loss from sales of investment in a subsidiary in sum of Baht 2.98 million, causing the group of company to lose the controlling interests of SUT Hydro Company Limited in which the company held 79.60% of its shares. The percentage of shareholding was deceased to 40.00% and the status was changed from being a subsidiary to be an affiliated company. The group of company also realized loss from non-controlling interests of the subsidiary in sum of Baht 0.11 million.

### Administrative Expenses

The company and its subsidiaries' administrative expenses in the accounting period of 2018, 2019 and 2020 were equal to Baht 141.00 million, 133.99 million and Baht 65.35 million or 72.12%, 49.72% and 39.76% of the total operating income. In 2020, the administrative expenses was decreased by Baht 68.64 million or 51.23% decrease when compares to that of 2019. The reduction of expense was due to the management can deduct significantly fixed expenses and manage expense in efficient.

### Finance Cost

In 2018, 2019 and 2020, the finance cost of the company and its subsidiaries were Baht 19.18 million, 25.18 million and Baht 12.61 million, respectively. Upon the comparison of the finance cost in 2019, the cost decreased Baht 12.57 million, showing of 49.92%. The decrease was owing to an decrease of the interest payable due to the convertible debenture decreased 11.70 million baht came from withdrawn in during year 2019.

### Net Profit (Loss) and Net Profit Margin Ratio

The company and its subsidiaries had net loss for the accounting period of 2018, which was equal to Baht (243.35) million whereas Baht (277.59) million in 2019 and Baht (74.27) million in 2020, representing net profit margin ratio of (121.11)%, (98.99)% and (45.19)%, respectively. The increase ratio of net loss from 2019 was due to the gross loss from construction income and the impairment of assets which was investment in subsidiaries as stated earlier.

In 2020, there was another comprehensive income of actuarial gain which was in line with the change of accounting policy as per Accounting Standard Vol. 19 (updated : 2019) on employee benefits in sum of Baht 1.09 million causing comprehensive loss of the year in 2020 of Baht (75.40) million and loss of the year of Baht (74.31) million. When taking into account the non-controlling interests of (0.04) million, the remaining of loss attributable to the equity holder of the company was then Baht (74.27) million.

The Return on Equity (ROE) in 2018, 2019 and 2020 were (107.25)%, (246.31)% and 637.92%, respectively. In 2020, ROE is better than prior year due to the Company loss is decreasing and can reduce fixed cost and can manage cost efficiency.

### Asset Management Capability

The total asset of the company and its subsidiaries as of December 31, 2018 was Baht 1,049.57 million whereas Baht 408.61 million as of December 31, 2019 and Baht 427.59 million as of December 31, 2020. The significant assets of the company list as follows:

#### **- Cash and cash equivalents**

At the end of 2018, the company and its subsidiaries' cash and cash equivalents was Baht 38.15 million, whereas Baht 25.74 million at the end of 2019 and Baht 44.78 million at the end of 2020. In 2020, cash and cash equivalents increased Baht 19.04 million from 2019 or 73.97% due to the increased capital Baht 105.21 million and payment of account payable, decrease in bank overdraft and short – term loans due to financial institutions and paid for short – term loan from director amounts Baht 34.76 million, Baht 16.35 million and Baht 9.15 million, respectively.

- **Short-term investment**

At the end of 2020, the company had short-term investment in the amount of Baht 1.23 million which was interests arising from fixed deposit that is free from obligation as a guarantee for credit facilities with the bank.

- **Other current receivables – related persons and businesses**

The company had other current receivables – related persons and businesses at the end of 2018, 2019 and 2020 in the amount of Baht 24.66 million, 4.43 million, and 0.03 million respectively, showing a decrease of Baht 4.40 million or 99.32% decrease. The receivable of 2019 was SUT Global Company Limited, which formerly was a subsidiary but it was sold since September 2019. The said receivables were advance construction payment of Baht 3.37 million and interest receivable of Baht 0.91 million (Net amount after allowance for doubtful account of Baht 20.31 million) and prepaid service income of the related party which have common directors in sum of Baht 0.15 million which the company didn't use the service.

- **Trade and other receivables – other companies**

At the end of 2018, the company and its subsidiaries had trade and other receivables – other companies in sum of Baht 109.38 million, whereas Baht 125.74 million at the end of 2019 and Baht 112.21 million at the end of 2020. The trade and other receivables can be divided as follows:

In 2018, the trade receivable was Baht 59.20 million, whereas Baht 56.88 million in 2019, and Baht 14.67 million in 2020. The trade receivable in 2020 decreased from 2019 by Baht 42.21 million or 74.21% decrease due to the construction work was almost completed and no new contract awarded in this year and the new project is operating in November 2020 and do not billing invoice to employer. For the account receivables' types separated based on their aging in 2020, the undue account receivables was 66.80% whereas over 12-month overdue account receivable was 33.20% and the allowance for doubtful account was made in full amount. The allowance for doubtful debt shall be made based on the over- 1 year overdue period that is projected to be uncollectible account receivables. Most of those are the account receivables of the terminated projects under the legal proceedings.

For the account receivable turnover in 2018, 2019 and 2020 were 2.50, 2.57 and 3.82 times of which the average collection period were 144, 140 and 94 days, respectively.

Other receivables consisted of the product deposit payment, advance payment to subcontractors and other receivables i.e. advance payment, advance expenses, Revenue Department receivable. In 2020, the company and its subsidiaries had other receivables of Baht 97.54 million consisted of deposit for purchase of goods of Baht 36.09 million, advance to subcontractors of Baht 23.76 million, and others receivable of Baht 46.67 million. The other receivables in 2020 increased Baht 28.69 million from 2019 or showing an increase of 41.67% due to an increase in product deposit payment of Baht 13.24 million other receivables of Baht 21.09 million and the record allowance for doubtful account of Baht 5.30 million.

#### - Contractual asset

It refers to complete work as per construction contract, but it has not been handed over yet. The company and its subsidiaries had contract assets at the end of 2018, 2019 and 2020 in the amount of Baht 184.64 million, 38.77 million, and 45.58 million, respectively or with the proportion to their total assets of 17.59%, 9.49% and 11.36%, respectively. There was a increase in contractual assets of Baht 9.81 million in 2020 when compared to that of 2019 or showing a increase of 25.30% due to complete work in 2020 but does not billing yet.

#### - Land, Equipment and Investment Property

At the end of 2018, 2019 and 2020, the land and equipment were Baht 172.33 million, 33.96 million and 19.57 million or representing 16.42%, 8.31%, 4.58% of the total asset. The assets in 2020 decreased Baht 14.39 million or 42.37% decreased primarily due to the reclassify of land to asset for sale amount of Baht 11.50 million and depreciation following the Company's policy amount Baht 0.82 million and provision from devalue on asset Baht 2.45 million.

In term of investment property, it is the land acquired from repayment of an account receivable with net book value in 2018, 2019 and 2020 of Baht 2.18 million equally assessed by an independent appraiser through comparison with market price (based on best and highest land utilization criteria) of other similar plots' sale price and it was found that the fair value of the land was Baht 2.97 million and not different from 2019 and 2018 cost appraisal. In 2020, the Company record allowance of devalue of Baht 0.79 million in 2020.

As per the asset management above, the return on assets of the company and its subsidiaries in 2018, 2019 and 2020 were (30.15)%, (38.07)%, and (17.76)%, respectively. The return of fixed assets in 2018, 2019 and 2020 were (149.65)%, (269.12)%, and (277.46)%, respectively. The asset turnover in 2018, 2019 and 2020 were 0.25, 0.38 and 0.40 times, respectively.

### Liquidity and Sufficient Capital

The source of funds from liabilities and shareholder equity are as follows:

#### Liabilities and shareholders' equity

The company and its subsidiaries' total liabilities as ended December 31, 2018, 2019 and 2020 were Baht 799.66 million, 434.67 million and 424.21 million whereas shareholders' equity were Baht 251.79 million, -26.39 million and 3.10 million, respectively. The significant liabilities were:

#### - Bank Overdraft and Short-term Loans due to Financial Institutes

As of December 31, 2018, the bank overdraft and short-term loans from financial institutes was Baht 32.23 million whereas Baht 31.71 million in 2019 and 15.36 million. In 2020. The company used bank overdraft for general business operation. The short-term loans from financial institutes was the short-term promissory note which had

been used as working capital of the construction project. In 2020, decreased from 2019 amount Baht 16.35 million or 51.56% due to return all of promissory note and reduce bank overdraft Baht 4.35 million.

- **Other payables – related person and business**

The company and its subsidiaries' other payables – related parties at the end of 2018 was Baht 0.33 million while Baht 0.36 million in 2019 and Baht 0.48 million in 2020 or accounted for 0.03%, 0.09% and 0.11% of the total assets, respectively. The said transaction were accrued expenses and accrued interest payable of loan from director.

- **Trade and Other Payables - Other Companies**

At the end of 2018, the company and its subsidiaries had trade and other payables – other companies in sum of Baht 200.95 million, whereas Baht 184.84 million in 2019 and Baht 160.93 million in 2020 or accounted for 19.15%, 45.24%, and 37.64% of the total assets, respectively. The proportion of trade payables and other payables were as follows:

The trade payables in 2018, 2019 and 2020 were Baht 103.77 million, 88.05 million and 65.23 million, respectively. The trade payables in 2020 decreased Baht 22.82 million from 2019 or representing 25.92% decrease due to project nearly closed and the new project has operated in November 2020, so the Company is decreasing purchased from prior year.

The trade payables turnover in 2018, 2019 and 2020 were 2.09, 3.29 and 2.10 times, respectively with repayment period of 172, 109, and 171 days, respectively. The cash cycle in 2018, 2019 and 2020 were -28, 31 and (77) days, respectively.

The other payables included retention payables, advance received and accrued interest as well as other payables. As of December 31, 2020, the company and its subsidiaries' other payables was Baht 95.70 million divided into retention payables of Baht 33.14 million, advance received of Baht 4.00 million, accrued interest of Baht 49.57 million and other payables of Baht 8.70 million. Comparing with 2019, other payables decreased Baht 1.09 million

- **Contractual Liabilities**

It refers to advance revenue from construction, advance revenue from retention, advance received from construction contract. The company and its subsidiaries' contract liabilities in 2018, 2019 and 2020 were Baht 141.66 million, 63.19 million and 101.64 million, respectively. The contractual liabilities in 2020 increased Baht 38.45 million or 60.85% when compared to 2019 since advance received from construction contract decreased Baht 8.26 million; service revenue received in advance increased Baht 46.71 million. The increases were caused by service revenue received in advance from the new project that operate in November 2020.

#### - Current Portion of Long-term Liabilities— Provision for Warranty

The company and its subsidiaries' current portion – provision for warranty at the end of 2018, 2019 and 2020 were Baht 7.25 million, 4.21 million and 1.00 million, respectively. The said current portion was the warranty for construction project of which its warranty period ended within 12 months. The provision for warranty in 2020 decreased Baht 3.21 million from 2019 or representing 76.25% decreased owing to ending of warranty period and return of letter of guarantee form customer whereas the provision was higher than actual cost; therefore, the company reversed the said provision.

The company's liquidity ratio in 2018, 2019 and 2020 were 0.89, 0.68, and 0.81 times, respectively and quick ratio were 0.24, 0.28 and 0.21 times, respectively.

#### - Short-term Loans from Related Person and Business

As of December 31, 2018, 2019 and 2020, the company and its subsidiaries' short-term loans from person and related parties were Baht 10.00 million, 8.65 million and 0.00 million, respectively. Those short-term loans from related person and business were loan from director in form of promissory note at call with interest rate of 6.25% - 6.50% for business operation of the company and its subsidiaries. In 2020, the repayment all of the aforementioned loan.

#### - Long-term Loans – Other Companies

As of December 31, 2018, 2019 and 2020, the company and its subsidiaries' long-term loans due to third party each year were Baht 125.64 million equally. All were borrowed from YUNNAN WATER (HONG KONG) COMPANY LIMITED, the company established in Hong Kong for construction of water supply project in Chiang Mai Province with the interest of 6.75% per year and 5-year annual repayment due of the principle starting from the first date of income gained from water supply. In addition, as per the borrowing agreement, YUNNAN WATER (HONG KONG) COMPANY LIMITED has its option right to convert these captioned liabilities to be the investment in Hydrotek Utility Company Limited, the water management service company, after completion of the project.

#### Shareholders' Equity

The shareholders' equity at the end of 2018, 2019 and 2020 were Baht 251.79 million, (26.39) million and 3.10 million, respectively or equivalent to the total asset ratio of 23.99%, -6.46% and 0.72%, respectively. The captioned equity in 2020 was Baht 29.49 million or 111.75% due to add capital register in December 2020.

The proportion structure of debt to equity ratio in 2018, 2019 and 2020, were 3.18, -16.47 and 136.83 times, respectively. The negative ratio in 2019 was due to the deficit of shareholders' equity from huge loss from 2018-2019.

On June 15 - 19, 2020, the Company offers ordinary shares by number of 495,416,810 shares to existing shareholders. Such ordinary shares comprise par value of Baht 1.00 per share. Shares are offered in the price of Baht 0.14 per share aggregating to total amount of Baht 69,358,353.40. The shares increment is registered

for paid-up from Baht 784,968,760.00 to Baht 1,280,385,570.00 equivalent to ordinary shares by number of 1,280,385,570 shares in the par value of Baht 1.00 per share at the Ministry of Commerce on June 29, 2020.

On December 21-25, 2020, the Company offers ordinary shares by number of 256,069,788 shares to existing shareholders. Such ordinary shares comprise par value of Baht 1.00 per share. Shares are offered in the price of Baht 0.14 per share aggregating to total amount of Baht 35,849,770.32. The shares increment is registered for paid-up from Baht 1,280,385,570.00 to Baht 1,536,455,358.00 at the Ministry of Commerce on January 6, 2021.

#### Contingency Liabilities and Off-Balance - Sheet Management

As ended 31 December 2020, there were contractual obligations as follows:

Unit : Million Baht

Contractual Obligations	Total	Repayment period		
		Less than 1 year	1-5 years	Over than 5 years
1. Long-term contingency liability – other	125,64	-	125,64	-
2. Operating lease contract	15,45	3,41	3,47	8,57
3. Commitment of the construction subcontracts	339,90	339,90	-	-
4. Bond contingency	32,54	14,13	18,41	-
Total	573,53	417,44	147,52	8,57

- 1. Long- term contingency liability – other** is the loan from Yunnan Water ( Hong Kong) Company Limited.established in Hong Kong to execute the construction of water supply project in Chiang Mai Province with the interest rate of 6.75 % per year and 5-year annual repayment due of the principle starting from the first date of income gained from water supply. In addition, as per the loan agreement, Yunnan Water (Hong Kong) Company Limited.has its option right to convert this captioned loan to be the investment in Hydrotek Utility Company Limited., the water management service company, after completion of the project.
- 2. Operating lease contract** is building lease, service, office automation rental agreements of the company's head office.
- 3. Commitment of the construction subcontracts** is the construction contract for awarded projects of work value as per the contract of Baht 759.90 million of which Baht 420.00 million had been recorded as expenses whereas the remaining of Baht 339.90 million shall be the expenses of the later year.
- 4. Bond contingency** is the bank guarantees issued by financial institutes for project bidding, advance payment bond, performance bond, retention bond and letter of guarantee (L/C).

### Factors affecting the company's future operating result

As per the company's vision to become the sustainable Asean leading company in environment, the company has been concentrated in providing the entire service starting from design, procurement, construction, installation and operation with qualified and efficient works, effective management and cost control and also promoting human resource development continuously and constantly in order that the business can be expanded steadily and sustainably. However, since the operating result has not be in line with the target, the following are factors affecting the company's future operating result:

#### 1. Risk of delay in construction execution

The problem of delay in project execution may be caused by both owner, contractor and also other uncontrollable external factor.

Realizing such a problem, the company has defined the clear policy for system setup, implementation and risk protection by planning and setting up the working period as per the critical path method. Meetings have been held for presentation of advance construction working plan on quarterly basis with the guideline of risk management for any incident may cause the work delay. In addition, the company has coordinated and cooperated with all concerned to expedite problem solving for on-time completion of works as per the contracts or as scheduled.

#### 2. Risk of fluctuate price of construction materials

Since the company is the environment engineering construction business, the company needs to define the material and equipment fixed price measure to be applied for the construction along the project execution.

However, since the company has realized in risk of fluctuate price of construction materials, the policy was defined to protect and mitigate risk maybe arisen by estimating the construction cost based on the obtained construction design drawings in order to calculate for quantity and construction material cost for each project and also control the construction cost to be within the budget.

#### 3. Risk of subcontractor performance

This The Company Subcontractor Risk arises since the company cannot find subcontractor due to various problems such as subcontractor shortage, lack of subcontractors' labor, and a few subcontractor, etc. Moreover, there have been a risk from subcontractor's failure to work as planned by the reason of subcontractor's liquidity, delay of handover which may cause the construction halted and delay in handover works to customer.

However, prior to making a contract with any subcontractor, the subcontractor prequalification shall be done based on reliability and inspection of quality of works undertaken by short-listed subcontractor. If the company discovers that any subcontractor has a lack of liquidity and cannot deliver works as planned, the scope of subcontractor's work will be reducing and new subcontractor shall be searched to mitigate the captioned risk.



In addition, the company has kept create a good connection with subcontractors for working acquaintance causing those become the company's business alliances ready for subcontracting continually and new subcontractors have been increasingly selected to support future addition works.

#### 4. Risk of contingency related to the project after work delivery

The company provides the service of inclusive environmental engineering related to water starting from design, construction, procurement, installation and operation including wastewater treatment in which the contract stipulates that the company shall be responsible for any damage, defect and fault maybe arisen after work delivery to the project owner for 1-2 years. Therefore, risk of contingency maybe incurred during the captioned warranty period. However, the measure of construction implementation has been established under restriction of quality control and compliance of scope of works starting from design, standard material and equipment procurement with coverage warranty through the period of performance warranty. Moreover, the inspection of engineers supervising projects has been also constantly undertaken during the construction on milestone basis and the inspection report has been also sent to the company's management directed every project prior to work delivery. Until now, the company has never faced this type of risk; however, the damage insurance for every project has been arranged for any damage maybe arisen after work delivery.

#### 5. Risk of financial liquidity

The company's clients are both government agencies obtaining an approved budget from the cabinet but with some delay of bill collection and private companies. In case of lack of liquidity, it may cause delay of payment for the company's service.

Realizing in this type of risk, the risk mitigation measure has been established to protect such a risk by setting up the policy of project owner selection concisely with consideration in all respects of the project owners especially their financial status, operating results, reliability and business strength of project owners. In case of oversea project, to secure the project, the company prefers to select a project owner who is a government agency.

#### 6. Risk of investment in water supply and wastewater treatment project

At present, the company has expanded its business in a form of investment in water supply and wastewater treatment project of government agencies and private companies in various industries for which the company is required to be responsible for all expenses incurred from the investment and project management for 10 - 30 year period and the impact from this type of risk may cause no payment of service charge from project owners due to their lack of liquidity or bankruptcy prior to end of contracts.

To protect such a risk, prior to contract signing or enter into bidding, the project owner selection shall be made based on financial status, management's reliability together with profitability ratio as per defined policy. In addition, the customer base has been extended to government sector to protect risk of no service charge payment.

