



ANNUAL REPORT 2020

รายงานประจำปี 2563

บริษัท ศรีราชาคอนสตรัคชั่น จำกัด(มหาชน)

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED

WWW.SRICHA.COM

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Message from Chairman of the Board

During 2020, the world's economy still had been affected by new coronavirus (Covid-19) pandemic, despite good news about vaccine administration, but overall global economy in 2020 shrank by minus to 5 percent from the measures implement by each government to prevent and contain the spread of such disease. The industry and production sectors have been largely impacted by Covid-19, particularly the construction projects of private sectors, as they tended to decrease. These projects also faced with delay of construction and procurement of materials including the supervision works concerning the existing workforce. These situations were one of most challenging tests of the Company as the Company's construction sites are located both in the country and overseas. Nonetheless, the Company has demonstrated its strength and confidence to the principals and the investors, as during October – November 2020, the Company could dispatch 240 workforces back to the construction sites in Madagascar and the Company has been awarded many construction projects in the country. Consequently, in 2020, net profit of the Company increased more than 394 percent when compared with 2019.

For outlook of next year, even though the Covid-19 pandemic situations may not be eased up, and it was also the recovery period of the world economy, but the Company still determines to maintain its working standards, including adjusts its strategies to prepare readiness of workforce, experienced personnel, and state-of-the art machines to support for recovery of the economy. The Company is now under preparation process to bid for many projects, and it has good prospect to be awarded additional work.

On behalf of the Board of Directors, I would like to express gratitude to the shareholders, valued customers, and all stakeholders for continued supports including the team of management and all employees for their dedication of time and energy to help the Company overcome all obstacles. Please rest assured that the Company will still operate businesses with morality, ethics and will develop the organization for prosperity pursuant to corporate principles for the best interest of all stakeholders.



Mr. Yiem Chundprasit

Chairman

Sriracha Construction Public Company Limited

Report on Responsibility of the Board of Directors on Financial Reporting

2020

The Board of the Directors of Sriracha Construction Public Co., Ltd. is responsible for financial statements of Sriracha Construction Public Co., Ltd. and its affiliate which has been prepared based on generally accepted accounting principles. The Board of Directors also considered on application of appropriated accounting policies and constantly adhered to such policies, including used careful judgment and pursuant to generally accepted accounting principles to ensure that important information has been completely and adequately disclosed in the notes to financial statement.

The Board of Directors also appointed the Audit Committee to supervise the accounting policy, quality of the financial reporting as well as to review and assess internal audit and internal control system, which is the independent unit and directly reports to the Audit Committee, to ensure that the Company and its affiliate have recorded accounting information correctly, completely, on timely manner as well as have good internal control system which can prevent wrongful behavior or abnormal operation. Opinions of the Audit Committee for operations in 2020 were presented in the Report of the Audit Committee in 2020 Annual Report. The Company also developed its human resources management system continually to increase capacity, efficiency and effectiveness of the management works.

The Board of Directors is confident that the financial statements of the Company and its affiliate as at December 31, 2020 were reliable and essences of financial position, performance and cash flow as well as notes to the financial statement were correctly presented as per the generally accepted accounting principles, which was corresponding to opinion of the auditor provided in the Report of the Auditor.



Mr.Yiem Chunprasit

Chairman

Sriracha Construction Public Company Limited

Report of Audit Committee for 2020

Attention The Shareholders

The Audit Committee of Sriracha Construction Public Company Limited consists of three (3) Independent

Directors, namely:

- | | | |
|----|------------------------|---------------------------------|
| 1. | Mr. Dusit Choopanya | Chairman of the Audit Committee |
| 2. | Mr. Narong Sooksawasdi | Audit Committee member |
| 3. | Mr. Trairak Tengtrirat | Audit Committee member |

The Audit Committee independently performed duties with the support from the Board of Directors pursuant to scope of duties and responsibilities and the Audit Committee's Charter including the notifications of the Office of Securities and Exchange Commission (SEC). In 2020, the Committee held 5 meeting where all members attended. The Audit Committee also collaborated with the management, Internal Audit Department and the auditor on the relevant agenda. Such operations performed could be summarized as follows:

1. Review of the financial statements: The Audit Committee reviewed the quarterly financial statement and the annual financial report of 2020 of the Company and its affiliate including the consolidated financial statements which have been correctly prepared with adequate information disclosure and of which the Auditor has opined opinion without any conditions in such report. The Audit Committee also attended the meeting with the auditor to discuss about independency on performing duty and expression of opinions including acknowledged observation including improvement guidelines beneficial to the Company.
2. Review the internal audit and internal control system. The Audit Committee reviewed the internal control system of the Company and its affiliate which covering accounting & finance, assets supervision, operation, monitoring and results on compliance with the laws and regulations. Internal Audit Department, which is an independent unit, has check and balance mechanism and has adequate efficiency on review to ensure that the Company has appropriated, adequate and efficient internal audit and internal control system.
3. Review the corporate governance: The Audit Committee reviewed on compliance with the implemented work systems to ensure that the Company operated business with ethics and complied with the laws on Securities and Stock Exchange as well as regulations of the Office of the Securities and Exchange Commission (SEC) and other relevant laws, and particularly on the connected transaction and the complaint process including notification of clue on wrongfully behavior of the Company. In addition, the Audit Committee also performed self-assessment, as a whole committee and as individually, pursuant to prudent practices of the Stock Exchange of Thailand.
4. Review on risk management. Performance of the management including work system inspection results have been monitored and brought into the joint meeting to prevent and mitigate risks incurred in the work systems. Moreover, risk management plan has been considered to incorporate in the audit plan of the Internal Audit Department to make it appropriated and consistent with each other.