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FINANCIAL STATEMENTS

DECEMBER 31, 2020



**SP AUDIT CO.,LTD.**

**บริษัท เอส พี ออดิท จำกัด**

503/31, 18(A) Floor, KSL Tower, Si Ayutthaya Road, Ratchathewi, Bangkok 10400 T: +66 2 642-6172-4 F: +66 2 642-6253

503/31 ชั้น 18(เอ) อาคาร เค.เอส.แอล. ทาวเวอร์ ถนนศรีอยุธยา แขวงถนนพญาไท เขตราชเทวี กรุงเทพมหานคร 10400 โทร: +66 2 642-6172-4 แฟกซ์: +66 2 642-6253

**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Hydrotek Public Company Limited

**Opinion**

I have audited the accompanying consolidated and separate financial statements of Hydrotek Public Company Limited and its subsidiaries (the Group) and of Hydrotek Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2020, 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 Hydrotek Public Company Limited and its subsidiaries and of Hydrotek Public Company Limited as at December 31, 2020, 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 Company 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 mentioned in the notes to financial statements No. 4, the Group faces losses from continued operation for the year ended on December 31, 2020 in the amount of Baht 74.27 million. As at December 31, 2020, the Group's current liabilities exceeded its current assets in the amount of Baht 53.87 Million. Such circumstance indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

**Emphasis of matter**

As mentioned in the notes to financial statements No. 39.1, explaining the uncertainty over the outcome of the case that the Company has filed against the counterparty to the Administrative Court demanding of construction fees to be paid to the Company, the said counterparty has filed a counterclaim to the Administrative Court demanding compensation from the Company. Currently such case is under consideration by the Administrative Court. My opinion 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Recognition of Revenue from Construction


The Group recognizes revenue from construction identified as a single performance obligation satisfied over time according to the amount of the transaction price based on the progress towards complete satisfaction of that performance obligation. The Group measures the progress towards complete satisfaction of the performance obligation with the input method on the basis of the costs incurred (excluding from the measure of progress any goods or services for which the Group does not transfer control to a customer) relative to the total expected costs for the satisfaction of that performance obligation (Note 5.11). The estimate of the total expected costs for the satisfaction of that performance obligation is a key audit matter because the said estimate of construction cost involved the management's judgments and the carrying amounts of the revenue from construction is considered significant to the Group's financial statements.

Key audit procedures

We reviewed the appropriateness of the Group's accounting policies and their conformity to the requirements of the accounting standards. We also reviewed the appropriateness and the consistency of the said construction cost estimating method.

We have obtained an understanding and evaluated the internal controls related to the preparation, review and approval of the said estimate of construction cost.

We have audited appropriate and sufficient evidence for each material item involved in the construction cost estimation that has been calculated by the project engineer and approved by the management. We have also tested the calculation of the said construction cost estimation.





**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.



**SP Audit Co., Ltd.**


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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.



**SP Audit Co., Ltd.**

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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 Susan Eiamvanicha)

Certified Public Accountant (Thailand) No. 4306

Bangkok

March 1, 2021

## HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

		Consolidated		Separate financial statements	
	Notes	2020	2019	2020	2019
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents		44,778,099.47	25,735,064.60	36,352,766.89	19,928,049.57
Short-term investment		1,225,905.24	819,836.76	1,225,905.24	819,836.76
Other current receivables - person and related parties	7.1	29,737.27	4,429,870.89	5,635,006.53	8,860,654.13
Trade and other current receivables - third parties	8	112,209,122.49	125,737,020.15	23,154,501.21	95,200,673.38
Contract assets	9	48,584,494.56	38,773,137.83	5,644,867.05	14,315,762.09
Retention receivables		7,863,559.49	3,584,576.30	-	-
Suspend input vat		3,557,513.93	3,767,154.81	1,278,577.41	3,442,405.75
Short-term loan to person and related parties	7.1	-	-	5,004,844.90	-
Non-current assets or disposal asset group classified as held for sales	10	11,500,000.00	-	11,500,000.00	-
Total Current Assets		229,748,432.45	202,846,661.34	89,796,469.23	142,567,381.68
<b>Non-Current Assets</b>					
Deposits at banks pledged as collateral	11	49,676,903.48	49,658,464.06	49,676,903.48	49,658,464.06
Investment in associate	12	-	-	-	-
Investment in subsidiaries	13	-	-	3,999,600.00	2,999,600.00
Receivables under the concession agreement	14	-	-	-	-
Long-term loan to related parties	7.1	-	2,213,410.99	-	2,213,410.99
Investments property	15	2,180,750.00	2,973,750.00	2,180,750.00	2,973,750.00
Land and equipment	16	19,572,311.81	33,964,721.94	19,472,783.46	33,861,587.31
Right-of-use assets	17	6,168,024.67	-	6,012,216.32	-
Intangible assets	18	108,970,065.20	108,949,730.56	108,916,514.62	108,876,125.17
Withholding tax deducted at source		8,168,060.76	5,495,496.13	3,816,205.94	2,988,818.50
Other non-current assets		3,107,704.86	2,503,564.78	773,070.79	965,710.78
Total Non-Current Assets		197,843,820.78	205,759,138.46	194,848,044.61	204,537,466.81
Total Assets		427,592,253.23	408,605,799.80	284,644,513.84	347,104,848.49



## HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Notes	Consolidated		Separate financial statements	
		2020	2019	2020	2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans due to financial institution	19	15,359,725.64	31,714,277.10	15,359,725.64	31,714,277.10
Other current payable - person and related parties	7.1	483,618.94	362,539.09	5,493,009.52	2,734,092.55
Trade and other current payables - third parties	20	160,930,246.35	184,837,649.89	105,064,213.78	151,122,879.58
Contract liabilities	21	101,642,581.09	63,187,894.62	9,226,379.44	17,489,095.00
Unbilled output tax		2,477,284.94	4,402,205.18	1,424,528.80	3,511,305.81
Current portion					
Provision for warranty	22	1,000,000.00	4,206,457.42	1,000,000.00	4,206,457.42
Lease liabilities	23	1,621,064.16	-	1,487,369.19	-
Short-term loan from person and related parties	7.1	-	8,650,000.00	17,802,922.36	34,865,052.87
Accrued income tax		103,786.15	7,840.52	-	-
Provision for construction losses		-	3,028,549.21	-	3,028,549.21
<b>Total Current Liabilities</b>		<b>283,618,307.27</b>	<b>300,397,413.03</b>	<b>156,858,148.73</b>	<b>248,671,709.54</b>
<b>Non-Current Liabilities</b>					
Long-term loans due to third party	24	125,644,786.50	125,644,786.50	125,644,786.50	125,644,786.50
Provision for warranty	22	1,914,809.76	-	1,914,809.76	-
Lease liabilities	23	3,687,481.16	-	3,664,480.65	-
Employee benefit obligation	25	4,654,381.40	4,857,599.04	4,654,381.40	4,857,599.04
Other-non-current liabilities		4,693,562.33	3,771,532.22	162,549.33	369,852.07
<b>Total Non-Current Liabilities</b>		<b>140,595,021.15</b>	<b>134,273,917.76</b>	<b>136,041,007.64</b>	<b>130,872,237.61</b>
<b>Total Liabilities</b>		<b>424,213,328.42</b>	<b>434,671,330.79</b>	<b>292,899,156.37</b>	<b>379,543,947.15</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	26				
Authorized share capital					
1,668,058,615 ordinary shares, at par value of Baht 1.00		1,668,058,615.00	-	1,668,058,615.00	-
1,197,077,359 ordinary shares, at par value of Baht 1.00		-	1,197,077,359.00	-	1,197,077,359.00
Paid-up share capital					
1,280,385,570 ordinary shares, at par value of Baht 1.00		1,280,385,570.00	-	1,280,385,570.00	-
784,968,760 ordinary shares, at par value of Baht 1.00		-	784,968,760.00	-	784,968,760.00
Premium on share capital		141,376,373.77	141,376,373.77	141,376,373.77	141,376,373.77
Discount on share capital		(426,418,456.60)	-	(426,418,456.60)	-
Share subscription received in advance		35,849,770.32	-	35,849,770.32	-
Retained earnings (deficits)					
Appropriated-legal reserve	27	9,620,000.00	9,620,000.00	9,620,000.00	9,620,000.00
Unappropriated		(1,035,714,026.05)	(960,350,895.61)	(1,049,067,900.02)	(968,404,232.43)
Other components of equity		(1,998,900.97)	(2,000,059.44)	-	-
<b>Equity attributable to the owners of the company</b>		<b>3,100,330.47</b>	<b>(26,385,821.28)</b>	<b>(8,254,642.53)</b>	<b>(32,439,098.66)</b>
Non-controlling interests		278,594.34	320,290.29	-	-
<b>Total shareholders' equity</b>		<b>3,378,924.81</b>	<b>(26,065,530.99)</b>	<b>(8,254,642.53)</b>	<b>(32,439,098.66)</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>427,592,253.23</b>	<b>408,605,799.80</b>	<b>284,644,513.84</b>	<b>347,104,848.49</b>

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)					
		Consolidated		Separate financial statements	
	Notes	2020	2019	2020	2019
Revenues					
Construction income		161,843,069.76	253,818,053.48	4,342,875.26	118,804,840.78
Service income		2,505,801.66	15,638,162.55	2,505,801.66	14,896,142.55
Other income		4,023,457.77	10,965,196.33	3,914,451.47	10,737,245.67
Total Revenues		168,372,329.19	280,421,412.36	10,763,128.39	144,438,229.00
Expenses					
Cost of construction		159,368,946.55	302,556,188.77	3,984,529.98	164,004,098.80
Cost of services		1,795,428.70	13,434,450.31	1,795,428.70	10,679,683.03
Loss on impairment of assets		3,244,610.41	101,631,948.65	4,244,610.41	118,432,239.90
Loss on disposal of subsidiaries		-	3,089,611.50	-	11,070,508.00
Administrative expenses		65,352,912.62	133,986,545.30	66,107,989.45	92,551,889.95
Finance cost		12,614,869.94	25,183,841.97	13,975,706.83	26,750,973.40
Total Expenses		242,376,768.22	579,882,586.50	90,108,265.37	423,489,393.08
Loss before income tax income (expenses)		(74,004,439.03)	(299,461,174.14)	(79,345,136.98)	(279,051,164.08)
Income tax income (expenses)	28	(309,273.32)	3,489,552.98	(90,000.00)	3,497,578.62
Loss for the year		(74,313,712.35)	(295,971,621.16)	(79,435,136.98)	(275,553,585.46)
Other comprehensive income					
Transactions that be classified into profit or loss in the future					
Difference exchange rate from conversion of financial statements		1,448.09	(956,719.74)	-	-
Other comprehensive income (loss) for the year					
Acturial gain (loss)		(1,091,403.66)	4,359,616.66	(1,091,403.66)	4,359,616.66
Other comprehensive income (loss) for the year		(1,089,955.57)	3,402,896.92	(1,091,403.66)	4,359,616.66
Total comprehensive loss for the year		(75,403,667.92)	(292,568,724.24)	(80,526,540.64)	(271,193,968.80)
Loss attributable to					
Equity holders of the Company		(74,271,726.78)	(277,589,813.02)		
Non-controlling interests		(41,985.57)	(18,381,808.14)		
		(74,313,712.35)	(295,971,621.16)		
Total comprehensive loss attributable to					
Equity holders of the Company		(75,361,971.97)	(273,995,572.15)		
Non-controlling interests		(41,695.95)	(18,573,152.09)		
		(75,403,667.92)	(292,568,724.24)		
Basic loss per share	29	(0.08)	(0.35)	(0.08)	(0.35)
Weighted average of ordinary shares (unit : share)		963,969,724	784,968,760	963,969,724	784,968,760

Notes to financial statements are an integral part of these financial statements.

**HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Equity attributable to the owners of the Company											(Unit : Baht)
Notes	Paid-up share capital	Premium on share capital	Discount on share capital	Convertible debt/equity component	Share subscription received in advance	Retained earnings (deficits)		Other components of shareholders' equity		Total	
						Appropriated legal reserve	Unappropriated	Difference exchange rate from conversion of financial statements	Equity attributable to the owners of the Company		
Balance as at January 1, 2019	784,968,760.00	141,376,373.77	-	21,071,297.74	-	9,620,000.00	(704,015,596.99)	(1,234,683.65)	251,786,150.87	249,906,413.27	
Changes in equity for the year											
Redemption of convertible debentures	-	-	-	-	-	-	(5,220,500.00)	-	(5,220,500.00)	(5,220,500.00)	
Related income tax	-	-	-	-	-	-	1,044,100.00	-	1,044,100.00	1,044,100.00	
Transfer to deficits directly	-	-	-	(21,071,297.74)	-	-	21,071,297.74	-	-	-	
Transfer out due to disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	
Actuarial gain	-	-	-	-	-	-	4,359,616.66	-	4,359,616.66	20,773,179.98	
Total comprehensive loss for the year	-	-	-	-	-	-	(277,589,813.02)	(766,375.79)	(278,355,188.81)	(296,928,340.99)	
Balance as at December 31, 2019	784,968,760.00	141,376,373.77	-	-	-	9,620,000.00	(960,350,895.61)	(2,000,059.44)	(26,385,821.28)	(26,065,530.99)	
Changes in equity for the year											
Increment of capital	495,416,810.00	-	(426,058,456.60)	-	35,849,770.32	-	-	-	105,208,123.72	105,208,123.72	
Expenses of issuing shares	-	-	(360,000.00)	-	-	-	-	-	(360,000.00)	(360,000.00)	
Actuarial loss	-	-	-	-	-	-	(1,091,403.66)	-	(1,091,403.66)	(1,091,403.66)	
Total comprehensive loss for the year	-	-	-	-	-	-	(74,271,726.78)	1,158.47	(74,270,568.31)	(41,695.95)	
Balance as at December 31, 2020	1,280,385,570.00	141,376,373.77	(426,418,456.60)	-	35,849,770.32	9,620,000.00	(1,035,714,026.05)	(1,998,900.97)	3,100,330.47	278,594.34	
										3,378,924.81	

Notes to financial statements are an integral part of these financial statements.

**HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Notes	Paid-up share capital	Premium on share capital	Discount on share capital	Convertible debenture equity component	Share subscription received in advance	Retained earnings (deficits)		Total
							Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2019		784,968,760.00	141,376,373.77	-	21,071,297.74	-	9,620,000.00	(714,105,161.37)	242,931,270.14
Changes in equity for the year									
Redemption of convertible debentures	40	-	-	-	-	-	-	(5,220,500.00)	(5,220,500.00)
Related income tax		-	-	-	-	-	-	1,044,100.00	1,044,100.00
Transfer to deficits directly	30	-	-	-	(21,071,297.74)	-	-	21,071,297.74	-
Actuarial gain		-	-	-	-	-	-	4,359,616.66	4,359,616.66
Loss for the year		-	-	-	-	-	-	(275,553,585.46)	(275,553,585.46)
Balance as at December 31, 2019 (as previously reported)		784,968,760.00	141,376,373.77	-	-	-	9,620,000.00	(968,404,232.43)	(32,439,098.66)
Impact of changes in accounting policy	6.1	-	-	-	-	-	-	(137,126.95)	(137,126.95)
Balance as at January 1, 2020 (restated)		784,968,760.00	141,376,373.77	-	-	-	9,620,000.00	(968,541,359.38)	(32,576,225.61)
Changes in equity for the year									
Increment of capital	26	495,416,810.00	-	(426,058,456.60)	-	35,849,770.32	-	-	105,208,123.72
Expenses of issuing shares	26	-	-	(360,000.00)	-	-	-	-	(360,000.00)
Actuarial loss		-	-	-	-	-	-	(1,091,403.66)	(1,091,403.66)
Loss for the year		-	-	-	-	-	-	(79,435,136.98)	(79,435,136.98)
Balance as at December 31, 2020		1,280,385,570.00	141,376,373.77	(426,418,456.60)	-	35,849,770.32	9,620,000.00	(1,049,067,900.02)	(8,254,642.53)

Notes to financial statements are an integral part of these financial statements.

## HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

		Consolidated		Separate financial statements	
	Notes	2020	2019	2020	2019
Cash Flow From Operating activities					
Loss before income tax income (expenses)		(73,962,453.46)	(281,079,366.00)	(79,345,136.98)	(279,051,164.08)
Adjustments to reconcile loss before income tax income (expenses) for cash received (used) from operations					
Share of loss attributable to non-controlling interests		(41,985.57)	(18,381,808.14)	-	-
Unrealized loss on exchange rate		8,744.00	203,032.00	8,744.00	203,032.00
Expected credit loss/doubtful debts		11,211,696.60	30,160,054.27	13,199,043.89	28,272,332.45
Depreciation		3,404,875.08	6,866,010.72	2,470,310.78	1,858,116.59
Amortisation of intangible assets		106,095.36	349,477.17	86,040.55	203,757.54
Loss from impairment of assets		3,244,610.41	101,631,948.65	4,244,610.41	118,432,239.90
Loss on disposal and written-off of fixed assets		5,736.90	248,592.95	4,033.90	247,988.95
Loss on disposal of subsidiary		-	3,089,611.50	-	11,070,508.00
Gain from redemption of convertible debentures		-	(605,268.59)	-	(605,268.59)
Reversal provision for warranty		(1,291,647.66)	(2,514,254.71)	(1,291,647.66)	(2,670,143.75)
Reversal provision for construction losses		(3,028,549.21)	(116,162.74)	(3,028,549.21)	(116,162.74)
Provisions for employee benefits		888,186.02	1,718,109.33	888,186.02	1,385,258.76
Interest income		(834,599.34)	(992,237.68)	(969,164.98)	(1,796,094.72)
Interest expenses		12,614,869.94	25,183,841.97	13,975,706.83	26,750,973.40
Loss from operation before changes in operating assets and liabilities		(47,674,420.93)	(134,238,419.30)	(49,757,822.45)	(95,814,626.29)
(Increase) decrease in other current receivables - related parties		(113,807.23)	(882,996.06)	(8,468,266.74)	17,451,437.58
(Increase) decrease in trade and other current receivables - third parties		9,209,040.71	14,599,770.21	71,934,827.25	(10,108,041.19)
(Increase) decrease in contract assets		(9,811,356.73)	142,580,336.94	8,670,895.04	85,423,388.20
Increase in retention receivables		(4,278,983.19)	(865,366.64)	-	-
(Increase) decrease in suspend input vat		209,640.88	(1,181,043.02)	2,163,828.34	(1,214,923.03)
Increase in receivables under the concession agreement		-	(852,085.24)	-	-
(Increase) decrease in other non-current assets		(610,101.98)	6,561,055.44	192,639.99	25,384.50
Increase in other current payables - person and related parties		392,869.45	27,079,198.28	232,187.96	875,829.17
Increase (decrease) in trade and other current payables - third parties		(34,756,691.73)	(3,333,384.81)	(57,491,654.67)	16,132,661.89
Increase (decrease) in contract liabilities		38,454,686.47	(78,467,523.57)	(8,262,715.56)	(49,641,999.35)
Increase (decrease) in unbilled output tax		(1,924,920.24)	(2,967,179.67)	(2,086,777.01)	595,447.73
Increase (decrease) in other non-current liabilities		922,030.11	(311,622.84)	(207,302.74)	(3,023,244.77)
Cash generated from operating		(49,982,014.41)	(32,279,260.28)	(43,080,160.59)	(39,298,685.56)
Cash paid for employee benefits		-	(3,240,000.00)	-	(3,240,000.00)
Cash paid for income tax		(4,454,290.57)	(4,273,192.98)	(827,387.44)	(1,829,096.82)
Net cash used in operating activities		(54,436,304.98)	(39,792,453.26)	(43,907,548.03)	(44,367,782.38)

Notes to financial statements are an integral part of these financial statements.

## HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

(Unit : Baht)

		Consolidated		Separate financial statements	
	Notes	2020	2019	2020	2019
Cash Flow From Investing Activities					
Cash received for subsidiary from business combination		-	34,467,306.69	-	35,000,000.00
(Increase) decrease in short-term loans to person and related party		-	(4,492,749.82)	(5,000,000.00)	3,972,363.01
Increase in short-term investment		(406,068.48)	(819,836.76)	(406,068.48)	(819,836.76)
Cash paid from disposal of subsidiary		-	-	-	(224,951.60)
(Increase) decrease in deposits at bank pledged as collateral		(18,439.42)	3,949,008.28	(18,439.42)	4,549,008.28
Cash paid for purchase of equipment		(400,499.07)	(123,353.35)	(305,699.08)	(48,672.52)
Cash received from disposal of equipment		17,906.54	10,500.00	17,906.54	10,500.00
Cash paid for purchase of right-of-use assets		(707,158.88)	-	(707,158.88)	-
Cash paid for purchase of intangible assets		(126,430.00)	-	(126,430.00)	-
Cash received from interest income		1,827,831.77	727,773.04	1,579,950.25	1,225,673.46
Net cash provided by (used in) investing activities		187,142.46	33,718,648.08	(4,965,939.07)	43,664,083.87
Cash Flow From Financing Activities					
Increase (decrease) in bank overdraft and short-term loans due to financial institutions		(16,354,551.46)	373,195.87	(16,354,551.46)	707,899.64
Cash received from short-term loan from person and related parties		500,000.00	7,300,000.00	1,217,029.53	43,800,000.00
Cash paid for short-term loan from person and related parties		(9,150,000.00)	(8,650,000.00)	(18,044,721.81)	(38,267,409.22)
Cash paid for lease liabilities		(2,675,971.61)	(1,021,499.79)	(1,751,697.72)	-
Cash paid for interest expenses		(3,785,770.36)	(4,330,442.47)	(4,525,977.84)	(4,083,167.29)
Cash received from increment of capital		69,358,353.40	-	69,358,353.40	-
Cash received in advance for shares		35,849,770.32	-	35,849,770.32	-
Expenses of issuing shares		(450,000.00)	-	(450,000.00)	-
Net cash provided by (used in) financing activities		73,291,830.29	(6,328,746.39)	65,298,204.42	2,157,323.13
Effects of exchange rate change on the balance of					
cash and cash equivalents		367.10	(13,593.29)	-	-
Net Increase (Decrease) in Cash and Cash Equivalent		19,043,034.87	(12,416,144.86)	16,424,717.32	1,453,624.62
Cash and Cash Equivalent at the Beginning of the year		25,735,064.60	38,151,209.46	19,928,049.57	18,474,424.95
Cash and Cash Equivalent at the End of the year	31.1	44,778,099.47	25,735,064.60	36,352,766.89	19,928,049.57

Notes to financial statements are an integral part of these financial statements

**HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020**

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**1. General information**

Hydrotek Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on the Market for Alternative Investment (MAI). The address of the Company’s registered office is 14th Floor, TP&T Tower 1 Soi Vibhavadee-Rangsit 19, Chatuchak, Chatuchak, Bangkok.

The principal business operations of the Company and subsidiaries (“the Group”) are construction and management of water treatment and wastewater treatment system, waste management system and selling of related supplies.

**Coronavirus disease 2019 Pandemic**

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

**2. Basis of preparation of financial statements**

The consolidated and separate financial statements are presented in Thai language and Thai Baht, and in conformity with Thai generally accepted accounting principles under the Accounting Act B.E. 2543 (or 2000), being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (or 2004), and the financial reporting requirements of the Capital Market Supervisory Board under the Securities and Exchange Act B.E.2535 (or 1992).

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.



The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates. Although the management has most,

The financial statements issued for Thai report 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 Federation of Accounting Profession (TFAC) has notified to apply the new financial reporting standards and the revised some exiting financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2020.

TFRS No. 1 First-time Adoption of International Financial Reporting Standards

TFRS No. 3 Business Combinations

TFRS No. 7 Financial Instruments : Disclosures

TFRS No. 9 Financial Instruments

TFRS No. 11 Joint Arrangements

TFRS No. 16 Leases

TAS No. 12 Income Taxes

TAS No. 19 Employee Benefits

TAS No. 23 Borrowing Costs

TAS No. 28 Investments in Associates and Joint Ventures

TAS No. 32 Financial Instruments : Presentation

TFRIC No. 16 Hedges of a Net Investment in a Foreign Operation

TFRIC No. 19 Extinguishing Financial Liabilities with Equity Instruments

TFRIC No. 23 Uncertainty over Income Tax Treatments

Guide on Accounting : Financial Instruments and Disclosures for Insurance Business

Guide on Accounting : Exemption for Business Combination under Common Control in case of First-time Adoption of International Financial Reporting Standards

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period except the implementation of TFRS No.9 Financial Instruments and TFRS No.16 Leases as described in notes to financial statement no.6.



The Federation of Accounting Professions announced Accounting Guidance for Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

And from January 1, 2021 onwards, the Company will cease to comply with Accounting Guidance for Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 mentioned above which ended on December 31, 2020. The management is currently assessing the impact on the Company's financial statements for the future period.

Moreover, the Federation of Accounting Profession has notified to apply the following financial reporting standards to the financial statements in the future periods.

	<u>Effective date</u>
TFRS No. 2 Share-based Payment	January 1, 2021
TFRS No. 3 Business Combinations	January 1, 2021
TFRS No. 6 Exploration for and Evaluation of Mineral Resources	January 1, 2021
TFRS No. 7 Financial Instruments : Disclosures	January 1, 2021
TFRS No. 9 Financial Instruments	January 1, 2021
TAS No. 1 Presentation of Financial	January 1, 2021
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2021
TAS No. 10 Events after the Reporting Period	January 1, 2021
TAS No. 34 Interim Financial Reporting	January 1, 2021
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets	January 1, 2021
SIC Interpretation 32: Intangible Assets – Web Site Costs	January 1, 2021

The Group has not early adopted such financial reporting standards having the effective date to the financial statements on the future periods before the effective dates. The management is currently assessing the first-year impact on the Group's financial statements.

### 3. Principles of consolidation financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries, which are those entities in which the Group has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred for acquisition is measured at the sum of the fair value of the assets given, the liabilities incurred, and equity instruments issued by the Group at the date of exchange. Acquisition-related costs are accounted as expenses in the period in which the costs are incurred. The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the fair value of the net identifiable assets of the subsidiary acquired is recognized as goodwill and to be tested for impairment annually. If, after reassessment, the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in profit or loss as a bargain purchase gain.

Related party transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

As at December 31, 2020 and 2019 have been prepared by including the financial statements of Hydrotek Public Company Limited and its subsidiaries after eliminate the significant related party balances and transactions. The percentage directly and indirectly owned by the Company as follows:-

<u>Companies</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholding</u>	
			<u>2020</u>	<u>2019</u>
Hydrotek-Chaisarit Joint Venture	Construction of water treatment	Thailand	100.00	100.00
Hydrotek Utilities Co., Ltd.	Investment project, which produce and supply water and related businesses	Thailand	100.00	100.00
Hydrotek Supreme Mandalay Co.,Ltd.	Production and management wastewater treatment and wastewater collection system.	Myanmar	80.00	80.00
Sahahydro Joint Venture	Construction of the expansion of water	Thailand	100.00	100.00
SUT Global Co.,Ltd.	Operate a business as construction contractor, provision of service regarding the operation and maintenance, and a consultancy services regarding waste management engineering	Thailand	-	66.00
Sahahydro Pathumthani 2 Joint Venture	Construction of the expansion of water	Thailand	100.00	-
Hydro-Rinrat Joint Venture	Construction of the expansion of water	Thailand	100.00	-

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company and using consistent significant accounting policies.

Non-controlling interests measured at net asset value of the proportion of shares held by non-controlling interest in it.

The assets and liabilities in the financial statements of overseas subsidiaries company is translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of "Other components of equity" in the statements of changes in shareholders' equity.

#### 4. Going concern basis

The Group faces losses from continued operation over several years, with net loss for the year ended on December 31, 2020 and 2019 in the amount of Baht 74.27 million and Baht 277.59 million, respectively. The current liabilities as at December 31, 2020 and 2019 is higher than the current assets in the amount of Baht 53.87 million and Baht 97.55 million, respectively. However, the Group's management plans to reduce expenses to incremental of the Group's liquidity. Moreover, the Company considers to bid for various projects to make a profit. The management believes that it will be able to rectify situation. Therefore, ability in the continued operation of the Company will be dependent on ability in the incremental of liquidity and to create the opportunities to making profit in the future under the plan. Such circumstance is reflected by uncertainty which may cause material doubt in respect of ability in the continued operation of the Company while this also may cause the Company inability to realize its assets and discharge its liabilities in the normal course of business. The management has therefore decided that it is correct and appropriate to prepare the Group's financial statements for the year ended 31 December 2020 based on the assumption that the Group will continue its operations as a going concern. Accordingly, such financial statements do not include any adjustments to present assets at their realisable values and liabilities at their settlement amounts, and to make the reclassifications that may be required in the event that the Group is unable to continue its operations as a going concern.

#### 5. Accounting policies

##### 5.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

##### 5.2 Non-current assets or disposal group classified as held for sale

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A non-current asset or disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. (The incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense).

The Group does not depreciate or amortize a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

### 5.3 Investments

#### Investment in associates

Investments in associates are accounting for using the cost method of accounting in the separate financial statements less allowance for impairment investment (if any). And investments in associates are accounted for using the equity method in the consolidated financial statements.

#### Investments in subsidiaries

Investments in subsidiaries are reported by using the cost method of accounting in the separate financial statements less allowance for impairment investment (if any).

### 5.4 Investment properties

Investment properties, which are properties held to earn rentals income and/ or for capital appreciation is measured initially at its costs, including transaction cost. Subsequent to initial recognition, investment property is measured at the cost method net from the allowance for impairment (if any).

### 5.5 Land and equipment

Land and assets under construction held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated impairment losses (if any).

Equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses (if any).

The cost of an item of asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The Group depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows:

Land improvement	8	Years
Building improvement	5-10	Years
Tools and equipment	2 - 30	Years
Office equipments and furniture	3 - 5	Years
Vehicles	5 - 10	Years
Waste management system	5	Years

The residual value, the useful life and the depreciation method of an asset will be reviewed at least at each financial year-end.

The gain or loss arising on the disposal or retirement of an item of land and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

## 5.6 Leases

(Accounting policies adopted since January 1, 2020)

Where the Group is the lessee

At inception of a contract, the Group assesses that the contract is or contains a lease if the contract conveys to the Group the right to control the use of an identified asset for a period of time in exchange for consideration. The contract that conveys to the Group the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset is treated as the contract conveys the right to control the use of an identified asset.

At the commencement date, The Group recognizes a right-of-use asset and a lease liability for all lease contracts except for short-term leases with a lease term of 12 months or less and leases for which the underlying asset is of low value. The right-of-use asset is measured at cost and the lease liability is measured at the present value of the lease payments that are not paid at that date discounted by using the interest rate implicit in the lease. For the lease payments for short-term leases with a lease term of 12 months or less and leases for which the underlying asset is of low value, the Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises of the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories (The obligation for those of costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period).

The lease payments included in the measurement of the lease liability comprise the fixed payments less any lease incentives receivable, the variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, the amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option and the payments of penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate the lease. For the variable lease payments not included in the measurement of the lease liability, the Group recognizes as an expense relating to those payments in profit or loss in the period in which the event or condition that triggers those payments occurs.

After the commencement date, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The Group depreciates the right-of-use assets on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability by discounting the revised lease payments using a revised discount rate when there is a change in the lease term, there is a change in the assessment of an option to purchase the underlying asset.



The Group re-measures the lease liability by discounting the revised lease payments using an unchanged discount rate when there is a change in the amounts expected to be payable under a residual value guarantee, and there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments (Unless the change in lease payments results from a change in floating interest rates. In that case a revised discount rate that reflects the change in the interest rate is used).

The Group re-measures the lease liability by discounting the revised lease payments using a revised discount rate when there is a lease modification that is not accounted for as a separate lease,

Where the Group is the lessor

The Group classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and classifies a lease as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Group recognizes assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease and recognizes finance income over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

The Group recognizes lease payments from operating leases as income on a straight-line basis and adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognizes those costs as an expense over the lease term on the straight-line basis.

(Accounting policies adopted before January 1,2020)

Where the Group is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged in profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases while depreciation is carried throughout the useful life of leased



asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as an expense in the period on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

#### 5.7 Intangible assets

The Intangible assets that are acquired by the Group, which have finite useful lives such as computer software, are stated at cost less accumulated amortization and amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives (5 years).

The intangible asset incurred from the recognition of revenue from the construction of the wastewater treatment system. The payment is received in the form of the right to charge for the wastewater treatment system usage; depending on the operator's wastewater treatment volume as stipulated in the service concession arrangement. It is shown in the statement of financial position at cost net of accumulated amortization using the straight-line amortization over the 30-year term of the service concession arrangement.

#### 5.8 Impairment of assets

The carrying amounts of the Group's assets and also intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The Group will recognize impairment losses in profit or loss, or reduce the revaluation increment in assets in case that those assets are previously revalued. The reversal of impairment losses will be recognized in profit or loss or as a revaluation increment in assets when there is an indication that the impairment losses are no longer exist or decreased.

#### 5.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 5.10 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

#### 5.11 Revenue from contracts with customers

The Group recognizes revenue from construction of waste water system identified as a single performance obligation satisfied over time according to the amount of the transaction price based on the progress towards complete satisfaction of that performance obligation.

The Group recognizes revenue from design and procure equipment identified as a single performance obligation satisfied over time according to the amount of the transaction price based on the progress towards complete satisfaction of that performance obligation.

The Group recognizes revenue from operation and maintenance identified as a single performance obligation satisfied over time according to the amount of the transaction price based on the progress towards complete satisfaction of that performance obligation.

The Group determines the transaction price, which is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer for that performance obligation, which includes the fixed amounts and the estimate variable amounts by using the expected value method only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group measures the progress towards complete satisfaction of the performance obligation with the input method for revenue from construction and revenue from design and procure equipment on the basis of the costs incurred (excluding from the measure of progress any goods or services for which the Group does not transfer control to a customer) relative to the total expected costs for the satisfaction of that performance obligation.

The Group measures the progress towards complete satisfaction of the performance obligation with the input method for revenue from operation and maintenance on the basis of solid waste quantity entering the system relative to the amount of waste that is expected to enter the whole system for the satisfaction of that performance obligation.

#### 5.12 Retirement benefit costs

##### Defined contribution plan

The Group operates a provident fund which is funded by payments from employees and by the Group. The assets for which are held in a separate trust fund. Contributions to the provident fund are recognized in profit or loss in the period in which they are incurred.

##### Defined benefit plan

The Group has the employee benefit obligation in case of retirement or termination under the labor law. The Group hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, current service cost and related interest expense. The current service cost and interest expense are recognized in profit or loss. Actuarial gains and losses arising from re-measurement of the employee benefit obligation are recognized in other comprehensive income and transferred in retained earnings, respectively without reclassification of those amounts to profit or loss in a subsequent period.

### 5.13 Foreign currency transactions

The Group translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities at the end of the reporting period denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss as incurred.

### 5.14 Income tax

The Group recognizes the unpaid current tax for current period as a liability in the statement of financial position. In a case where the amount already paid in respect of current period exceeds the amount due for those period, the excess will be recognized as an asset in the statement of financial position.

The Group recognizes a deferred tax liability for all taxable temporary difference, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which affects neither accounting profit nor taxable profit at the time of the transaction. The Group recognizes a deferred tax asset for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in associates, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. And the Group recognizes a deferred tax asset for all deductible temporary differences arising from investment in associates, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group measures the current tax assets and liabilities for the current period using the tax rate that have been enacted by the end of the reporting period. And the deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that have been enacted or substantively enacted by the end of the reporting period.

The Group recognizes the current and deferred tax as an income or an expense and includes it in profit or loss for the period, except the current and deferred tax for items that are recognized in the other comprehensive income or directly in the equity will be recognized in the other comprehensive income or directly in the equity.

#### 5.15 Financial assets

(Accounting policies adopted since January 1,2020)

The Group recognizes a financial asset in its statement of financial position when the Group becomes party to the contractual provisions of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or the Group transfers the contractual rights to receive the cash flows of the financial asset and transfers substantially all the risks and rewards of ownership of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. The Group measures trade receivables at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer if the trade receivables do not contain a significant financing component.

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group subsequently measures financial assets when the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding at amortized cost by using the effective interest method in calculation of the interest revenue.

The Group recognizes a gain or loss on a financial asset that is measured at amortized cost in profit or loss when the financial asset is amortized, impaired or de-recognized.

The Group subsequently measures financial assets when the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding at fair value through other comprehensive income.

The Group recognizes interest income calculated using the effective interest method, impairment gains or losses and foreign exchange gains or losses in profit or loss and recognizes a gain or loss on subsequent changes in fair value in other comprehensive income. When the financial asset is de-recognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

The Group subsequently measures all other financial assets other than the financial assets described above at fair value through profit or loss.

The Group recognizes an interest income, dividend income and gain or loss on subsequent changes in fair value in profit or loss.

#### 5.16 Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on a financial asset that is measured at amortized cost or at fair value through other comprehensive income, a trade receivable, a contract asset and a lease receivable.

The Group measures the loss allowance by applying the simplified approach for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. The Group uses a provision matrix based on the historical credit loss experience adjusted to reflect factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction in the calculation of the expected credit losses.

The Group measures the loss allowance by applying the general approach for other financial instrument that is measured at amortized cost or at fair value through other comprehensive income at an amount equal to 12-month expected credit losses if the credit risk on a financial instrument has not increased significantly since initial recognition and at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.



(Accounting policies adopted before January 1, 2020)

#### Trade accounts receivable

Trade accounts receivable are carried in the statement of financial position at the amount expected to be collectible. Allowance for doubtful receivables are estimated by percentage of accounts receivable which is assessed primarily on analysis of payment histories and review of all outstanding amounts at the end of the reporting period. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

#### Receivables under the concession agreement

The service concession arrangement receivables incurred from the recognition of revenue from the construction of the wastewater treatment system. The payment is received in the form of a contractual right to receive compensation from the concession grantor if the wastewater treatment volume is less than the level specified in the service concession arrangement. It is shown in the statement of financial position at cost amortized by the effective interest rate method.

### 5.17 Financial liabilities

The Group recognizes a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument and removes a financial liability or a part of a financial liability from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition, the Group measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

The Group classifies financial liabilities as subsequently measured at amortized cost by using the effective interest method or at fair value through profit or loss.

The Group recognizes a gain or loss for a financial liability measured at amortized cost in profit or loss when the financial liability is amortized and recognizes a gain or loss for a financial liability measured at fair value through profit or loss on subsequent changes in fair value in profit or loss.

#### 5.18 The important accounting estimation, supposition and judgment application

The estimation, supposition and judgment application have been continuously reviewed and assessed and they are on the background of the history experience and other factors that include the expectation of the event in the future which believe that there are reasons in that situation.

##### Equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or its will write off or write down technically obsolete or assets that have been abandoned or sold.

##### Estimated construction project costs

The Group estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

##### Employee benefit

Liabilities from defined benefit post-employment estimated actuarial science, the assumptions in the projections such as Discount rate, Future salary increase rate, Mortality rate and The number of employees changes rate etc.



6. Change in accounting policy

6.1 Accounting for financial instruments

From January 1, 2020 onward, the Group applied TFRS No.9 Financial Instruments which replaces TAS No. 101 Doubtful Accounts and Bad Debts, TAS No. 104 Accountings for Troubled Debt Restructurings (revised 2016), TAS No. 105 Accountings for Investments in Debt and Equity Securities (revised 2016), TAS No. 106 Accountings for Investments Entities, TSIC Transfers of Assets from Customers, Guide on Accounting for De-recognition of financial assets and financial liabilities and Guide on Accounting for Insurance Business in Determining Financial Instruments as Financial Instruments Presented with Fair Value through Profit or loss. The financial reporting standard stipulates the accounting treatments on the classification and measurement of financial assets and financial liabilities, the loss allowance for expected credit loss and the hedge accounting.

The Group elects to apply this Standard by recognition the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application on the transition for classification and measurement of financial assets and financial liabilities and the loss allowance for expected credit loss.