5. Supervision on internal audit work. The Audit Committee reviewed and approved the annual internal audit plan and the operating results pursuant to the internal audit plan. The Committee has provided suggestions and followed up the corrective measures pursuant to the result of the review report in the significant issues for benefits of create good corporate governance including adequate and proper internal control. The Audit Committee deemed that the Company adhered to good corporate governance and important risk management was consistent with the company's policy and the internal control system was adequate and efficient to respond to the changes, both from internal and external factors.

6. Consideration on selection and appointment of the auditor for 2020. Selection criteria of the Company's auditor considered by the Audit Committee are based on independency on performing the work, quality, operating standards, and qualifications of the auditor as per specified by the Notification of the Stock Exchange of Thailand. The Audit Committee also considered about remuneration to propose to the Board of Directors to further request for approval from the 2020 Annual General Meeting of Shareholders. In this regard, the certified public accountants of AST Master Co., Ltd. and Office of Piti Sevi Co., Ltd. have been proposed to be appointed as the auditors of Sriracha Construction Public Co., Ltd. for 2020.

In conclusion, the Audit Committee has performed duties and responsibilities as per specified in the Audit Committee Charter which has been approved by the Board of Directors as well as used adequate knowledge, capacity, carefulness and independency for benefits of all stakeholders equally. The Audit Committee was of view that the financial report of the Company was correct, reliable and pursuant to the generally accepted accounting standards. In addition, the Company has adequate risk management, with appropriated, efficient internal audit and internal control system. All operations have been performed under corporate governance principles and they were fully complied with the laws relevant to business operations of the Company.



Mr.Dusit Choopunya

Chairman of Audit Committee

Board of Directors



1. Mr. Yiem Chundprasit

Chairman



2. Mr. Dusit Choopanya

Audit Committee /
Chairman of Audit Committee



3. Mr. Narong Sooksawasdi

Independent Director /
Audit Committee



4. Mr. Trairak Tengtrairat

Independent Director / Audit Committee



5. Mr. Kamol Ratanachai

Independent Director



6. Mr. Boonkrua Khemapiratana

Director / Managing Director



7. Mr. Gridsada Potisomporn

Director / Deputy Managing Director



8. Mr. Chatmongkol Khemapirat

Director /
Assistant Managing Director in Operation



9. Mrs. Sudchinda Sethakulvichai

Director / Company Secretary



Mr.Yiem Chundprasit (Age 82 years)

Chairman

Director Details

- ❖ Appointed since August 04, 2020
- ❖ Director term 3 years

Family Relation with executive committee

- ❖ None

Shares Held at 31 December 2020

- ❖ None

Education & Training Background

- ❖ Master of Chemical Engineering, University of Kansas, USA Bachelor of Chemical Engineering, Chulalongkorn University
- ❖ Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)

Work Experiences

- ❖ CEO of Chemical Engineering,
The Engineering Institute of Thailand Under H.M. The King's Patronage 2008 – Present
- ❖ Juristic Person Manager, YC Engineering Consultants 2000 – 2010
- ❖ Executive Vice President, Thai Oil Public Company Limited 1995 – 1999

Being Director at Listed Company: 1 Company

- ❖ Chairman, Sriracha Construction Public Company Limited 2011 – Present



Mr.Dusit Choopanya (Age 82 years)

Audit Committee /Chairman of Audit Committee

Director Details

- ❖ Appointed since April 22,2019
- ❖ Director term 3 years

Family Relation with Executives

- ❖ None

Shares Held at 31 December 2020

- ❖ None

Education & Training Background

- ❖ Diploma in Aeronautical Engineering, First Class, Royal Aeronautical College, London
- ❖ Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)
- ❖ Certificate of Audit Committee Program (ACP), Class 38/2012, Thai Institute of Directors (IOD)

Work Experience

- ❖ Development Project Engineer, Thai Oil Public Company Limited 1963 – 1999

Being Director at Listed Company: 1 Company

- ❖ Independent Director and Chairman of Audit Committee,
Siracha Construction Public Company Limited 2011 – Present



Mr. Narong Sooksawasdi (Age 80 years)

Independent Director / Audit Committee

Director Details

- ❖ Appointed since April 27, 2018
- ❖ Director term 3 years

Family Relation with Executives

- ❖ None

Shares Held at 31 December 2020

- ❖ None

Education & Training Background

- ❖ Diploma in Mechanical Engineering, Rajamangala University of Technology
- ❖ Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)
- ❖ Certificate of Audit Committee Program (ACP), Class 38/2012, Thai Institute of Directors (IOD)

Work Experience

- ❖ Process Manager TORC1 & 2, Thai Oil Public Company Limited 1995 – 2000

Being Director at Listed Company: 1 Company

- ❖ Independent Director and Audit Committee,
Siracha Construction Public Company Limited 2011- Present



Mr. Trairak Tengtrairat (Age 53 years)

Independent Director / Audit Committee

Director Details

- ❖ Appointed since August 4, 2020

Family Relation with Executives

- ❖ None

Shares Held at 31 December 2020

- ❖ None

Education & Training Background

- ❖ MBA Business and Management, Seattle University
- ❖ Bachelor in Business Administration, Chulalongkorn University

Work Experience

- | | |
|--|----------------|
| ❖ Advisor to Minister of Finance (Khun Korn Chatikavaniji) | 2009 – 2010 |
| ❖ Director crystal football club Co., Ltd. | 2008 – Present |
| ❖ Director KKP capital Co., Ltd. | 2014 – Present |
| ❖ Director Kruem Co., Ltd. | 2019 - Present |
| ❖ Managing Director, Head of Investment Banking and Equity Capital Markets Group | 2020 – Present |

Being Director at Listed Company: 4 Company

- | | |
|--|----------------|
| ❖ Independent Director and Audit Committee, Sriracha Construction PLC. | 2013– Present |
| ❖ Independent Director, Kiatnakin Phatra Securities Public Company Limited | 2014 – Present |
| ❖ Independent Director and Audit Committee verandaresort PLC. | 2017 – Present |
| ❖ Senior Executive Vice President , Corporate Credit , Kiatnakin PLC. | 2018 - Present |