The change of accounting policy has impacted on the statement of financial position as at January 1, 2020 as follows:-

	(Unit : Baht)	
	Consolidated statement of financial position	Separate statement of financial position
	As at	
	January 1, 2020	
Increase in trade and other current receivables - third parties	31,908.92	31,908.92
(Decrease) in other non-current assets	(31,908.92)	(31,908.92)
(Increase) in short-term loans from person and related parties	-	(137,126.95)
Increase in deficits	-	137,126.95

The measurement categories and carrying amounts of financial assets and financial liabilities determined in accordance with the previous accounting standard and the new financial reporting standard are as follows:-

(Unit : Baht)			
Consolidated statement of financial position			
	Previous Accounting Standard	New (TFRS 9)	
	The carrying amounts according to previous accounting principles December 31, 2019	The measurement categories	The carrying amounts January 1, 2020
<u>Financial assets</u>			
Cash and cash equivalents	25,735,064.60	Amortized cost	25,735,064.60
Short-term investment	819,836.76	Amortized cost	819,836.76
Other current receivables - person and related parties	1,060,243.18	Amortized cost	1,060,243.18
Trade and other current receivables - third parties	66,430,889.27	Amortized cost	66,462,798.19
Retention receivables	3,584,576.30	Amortized cost	3,584,576.30
Deposits at banks pledged as collateral	49,658,464.06	Amortized cost	49,658,464.06
Long-term loan to related parties	2,213,410.99	Amortized cost	2,213,410.99
Other non-current assets	2,502,658.24	Amortized cost	2,470,749.32
<u>Financial liabilities</u>			
Bank overdrafts and short-term loans due to financial institution	31,714,277.10	Amortized cost	31,714,277.10
Other current payable – person and related parties	661,496.52	Amortized cost	661,496.52
Trade and other current payables - third parties	184,616,537.59	Amortized cost	184,616,537.59
Short-term loan from person and related parties	8,650,000.00	Amortized cost	8,650,000.00
Long-term loans due to third party	125,644,786.50	Amortized cost	125,644,786.50
Other non-current liabilities	3,771,532.22	Amortized cost	3,771,532.22

(Unit : Baht)

Separate statement of financial position			
	Previous Accounting Standard	New (TFRS 9)	
	The carrying amounts according to previous accounting principles	The measurement categories	The carrying amounts January 1, 2020
	December 31, 2019		
<u>Financial assets</u>			
Cash and cash equivalents	19,928,049.57	Amortized cost	19,928,049.57
Short-term investment	819,836.76	Amortized cost	819,836.76
Other current receivables - person and related parties	5,491,026.42	Amortized cost	5,491,026.42
Trade and other current receivables - third parties	54,376,586.91	Amortized cost	54,408,495.83
Deposits at banks pledged as collateral	49,658,464.06	Amortized cost	49,658,464.06
Long-term loan to related parties	2,213,410.99	Amortized cost	2,213,410.99
Other non-current assets	964,804.24	Amortized cost	932,895.32
<u>Financial liabilities</u>			
Bank overdrafts and short-term loans due to financial institution	31,714,277.10	Amortized cost	31,714,277.10
Other current payable - person and related parties	2,734,092.55	Amortized cost	2,734,092.55
Trade and other current payables - third parties	151,122,879.58	Amortized cost	151,122,879.58
Short-term loan from person and related parties	34,865,052.87	Amortized cost	35,002,179.82
Long-term loans due to third party	125,644,786.50	Amortized cost	125,644,786.50
Other-non-current liabilities	369,852.07	Amortized cost	369,852.07

## 6.2 Accounting for leases

From January 1, 2020 onward, the Group applied TFRS No.16 Leases which replaces TAS No. 17 Leases (revised 2018), TSIC No. 15 Operating Leases - Incentives (revised 2018), TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2018) and TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2018). The financial reporting standard requires that a lessee recognizes an asset and a liability for all leases except for short-term leases (leases of 12 months or less) and leases for which the underlying asset is of low value. The lessee shall recognize a right-of-use asset and a lease liability and shall measure the right-of-use asset at cost and the lease liability at the present value of the lease payments that are not paid at that date. And the lessee shall subsequently measure the right-of-use asset by applying the cost model, the fair value model or the revaluation model and the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payment made. The previous accounting treatment requires that the lessee classified leases as either finance leases or operating leases and account for those two types of leases differently. However, the substantial

requirement on leases accounting for a lesser does not changed. Thus, the lessor will continue to classify leases as either finance leases or operating leases and account for those two types of leases differently.

The Group elects to apply retrospectively with the cumulative effect of initially applying this financial reporting standard recognized at the date of initial application to all of its leases in which the Group is a lessee by recognition the cumulative effect of initially applying this financial reporting standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Moreover, the Group elects to recognize a lease liability measured at the present value of the remaining lease payments discounted using the Group's incremental borrowing rate at the date of initial application and to recognize a right-of-use asset measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application in accordance with the transition provision of this financial reporting standard.

The change of accounting policy has impacted on the statement of financial position as at January 1, 2020 as follows:-

	(Unit : Baht)	
	Consolidated statement of financial position	Separate statement of financial position
	As at	
	January 1, 2020	
Increase in right-of-use assets	5,201,709.08	4,299,016.88
(Increase) in lease liabilities	(5,201,709.08)	(4,299,016.88)

The difference between the operating lease commitments as at December 31, 2019 and the lease liabilities as at January 1, 2020 consists of:-

	(Unit : Baht)	
	Consolidated	Separate financial statement
Operating lease commitments as at December 31, 2019	1,219,325.72	1,087,125.72
Discounting the operating lease commitments *	(513,467.90)	(483,835.95)
Option to extend/terminate the leases – present value	4,517,451.26	3,695,727.11
Electing to not apply to short-term lease and lease for which the underlying asset is of low value	(21,600.00)	-
Lease liabilities as at January 1, 2020, which were previously recognized as operating lease	5,201,709.08	4,299,016.88
Financial lease liabilities previously recognized as at December 31, 2019	-	-
Lease liabilities as at January 1, 2020	5,201,709.08	4,299,016.88

\* The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2020 is 6.00%.

## 7. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company's major shareholders are the group of Mr.Slib Soongswang, held at 6.07% of share, Mr. Kitti Jivacate, held at 5.74% of share, Mr.Titpat Amornnuntipat, held at 5.07% of share, and Mr. Somprasong Panjalak, held at 16.40% of share and Miss Parisa Chayavasan held at 30.46% of share (2019 : The group of Mr.Slib Soongswang, held at 4.95% of share, Mr.Kitti Jivacate, held at 5.03% of share, Mr. Surachet Chaipatamanont, held at 5.44% of share, and Mr. Somprasong Panjalak, held at 10.76% of share and Miss Parisa Chayavasan held at 24.84% of share) of the share capital of the Company. Transactions related to the principal shareholders or directors are recognized as related parties to the Company.

The Company has transactions with related parties for the year ended December 31, 2020 and 2018 as follows:-

### 7.1 Inter-assets and liabilities

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Other current receivables				
Advances to subcontractors				
SUT Global Co.,Ltd.	3,369,627.71	3,369,627.71	3,369,627.71	3,369,627.71
<u>Less</u> Allowance for expected credit loss	(3,369,627.71)	-	(3,369,627.71)	-
Net	-	3,369,627.71	-	3,369,627.71
Accrued interest receivable				
SUT Global Co.,Ltd.	94,069.96	910,243.18	94,069.96	910,243.18
Sahahydro Joint Venture	-	-	107,891.78	-
	94,069.96	910,243.18	201,961.74	910,243.18
<u>Less</u> Allowance for expected credit loss	(94,069.96)	-	(94,069.96)	-
Net	-	910,243.18	107,891.78	910,243.18

(Unit : Baht)

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Other receivables				
Hydrotek-Utilities Co., Ltd.	-	-	30,775.54	30,775.54
Hydrotek-Chaisarit Joint Venture	-	-	341,814.85	213,414.85
Sahahydro Joint Venture	-	-	11,318,462.32	4,186,592.85
Hydro-Rinrat Joint Venture	-	-	1,178,260.00	-
Prime Road Power Public Co., Ltd.	29,737.27	-	29,737.27	-
SUT Global Co.,Ltd.	20,311,525.81	20,311,525.81	20,311,525.81	20,311,525.81
CFO Co.,Ltd.	150,000.00	150,000.00	150,000.00	150,000.00
Total	20,491,263.08	20,461,525.81	33,360,575.79	24,892,309.05
Less Allowance for expected credit loss	(20,461,525.81)	(20,311,525.81)	(27,833,461.04)	(20,311,525.81)
Net	29,737.27	150,000.00	5,527,114.75	4,580,783.24
Total other current receivable	29,737.27	4,429,870.89	5,635,006.53	8,860,654.13
Short-term loans to person and related parties				
SUT Global Co.,Ltd.				
Beginning balance	-	17,500,000.00	-	17,500,000.00
Loans in during the year	-	-	-	-
Repayment in during the year	-	(3,972,363.01)	-	(3,972,363.01)
Reclassified to long-term loans	-	(13,527,636.99)	-	(13,527,636.99)
Ending balance	-	-	-	-
Sahahydro Joint Venture				
Beginning balance	-	-	-	-
Loans in during the year	-	-	5,004,844.90	-
Repayment in during the year	-	-	-	-
Ending balance	-	-	5,004,844.90	-
Director				
Beginning balance	-	-	-	-
Loans in during the year	-	8,482,293.27	-	-
Repayment in during the year	-	(3,989,543.45)	-	-
Transfer out due to disposal of subsidiaries	-	(4,492,749.82)	-	-
Ending balance	-	-	-	-
Total	-	-	5,004,844.90	-

(Unit : Baht)

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Long-term loans to related parties				
SUT Global Co.,Ltd.				
Beginning balance	13,527,636.99	-	13,527,636.99	-
Reclassified from short-term loans	-	13,527,636.99	-	13,527,636.99
Repayment in during the year	-	-	-	-
Ending balance	13,527,636.99	13,527,636.99	13,527,636.99	13,527,636.99
<u>Less</u> Allowance for expected credit loss	(13,527,636.99)	(11,314,226.00)	(13,527,636.99)	(11,314,226.00)
Net	-	2,213,410.99	-	2,213,410.99
Other current payables				
Other payables				
Hydro-Rinrat Joint Venture	-	-	1,000,000.00	-
Sahahydro Pathumthani2 Joint Venture	-	-	1,000,000.00	-
Total	-	-	2,000,000.00	-
Accrued expenses				
Directors	6,790.00	90,749.49	6,790.00	70,039.24
Advance payment				
Directors	476,828.94	-	191,942.50	-
Deferred income				
Hydrotek-Chaisarit Joint Venture	-	-	9,489.26	-
Accrued interest				
Hydrotek-Chaisarit Joint Venture	-	-	3,181,293.06	1,858,787.69
Sahahydro Joint Venture	-	-	103,494.70	533,476.02
Directors	-	271,789.60	-	271,789.60
Total other current payables	-	271,789.60	3,284,787.76	2,664,053.31
Total	483,618.94	362,539.09	5,493,009.52	2,734,092.55
Short-term loans from person and related parties				
Directors				
Beginning balance	8,650,000.00	10,000,000.00	8,650,000.00	10,000,000.00
Additional in during the year	1,217,029.53	7,300,000.00	1,217,029.53	7,300,000.00
Repayment in during the year	(9,867,029.53)	(8,650,000.00)	(9,867,029.53)	(8,650,000.00)
Ending balance	-	8,650,000.00	-	8,650,000.00

(Unit : Baht)

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Short-term loans from person and related parties				
Hydrotek-Chaisarit Joint Venture				
Beginning balance	-	-	18,715,052.87	19,332,462.09
Impact of changes in accounting policy	-	-	137,126.95	-
Opening balance as restated	-	-	18,852,179.82	19,332,462.09
Additional in during the year	-	-	-	-
Repayment in during the year	-	-	(1,049,257.46)	(617,409.22)
Ending balance	-	-	17,802,922.36	18,715,052.87
Sahahydro Joint Venture				
Beginning balance	-	-	7,500,000.00	-
Additional in during the year	-	-	-	36,500,000.00
Repayment in during the year	-	-	(7,500,000.00)	(29,000,000.00)
Ending balance	-	-	-	7,500,000.00
Total	-	8,650,000.00	17,802,922.36	34,865,052.87

As at December 31, 2020, short-term loans to related party was loan in the form of 6 month loan of promissory notes and interest are carried by the rate of 6.97% per annum.

As at December 31, 2020, long-term loan to related party was loan in the form of 10 year loan agreement with interest of 8.50% per annum, with interest and principal paid every three months. The first principal is paid at the end of March 2025 and the last principal is paid at the end of December 2029 (2019 : 8.50% per annum).

As at December 31, 2020, short-term loans from director and related parties in the form of promissory notes, at call and interest are carried by the rate of 5.97-7.25% per annum (2019 : 6.25%-7.25% per annum).



## 7.2 Inter-revenue and expenses

			(Unit : Baht)	
	Consolidated		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Other income				
Hydrotek-Chaisarit Joint Venture	-	-	120,000.00	120,000.00
Sahahydro Joint Venture	-	-	6,665,298.57	4,979,264.15
Hydro-Rinrat Joint Venture	-	-	1,107,000.00	-
Prime Road Power Public Co., Ltd.	29,627.14	-	29,627.14	-
	<u>29,627.14</u>	<u>-</u>	<u>7,921,925.71</u>	<u>5,099,264.15</u>
Interest income				
SUT Global Co.,Ltd.	94,069.96	289,824.99	94,069.96	1,122,041.13
Hydrotek-Chaisarit Joint Venture	-	-	204,741.45	-
Sahahydro Joint Venture	-	-	103,247.42	-
	<u>94,069.96</u>	<u>289,824.99</u>	<u>402,058.83</u>	<u>1,122,041.13</u>
Subcontraction cost				
SUT Global Co.,Ltd.	-	-	-	31,039,325.50
Interest expense				
Hydrotek-Chaisarit Joint Venture	-	-	1,390,119.87	1,378,102.49
Sahahydro Joint Venture	-	-	205,771.85	533,476.02
Director	165,334.70	552,749.29	165,334.70	552,749.29
	<u>165,334.70</u>	<u>552,749.29</u>	<u>1,761,226.42</u>	<u>2,464,327.80</u>

## 7.3 Management benefit expenses

			(Unit : Baht)	
	Consolidated		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	13,954,187.00	15,661,359.00	13,954,187.00	10,092,359.00
Post-employment benefits	164,182.21	465,988.47	164,182.21	301,374.76
Total	<u>14,118,369.21</u>	<u>16,127,347.47</u>	<u>14,118,369.21</u>	<u>10,393,733.76</u>

#### 7.4 Pricing policies

<u>Transaction</u>	<u>Pricing Policies</u>
Other income	Based on the agreed price
Purchase of assets	Based on the agreed price
Construction	Based on the agreed price
Design Fee	Based on the agreed price
Interest income	Based on interest rate of financial institutions+ 1.00%
Interest expense	Based on interest rate of a financial institution MLR +1.00%

#### 7.5 Nature of relationship

<u>Name</u>	<u>Relationship</u>
Hydrotek-Chaisarit Joint Venture	Shares held by Company
Hydrotek-Utilities Co., Ltd.	Shares held by Company
Hydrotek Supreme Mandalay Co.,Ltd.	Shares held by Company
Sahahydro Joint Venture	Shares held by Company
Hydro-Rinrat Joint Venture	Shares held by Company
Sahahydro Pathumthani2 Joint Venture	Shares held by Company
Prime Road Power Public Co., Ltd.	Common directors
SUT Global Co.,Ltd.*	Company's director is a director in such company
SUT Hydro Co., Ltd.	Shares held by Company
CFO Co., Ltd.	Shares held by the Company's director
Navajessada Construcion and Supply Co.,Ltd.*	Shares held by close relative of former major shareholder
UAC Global Public Co., Ltd.	The majority shareholder
S.P.C. Design Co., Ltd.	Shares held by close relative of director

\* Cease of related party on September 27, 2019, because the Company disposed investment in SUT Global Co.,Ltd. to a former major shareholder.

8. Trade and other current receivables-third parties

Outstanding trade receivable-third parties can be aged as follows:-

			(Unit : Baht)	
	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable				
Within credit term	14,669,732.60	49,562,997.63	850,000.00	37,547,085.90
Overdue 1 – 3 Months	-	2,301,626.30	-	2,301,626.30
Overdue 3 – 6 Months	-	888,350.50	-	888,350.50
Overdue 6 – 12 Months	-	4,131,897.42	-	4,131,897.42
Overdue over 12 Months	7,289,488.00	7,198,136.00	7,289,488.00	7,198,136.00
Total	21,959,220.60	64,083,007.85	8,139,488.00	52,067,096.12
<u>Less</u> Allowance for expected credit loss	(7,289,488.00)	(7,198,136.00)	(7,289,488.00)	(7,198,136.00)
Net	14,669,732.60	56,884,871.85	850,000.00	44,868,960.12
Others receivable	46,666,140.71	25,584,321.49	5,705,088.84	20,514,336.00
Deposit for purchase of goods	36,092,602.85	22,845,971.66	14,908,589.47	14,901,589.47
Advances to subcontractors	23,756,464.55	24,103,181.43	5,372,149.18	18,597,114.07
Total	106,515,208.11	72,533,474.58	25,985,827.49	54,013,039.54
<u>Less</u> Allowance for expected credit loss	(8,975,818.22)	(3,681,326.28)	(3,681,326.28)	(3,681,326.28)
Net	97,539,389.89	68,852,148.30	22,304,501.21	50,331,713.26
Total trade and other current receivables	112,209,122.49	125,737,020.15	23,154,501.21	95,200,673.38

The movement of allowance for expected credit loss-trade receivable-third parties for the year ended December 31, 2020 and 2019 are as follows:-

			(Unit : Baht)	
	Consolidated			
	2020	2019		
Beginning balance	(7,198,136.00)	(86,451,426.32)		
Allowance increased during the year	(100,096.00)	(1,031,721.82)		
Collected during the year	-	-		
Transfer out due to disposal of subsidiaries	-	80,081,980.14		
Effective from exchange rate	8,744.00	203,032.00		
Ending balance	(7,289,488.00)	(7,198,136.00)		

	(Unit : Baht)	
	Separate financial statements	
	<u>2020</u>	<u>2019</u>
Beginning balance	(7,198,136.00)	(7,401,168.00)
Allowance increased during the year	(100,096.00)	-
Collected during the year	-	-
Effective from exchange rate	8,744.00	203,032.00
Ending balance	<u>(7,289,488.00)</u>	<u>(7,198,136.00)</u>

The movement of allowance for expected credit loss-other receivable- third parties for the year ended December 31, 2019 and 2018 are as follows:-

	(Unit : Baht)	
	Consolidated	
	<u>2020</u>	<u>2019</u>
Opening balance	(3,681,326.28)	(24,180,540.38)
Allowance increased during the year	(5,294,491.94)	(1,824,168.91)
Collected during the year	-	-
Reversal during the year	-	7,285,543.01
Transfer out due to disposal of subsidiaries	-	15,037,840.00
Ending balance	<u>(8,975,818.22)</u>	<u>(3,681,326.28)</u>

	(Unit : Baht)	
	Separate financial statements	
	<u>2020</u>	<u>2019</u>
Opening balance	(3,681,326.28)	(9,998,700.38)
Allowance increased during the year	-	(968,168.91)
Collected during the year	-	-
Reversal during the year	-	7,285,543.01
Ending balance	<u>(3,681,326.28)</u>	<u>(3,681,326.28)</u>

9. Contract assets

Consisted of:-

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Unbilled receivable-construction contract	76,942,895.56	67,131,538.83	34,003,268.05	42,674,163.09
<u>Less</u> Allowance for expected credit loss	(28,358,401.00)	(28,358,401.00)	(28,358,401.00)	(28,358,401.00)
Net	48,584,494.56	38,773,137.83	5,644,867.05	14,315,762.09

(Unit : Baht)

10. Non-current asset or disposal group classified as held for sale

The Board of Directors' Meeting No.4/2020, held on 10 April 2020, resolved to sell land with a book value amount of Baht 11.50 million baht to a third party to use as working capital in business operations. In May 2020, the Company entered into an sale agreement with an unrelated third party ("the buyer") to sell 2 plots of land with the area of 400 square wah at the price of Baht 20.00 million. The buyer has paid a deposit to the Company on the contract date of Baht 4.00 million and the remaining amount of Baht 16.00 million, the buyer agrees to pay on the date of transfer of ownership of the land within June 2020. The Company agrees to complete the transfer of all buildings and equipment prior to the registration of land ownership transfer. Currently, The Company in the process of releasing the mortgaged of land used as collateral with financial institutions. As a result, the Group classified such land as non-current asset as held for sale.