Mr. Kamol Ratanachai (Age 54 years)

Independent Director

Director Details

- ❖ Appointed since April 27, 2018
- ❖ Director term 3 years

Family Relationship with Executives

- ❖ None

Shares Held at 31 December 2020

- ❖ None

Education & Certifications

- ❖ M.B.A., Bangkok University
- ❖ B.A.(Accounting), Bangkok University
- ❖ Certified Internal Auditor (CIA), The Institute of Internal Auditors, U.S.A.
- ❖ CAC SME IA Certification: Thailand's Private Sector Collective Action Coalition Against Corruption
- ❖ Certificate of Director Accreditation Program (DAP):2008
- ❖ Certificate of Audit Committee Program (ACP) :2009
- ❖ Successful Formulation and Execution of Strategy (SFE): 2012
- ❖ How to Measure the Success of Corporate Strategy (HMS) :2013
- ❖ Anti-Corruption:The Practical Guid :2015
- ❖ Certificate of Director Certification Program (DCP):2016
- ❖ Risk Management Program for Corporate Leaders (RCL):2017
- ❖ How to Develop a Risk Management Plan(HRP) : 2018

- ❖ Ethical Leadership Program (ELP) :2019
- ❖ Corporate Governance for Executives (CGE): 2019

Work Experience

- ❖ Independent Director, Gear Head Co., Ltd. 2012 – Present
- ❖ Independent Director, The Studio Park(Thailand) Co., Ltd 2012 - Present
- ❖ Independent Director,Chairman of Audit Committee:
Superrich Currency Exchange 1965 Co., Ltd. 2018 - Present

Being Director at Listed Company: 3 Companies

- ❖ Independent Director, Sriracha Construction PLC. 2011– Present
- ❖ Independent Director and Audit Committee Member,
Matching Maximize Solution PLC 2010 – Present
- ❖ Independent Director and Audit Committee, Eastern Power Group PLC 2019 - Present



Mr.Boonkrua Khemapiratana (Age 79 years)

Director / Managing Director

Director Details

- ❖ Appointed since August 4, 2020
- ❖ Director term 3 years

Family Relation with Executives

- ❖ Brother of Mrs. Boonlorn Farkmitra (CFO)
- ❖ Father of Mr. Chatmongkol Khemapirat, Director and
- ❖ Father of Mrs. Sudchinda Sethakulvichai, Director and Company Secretary

Shares Held at 31 December 2020

- ❖ None

Education & Training Background

- ❖ High School, Wat Suthiwararam School
- ❖ Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)

Work Experience

- | | |
|---|----------------|
| ❖ Managing Director, Sriracha Construction (1994) Co., Ltd. | 1994 – 2011 |
| ❖ Director, Sriracha Holding Co., Ltd. | 1994 - Present |
| ❖ Director, SCC Maintenance and Services Co., Ltd. | 1998 – Present |
| ❖ Director, B K One Co., Ltd. | 2004 - Present |
| ❖ Director, Thai Taihei Co., Ltd. | 2011 – Present |

Being Director at Listed Company: 1 Company

- | | |
|--|----------------|
| ❖ Director/Managing Director, Sriracha Construction PLC. | 2011 – Present |
|--|----------------|



Mr.Gridsada Potisomporn (Age 63 years)

Director / Deputy Managing Director

Director Details

- ❖ Appointed since April 22, 2019
- ❖ Director term 3 years

Family Relation with Executives

- ❖ None

Share held at December 31, 2020

- ❖ Amount 7,588,300 shares

Education & Training Background:

- ❖ Civil of Engineering, University of Melbourne, Australia
- ❖ Certificate in Director Certification Program (DCP) Class 139/2010 Thai Institute of Directors (IOD)
- ❖ Certificate in Director Accreditation Program (DAP) Class 84/2010 Thai Institute of Directors (IOD)

Work Experiences:

- ❖ General Manager, Sriracha Construction (1994) Company Limited 1994 – 2011

Being Director at Listed Company: 1 Company

- ❖ Director/Deputy Managing Director, Sriracha Construction PLC 2011 – Present



Mr.Chatmongkol Khemapirat (Age 52 years)

Director / Assistant Managing Director in Operation

Director Details

- ❖ Appointed since April 22, 2019
- ❖ Director term 3 years

Family Relation with Executives

- ❖ Son of Mr.Boonkrua Khemapiratana (position : Director/Managing Director) Brother of Mrs.Sudchinda Sethakulvichai (position : Director/Company Secretary)

Shares held at December 31, 2020

- ❖ None

Education & Training Background:

- ❖ Master of Business Administration, Oklahoma City University, USA
- ❖ Bachelor of Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University
- ❖ Certificate in Director Accreditation Program (DAP) Class 84/2010 Thai Institute of Directors (IOD)
- ❖ Certificate in Director Certification Program (DCP) Class 139/2010 Thai Institute of Directors (IOD)

Other Current Positions

- ❖ Managing Director of Teamwork Solution Company Limited
- ❖ Managing Director of Pattay.com company limited
- ❖ Managing Director of Chonburi108.com company limited
- ❖ Managing Director of Quickmedia company limited

Being Director at Listed Company: 1 Company

- ❖ Director and Assistant Managing Director in Operation Section
, Sriracha Construction PLC

2011 – Present



Mrs.Sudchinda Sethakulvichai (Age 50 years)

Director / Company Secretary

Director Details

- ❖ Appointed since April 27 , 2018
- ❖ Director term 3 years

Family Relation with Executives

- ❖ Daughter of Mr.Boonkrua Khemapiratana (Director/Managing Director)
- ❖ Sister of Mr.Chatmongkol Khemapirat (Director/Asst.Managing Director)

Share held at December 31, 2020

- ❖ Amount 6,878,900 shares

Education & Training Background:

- ❖ Bachelor of Business Administration, International Business, Assumption University
- ❖ Master of Science in Procurement and Logistics, Golden Gate University, USA
- ❖ Certificate in Director Certification Program (DCP) Class 139/2010 Thai Institute of Directors
- ❖ Certificate in Financial Statements for Directors (FSD) Class 14/2011 Thai Institute of Directors
- ❖ Certificate in Effective Minute Taking (EMT) Class 18/2010 Thai Institute of Directors
- ❖ Certificate in Board Reporting Program (BRP) Class 4/2010 Thai Institute of Directors
- ❖ Certificate in Company Secretary Program (CST) Class 37/2010 Thai Institute of Directors
- ❖ Certificate in Advances for Corporate Secretaries (ACS) Class 2/2016 Thai Institute of Directors

Being Director at Listed Company: 1 Company

- ❖ Director/Company Secretary at Sriracha Construction PLC 2011 – present

Other Current Positions

- ❖ Director, SCC Maintenance and Services Company Limited



Mrs. Boonlom Farkmitra (Age 77years)

Executive Committee / Assistant Managing Director of Finance & Account

Family Relation with Executives

- ❖ Sister of Mr. Boonkrua Khemapiratana, Director and Managing Director

Shares Held at 31 December 2020

- ❖ Amount 250,000 shares

Education & Certifications

- ❖ Mini MBA, Thammasat University
- ❖ Bachelor of Accounting, Thammasat University

Work Experience

- ❖ Financial Accounting Manager, (Thailand) Co., Ltd. 1968 – 2003
- ❖ Financial Accounting Manager, Sriracha Construction (1994) Co., Ltd. 2003 – 2011

Other Current Positions

- ❖ Executive committee/ Assistant Managing Director Finance & Account,
Sriracha Construction PLC. 2011 – Present

BUSINESS OPERATION

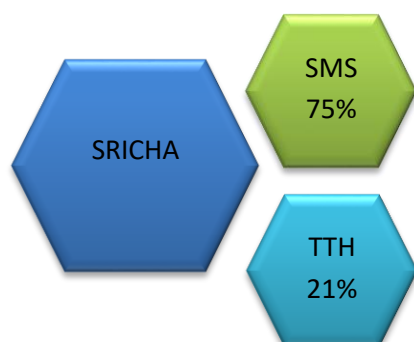
1. Policy and Overview of Business Operation

❖ Overview on Business Operation Policy of the Company and the Group of Companies

The company engages in steel structure construction business to the main contractor and the project owner directly. Main customer bases of the Company are customers in energy industry, i.e. oil refinery, power generation industry, petrochemical industry and mining industry. Engineering services rendered by the Company can be divided into:

1. Steel Structure. The Company will design details, procure materials, assemble and install steel structure of pipe bridge and pipe rack for transmission of liquids, including equipment and machineries in various industries, such as oil refinery, power generation industry, petrochemical industry, beverage industry as per specified by the customers
2. Piping. Fabrication, installation and connection of pipes used for transportation liquid and gas, such as oil and solvents and etc., to heavy industries, such as petrochemical plant, oil refinery and power plant.
3. Tanks, Equipment & Mechanical Installation and Modification. The Company provides services of fabrication, installation and modification of liquid tanks, equipment and materials including Heavy Lift Operation used in industrial factories, i.e., petrochemical plant, oil refinery, beverage manufacturing plant and etc.
4. Other Works apart from the above mentioned work, i.e. improvement and maintenance of machinery and equipment, which include moving of machinery, equipment and materials used in heavy industry, i.e. petrochemical plant, oil refinery, beer manufacturing plant, which requires specify expertise. Such work can be performed on live plant and area of new construction plant.

As at December 31, 2020, the Group of Companies consists of the Company, 1 affiliate and 1 joint-stock company, as follows:



1. **SCC Maintenance Services Co., Ltd. ("SMS")** - a affiliate, which engages in business of maintenance services for the machineries, annual overhaul or improvement of manufacturing unit in Eastern Seaboard areas, as well as construction work which has value less than 100 million baht in Rayong Province, Most of income derived from maintenance work in Rayong province, particularly in petrochemical plant, beverage

2. **Thai Taihei Co., Ltd.** – a joint-stock company. This company was established in 1990 by Taihei Denkyo Kaiza Co., Ltd. which was the construction company with proficiency in the design and construction of power plants. Taihei Co., Ltd. was established for construction of power plants business in Thailand. The Company joined as shareholder for the benefits of procurement of the power plants project. At present, Taihei Co., Ltd. does not have any significant project construction.

2. Mission and Objective

❖ Mission

To become one of the leadings company with world class standard that sustained the reliability and acceptability in mechanical and engineering construction from people in heavy industrialized business both domestic and international and to be known as one of the most reliable and acceptable construction company worldwide.

❖ Organization values :

To complete work within the specified time period.

To maintain the highest level of safety standard.

To submit work in accordance with customer's requirements.

To increase the competency of staffs, management system, information system with advances technologies system.

To Keep up with the World class Construction Standard.

To have a strong corporate social responsibilities.

❖ Objectives

The Company sets the clear vision to become one of the leadings company with world class standard that sustained the reliability and acceptability in mechanical and engineering construction from people in heavy industrialized business both domestic and international and to be the most reliable and acceptable construction company worldwide. In order to achieve such vision, the Company sets the objectives of 3 main aspects; to success in mechanical construction of heavy industrial business, to continue develop the capabilities of the staffs, and to work in transparency.

Enhance the financial status

In conversion to public company limited and in registration with the Stock Exchange of Thailand, the company has a great chance to raise fund for business expansion in the future. It also enhances the company's profile that would also give a greater chance of acquiring a good project in the future from both domestic and international clients.

Create and maintain the business allies

Presently, the company has business allies who are the project executives or the main contractors in many international projects. The Company is generally accepted and well known for the best quality of work as from history the company has shown the competent in completing many projects that required good experiences, proficiency, highest safety standard and special expertise in the operation. The mentioned business alliance increased the opportunity to earn the big construction or services projects in foreign countries continuously. The Company has set the goal of creating more alliance both in the numbers and the relationship.