11. Deposits at bank pledged as collateral

As at December 31, 2020 and 2019, deposit at bank in amount of Baht 1.58 million and Baht 1.57 million, respectively of the Group has pledged to the Electricity Generating Authority of Thailand (EGAT) as the guarantee for the construction work under Idreco S.P.A. Co.,Ltd. and Idreco Asia Corporation Ltd. since 1991. The said amount of bank deposit is not yet cleared of the obligation and the Group has not yet redeemed the said bank deposit since the Electricity Generating Authority of Thailand (EGAT) has sued for the compensation from Idreco S.P.A. Co.,Ltd. Now the lawsuit is ended, The Company is in the process of detach the guarantee from the bank.

As at December 31, 2020 and 2019, the Group has additionally pledged the remaining Baht 48.10 million and Baht 52.66 million, respectively, as the collateral against the issuance of the letter of guarantee from a commercial bank for the construction project and guarantee against the short-term loan granted by a commercial bank (notes to financial statements No. 38.2).

## 12. Investment in associate

The nature and carrying value of investment in associate can be summarized as follows:-

Name of company	Nature of business	Country of incorporation	(Unit : *000 Baht)							
			<u>Paid-up capital</u>		<u>% of holding</u>		<u>Equity Method</u>		<u>Cost Method</u>	
			<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
SUT Hydro Co., Ltd.	Service of treatment wastewater	Thailand	1,000	1,000	40.00	40.00	-	-	400	400
<u>Less Allowance for impairment</u>									(400)	(400)
Net									-	-

The financial information of the associated can be summarized as follows:-

	(Unit : Baht)	
	<u>2020</u>	<u>2019</u>
Current assets	52,386.62	52,265.62
Non-current assets	64,004.96	264,004.96
Current liabilities	233,186.00	188,786.00
Non-current liabilities	-	-

	(Unit : Baht)	
	For the year ended	For the three-month
	December 31, 2019	periods ended December 31, 2019
Revenues	856,022.37	3,930.31
Profit (loss) from continuous operation	(242,641.40)	(11,069.69)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	-	-

The reconciliations of each financial information with book value that record by equity method in consolidated financial statements as follows :-

	(Unit : Baht)	
	<u>2020</u>	<u>2019</u>
Net Assets	(116,794.42)	127,484.58
Equity of the Group	40%	40%
Share in net assets of the Group	(46,717.77)	50,993.83
<b>Adjustment for equity method</b>		
Impairment loss on investment	-	(50,993.83)
Unrecognised share of losses	46,717.77	-
Book value for equity method	-	-

### 13. Investment in subsidiaries

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiaries in the separate financial statement can be summarized as follows:-

(Unit : '000 Baht)								
<u>Name of Company</u>	<u>Paid-up capital('000 Baht)</u>		<u>% of holding</u>		<u>Cost Method</u>		<u>Dividened</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b><u>Subsidiaries don't having non-controlling interests</u></b>								
Hydrotek-Chaisarit Joint Venture *	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Hydrotek Utilities Co., Ltd.	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Sahahydro Joint Venture **	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Sahahydro Pathumthani 2 Joint Venture****	1,000	-	100.00	-	1,000	-	-	-
Hydro-Rinrat Joint Venture*****	1,000	-	100.00	-	1,000	-	-	-
Total					5,000	3,000	-	-
(Less) Allowance for impairment					(1,000)	-	-	-
Net					4,000	3,000	-	-

(Unit : '000 Baht)								
<u>Name of Company</u>	<u>Paid-up capital(USD)</u>		<u>% of holding</u>		<u>Cost Method</u>		<u>Dividened</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b><u>Subsidiaries having immaterial non-controlling interests</u></b>								
Hydrotek Supreme Mandalay Co.,Ltd. ***	281,250	281,250	80.00	80.00	16,262	16,262	-	-
(Less) Allowance for impairment					(16,262)	(16,262)	-	-
Net					-	-	-	-

\*October, 2014, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture. Thus, Hydrotek Public Company Limited is the sole venturer in Hydrotek-Chaisarit joint venture with the 100.00% shareholding.

\*\*July, 2018, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture. Thus, Hydrotek Public Company Limited is the sole venturer in Sahahydro Joint Venture with the 100.00% shareholding.

\*\*\* July, 2015, the Company has incorporated Hydrotek Supreme Mandalay Co., Ltd. in Republic of the Union of Myanmar. The Company holds 80% of the registered capital of USD 500,000.00. This company has been incorporated to obtain permit for the investment to construct the waste water treatment plant and waste collection system in Mandalay industrial zone.

\*\*\*\* October 2020, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture, where Sahakam wisavakorn co., ltd no longer be held responsible or require to pay indemnity. Thus, Hydrotek Public Company Limited is the sole venturer in Sahahydro Pathumthani2 joint venture with the 100.00% shareholding.

\*\*\*\*\* January 2021, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture, where Rinrat limited partnership no longer be held responsible or require to pay indemnity. Thus, Hydrotek Public Company Limited is the sole venturer in Hydro-Rinrat joint venture with the 100.00% shareholding.

#### 14. Receivables under the concession agreement

During October 2015, the Mandalay Region Government, Mandalay City Development Committee (MCDC) has signed the concession agreement granting Hydrotek Supreme Mandalay Co., Ltd. the concession in operating Mandalay Industrial Zone Central Wastewater Treatment Plant and Collecting System Project (CWWTP) by construct the said project within 2 years from the date the approval has been granted from MCDC to commence the construction on the land provided by MCDC (excluding the extension of the construction period, if any) and provide waste water treatment service in exchange of the right to collect service fee from the customers of the said industrial zone for the period of 30 years (the term can be extended for 10 years at a time for not more than 2 times). Furthermore, MCDC shall pay the compensation to the subsidiary if the said operator's wastewater treatment volume is less than the level specified in the service concession arrangement. The said service concession arrangement also stipulated that at the end of the service concession arrangement term, the subsidiary shall transfer the asset ownership of the said project to MCDC without receiving any payment. The Group has recognized the compensations that the subsidiary received from the construction of the wastewater treatment system under the said service concession arrangement. One portion is recognized as financial assets under the consolidated financial statements (Note 18).



For the year ended 31 December 2019, the Company recognized the entire amount of allowance for expected credit loss of receivables under the concession agreements and loss in impairment of intangible assets under the said concession, including the investment in Hydrotek Supreme Mandalay Co., Ltd. (a subsidiary) as mentioned in Note No. 12. Because of the total quality of wastewater outlet from the Mandalay industrial Zone was significant higher when compared with agreement in the contract. In order to deal with this issue, land requirement and wastewater tariff will be significantly increased. However, MCDC could not either provide additional land area and accept for increasing of wastewater tariff. In case that subsidiary need to continue this project with the same condition in the contract, the return will not be worth. However, the coronavirus disease 2019 pandemic cause both of them to be unable to complete the signing

#### 15 Investments property

Consisted of:-

	(Unit : Baht)	
	Consolidated	
	/Separate financial statements	
	<u>2020</u>	<u>2019</u>
Cost:-		
As at January 1,	3,000,000.00	3,000,000.00
Purchase	-	-
As at December 31,	3,000,000.00	3,000,000.00
Allowance for impairment :-		
As at January 1,	(26,250.00)	(26,250.00)
Increase/decrease	(793,000.00)	-
Reversal	-	-
As at December 31,	(819,250.00)	(26,250.00)
Net book value :-		
As at December 31,	2,180,750.00	2,973,750.00

Land not used for operation with total area of 9 Rai 3 Ngan 65 Square Wa, is obtained from the debt settlement in the past.

In January 2020, the independent appraiser ( Agency for Real Estate Affairs Co., Ltd.) appraises the value of land by applying the market price comparison approach (based on the highest and best use principle) by using the bid price of other land having similar characteristic with the land of Company, and it appears that the fair value of land is equal to Baht 2.18 million (2019 : Baht 2.97 million).

The independent appraiser did not change the valuation technique from the last year.

TFRS No. 13 “Fair Value Measurement” establishes a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value, as follows:

Level 1 :The inputs are quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 :The inputs are observable inputs for the asset or liability, either directly or indirectly,

Level 3 :The inputs are unobservable inputs for the asset or liability.

Information on the level of the fair value hierarchy within the fair value measurements as at December 31, 2020 and 2019, is as follows:-

(Unit : Baht)				
2020				
	<u>Level1</u>	<u>Level2</u>	<u>Level3</u>	<u>Total</u>
Land	-	2,180,750.00	-	2,180,750.00
(Unit : Baht)				
2019				
	<u>Level1</u>	<u>Level2</u>	<u>Level3</u>	<u>Total</u>
Land	-	2,973,750.00	-	2,973,750.00

# 16. Land and equipment

Consisted of:-

	Consolidated						(Unit : Bahr)
	Land	Land improvement	Building improvement	Tools and equipments	Office equipments and furniture	Vehicles	
<b>Cost:</b>							
As at January 1, 2020	11,500,000.00	250,000.00	84,960.00	48,067,531.73	6,392,833.29	9,159,073.36	75,454,398.38
Purchase	-	-	-	-	213,583.18	-	400,499.07
Transfer in	-	-	-	-	-	-	-
Disposal	-	-	-	-	(119,397.47)	-	(119,397.47)
Write off	-	-	-	(8,300.00)	(154,242.35)	-	(152,542.35)
Transfer out	-	-	-	-	-	-	-
Transfer to asset held for sale	(11,500,000.00)	-	-	-	-	-	(11,500,000.00)
As at December 31, 2020	-	250,000.00	84,960.00	48,059,231.73	6,332,776.65	9,159,073.36	64,072,957.63
<b>Accumulated depreciation:</b>							
As at January 1, 2020	-	(33,606.87)	(19,878.08)	(7,287,663.20)	(5,829,846.38)	(5,879,612.02)	(19,050,606.55)
Depreciation for the year	-	(31,212.50)	(16,991.80)	(504,078.47)	(265,372.58)	-	(817,655.35)
Transfer in	-	-	-	-	-	-	-
Disposal	-	-	-	-	105,947.47	-	105,947.47
Write off	-	-	-	8,200.00	144,148.91	-	152,348.91
Transfer out	-	-	-	-	-	-	-
As at December 31, 2020	-	(64,819.37)	(36,869.88)	(7,783,541.67)	(5,845,122.58)	(5,879,612.02)	(19,609,965.52)
<b>Allowance for impairment :</b>							
As at January 1, 2020	-	-	-	(22,439,069.89)	-	-	(22,439,069.89)
Addition	-	-	-	(2,451,610.41)	-	-	(2,451,610.41)
As at December 31, 2020	-	-	-	(24,890,680.30)	-	-	(24,890,680.30)
<b>Net book value :</b>							
As at December 31, 2020	-	185,180.63	48,090.12	15,385,009.76	487,654.07	3,279,461.34	19,572,311.81

(Unit : Baht)

Consolidated									
	Land	Land improvement	Building improvement	Tools and equipments	Office equipments and furniture	Vehicles	Waste management system	Construction in progress	Total
<b>Cost:</b>									
As at January 1, 2019	32,526,750.00	250,000.00	821,369.56	52,495,634.65	10,789,517.00	21,708,157.50	53,291,339.16	87,069,288.52	258,952,056.39
Purchase	-	-	-	14,380.00	108,973.35	-	-	-	123,353.35
Transfer in	-	-	-	-	-	1,460,000.00	-	-	1,460,000.00
Disposal	-	-	-	(463,500.00)	(473,148.88)	-	-	-	(936,648.88)
Write off	-	-	-	(1,825,406.17)	(1,838,825.84)	(35,046.73)	-	-	(3,699,278.74)
Transfer out	(21,026,750.00)	-	-	(1,460,000.00)	-	-	-	(87,069,288.52)	(109,556,038.52)
Transfer out due to disposal of subsidiaries	-	-	(736,409.56)	(693,576.75)	(2,193,682.34)	(13,974,037.41)	(53,291,339.16)	-	(70,889,045.22)
As at December 31, 2019	11,500,000.00	250,000.00	84,960.00	48,067,531.73	6,392,833.29	9,159,073.36	-	-	75,454,398.38
<b>Accumulated depreciation:</b>									
As at January 1, 2019	-	(2,394.38)	(33,956.72)	(9,551,567.55)	(7,984,943.43)	(8,071,251.51)	(12,598,001.77)	-	(38,242,115.36)
Depreciation for the year	-	(31,212.49)	(72,071.20)	(1,188,177.37)	(974,640.44)	(1,714,418.65)	(2,885,490.57)	-	(6,866,010.72)
Transfer in	-	-	-	-	-	(815,200.00)	-	-	(815,200.00)
Disposal	-	-	-	406,000.00	449,835.89	-	-	-	855,835.89
Write off	-	-	-	1,689,553.40	1,746,380.86	26,246.73	-	-	3,462,180.99
Transfer out	-	-	-	815,200.00	-	-	-	-	815,200.00
Transfer out due to disposal of subsidiaries	-	-	86,149.84	541,328.32	933,520.74	4,695,011.41	15,483,492.34	-	21,739,502.65
As at December 31, 2019	-	(33,606.87)	(19,878.08)	(7,287,663.20)	(5,829,846.38)	(5,879,612.02)	-	-	(19,050,606.55)
<b>Allowance for impairment :</b>									
As at January 1, 2019	-	-	-	(21,568,807.59)	-	-	(26,811,662.39)	-	(48,380,469.98)
Addition	-	-	-	(870,262.30)	-	-	-	-	(870,262.30)
Transfer out due to disposal of subsidiaries	-	-	-	-	-	-	26,811,662.39	-	26,811,662.39
As at December 31, 2019	-	-	-	(22,439,069.89)	-	-	-	-	(22,439,069.89)
<b>Net book value :</b>									
As at December 31, 2019	11,500,000.00	216,393.13	65,081.92	18,340,798.64	562,986.91	3,279,461.34	-	-	33,964,721.94

	Separate financial statements							(Unit : Baht)
	Land	Land improvement	Building improvements	Tools and equipments	Office equipments and furniture	Vehicles	Construction in progress	
<b>Cost:</b>								
As at January 1, 2020	11,500,000.00	250,000.00	84,960.00	48,003,933.37	6,058,848.47	9,159,073.36	-	75,056,815.20
Purchase	-	-	-	-	206,083.18	-	186,915.89	392,999.07
Transfer in	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	(119,397.47)	-	-	(119,397.47)
Write off	-	-	-	(8,300.00)	(123,302.35)	-	-	(131,602.35)
Transfer out	(11,500,000.00)	-	-	-	-	-	-	(11,500,000.00)
As at December 31, 2020	-	250,000.00	84,960.00	47,995,633.37	6,022,231.83	9,159,073.36	186,915.89	63,698,814.45
<b>Accumulated depreciation:</b>								
As at January 1, 2020	-	(33,606.87)	(19,878.08)	(7,387,145.36)	(5,435,915.67)	(5,879,612.02)	-	(18,756,158.00)
Depreciation for the year	-	(31,212.50)	(16,991.80)	(527,121.11)	(232,926.66)	-	-	(808,252.07)
Transfer in	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	105,947.47	-	-	105,947.47
Write off	-	-	-	8,200.00	114,911.91	-	-	123,111.91
Transfer out	-	-	-	-	-	-	-	-
As at December 31, 2020	-	(64,819.37)	(36,869.88)	(7,906,066.47)	(5,447,982.95)	(5,879,612.02)	-	(19,335,350.69)
<b>Allowance for impairment</b>								
As at January 1, 2020	-	-	-	(22,439,069.89)	-	-	-	(22,439,069.89)
Addition	-	-	-	(2,451,610.41)	-	-	-	(2,451,610.41)
As at December 31, 2020	-	-	-	(24,890,680.30)	-	-	-	(24,890,680.30)
<b>Net book value :</b>								
As at December 31, 2020	-	185,180.63	48,090.12	15,198,886.60	574,248.88	3,279,461.34	186,915.89	19,472,783.46

(Unit : Baht)

## Separate financial statements

	Land	Land improvement	Building improvements	Tools and equipments	Office equipments and furniture	Vehicles	Construction in progress	Total
<b>Cost:</b>								
As at January 1, 2019	32,526,750.00	250,000.00	84,960.00	51,738,459.54	8,292,250.67	7,734,120.09	87,069,288.52	187,695,828.82
Purchase	-	-	-	14,380.00	34,292.52	-	-	48,672.52
Transfer in	-	-	-	-	-	1,460,000.00	-	1,460,000.00
Disposal	-	-	-	(463,500.00)	(473,148.88)	-	-	(936,648.88)
Write off	-	-	-	(1,825,406.17)	(1,794,545.84)	(35,046.73)	-	(3,654,998.74)
Transfer out	(21,026,750.00)	-	-	(1,460,000.00)	-	-	(87,069,288.52)	(109,556,038.52)
As at December 31, 2019	11,500,000.00	250,000.00	84,960.00	48,003,933.37	6,058,848.47	9,159,073.36	-	75,056,815.20
<b>Accumulated depreciation:</b>								
As at January 1, 2019	-	(2,394.38)	(2,886.28)	(9,185,686.58)	(7,005,948.08)	(4,975,466.97)	-	(21,172,382.29)
Depreciation for the year	-	(31,212.49)	(16,991.80)	(1,112,212.18)	(582,508.34)	(115,191.78)	-	(1,858,116.59)
Transfer in	-	-	-	-	-	(815,200.00)	-	(815,200.00)
Disposal	-	-	-	406,000.00	449,835.89	-	-	855,835.89
Write off	-	-	-	1,689,553.40	1,702,704.86	26,246.73	-	3,418,504.99
Transfer out	-	-	-	815,200.00	-	-	-	815,200.00
As at December 31, 2019	-	(33,606.87)	(19,878.08)	(7,387,145.36)	(5,435,915.67)	(5,879,612.02)	-	(18,756,158.00)
<b>Allowance for impairment</b>								
As at January 1, 2019	-	-	-	(21,568,807.59)	-	-	-	(21,568,807.59)
Addition	-	-	-	(870,262.30)	-	-	-	(870,262.30)
As at December 31, 2019	-	-	-	(22,439,069.89)	-	-	-	(22,439,069.89)
<b>Net book value :</b>								
As at December 31, 2019	11,500,000.00	216,393.13	65,081.92	18,177,718.12	622,932.80	3,279,461.34	-	33,861,587.31

The detail of depreciation are as follows:-

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Depreciation for the year	817,655.35	6,866,010.72	808,252.07	1,858,116.59

As at December 31, 2020, certain equipment items of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 17.40 million (2019 : Baht 15.51 million).

As at December 31, 2020 and 2019, the Group has pledged the land as collateral for short-term loan from financial institutions as mentioned in the notes to financial statements No. 38.2.