The objective in developing and maintaining the staffs

The Company is well aware that staff is one of the most crucial part for successful of the company. That's why there are the policies that enhance the development of staff in both management and operational levels, especially engineer which is considered to be the most important resources of the Company. The Company sets forth the plan to continually develop the knowledge and competence of staffs both in special fields and principle of project management as well as encouraging team work for exchanging the opinion and learning from others. There is also the development of efficiency in operation while maintain the competitiveness of work. Moreover, the company also planed to create the learning institute for developing the proficiency of all human resources of the company. The Company maintains valuable human resources by monitoring their needs and constantly assess their performance as to provide the benefit that match their ability. An increase in salaries, bonus and other benefit of the employee depends on individual work performance along with the financial status and work performance of the Company. Furthermore, the Company also issued an ESOP (Employee Stock option) to employees and key persons of the Company. The company believes that if employees' need and requirement are met, they will work happily and devote more to the company. These all enforce the Company to be able to maintain the staffs with quality and significance for the Company.

The objective in business operation with transparency

The Company sets the goal in operating with transparency, honesty, and efficiency. The policies are set for good governance that cover the important principle in the rights of shareholders, the treat with shareholders equally, the consideration on the roles of stakeholder, the sufficiently revelation of data for all related person and the responsibilities of committees. These will be the guidelines in operating the business to achieve the objectives and the goals set in the business operation following the correctness and transparency.

Background and significant development during the past period

Sriracha Construction PLC ("the Company") operates business in Mechanical Engineering and Construction. Most tasks are complicated and require high proficiency, for example, Mechanical Construction, pipeline system construction, and large metal tanks including the installation of Machine and Equipment. The Company has a lot of experience in Detailed Engineering, Procurement, and Construction of industrialized business focusing on the specialty in the construction of heavy industrial factories.

The Company was established by Mr. Boonkrua Khemapiratana in 1994 with the registration capital of 10 million baht. After that, the registration capital was increased for serving the operational expansion in the future. At present, the registration capital of the Company is at 310

million baht. The Company is located in Chonburi Province near the location of industrial estates and industrial factories which are the main target groups of the company, for example, petroleum industrial factories, petrochemical industrial factories, energy industrial factories, power plants, and large food and agriculture industrial factories.

Earlier, most tasks were the civil construction and mechanical Construction. Especially for the Mechanical Construction, it could bring a lot of fame to the Company proven by the tasks both in the quality and the Track Record. The Company was also acceptable and well known among customers in the heavy industrial business both domestic and international. Therefore, the Company changes the strategy to focus more on Mechanical Construction which can create more profits and reduce the work of Civil construction which creates lower profits. The Company is well aware of the tendency for the continually increasing demand of the Mechanical Construction in heavy industrialized business on July 23rd 1997 the Company had increased the registration capital from 10 million baht to 50 million baht. The Par value was at 100 baht per share as to serve the expansion of the company which require an increasing capital. The Company was invited to participate in the expansion of production in the oil distillation factory of Esso (Thailand) Public Co., Ltd. The Foster Wheeler company was the administrator of the main project leading the fame to the Company including the acceptance from the project's owner both in the construction operation with quality and in the punctual submission of tasks to be acceptable in the construction of heavy industrialized business, especially in the petroleum and petrochemical industries. The Company gained great reliability from construction contractor of oil distillation factories and other large industrial factories and become well known among customers ever since.

For more than 18 years, the Company has continually succeeded in the construction of several projects in the heavy industry, for example, petroleum, petrochemical industrial factories, energy industrial factories, power plant, mineral smelting factories, and food and beverage production factories. This results in the fame of the company to be reliable among customers for the standardized construction operation, the quality of work, the punctuality in work submission, and the highest safety during the operation. The successful and experience history made the Company to be able to enlarge the scope of service to cover the large construction for both domestic and international.

In 2008, the company was awarded the project with value over 7,000 million baht by the large construction company from foreign countries. Then the Company decided to increase the registration capital to 225 million baht in 2010 and to 310 million baht in 2011 respectively as to serve the rapid expansion of Company's operation in the future. Presently, the Company has 3 factories based to support the construction in several projects, for example, factory of cutting and welding mechanical construction, factory of cutting and welding pipelines, and factory of sand blasting and painting. The 3 factories have productivity in mechanical instruction and pipelines in the quantity of about 20,000 tons per year including the productivity in the welding of metal pipes of about 1,000,000 Diameter Bore/year.

The Company develops the organization to reach the international level by improving the organization structure, developing the operational process and internal control, and developing the knowledge and competence of personnel. The continual development causes the Company to reach international standard and receive several certificates, for example, the standard of ISO 9001:2008 for the mechanical construction and pipe assembly as well as the certificate of safety from the Main contractors of the world

Business Structure

The revenue structure of the Company and the affiliates in 2018 - 2020 was classified and described as follows:

Types of Income		2020		2019		2018	
		Approved FS		Approved FS		Approved FS	
		Value	%	Value	%	Value	%
1. Steel Structure							
Domestic	SCC	123.55	7.46	20.18	2.18	46.98	5.72
International	SCC	-	-	-	-	-	-
Domestic	SMS	55.03	3.32				
2. Piping and and installation							
Domestic	SCC	609.57	36.81	216.22	23.34	134.10	16.36
International	SCC	267.12	16.13	-	-	-	-
3. Machine and equipment installation							
Domestic	SCC	82.29	4.97	28.11	3.03	9.21	1.12
International	SCC	-	-	-	-	-	-
Other types of work							
Domestic	SCC	200.76	12.12				
International	SCC						
4. Installation and maintenance							
Domestic	SCC	-	-	-	-	1.76	0.22
Domestic	SMS	188.31	11.37	307.06	33.15	246.72	30.10
International	SCC	124.38	7.51	306.27	33.06	371.51	45.33
5. Other income*							
Domestic	SCC	4.87	0.29	48.49	5.23	9.36	1.15
International	SCC			-	-	-	-
Total		1,655.88	100	926.33	100	819.58	100

Unit: million baht

Note: SCC = Sriracha Construction Public Co., Ltd. / SMS = SCC Maintenance Services Co., Ltd.