#### 17. Right-of-use assets

Consisted of:-

	(Unit : Baht)				
	Consolidated				Total
	Land	Building	Office equipments	Vehicles	
As at January 1, 2020	-	-	-	-	-
Impact of changes in accounting policy (Note 6.2)	49,961.41	4,284,270.10	210,283.53	657,194.04	5,201,709.08
As at January 1, 2020 (as restated)	49,961.41	4,284,270.10	210,283.53	657,194.04	5,201,709.08
Increase in right-of-use assets	2,765,433.07	1,008,775.48	42,740.42	2,619,457.92	6,436,406.89
Reduce the lease period	-	(2,882,871.57)	-	-	(2,882,871.57)
Depreciation during the period	(65,104.51)	(1,401,897.36)	(101,650.36)	(1,018,567.50)	(2,587,219.73)
As at December 31, 2020	2,750,289.97	1,008,276.65	151,373.59	2,258,084.46	6,168,024.67

	(Unit : Baht)				
	Separate financial statement				Total
	Land	Building	Office equipments	Vehicles	
As at January 1, 2020	-	-	-	-	-
Impact of changes in accounting policy (Note 6.2)	-	4,088,733.35	210,283.53	-	4,299,016.88
As at January 1, 2020 (as restated)	-	4,088,733.35	210,283.53	-	4,299,016.88
Increase in right-of-use assets	2,765,433.07	830,498.31	42,740.42	2,619,457.92	6,258,129.72
Reduce the lease period	-	(2,882,871.57)	-	-	(2,882,871.57)
Depreciation during the period	(15,143.10)	(1,183,891.79)	(101,650.36)	(361,373.46)	(1,662,058.71)
As at December 31, 2020	2,750,289.97	852,468.30	151,373.59	2,258,084.46	6,012,216.32

Expenses relating to leases consisted of:-

	(Unit : Thousand Baht)	
	Consolidated	Separate financial statements
	2020	2020
Interest expense on lease liabilities	325,353.19	265,458.46
Expense related to lease of low-value asset	21,600.00	-

#### 18. Intangible assets

Consisted of:-

	(Unit : Baht)		
	Consolidated		
	Computer software	Rights under the concession agreement	Total
<b>Cost :-</b>			
As at January 1, 2020	3,757,887.78	113,553,698.48	117,311,586.26
Purchase/addition investment	126,430.00	-	126,430.00
Transfer in	-	-	-
As at December 31, 2020	3,884,317.78	113,553,698.48	117,438,016.26
<b>Accumulated amortization :-</b>			
As at January 1, 2020	(3,404,195.74)	-	(3,404,195.74)
Amortization for the year	(106,095.36)	-	(106,095.36)
As at December 31, 2020	(3,510,291.10)	-	(3,510,291.10)
<b>Allowance for impairment :</b>			
As at January 1, 2020	-	(4,957,659.96)	(4,957,659.96)
Addition	-	-	-
As at December 31, 2020	-	(4,957,659.96)	(4,957,659.96)
<b>Net book value :</b>			
As at December 31, 2020	374,026.68	108,596,038.52	108,970,065.20

Amortization charges for the year ended December 31, 2020

106,095.36



(Unit : Baht)

	Consolidated		
	Computer software	Rights under the concession agreement	Total
<b>Cost :-</b>			
As at January 1, 2019	4,892,439.78	5,181,562.32	10,074,002.10
Purchase/addition investment	-	-	-
Transfer in	-	108,596,038.52	108,596,038.52
Transfer out due to disposal of subsidiaries	(1,134,552.00)	-	(1,134,552.00)
Effective from exchange rate	-	(223,902.36)	(223,902.36)
As at December 31, 2019	3,757,887.78	113,553,698.48	117,311,586.26
<b>Accumulated amortization :-</b>			
As at January 1, 2019	(3,278,209.75)	-	(3,278,209.75)
Amortization for the year	(349,477.17)	-	(349,477.17)
Transfer out due to disposal of subsidiaries	223,491.18	-	223,491.18
As at December 31, 2019	(3,404,195.74)	-	(3,404,195.74)
<b>Allowance for impairment :</b>			
As at January 1, 2019	-	-	-
Addition	(911,060.82)	(4,957,659.96)	(5,868,720.78)
Transfer out due to disposal of subsidiaries	911,060.82	-	911,060.82
As at December 31, 2019	-	(4,957,659.96)	(4,957,659.96)
<b>Net book value :</b>			
As at December 31, 2019	353,692.04	108,596,038.52	108,949,730.56
Amortization charges for the year ended December 31, 2019			349,477.17

(Unit : Baht)

	Separate financial statements		
	Computer software	Rights under the concession agreement	Total
Cost :-			
As at January 1, 2020	3,357,280.56	108,596,038.52	111,953,319.08
Purchase	126,430.00	-	126,430.00
Transfer in	-	-	-
As at December 31, 2020	3,483,710.56	108,596,038.52	112,079,749.08
Accumulated amortization :-			
As at January 1, 2020	(3,077,193.91)	-	(3,077,193.91)
Amortization for the year	(86,040.55)	-	(86,040.55)
As at December 31, 2020	(3,163,234.46)	-	(3,163,234.46)
Net book value :-			
As at December 31, 2020	320,476.10	108,596,038.52	108,916,514.62
Amortization charges for the year ended December 31, 2020			86,040.55

(Unit : Baht)

	Separate financial statements		
	Computer software	Rights under the concession agreement	Total
Cost :-			
As at January 1, 2019	3,357,280.56	-	3,357,280.56
Purchase	-	-	-
Transfer in	-	108,596,038.52	108,596,038.52
As at December 31, 2019	3,357,280.56	108,596,038.52	111,953,319.08
Accumulated amortization :-			
As at January 1, 2019	(2,873,436.37)	-	(2,873,436.37)
Amortization for the year	(203,757.54)	-	(203,757.54)
Transfer out	-	-	-
As at December 31, 2019	(3,077,193.91)	-	(3,077,193.91)
Net book value :-			
As at December 31, 2019	280,086.65	108,596,038.52	108,876,125.17
Amortization charges for the year ended December 31, 2019			203,757.54

During the year 2015, the Company entered into an agreement with a Tambon government sector for the construction of the water treatment plant and distribution of the tap water to water consumers in municipal area for the period of 9 years. At present, the said water treatment plant is in construction process and were presented under land and equipment.

Afterward, in January 2019, the Ministry of Natural Resources and Environment entered into the concession agreement for water distribution. It awarded an agreement to Hydrotek Public Company Limited with the commitment to construct the water treatment plant within 24 month from the date the permission has been granted by the Ministry of Natural Resources and Environment, and distribute the tap water to the water consumers in the concession area, which the water tariffs can be charged at the rate stipulated in the said concession agreement, for the period of 25 years. Furthermore, the said concession agreement included the additional conditions for the government sectors to have the option to purchase the entire water supply business from the Company when the concession term expired. The Group Companies recognized the compensation that the Company received from the construction of the water treatment plant under the said concession agreement as intangible asset in the financial statement.

For the year ended December 31, 2019, the Company transferred the asset-in-construction under land and equipment amounting to Baht 108.60 million to be presented under intangible asset under the said concession agreement.

19. Bank overdraft and short-term loans due to financial institution

Consisted of:-

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Bank overdrafts	15,359,725.64	19,714,277.10	15,359,725.64	19,714,277.10
Short-term loan	-	12,000,000.00	-	12,000,000.00
Total	15,359,725.64	31,714,277.10	15,359,725.64	31,714,277.10

As at December 31, 2020, the Group held bank overdraft and short-term loans from financial institutions amounting of Baht 20.00 million (2019: Baht 70.00 million). Interest rate is MOR, MLR per annum (2018: interest rate is MOR, MLR per annum).

Such the line of bank overdrafts are secured by bank deposits described in Note 11 to the financial statements, land and buildings described in Note 16.

20. Trade and other current payables- third parties

Consisted of:-

	Consolidated		Separate financial statements	
			(Unit : Baht)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade accounts payable	65,234,137.99	88,050,899.63	21,572,295.89	60,444,393.24
Other payables	7,584,079.39	9,245,438.51	2,918,065.58	7,981,492.01
Retention payables	33,421,507.00	36,134,528.94	25,883,330.34	31,290,211.52
Advances received	4,000,000.00	10,937,500.00	4,000,000.00	10,937,500.00
Accrued interest	49,568,595.78	40,469,282.81	49,568,595.78	40,469,282.81
Others	1,121,926.19	-	1,121,926.19	-
Total	160,930,246.35	184,837,649.89	105,064,213.78	151,122,879.58

21. Contract liabilities

Consisted of:-

	Consolidated		Separate financial statements	
			(Unit : Baht)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Advance revenue from construction	-	8,262,715.56	-	8,262,715.56
Advance received from construction contract	101,642,581.09	54,925,179.06	9,226,379.44	9,226,379.44
Total	101,642,581.09	63,187,894.62	9,226,379.44	17,489,095.00

22. Provision for warranty

As at December 31, 2020 and 2019, the provision has been recognized for expected warranty claims on construction contracts. The Group is expected that the majority of this expenditure will be incurred in the next financial year, and all will be incurred within 1 – 2 years of statements of financial position date.

The movement of provision for warranty for the year ended December 31, 2020 and 2019 are as follows:-

	Consolidated		Separate financial statements	
			(Unit : Baht)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
As at January 1,	4,206,457.42	7,954,200.02	4,206,457.42	6,876,601.17
Increase during the year	2,254,813.96	531,487.89	2,254,813.96	-
Utilized during the year	(1,553,887.53)	(1,733,135.91)	(1,553,887.53)	(1,553,230.60)
Unused amount reversed during the year	(1,992,574.09)	(1,312,606.69)	(1,992,574.09)	(1,116,913.15)
Transfer out due to disposal of subsidiaries	-	(1,233,487.89)	-	-
As at December 31,	2,914,809.76	4,206,457.42	2,914,809.76	4,206,457.42

Provision for warranty consisted of :-

	Consolidated		Separate financial statements	
			(Unit : Baht)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current liabilities	1,000,000.00	4,206,457.42	1,000,000.00	4,206,457.42
Non-current liabilities	1,914,809.76	-	1,914,809.76	-
Total	2,914,809.76	4,206,457.42	2,914,809.76	4,206,457.42

### 23. Lease liabilities

The movements of lease liabilities for the year ended December 31, 2020, are as follows:-

	(Unit : Baht)	
	Separate	
	<u>Consolidated</u>	<u>financial statement</u>
Opening lease liabilities balance as previously reported	-	-
Impact of changes in accounting policy (Note 6.2)	5,201,709.08	4,299,016.88
Opening lease liabilities balance as restated	5,201,709.08	4,299,016.88
Increase contract in during the period	2,782,807.85	2,604,530.68
Repayment in during the period	(2,675,971.61)	(1,751,697.72)
Ending balance	5,308,545.32	5,151,849.84

The maturity analysis of lease liabilities is as follows:-

	Consolidated			Separate financial statement		
	2020					
	Lease liabilities	Deferred finance lease charges	Net	Lease liabilities	Deferred finance lease charges	Net
Not later than 1 year	1,840,712.95	(219,648.79)	1,621,064.16	1,701,765.55	(214,396.36)	1,487,369.19
Later than 1 year but not later than 5 years	1,758,491.93	(601,444.49)	1,157,047.44	1,735,334.03	(601,287.10)	1,134,046.93
Later than 5 year	4,286,720.19	(1,756,286.47)	2,530,433.72	4,286,720.19	(1,756,286.47)	2,530,433.72
Total	7,885,925.07	(2,572,127.32)	5,308,545.32	7,723,819.77	(2,571,969.93)	5,151,849.84

As at December 31, 2020, the Group has entered into the contract of leases with several lessor companies so as to lease land, buildings, vehicles and office equipment by number of 13 contracts. The leased contracts determine leased fee repayment as monthly installment from Baht 2,500.00 to Baht 57,072.00 per month. The leased period is carried 1-4 years and Baht 155,530.62 per year. The leased period is carried 1-25 years.

#### 24. Long-term loans due to third party

Consisted of:-

	(Unit : Baht)	
	Consolidated	
	/Separate financial statements	
	2020	2019
Long-term loan	125,644,786.50	125,644,786.50
<u>Less</u> Current portion	-	-
Net	125,644,786.50	125,644,786.50

Long-term loans from financial institutions – minimum payments:-

	(Unit : Baht)	
	Consolidated	
	/Separate financial statements	
	2020	2019
Within 1 years	-	-
Within 2 year – 5 years	125,644,786.50	125,644,786.50
Total	125,644,786.50	125,644,786.50

As at December 31, 2020 and 2019, the whole amount was long term loans due to Yunnan Water (Hong Kong) Company Limited, which was incorporated in Hong Kong, in order to construct water treatment project in Chiangmai province. The interest was charged at 6.75% per annum, an annually repayment for 5 years from commercial operation date. Furthermore, such loan agreement granted the option to Yunnan Water (Hong Kong) Company Limited, to convert the loan to investment in 49% of the registered share capital of Hydrotek Utility Co., Ltd., a subsidiary, that will provide water management service when the construction of such project is completed and both parties will jointly control the Subsidiary.

## 25. Employee benefit obligation

Changes in the present value of the employee benefit obligation in case of retirement or termination under the labor law for the year ended December 31, 2020 and 2019 are as follows:-

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
As at January 1,	4,857,599.04	11,534,813.87	4,857,599.04	11,071,956.94
Current service cost	818,511.91	1,548,686.71	818,511.91	1,228,090.36
Interest cost	69,674.11	169,422.62	69,674.11	157,168.40
Actuarial losses arising from change in demographic assumption	-	877,679.54	-	877,679.54
Actuarial losses arising from change in financial assumption	95,139.30	189,743.45	95,139.30	189,743.45
Actuarial gains arising from change in experience adjustment	(1,186,542.96)	(5,427,039.65)	(1,186,542.96)	(5,427,039.65)
Benefit obligation paid	-	(3,240,000.00)	-	(3,240,000.00)
Transfer out due to disposal of subsidiaries	-	(795,707.50)	-	-
As at December 31,	4,654,381.40	4,857,599.04	4,654,381.40	4,857,599.04

Principal actuarial assumptions as at December 31, 2020 and 2019 are as follows:-

	Consolidated		Separate financial statements	
	2019	2018	2019	2018
Discount rate at end of year	1.09%	1.50%	1.09%	1.50%
Future salary growth	4.00%	4.00%	4.00%	4.00%
Proportion of employees opting for early retirement	3.82% - 45.84%	3.82% - 45.84%	3.82% - 45.84%	3.82% - 45.84%

Changes in the actuarial assumption as at December 31, 2020 and 2019 are will affect to the employee benefit obligation as follows:-

(Unit : Baht)

	Consolidated	
	Employee benefit obligation Increase (decrease)	
	2020	2019
If the discount rate increase 1% (2018: 1%)	(233,711.61)	(272,986.69)
If the discount rate decrease 1% (2018: 1%)	256,773.27	303,301.19
If the future salary growth increase 1% (2018: 1%)	236,158.55	291,847.44
If the future salary growth decrease 1% (2018: 1%)	(219,722.89)	(268,521.35)
If the proportion of employees opting for early retirement increase 20% (2018: 20%)	(268,151.06)	(339,107.70)
If the proportion of employees opting for early retirement decrease 20% (2018: 20%)	318,104.65	417,120.00

(Unit : Baht)

	Separate financial statement	
	Employee benefit obligation Increase (decrease)	
	2020	2019
If the discount rate increase 1% (2018: 1%)	(233,711.61)	(272,986.69)
If the discount rate decrease 1% (2018: 1%)	256,773.27	303,301.19
If the future salary growth increase 1% (2018: 1%)	236,158.55	291,847.44
If the future salary growth decrease 1% (2018: 1%)	(219,722.89)	(268,521.35)
If the proportion of employees opting for early retirement increase 20% (2018: 20%)	(268,151.06)	(339,107.70)
If the proportion of employees opting for early retirement decrease 20% (2018: 20%)	318,104.65	417,120.00

The expected maturity analysis of the undiscounted employee benefit obligation is as follows:-

(Unit : Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Not later than 1 year	150,000.00	554,624.36	150,000.00	554,624.36
2 - 5 years	3,573,587.95	1,827,046.73	3,573,587.95	1,827,046.73
More than 5 years	5,782,222.93	2,944,559.23	5,782,222.93	2,944,559.23
Total	9,505,810.88	5,326,230.32	9,505,810.88	5,326,230.32

As at 31 December 2020, the weighted average duration of the defined employee benefit obligation of the Group are 8 years on consolidated and separate financial statements (2019: 9 years on consolidated and separate financial statements).



26. Share capital

	Number of shares (Unit : Share)	Amount (Unit : Baht)
Registered share capital (Baht 1.00 per share)		
As at January 1, 2019	970,283,450	970,283,450.00
Increment of capital	412,108,599	412,108,599.00
Reduction of capital	(185,314,690)	(185,314,690.00)
As at December 31, 2019	1,197,077,359	1,197,077,359.00
Reduction of capital	(313,987,504)	(313,987,504.00)
Increment of capital	784,968,760	784,968,760.00
As at December 31, 2020	1,668,058,615	1,668,058,615.00

	Number of shares (Unit : Shares)	Ordinary shares (Unit : Baht)	Premium on ordinary share (Unit : Baht)	Discount on ordinary share (Unit : Baht)	Total (Unit : Baht)
Paid-up capital (Baht 1.00 per share)					
As at January 1, 2019	784,968,760	784,968,760.00	141,376,373.77	-	926,345,133.77
Increment of capital	-	-	-	-	-
As at December 31, 2019	784,968,760	784,968,760.00	141,376,373.77	-	926,345,133.77
Increment of capital	495,416,810	495,416,810.00	-	(426,058,456.60)	69,358,353.40
Expenses concerning of ordinary shares	-	-	-	(360,000.00)	(360,000.00)
As at December 31, 2020	1,280,385,570	1,280,385,570.00	141,376,373.77	(426,418,456.60)	995,343,487.17

The Annual General Meeting of Shareholders of the Company of year 2019 with held on April 30, 2019, has resolved the following details:-

- To approve the capital increase of the Company with respect to shares from the registered capital of Baht 970,283,450.00 to Baht 1,382,392,049.00 at the par value of Baht 1.00 (without cancelling the registered ordinary shares reserved for the conversion of Hydrotek Convertible Debenture No.1/2018) by issuing 412,108,599 new ordinary shares each at the par value of Baht 1.00.

- To approve the allocation of 313,987,504 newly issued ordinary shares of the Company via General Mandate, each at the par value of Baht 1.00 as follows:-

1) Not exceeding 235,490,628 newly issued ordinary shares will be allocated to existing shareholders of the Company in proportion to their shareholding (Right Offering: RO) with a par value of Baht 1.00 per share;

2) Not exceeding 78,496,876 newly issued ordinary shares will be allocated to specific investors under a Private Placement scheme (Private Placement: PP) with a par value of Baht 1.00 per share, whereby the offering price shall not be a price below the market price pursuant to the Notification of SEC No. Tor Chor. 72/2558 Re: Approval of Offer for Sale of Newly-Issued Shares by Listed Companies in a Private Placement, the market price used in determining the offering price is the fair value appraised by the financial advisor in the account approved by the SEC.

In allocating the newly-issued ordinary shares by any or all of the methods under (1), (2), the allocated amount shall not exceed 30 percent of the total paid-up capital or 235,490,628.00 shares as at the date on which the Board of Directors approves the capital increase. Nevertheless, in the case of the allocation in accordance with the methods under (2), the increased paid-up capital shall not exceed 10 percent of the total paid-up capital or 78,496,876.00 shares as at the date on which the Board of Directors approves the capital increase;

- To approve the allocation of 98,121,095 newly issued ordinary shares of the Company, each at the par value of Baht 1.00, to support the exercise of warrant for HYDRO Warrants No.1 (HYDRO-W1);

- To approve the issuance and offering of Warrants to be allocated under the Right Offering to the existing shareholders (Warrant RO), at no cost, in the number of 98,121,095 units, at the allocation ratio of every 8 existing shares for 1 unit of HYDRO-W1 Warrants. The term of HYDRO-W1 Warrants will be 2 years from the issuance date and the exercise price will be at Baht 1.00 per share; and

- To approve to authorize Chairman of the Executives Committee or Executives Committee designated person to have the power to take any actions in connection with the capital increase and the allocation of securities, setting term or condition or amendment in relation to issuance of warrant.

The Company had registered the authorized capital from Baht 970,283,450.00 to Baht 1,382,392,049.00 with the Department of Business Development, Ministry of Commerce, effective on May 17, 2019.

The Extraordinary General Meeting of Shareholders No.1/2019 with held on September 23, 2019, has resolved the following details:-

- To approve the reduction of the Company's registered capital by Baht 185,314,690.00 from the existing registered capital of Baht 1,382,392,049.00 to be Baht 1,197,077,359.00 by cancelling 185,314,690 ordinary shares with a par value of Baht 1.00 per share.

The Company had registered the authorized capital from Baht 1,382,392,049.00 to Baht 1,197,077,359.00 with the Department of Business Development, Ministry of Commerce, effective on November 6, 2019.

The Board of Directors meeting No.2/2020 held on January 31, 2020, has approved the allocation for newly issued ordinary shares by general mandate as follows:-

- To allocate the newly-issued ordinary shares not exceeding 156,993,752 shares with the par value at Baht 1.00 per share, to offered the existing shareholders of the Company in proportion to their holding (Right Offering) at the ratio of 5 existing ordinary shares to 1 newly-issued ordinary shares during March 9-13, 2020;

- To allocate 78,496,876 new ordinary shares with a par value of 1.00 Baht per share for sale to Mrs Parutai Shinawatra (Private Placement) during February 17, 2020 to March 13, 2020; and

- To set the offering price to the existing shareholders of the company according to the proportion of shareholding and the private placement at the price of Baht 0.29 per share.