Our products and service can be classified into 4 types as follows:

❖ Steel Structure

The company works with fabrication and installation of steel structure for heavy industrial factories, by using steel plate and structural steel from both domestic and international as the main materials. Those steel structures will be prefabricating from our fabrication shop in order to reduce time consume and solving problem before deliver to site for installation. At present, the Company can produce the steel structure in the maximum of 20,000 tons per year. The constructions of steel structure mostly use in a large scale industrial, particularly, power plants, oil and gas, petrochemical and oil refinery.

❖ Piping

The company has high proficiency in piping installation. Most customers will usually provide pipe material for the company due to engineering design. Those pipes are imported from oversea due to high quality of pipe in which cannot produce domestically. Most of pipes are seamless with special diameter and thickness more than pipes used in other industries, For example, Carbon Steel, Stainless Steel and Alloy with and special metal such as titanium. Especially for the pipelines in petrochemical factories and oil refinery factories, those pipes are used for carrying chemical substance in the production process. The materials used in those industrial must be resistant to high pressure and heavy environmental conditions. Therefore, that type of work will need high accuracy in the construction. We have a very high experienced engineering team with proficiency in piping installation and fabrication along with the quality control of inspection.

❖ Tanks, Equipment & Mechanical Installation

The company provides the service of fabrication, installation and modification of liquid tanks, equipment, and materials including Heavy Lift Operation in industrial factories, for example, oil refinery factories, beverage manufacturing factories, plastic manufacturing factories and petrochemical factories, etc. The examples of this kind of work are the installation of metal tanks, compressors, big pumps, etc. We provide service from the material supply until complete installation or only installation depends on customer demand.

❖ Other operations; maintenance of machines

We provide maintenance service of machines and equipment in industrial factories for increasing the efficiency in the operation and for the expansion of capacity. The operation mostly consists of lifting, transferring, and installing machines and equipment in which requires special competence and experience construction team while those plant are running (Live Plant). Most of the operations are the projects with limited duration and high regulation of safety. We provide service of maintenance mostly for petrochemical factories, oil refinery factories, beverage manufacturing plants, etc.

BOI Received

Currently, Sriracha Construction Co., Ltd. has been promoting in the investment of the Board of Investment (BOI) in the manufacture of Steel Structure equipment for industrial type 19.04: Fabrication Industry or repair Platform by benefits and conditions.

Marketing Conditions and Competition

❖ Marketing Strategies

In selecting a contractor for the construction project in most heavy industrial business, the owner/main contractor will consider mainly on the contractor's reputation and their past experience. This is because the failure, delay, or construction under-standard will vastly and directly effect on the operation of the owner/main contractor. As a result, the main strategies of the Company are to build a strong relationship with customers and maintain a good reputation of the company. The long term strategic plan for achieving the Company's objectives will be as follows:

❖ Operational Safety Standard

The safety at work is considerably important both for the owner/main contractor and the contractor. The occurring accident can directly affect the project possibly causing the project to delay or damage. Moreover, the occurrence of accident may affect the encouragement of the employees as well. Therefore, controlling the operation to have high level of safety standard is the most important factor in creating the reliability to the owner/main contractor and reputation of the Company. Before start construction a new project, the Company will do an analysis on the possibility of accident which may occur in each process as well as finding the preventive to reduce the risk from accident, training the employees to be aware of the possibility of accident, educate employees, and increase the carefulness. In each project, the Company provides adequate Personal Protection Equipment (PPE) to all employees in order to meet with international safety standard. The Company has excellent history in safety proven record as can be seen by various safety award certificates received from the customers (Please see section 4.5; Safety certificates and past construction record).

❖ Continual Improving High Quality of Work

The reputation of the quality construction work is the keys success factors in the construction industry. The company has long-lasting reputation and contains vast experience in the construction field. Our mission is to strengthen the quality of construction works which will be a strong point in supporting company growth in the future. The Company continually develops the competitiveness both in the employees, technologies, machinery, and operational process. For employees, the Company provides continual training for improving knowledge and skill in relation to their work field. The company also seeks to acquire new higher efficiency machinery and to improve the operational process. This is to ensure that the Company can continually improve the quality of work.

❖ Completion of Work On Time

The construction of steel structure in mechanical work requires long time planning and it is very importance to finish the work within the specified time period. The Company has reputation in complete the work on time. This is one of the successful factors in the construction business. The Company has the systematic planning in all processes for continually develop the competitiveness of the Company. This is to ensure that our operation will succeed within the specified time.

❖ **Contract Award Process**

The company provides construction services in mechanical areas both domestic and international. The main channels of the Company to be awarded the construction projects are 1) bidding directly from Project Owner and 2) bidding from the Main Contractor.

Bidding from Project Owner

The Company directly contacts the project owners for several projects. Most project owners which are the Company's customers are the leading companies in basic industry of the country and the industry group which has plan to expand the investment in order to increase productivity and/or improve the factories to operate with more efficiency, for example, oil and gas refinery plants, power plants, food industry, small and medium plastic plants and petrochemical plants, etc. Most customers have good relationship with the Company.

Bidding from Main Contractors

The Company has vast experienced in the construction for both domestic and international through international main contractors. The Company usually works as sub-contractor. The main contractors will have huge investment capital with internationally reputation. The main contractor will operate the bidding in the large construction projects or the entire project from the project owners. After that, the main contractor will divide the area and hire Sub-contractors to perform the construction work. The main contractors will select only the sub-contractors with the performance reputation of quality construction with international standard in the industry. The company continually receives the contract from a main contractor.