On March 13, 2020, the Company has received the refusal of the subscription for the newly issued ordinary shares to Private Placement (Private Placement: PP).

The Board of Directors' Meeting No.4/2020, held on 10 April 2020, resolved to cancel the capital increase via General Mandate, which allocated to existing shareholders (Right Offering: RO), distributed on March 9 – 13, 2020, in amount of 2,325 shares.

The Extraordinary General Meeting of Shareholders No.1/2020 with held on May 20, 2020, has resolved the following details:-

- To approve the decrease of the registered capital from the existing registered capital of Baht 1,197,077,359.00 to Baht 883,089,855.00 by canceling the unallocated ordinary shares in the amount of Baht 78,496,876.00 and unsold ordinary shares in the amount of Baht 235,490,628.00 at a par value of Baht 1.00.

- To approve the increase of the registered capital of Baht 784,968,760.00 from Baht 883,089,855.00 of the previous registered capital to Baht 1,668,058,615.00 by issuing 784,968,760 new ordinary shares with a par value of Baht 1.00.

- To approve the allotment of the capital increase shares in the number of 784,968,760 shares with a par value of Baht 1.00 per share to existing shareholders in proportion to their shareholding (Rights Offering) at the ratio of 1 existing share to 1 new share, with a fraction of shares to be disregarded at the offering price of Baht 0.14 per share. In case there are remaining new ordinary shares from the subscription by existing shareholders, the Board of Directors shall have the power and discretion to allot such remaining new ordinary shares to existing shareholders of the Company proportionately to their shareholding. In case that there are shares remaining from the allocation to the existing shareholders in proportion to their shareholding in the first round the Company will allocate the remaining shares to the existing shareholders who have expressed intention to subscribe for the newly issued ordinary shares in excess of their rights. (Exceeding their shareholding proportion) according to their shareholding proportion. Until selling the newly issued ordinary shares in whole amount at the same price as the allotted shares except in case that it cannot be allocated because it is a fraction of shares or no shareholder wishes to subscribe to the said shares anymore.

The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on May 28, 2020 for reduction of capital and on May 29, 2020 for increment of capital.

On June 15 - 19, 2020, the Company offers ordinary shares by number of 495,416,810 shares to existing shareholders. Such ordinary shares comprise par value of Baht 1.00 per share. Shares are offered in the price of Baht 0.14 per share aggregating to total amount of Baht 69,358,353.40. The Company recorded expenses in respect of shares distribution net of income tax by amount of Baht 360,000.00 as deducted transactions in the discount on share capital.

The shares increment is registered for paid-up from Baht 784,968,760.00 to Baht 1,280,385,570.00 equivalent to ordinary shares by number of 1,280,385,570 shares in the par value of Baht 1.00 per share at the Ministry of Commerce on June 29, 2020.

On December 21-25, 2020, the Company offers ordinary shares by number of 289,069,788 shares to existing shareholders. Such ordinary shares comprise par value of Baht 1.00 per share. Shares are offered in the price of Baht 0.14 per share aggregating to total amount of Baht 35,849,770.32.

The shares increment is registered for paid-up from Baht 1,280,385,570.00 to Baht 1,536,455,358.00 equivalent to ordinary shares by number of 1,536,455,358 shares in the par value of Baht 1.00 per share at the Ministry of Commerce on January 6, 2021.

### Warrant (HYDRO-W1)

On February 11, 2020, the Company disposed warrants to the existing shareholders (Warrant RO), at no cost, in the number of 98,116,121 units. The warrants (HYDRO-W1) the detail by summation as follows:

- It is the kind of specifying the names of holders and the holders can be changed. The warrants as registered as securities in the Market for Alternative Investment (MAI).
- The age of warrant is 2 years.
- The date the warrants are issued on February 11, 2020.
- The rate of warrants right exercise is one unit over one ordinary share.
- The exercised price is Baht 1.00 per share.
- The exercise dates are the first business day of every three months (March, June, September and December) of each year.
- The first exercise date is March 2, 2020 and the last exercise date is February 10, 2022.

The Company adjusts the exercise price and exercise ratio of the rights to purchase new ordinary shares of the Company no. 1 (HYDRO-W1) because the Company offered new ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering) according to the resolution of the Extraordinary General Meeting of Shareholders No.1 / 2020 on May 20, 2020 by the average price per share of the newly issued ordinary shares is lower than 90 percent of the market price per share of the company's ordinary shares as follows:-

	Exercise price	Exercise ratio
Original exercise price and exercise ratio	Baht 1.00 per share	1 unit of warrant entitlement the right to purchase 1 ordinary share
Adjusted exercise price and exercise ratio (Effective on May 26, 2020)	Baht 1.00 per share	1 unit of warrant entitlement the right to purchase 0.5 ordinary share

As at December 31, 2020, the remaining warrants (HYDRO-W1) not yet exercised are 98,116,121 units.

### The capital management

The Group constitutes purpose with respect to capital management in order to remain for ability in the continued operation and ability to appropriately provide remuneration to various group of participating interest while the Group will maintain capital in the level with the least risk.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

## 27. Statutory reserve

Under the provisions of the Public Company Limited Act B.E.2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. This reserve is not available for dividend distribution.

## 28. Income tax (income) expense

The income tax (income) expenses recognized in profit or loss for the year ended December 31, 2020 and 2019, are as follows:-

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
	(Unit : Baht)			
Current tax expense	309,273.32	91,433.19	90,000.00	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	(3,580,986.17)	-	(3,497,578.62)
Total income tax (income) expense recognized in profit or loss	309,273.32	(3,489,552.98)	90,000.00	(3,497,578.62)

The relationship between tax expense and accounting loss for the year ended December 31, 2020 and 2019, are as follows:-

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
	(Unit : Baht)			
Accounting loss	(74,004,439.03)	(299,461,174.14)	(79,345,136.98)	(279,051,164.08)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(14,800,887.81)	(59,892,234.83)	(15,869,027.40)	(55,810,232.82)
Income that are not be taxable	-	(126,759.10)	-	-
Expenses that are not deductible in determining taxation profit	193,035.11	1,047,131.05	132,596.07	2,277,109.10
Expenses that are deductible at greater amount in taxation profit	(10,620.00)	(600.00)	(10,620.00)	(600.00)
Income that are be taxable	-	56,745,898.40	-	56,745,898.40
Temporary difference not recognized as a deferred tax asset	2,375,238.81	29,877,868.38	4,088,075.77	32,563,847.03
Previous temporary difference not recognized as a deferred tax asset	(1,569,140.20)	(3,459,396.79)	(1,626,885.00)	(3,374,513.68)
Loss from subsidiary's operation	-	8,315,427.87	-	-
Loss from operations	14,121,647.41	-	13,375,860.56	-
Loss carried forward not recognized as a deferred tax asset	-	(35,996,887.96)	-	(35,899,086.65)
Income tax expense(income)	309,273.32	(3,489,552.98)	90,000.00	(3,497,578.62)

Applicable tax rate	2020	2019
The Company and subsidiaries	20%	20%
The company with capital less than 5 million Baht and revenue less than 30 million Baht		
- Net profit between 1-300,000 Baht	-	-
- Net profit between 300,000-1,000,000 Baht	15%	15%
- Net profit from 1,000,001 Baht	20%	20%

The income tax expenses recognized in shareholders' equity for the year ended December 31, 2020 and 2019, are as follow:-

	Consolidated		Separate financial statement	
	2020	2019	2020	2019
Current tax (income) expense				
Expenses concerning of ordinary shares	90,000.00	-	90,000.00	-
Deferred tax (income) expense				
Convertible debenture – equity component	-	(1,044,100.00)	-	(1,044,100.00)
Total income tax (income) expense recognized in shareholders' equity	90,000.00	(1,044,100.00)	90,000.00	(1,044,100.00)

The movements of deferred tax assets and liabilities for the year ended December 31, 2020 and 2019 are as follows:-

	Consolidated							
	January 1, 2019	Recognized in profit or loss	Recognized in shareholders' equity	Disposal of subsidiaries	December 31, 2019	Recognized in profit or loss	Recognized in comprehensive income	December 31, 2020
Convertible debenture	(4,541,678.62)	3,497,578.62	1,044,100.00	-	-	-	-	-
Employee benefit obligation	92,571.39	-	-	(92,571.39)	-	-	-	-
Lease liabilities	(243,370.61)	83,407.55	-	159,963.06	-	-	-	-
Total	(4,692,477.84)	3,580,986.17	1,044,100.00	67,391.67	-	-	-	-

	Separate financial statement						
	January 1, 2019	Recognized in profit or loss	Recognized in shareholders' equity	December 31, 2019	Recognized in profit or loss	Recognized in comprehensive income	December 31, 2020
Convertible debenture	(4,541,678.62)	3,497,578.62	1,044,100.00	-	-	-	-
Total	(4,541,678.62)	3,497,578.62	1,044,100.00	-	-	-	-



The deferred tax assets are not recognized in the statement of financial position consisted of:-

	Consolidated		Separate financial statement	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Unused tax losses				
- Expire in next 1 year	17,799,729.83	1,107,839.07	17,791,077.93	1,096,762.23
- Expire in next 2 – 5 years	47,643,265.78	51,332,335.94	45,053,301.14	49,468,518.52
Temporary differences	21,835,551.69	24,978,352.61	26,824,402.09	24,471,505.42
Total	87,278,547.30	77,418,527.62	89,668,781.16	75,036,786.17

The deferred tax assets and liabilities, which are not recognized in the statement of financial position, arises from undistributed profits associated with investments in subsidiaries and associate; consisted of:-

	Consolidated	
	<u>2020</u>	<u>2019</u>
Deferred tax assets		
- Subsidiaries	2,689,146.95	1,178,072.36
- Associate	9,343.55	11,084.34

## 29. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the period attributable to shareholders (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by the sum of the weighted average number of ordinary shares in issue during the period and the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. By supposition that if taking money received from right exercise from such warrants to purchase ordinary shares back in the market price of diluted equivalent ordinary shares; for example, warrants to purchase ordinary shares in the case that prices according to the rights of warrants constitute value lower than market price.

As at December 31, 2020, the Company did not include ordinary shares derived from warrants to purchase ordinary shares as diluted equivalent ordinary shares in the computation of diluted earnings per share since exercised price obtains the value higher than market price of ordinary shares.



### 30. Convertible debentures – equity component

The movements of convertible debentures-equity component for the year ended on December 31, 2019 is as follows:-

	(Unit : Baht)
	Consolidated
	/Separate financial statements
As at January 1, 2020	21,071,297.74
Transfer to deficits directly (convertible debenture redemption)	(21,071,297.74)
As at December 31, 2020	-

### 31. Supplemental disclosures of cash flow information

#### 31.1 Cash and cash equivalents consisted of:-

	(Unit : Baht)	
	Consolidated	Separate financial statements
	2020	2019
	2020	2019
Cash on hand	98,917.97	111,532.38
Cash at bank	44,679,181.50	25,623,532.22
Total	44,778,099.47	25,735,064.60

#### 31.2 Non-cash items is as follows:-

	(Unit : Baht)	
	Consolidated	Separate financial statements
	2020	2019
	2020	2019
Purchase assets but not yet paid	87,299.99	-
Disposal asset but have not received	-	63,670.03
Transfer of land and equipment to intangible assets	-	108,096,038.52
Transfer of others receivable to intangible assets	-	500,000.00
Reversal of allowance for expected credit loss	-	-
Used to reduce goodwill	-	58,101,000.03

### 31.3 Liabilities arising from financing activities :-

The movements of liabilities arising from financing activities the year ended December 31, 2020 and 2019 is as follows:-

(Unit : Baht)

	Consolidated statements of financial position				
	January 1, 2020	Cash flows	Non-cash changes		December 31, 2020
			Increase contract	Other changes	
Bank overdraft and short – term loans due to financial institutions	31,714,277.10	(16,354,551.46)	-	-	15,359,725.64
Short-term loan from person and related parties	8,650,000.00	(8,650,000.00)	-	-	-
Lease liabilities	-	(2,675,971.61)	2,782,807.85	5,201,709.08	5,308,545.32
Long-term loans due to third party	125,644,786.50	-	-	-	125,644,786.50
<b>Total</b>	<b>166,009,063.60</b>	<b>(27,680,523.07)</b>	<b>2,782,807.85</b>	<b>5,201,709.08</b>	<b>146,313,057.46</b>

(Unit : Baht)

	Consolidated statements of financial position				
	January 1, 2019	Cash flows	Non-cash changes		December 31, 2019
			Disposal of Subsidiaries	Gain from redemption of convertible debentures	
Bank overdraft and short – term loans due to financial institutions	32,231,674.16	373,195.87	(890,592.93)	-	31,714,277.10
Short-term loan from person and related parties	10,000,000.00	(1,350,000.00)	-	-	8,650,000.00
Convertible debentures - liability component	242,289,513.46	-	(247,897,742.00)	(605,268.59)	-
Lease liabilities	4,778,292.54	(1,021,499.79)	(3,756,792.75)	-	-
Long-term loans due to third party	125,644,786.50	-	-	-	125,644,786.50
<b>Total</b>	<b>414,944,266.66</b>	<b>(1,998,303.92)</b>	<b>(252,545,127.68)</b>	<b>(605,268.59)</b>	<b>166,009,063.60</b>

(Unit : Baht)

	Separate statements of financial position			
	January 1, 2020	Cash flows	Non-cash changes	
			Increase contract	Other changes
Bank overdraft and short – term loans due to financial institutions	31,714,277.10	(16,354,551.46)	-	-
Short-term loan from person and related parties	34,865,052.87	(17,062,130.51)	-	-
Lease liabilities	-	(1,751,697.72)	2,604,530.68	4,299,016.88
Long-term loans due to third party	125,644,786.50	-	-	-
<b>Total</b>	<b>192,224,116.47</b>	<b>(33,416,681.97)</b>	<b>2,604,530.68</b>	<b>4,299,016.88</b>

(Unit : Baht)

Separate statements of financial position						
	January 1, 2019	Cash flows	Non-cash changes			December 31, 2019
			Disposal of Subsidiaries	Gain from redemption of convertible debentures	Other changes	
Bank overdraft and short – term loans due to financial institutions	31,006,377.46	707,899.64	-	-	-	31,714,277.10
Short-term loan from person and related parties	29,332,462.09	5,532,590.78	-	-	-	34,865,052.87
Convertible debentures - liability component	242,289,513.46	-	(247,897,742.00)	(605,268.59)	6,213,497.13	-
Long-term loans due to third party	125,644,786.50	-	-	-	-	125,644,786.50
Total	428,273,139.51	6,240,490.42	(247,897,742.00)	(605,268.59)	6,213,497.13	192,224,116.47

#### 31.4 Net cash inflow on disposal of subsidiaries:-

For the year ended December 31, 2019, the Company sold SUT Global Co.,Ltd. to Mr. Suparuek Na Songkhla's group (as described in Notes 40). The net cash inflow on losing control of subsidiary is as follow :-

	(Unit : Baht)
Consideration received	296,929,492.00
<u>Less</u> received by redemption of convertible debentures	(253,118,242.00)
<u>Less</u> received by payment of accrued interest	(8,811,250.00)
Consideration received in cash	35,000,000.00
<u>Less</u> Cash and cash equivalents of subsidiaries	(491,152.29)
Cash received from lost of control	34,508,847.71

For the year ended December 31, 2019, SUT Hydro Co.,Ltd. has been changed the status from the subsidiary to be the associate (as described in Notes no.11). The net cash inflow on losing control of subsidiary is as follow :-

	(Unit : Baht)
Consideration received in cash	-
<u>Less</u> Cash and cash equivalents of subsidiaries	(41,541.02)
Cash received from lost of control	(41,541.02)

### 32. Employee benefit

#### 32.1 Provident fund

For the year ended December 31, 2020 and 2019, the Group recognizes as the employee benefit expense for the payment of contribution into the provident fund at the amount of Baht 0.20 million and Baht 0.31 million in consolidated and separate financial statement, respectively.

#### 32.2 Retirement or termination employee benefit

For the year ended December 31, 2020 and 2019, the Group recognizes the employee benefit expense in case of retirement or termination under the labor law, as follows:-

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Amounts recognized in profit or loss				
Current service cost	818,511.91	1,548,686.71	818,511.91	1,228,090.36
Interest cost	69,674.11	169,422.62	69,674.11	157,168.40
Total amounts recognized in profit or loss	888,186.02	1,718,109.33	888,186.02	1,385,258.76
Amounts recognized in other comprehensive income				
Actuarial loss arising from change in demographic assumption	-	877,679.54	-	877,679.54
Actuarial loss arising from change in financial assumption	95,139.30	189,743.45	95,139.30	189,743.45
Actuarial gains arising from change in experience adjustment	(1,186,542.96)	(5,427,039.65)	(1,186,542.96)	(5,427,039.65)
Total amounts recognized in other comprehensive income (loss)	(1,091,403.66)	(4,359,616.66)	(1,091,403.66)	(4,359,616.66)
Total	(203,217.64)	(2,641,507.33)	(203,217.64)	(2,974,357.90)

An item of the employee benefit expense in case of retirement or termination under the labor law recognized in profit or loss for the year ended December 31, 2020 and 2019 are inclusively presented in the line items, as follows:-

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Cost of construction	30,620.40	8,847.32	30,620.40	8,847.32
Administrative expenses	693,383.41	1,243,273.54	693,383.41	1,075,036.68
Management benefit expenses	164,182.21	465,988.47	164,182.21	301,374.76
Total	888,186.02	1,718,109.33	888,186.02	1,385,258.76

### 33. Expenses by nature

The following expenditure items of expense have been classified by nature for the year ended December 31, 2020 and 2019 are as follows:-

			(Unit : Baht)	
	Consolidated		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Construction material used	57,541,559.43	74,519,766.58	47,306.81	16,366,381.38
Subcontractor expenses	85,602,625.58	217,997,874.03	1,384,794.97	146,447,855.04
Staff expenses	16,896,804.83	46,034,468.00	16,896,804.83	29,834,453.37
Management benefit expense	14,118,369.21	16,127,347.47	14,118,369.21	10,393,733.76
Depreciation	3,404,875.08	6,866,010.72	2,470,310.78	1,858,116.59
Amortisation of intangible assets	106,095.36	349,477.17	86,040.55	203,757.54
Loss on impairment of asset	3,244,610.41	101,631,948.65	4,244,610.41	118,432,239.90
Loss on disposal of investment	-	3,089,611.50	-	11,070,508.00
Expected credit loss	11,211,696.60	30,160,054.27	13,299,139.89	28,272,332.45
Research and development expenses	-	9,000,000.00	-	-
Professional fee	13,908,622.52	16,456,084.15	13,132,318.52	15,711,447.15
Office expenses	8,469,648.79	8,164,495.56	7,328,908.13	8,164,495.56

### 34. Operating segments

The Group identifies the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment from the category of service. The Group has four operating segments which are consists of the construction service segment, operation and maintenance service segment, water operator of water treatment plant and wastewater treatment plant and other segments that consist of design and procure equipment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses, finance cost and share of profit or loss in associate.

The segment operation for the year ended December 31, 2020 and 2019 are as follows:-

	(Unit : Baht)					
	Consolidated			Total		
	Construction	Operation and maintenance		Water operator of water treatment plant and wastewater recycle plant	Other segments	
	2020	2019	2020	2019	2020	2019
Revenues from external customers	161,843,069.76	253,818,053.48	-	742,020.00	2,505,801.66	14,896,142.55
Gross margin (loss)	2,474,123.21	(48,738,135.29)	-	(2,012,747.28)	710,372.96	4,216,459.52
Other income					3,184,496.17	(46,534,423.05)
Loss on impairment of asset					4,023,457.77	10,965,196.33
Loss on disposal of subsidiaries					(3,244,610.41)	(10,631,948.65)
Administrative expenses					-	(3,089,611.50)
Finance Cost					(65,352,912.62)	(133,986,545.30)
Loss before income tax					(12,614,869.94)	(25,183,841.97)
					(74,004,439.03)	(299,461,174.14)

The reconciliations of each segment total assets to the Group's assets and other material items.

	(Unit : Baht)					
	Consolidated			Total		
	Construction	Operation and maintenance		Water operator of water treatment plant and waste water recycle plant	Other segments	
	2020	2019	2020	2019	2020	2019
Assets	295,309,850.18	275,574,122.97	-	110,780,786.99	21,501,616.06	22,147,693.61
Depreciation	1,088,997.33	239,893.09	-	-	2,315,877.75	4,713,026.80
Amortization	-	-	-	-	-	-
					106,095.36	349,477.17
					106,095.36	349,477.17

Information about geographical areas for the year ended December 31, 2020 and 2019 are as follows:-

	Consolidated					(Unit : Baht)
	Thailand		Myanmar		Total	
	2020	2019	2020	2019	2020	2019
Revenues from external customers	164,348,871.42	269,456,216.03	-	-	164,348,871.42	269,456,216.03
Non-current assets (excluding financial instruments and deferred tax assets)	146,635,025.20	152,349,409.41	1,531,892.10	1,537,854.00	148,166,917.30	153,887,263.41

The Group has the revenue from sale of goods to 1 major customers in the amount of Baht 145.92 million earned by construction segment and operation and maintenance segment. (2019: 4 major customers in the amount of Baht 253.82 million earned by construction segment and operation and maintenance segment).

### 35. Revenue

The relationship between the revenue information disclosed for each reportable segment and the revenue derived from transfer of goods and services over time and a point in time for the year ended December 31, 2020 and 2019 are as follows:-

(Unit: Million Baht)

	Consolidated							
	Segment operation				Other segment			
	Construction		Operation and maintenance service		Other segment		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	161.84	253.82	-	0.74	2.51	14.90	164.35	269.46
Revenue about geographic areas								
- Thailand	161.84	253.82	-	0.74	2.51	14.90	164.35	269.46
- Myanmar	-	-	-	-	-	-	-	-
Total	161.84	253.82	-	0.74	2.51	14.90	164.35	269.46
Revenue recognized when a performance obligation								
- satisfied at a point in time	-	-	-	-	-	-	-	-
- satisfied over time	161.84	253.82	-	0.74	2.51	14.90	164.35	269.46
Total	161.84	253.82	-	0.74	2.51	14.90	164.35	269.46

The amount of the transaction price allocated to the performance obligations that are unsatisfied as at December 31, 2020 and 2019 are as follows:-

(Unit: Baht)

	Consolidated	
	<u>2020</u>	<u>2019</u>
Construction service	570,938,766.69	321,641,869.96
Operation and maintenance service	-	-
Other segment service	11,494,198.34	-
Total	582,432,965.03	321,641,869.96



The Group expects to recognize the amount of the transaction price allocated to the performance obligations that is unsatisfied as at December 31, 2020, as revenue in the future periods, as follow :-

(Unit: Baht)

	Consolidated		
	<u>2021</u>	<u>2022</u>	<u>2023 up to</u>
			<u>Total</u>
- Construction service	570,938,766.69	-	-
- Operation and maintenance service	-	-	-
- Other segment service	11,494,198.34	-	-
Total	582,432,965.03	-	-
			582,432,965.03

The Group expects to recognize the amount of the transaction price allocated to the performance obligations that is unsatisfied as at December 31, 2019, as revenue in the future periods, as follow :-

(Unit: Baht)

	Consolidated		
	<u>2020</u>	<u>2021</u>	<u>2022 up to</u>
			<u>Total</u>
- Construction service	321,641,869.96	-	-
- Operation and maintenance service	-	-	-
Total	321,641,869.96	-	-
			321,641,869.96

The amount of revenue recognized in the financial statement for the year ended December 31, 2020 and 2019 that was included in the contract liability balance as at December 31, 2019 and 2018 are as follow :-

(Unit: Baht)

	Consolidated	
	<u>2019</u>	<u>2018</u>
Advance revenue from construction	-	45,169,291.94
Advance revenue from rendering of service	-	9,747,401.09
Advance received from construction contract	20,852,691.43	31,813,546.10
Total	20,852,691.43	86,730,239.13

For the year ended December 31, 2020 and 2019 there is not an amount of revenue recognized concerning the performance obligation satisfied in the previous period.

### 36. Financial instruments

The principal financial risks faced by the Group are market risk, credit risk and liquidity risk. In this regard, the Group will enter into derivative financial transactions as appropriate with the objective to mitigate the impact of risks. However, the Group did not speculate in or engage in trading of any derivative financial instruments.

#### Market risk

The market risks faced by the Group are currency risk and interest rate risk.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group constitutes material risk from exchange rates in overseas currencies because there are trading transactions, cash at bank, trade receivable, trade payable and trust receipt that are foreign currency. The management has managed risk from exchange rates by performing the forward foreign currencies contract dependent on each case.

As at December 31, 2020 and 2019, the significant outstanding balances of the Company's financial assets and liabilities denominated in foreign currencies are as follow:

<u>Foreigncurrency</u>	Consolidated/ Separate financial statements			
	<u>2020</u>		<u>2019</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	80,000.00	-	95,000.00	-

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has long-term loans from other company which require fixed interest payments, therefore the Group is not exposed to the risk of being affected by changes in market interest rates.

## Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The gross carrying amount of trade receivables and contract assets and the lifetime expected credit losses calculated by using a provision matrix, which specifies a fixed provision rates depending on the number of days that a trade receivable is past due based on historical credit loss experience, are as follows:-

(Unit : Thousand Baht)

	Consolidated					Total
	As at December 31, 2020					
	Days past due					
	Within credit	Overdue 1 - 3	Overdue 3 - 6	Overdue 6 -	Overdue over	
	term	Months	Months	12 Months	12 Months	
Expected loss rate	0%	0%	0%	0%	45%-100%	
Gross carrying amount – trade receivables	14,670	-	-	-	7,289	21,959
Gross carrying amount – contract assets	44,446	299	-	-	32,198	76,943
Expected credit loss	-	-	-	-	35,647	35,647

(Unit : Thousand Baht)

Separate financial statement						
As at December 31, 2020						
Days past due						
	Within credit term	Overdue 1 - 3 Months	Overdue 3 - 6 Months	Overdue 6 - 12 Months	Overdue over 12 Months	Total
Expected loss rate	0%	0%	0%	0%	45%-100%	
Gross carrying amount – trade receivables	850	-	-	-	7,289	8,139
Gross carrying amount – contract assets	1,506	299	-	-	32,198	34,003
Expected credit loss	-	-	-	-	35,647	35,647

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Maturity for the Group's financial liabilities as at December 31, 2020 based on the contractual undiscounted cash flow is as follows:-

(Unit : Thousand Baht)

	Consolidated			Total	Carrying amount
	Less than 1 year	1 – 5 years	Over 5 years		
December 31, 2020					
Bank overdraft	15,360	-	-	15,360	15,360
Trade payable	65,234	-	-	65,234	65,234
Other current trade payable	90,365	-	-	90,365	90,365
Long-term loan from other company	-	125,645	-	125,645	125,645
Lease liabilities	3,404	3,471	8,573	15,448	10,304
Other non-current liabilities	-	4,694	-	4,694	4,694

(Unit : Thousand Baht)

	Separate financial statements			Total	Carrying amount
	Less than 1 year	1 – 5 years	Over 5 years		
December 31, 2020					
Bank overdraft	15,360	-	-	15,360	15,360
Trade payable	21,572	-	-	21,572	21,572
Other current trade payables	81,621	-	-	81,621	81,621
Short-term loan from related parties	17,803	-	-	17,803	17,803
Long-term loans from other company	-	125,645	-	125,645	125,645
Lease liabilities	1,702	1,735	4,287	7,724	5,152
Other non-current liabilities	-	163	-	163	163

### 37. Fair value measurement

TFRS No.13 “Fair Value Measurement” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

The TFRS requires the Group shall disclose about fair value measurement for financial asset and liability in which the other related TFRSs requires or permits fair value measurement or disclosure about fair value.

The TFRS establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value, as follows:-

Level 1 :The inputs are quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 :The inputs are observable inputs for the asset or liability, either directly or indirectly.

Level 3 :The inputs are unobservable inputs for the asset or liability.

The financial assets and financial liabilities not measured the fair value in the statement of financial position are as follows:

Asstes and liabilities	(Unit : Thousand Baht)		
	Consolidated		Fair value hierarchy
	2020		
	Carrying amount	Fair value	
Financial assets			
Retention receivables	7,864	7,456	Level 2
Deposit pledged as collateral	49,677	49,680	Level 2
Financial liabilities			
Retention payables	38,115	37,710	Level 2
Long-term loan from other company	125,645	130,965	Level 2

(Unit : Thousand Baht)

Assets and liabilities	Separate financial statement		Fair value hierarchy
	2020		
	Carrying amount	Fair value	
<b>Assets and liabilities</b>			
Short-term loan to related party	5,005	5,005	Level 2
Deposit pledged as collateral	49,677	49,680	Level 2
<b>Financial liabilities</b>			
Retention receivables	26,045	26,045	Level 2
Short-term loan from related parties	17,803	17,803	Level 2
Long-term loan from other company	125,645	130,965	Level 2

The carrying amount of cash and cash equivalents, trade receivables and trade payables approximates the fair value.

The fair value of retention receivables, short-term loan to related party and deposit pledged as collateral are determined by using the discounted cash flow method. The contractual future cash inflows are discounted at the current market interest rate for similar financial instruments adjusted by counterparty risk.

The fair value of retention payable, short-term loan from related parties and long-term loan from other company are determined by using the discounted cashflow method. The contractual future cash outflows are discounted at the current market interest rate for similar financial instruments enhanced by the Company's credit risk.

### 38. Obligation and contingent liabilities

As at December 31, 2020 and 2019, the Group has obligation and contingent liabilities as follows:-

#### 38.1 The commitment of the construction subcontracts as follows:-

(Unit : Baht)

	Consolidated		Separate financial statements	
	2020	2019	2020	2019
Total amount of agreement	759,900,166.65	791,536,643.41	218,153,437.27	371,793,286.85
Recognized cost of construction	419,995,866.46	469,045,846.34	114,177,405.65	277,636,955.50
The remaining of non-operating work	339,904,300.19	322,490,797.07	103,976,031.62	94,156,331.35

38.2 Apart from various liability that reflects in the financial statements, the Group still constitutes obligation commitment contingent liability as follows:-

	(Unit : Million Baht)					
	Consolidated/Separate financial statements					
	2020			2019		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	363.07	(32.54)	330.53	449.10	(91.78)	357.32
Credit line of bank overdraft	20.00	(13.87)	6.13	20.00	(19.71)	0.29
Credit line of letters of credit and trust receipts	68.35	-	68.35	68.35	-	68.35
Credit line of short-term loans	-	-	-	50.00	-	50.00

The Group pledged the land, as mentioned in the notes to financial statements No. 10 and bank deposit, including transferal of the claimant right to receive the installment payment of project to the bank. The Group's deposit account has been pledged with the bank. When the money is received from the sales of the tap water, the bank would retain the money in the said account at the amount equivalent to the Company's obligation for that particular month.

38.3 As at December 31, 2020, the Group has performed the leased and service agreement while there are the period 1 years. The Group comprises obligation repay leased and service fee in amount of Baht 1,800.00 per month (2019 : has performed the leased and service agreement while there are the period 1-3 years amount of Baht 1,800.00 - 132,936.00 per month).

38.4 As at December 31, 2020, the Group had capital commitments of Baht 1.12 million relating to the construction of assets for water treatment plant and wastewater treatment plant (2019 : Baht : 1.12 million).

38.5 As at December 31, 2020, the Group has a commitments with the employer under a contract in the amounting to Baht 858.00 million on behalf of the joint venture where the Group held 51% of such joint venture' share capital. The Group transferred rights and obligations under the construction contract to the another party.

38.6 The subsidiary has entered construction contracts with two companies with the total contracts amount of MMK 34,605,526.00 and amount of USD 145,000.00. As at December 31, 2020, the subsidiary has outstanding commitments under the contracts in amount of MMK 6,921,105.20 and the amount of USD 50,715.00, respectively (2019 : MMK 6,921,105.20 and USD 50,715.00).

38.7 As at December 31, 2020, the Group has entered the consultant contract with three companies with the total contract amount of Baht 3.37 million. The Group has outstanding commitment under the contract in the amount of Baht 2.69 million (2019 : the total contract amount of Baht 20.47 million. The Group has outstanding commitment under the contract in the amount of Baht 15.33 million).

### 39. Litigations

39.1 In November 2016, the Company has filed a lawsuit to the Administrative Court against a contractual party to claims for Baht 52.57 million of construction service fees to be paid to the Company and a release of the guarantee money in accordance to the bank's letter of guarantee at Baht 10.60 million to the Company. The said contractual party has breached the contract for the construction of waste collection and wastewater treatment systems by notifying the termination of the said contract without any default or defect created by the Company. In March 2017, the said counter party has filed a counterclaim to the Administrative Court demanding compensation of Baht 52.81 million plus interest at 7.50% per annum from the Company alleging that the construction performed by the Company has been delayed so the counter party has terminated the contract and demanded compensation from the Company.

Nevertheless, the said litigations are in the due process of law. The Company believes that eventually these would not incur any damage to the Company; therefore, the Company do not record allowance for the damage that may incurred from the said matters in the financial statements.

39.2 During the year 2019, the Company was sued in the case of breach of sale and service contracts and of subcontract contract in 3 cases amounting to Baht 6.33 million plus interest at 7.50% per annum. Now, the litigations are in the process of law. However, the Company has recorded the contingent liabilities from such matter.

### 40. Disposal of subsidiaries

The Extraordinary General Meeting of Shareholders No.1/2019 with held on September 23, 2019, has resolved the following details:-

- To approve the disposal of investment in SUT Global Co., Ltd. ("SUTG") in the amount of 132,000 shares with a par value of Baht 100.00 per share or representing 66.00 percent of all shares of SUTG to Mr. Suparuek Na Songkhla ("Mr. Suparuek"), Mr. Inthidej Pala-in and Miss Nittaya Na Songkhla (collectively the "Buyers") and the execution of a share purchase agreement of SUTG, other arrangements, contracts and documents in connection with the disposal of investment in SUTG, and



- To approve the reduction of the Company's registered capital by Baht 185,314,690.00 from the existing registered capital of Baht 1,382,392,049.00 to be Baht 1,197,077,359.00 by cancelling 185,314,690 ordinary shares with a par value of Baht 1.00 per share issued to accommodate the conversion of the Convertible Debentures of Hydrotek Public Company Limited No. 1/2018, which will not be converted into the Company's ordinary shares.

The remuneration to be received by the Company from the Investment Disposal Transaction amounts to a total of Baht 308,811,250.00, divided into two parts which consist of the Company's convertible debentures No. 1/2018 in the amount of Baht 265,000,000.00\* or representing 265,000 units (Baht 1,000.00 per unit of the convertible debentures) and accrued interest as of September 27, 2019 in an amount of Baht 8,811,250.00\* and Baht 35,000,000.00 in cash.

In September, 2019, the Company had disposed the investment in SUTG to the Buyers and received the remuneration from the disposal of investment in accordance with the Extraordinary General Meeting of Shareholders No.1/2019 with held on September 23, 2019.

The consideration received from the disposal of the subsidiary comprise of

	(Unit : Baht)
Redemption of convertible debentures *	253,118,242.00
Payment of accrued interest *	8,811,250.00
Cash payments (On October 30, 2019)	35,000,000.00
Total consideration received	<u>296,929,492.00</u>

\* For the purpose of the financial reporting, the Company used the fair value of the convertible debenture at Baht 253,118,242.00 (fair value of liability component was Baht 247,897,742.00 and the fair value of equity component was Baht 5,220,500.00) on the redemption date in measuring the consideration received from the disposal of the subsidiary. The accrued interest is calculated to the date the investment is disposed

The information on losing control of subsidiary is as follow :-

	(Unit : Baht)
Cash and cash equivalents	491,152.29
Trade and other receivables - related parties	1,085,377.50
Trade and other receivables - third parties	31,850,269.88
Contract assets	121,123.68
Short-term loan to director	4,492,749.82
Deposits at bank pledged as collateral	600,000.00
Land property and equipment	22,337,880.18
Goodwill	282,187,089.95
Other non-current assets	4,854,412.58
Trade and other payables - related parties	(27,357,695.99)
Trade and other payables - third parties	(19,643,380.91)
Short-term loans from related parties	(13,727,636.99)
Retention payable	(1,440,000.00)
Lease liabilities	(3,756,792.75)
Long-term loans from financial institution	(890,592.93)
Employee benefit obligation	(795,707.50)
Deferred tax liabilities	(67,391.67)
Other non-current liabilities	(1,233,487.89)
Net assets	279,107,369.25
Non-controlling interests	20,801,445.05
Loss on disposal of subsidiary	(2,979,322.30)
Consideration received	296,929,492.00

The said disposal of ordinary shares in SUT Global Co., Ltd. resulted in the Group loses their control in SUT Hydro Co., Ltd. Formerly, the Company held 79.60% of shares in SUT Hydro Co., Ltd. then it has been decreased to 40% and changed its status from a subsidiary to an associate of the Group.

The information on losing control of subsidiary is as follow :-

	(Unit : Baht)
Cash and cash equivalents	41,541.02
Other receivables - related parties	6,794.52
Trade and other receivables – third parties	28,000.00
Short-term loan to related party	200,000.00
Other non-current assets	36,004.73
Other payables	(173,786.00)
Net assets	138,554.27
Non-controlling interests	(28,265.07)
The fair value of the retained investment	-
Loss on disposal of subsidiary	(110,289.20)
Consideration received	-

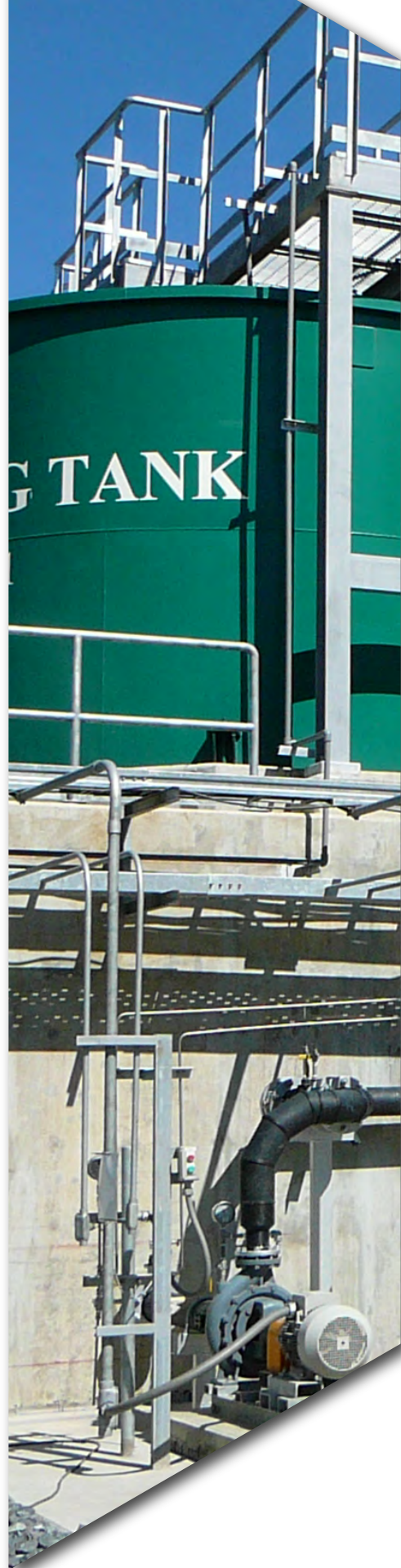
#### 41. Approval of financial statements

These consolidate and separated financial statements were authorized for issue by the Company's board of directors on March 1, 2021.

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# HYDROTEK



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