Group of Customers and Target Group

The target groups of customers can be classified into 4 groups as follows:

❖ **Petroleum and Petrochemical Industry**

The group of customers in the petroleum and petrochemical industry are oil and gas group and refinery industry group, for example, oil refinery plants, gas refinery plant, etc. which are the upstream industry and the product of petroleum industry, for example, olefin manufacturing factories used as the raw material in manufacturing plastic industry and other aromatic products, also to be used as the raw material in manufacturing Polyurethane and foam and also the group of downstream products such as other petroleum products. The Company has proven records in construction both green field and brown field from construction a new plant to expansion the existing plant. From previous construction work in the past, the Company has a potential to be the main contractor in the expansion project for Thai Oil PCL as well as being the contractor of oil refinery plant for international oil refinery in the world such as: Esso Standard (Thailand) Co., Ltd. and Caltex Oil (Thailand) Co.,Ltd. in which Caltex is renamed to Chevron (Thailand) Co.,Ltd., also is the affiliated to Chevron Corporation. The work experience continues in the oil refinery plants lead us a good reputation and to be accepted in the petrochemical industry which caused the Company to have a chance to be the contractor continually in petroleum and petrochemical industries.

❖ **Energy Industry**

The group of customers of the Company in the energy industry is power plants. Most operations of the Company are the construction of power plants, assembly and installation of gas and steam pipes including the maintenance of machines and equipment. Previously, the Company was the contractor for the construction of Bangpakong Power Plant by responsible for the construction of steel structure unit 3 and 4 of 4 units of power plant, also the construction of COCO Phase III Project of the Co-Generation Co., Ltd. (currently is Glow Energy PCL) which is the power plant from coals, and including construction Small Power Producer – SPP Projects.

❖ **Mining Industry**

The groups of customers in mining industry are manufacturing plants and processing plants; for instance, steel plant, aluminum plants, copper plant, etc. At present, the Company has finished the construction which submitted in early 2012 are the construction project of Ambatovy in Madagascar which the project was joint venture between Sherritt International Corporation (Canada), Sumitomo Corporation (Japan) and Kores (Korea). This project is considered to be the largest mining project with the total value about 7,500 million baht. The company is responsible for all construction works of steel structure, including assembly and installation gas pipelines, storage tanks, machinery and equipment installation.

❖ **Others Industry**

The Company's customers in others industry are in mechanical engineering such as: food processing manufacturing, large agricultural industrial factories and other processing plants. Previously, the Company was the contractor in the construction project of brewery plant in Kamphaengpetch Province of Beer Thai (1991) PCL owned by Thai Beverage Group PCL. This competence in continually operating the construction work with higher value contract indicates the success in competitiveness of the Company.

Industrial conditions and competition

Industrial condition of construction in heavy industry

As the customer of the company are heavy industry the growth of those heavy industry, for example, energy industry, petroleum and petrochemical industry, mine industry, and other heavy industries positively affect the Company's business. These heavy industries continually grow following the demand of energy usage and petrochemical products. Besides, the growth of Gross Domestic Products (GDP) of the world along with the economic and industrial growth at present are also likely to grow a lot indicate the increase of energy demand as well as the industrial expansion in energy and petrochemical industry. Moreover, the rapid economic growth of China and India is also the main factor in the growth of world economy with the average growth rate (CAGR) 10.7% and 7.8%, respectively during 2001 to 2010. The rapid expansions of both countries lead to increase demand of consumption products of the world significantly. As a result the product prices are increasing due to the demand, for example, oil price and mineral price. Those are factors in increasing demand of construction in heavy industrial factories.

Competition in the mechanical construction

Most of the Mechanical Construction has slight competition as the customers always choose the reputation contractors from proven record in the field in order to ensure that the contractors can perform the construction work which meets the specified design and standard. This is due to the size of the project with mostly huge investment. The emerging of new born contractor is very difficult due to lack of trust from the owner and no proven record for the industry. From this reason, the competition is not a big issue as there are few of companies with proficiency and potential in the construction. Each contractor possesses some different strong points and different target group. The Company has strong points in the operation of construction with standard. The quality of work is reliable and the submission is also punctual. Besides, the competence in safety control during the operation with international standard also makes the company to be accountable and reliable in the field of Mechanical Construction throughout 18 years of experiences. The companies in which in same business in Thailand are STPI PCL, Shino-Thai Engineering and Construction PCL, and Watthanapaisan Engineering Co., Ltd. However, each company focuses differently. The Company focuses on the mechanical Construction with less proportion of engineering design and Procurement of raw materials compared to those above companies. For the construction in foreign countries, the Company received the construction work directly from the project owners or the main contractors.

Future Trend

The continual expansions of world economy and industry lead the construction in mechanical work are likely to increase. Moreover, the maintenance of machines and equipment in the industrial factories following the usage duration and the shutdown in production line for improving the efficiency of factories as well as the increase in productivity also lead the mechanical construction business likely to expand more in the future, especially for petroleum and petrochemical industry which is expected to have some investment in the new project and the maintenance of factories around the world of not less than 56,430 million US dollars and 63,875 million US dollars, respectively in 2011 and it is likely to gradually increase.

Those above factors increase the opportunity of the company in the construction in other countries. The Company has an alliance whose are the expert in the mechanical construction in the international level and are the leaders in the construction service of industrial factories which are internationally reliable among project owners. Therefore, the Company alliance has a project the company will have a chance to receive a construction work as well. For the previous projects in foreign countries which the Company has done the construction work, the project owners are confident in the quality and operation standard of the Company. As a result the company has many of contract amendment with high value continually.

For the construction in Thailand, although the expansion rate of investment in petroleum and petrochemical expansion slows down due to the fluctuation of oil price in the world market, the investment in the construction of new plant and/or the expansion of productivity in Thailand still remain. The Company is well-known among business operators in the industry and is reliably in the quality of work leading the Company to have a construction work continually.

Procurement of Raw Material

The procurement process of raw materials for the mechanical construction seeks from several suppliers. The Company has no policy to buy from any single supplier. The raw materials procured for the Company's operation can be classied into 2 types as follows.

❖ Raw Materials

The Company specifies the properties of raw materials together with the customers and purchases the raw materials with the quality to meet the customer's demand/standard. The Company will check the price from several supplier and suppliers for comparing the price, quality, and conditions to be suitable before deciding to purchase in order to receive the raw materials with the highest quality and good price. Moreover, the Company also has the policy in not depending on any particular supplier or producer for reducing the risk in business operation and increasing the bargaining power to the company. Most raw materials are metal pipes, fitting, and several types of iron such as steel sheet, structural steel, etc.

❖ Machines and Equipment

At present, the Company has sufficient machines and equipment for the construction. In the case of the Company has to procure more machines and equipment, the Company will purchase and/or rent following the suitability. In the process of purchase or rental, the Company will consider the properties, price, and conditions from several suppliers before making final decision to purchase.

Environment Impact

The company objective is to operate our construction work without negative impact to environment. The Company sets the policies to following all environment regulations. Moreover, the Company has never received any complaint from the communication and has never prosecuted from the government agency.



Policy and Overview of Business Operation

Risk Factors for Company Operation

❖ The Risk of Revenue Fluctuation

In the construction industry business both at home and abroad there is a risk of income. This is unavoidable because the job will be auctioned at the lowest possible price. And the company does not have a policy of bidding to cause the fluctuation of the Company's total income. There is fluctuation depending on many factors. The first factor is the business cycle of the petroleum and petrochemical industries. Energy industry and mining industry. Which at the beginning of 2020 Through the oil war between Saudi Arabia and Russia. As a result, the price of oil fell heavily. Including the impacts of the epidemic of COVID-19 That causes the factory's production volume and the demand for transportation to decrease. In addition, the problem of domestic unrest It may affect the belief in and the demand for construction services for heavy industrial metal work (Mechanical Construction) in the petroleum and petrochemical industries, the energy industry The project was slowed down. Making the acquisition of less workload This may eventually affect the revenue and profit of the company. Although the company The Company will try to maintain the continuity of income and the Company still maintains the existing customer base and uses the policy of producing quality work to meet the standards and deliver the work on time. At an affordable price To be satisfied with customers And build a good relationship with the main contractor (Main Contractor) However, the company cannot guarantee that Strategy for managing such risks. Will result in the company Able to maintain the level of income and profit continuously every year. This is due to the unstable high-value employment in large projects.

Risk Prevention and Reduction

The Risk of Human Resources Loss

The mechanical construction of steel structure in large-scale industry is requires special expertise and high proficiency in the field. Since this construction is to support the heavy industry. Therefore, the construction must support high pressure, high temperature, pH level, and also corrosion resistance which possibly occurring. If there is non-standard work, it could cause damage to the entire production processes. These constructions require the high competency engineering and technicians teams who have high experience and competency. Thus, losing these key human resources may cause the Company to loss in competitiveness and will greatly affect the company's future operating performance.

❖ Risk Prevention and Reduction

Personnel are defined as one of the main key factors that directly contributing to the achievement of business strategy, especially for the construction of large mechanical construction of steel structure, in which, the Company has high-level competence personnel with special proficiency and expertise in this field. To prevent and reduce the risk of losing valuable personnel, the Company set up the policy to keep these valuable personnel by consideration promotion and remuneration annually, including special remuneration based on skill and expertise.

❖ The Risk of Operation

The Risk of work complete out of time. For the construction companies, general contracts and agreement will specify the completion date and will have penalty item in case failure to deliver on time. The delay could occur from several causes; some causes could not control by the Company such as delay by subcontractor or other subcontractor. Even though the Company has never had any record of delay which leads to penalty fine but the Company cannot ensure that all future projects will be able to deliver on time. If the company unable to deliver the project on time which specified in the contracts, the company will have to pay a late penalty and will lead to an increase in operating costs which will reduce company's profits greatly. This might cause the company to lose its reputation for reliability among other customers and also impact the future business opportunities.

❖ Risk Prevention and Reduction

In order to prevent risk factors of a delayed delivery, the company has focused on the detail of agreement. Due to long-term experience, the Company found that most awarded construction contracts are the modification or Change Order /Decreasing in almost every projects, including some cases by other subcontractor which could cause delay. For these factors, the Company would make a concisely contract and some conditions to cover these risk factors every time. However, with business operations and management philosophy of the Company has clear goal to emphasize on quality. The Company also has focused on personnel potential and sufficient personnel resources to complete project on time and to achieve the defined goal.

❖ The Risk of Fluctuations of Raw Materials and Constructional Materials

The cost of raw material and constructional materials are the major cost of the Company's Operation which accounted for 30% of the total construction costs Generally, the Company attempts to reduce the risk of fluctuation in the price of raw materials and constructional materials by negotiating with the customer that the price shall be adjusted as per the market price and/or by negotiating the customers to be responsible for procurement and/or purchasing with suppliers when the project is awarded. However, practically, the company may not be able to avoid the responsibility or put all the burden cost of raw materials to the customers and the Company could not purchase all raw materials on the date of award also. Consequently, the company still has the risk of fluctuation of raw materials and constructional materials price. If the price of raw materials and constructional materials is increased, it could increase the cost of construction also and impact to the Company's' performance eventually.

❖ Risk Prevention and Reduction

The Company has developed raw material and constructional materials management system by maintaining the strong relationship with all distributors, also monitoring and tracking the raw materials price all the time, as well as opening for the competition among the distributors in order to create the most price advantage for the Company, then could use for planning and maintaining appropriate cost level and comply with current raw materials market pricing. Or, the Company could confirm the purchase order in order to fix the price in accordance with the bidding price.

❖ The Risk of the Political Situation

National political stability is one of the most important factors for investment decision making by foreign investor, especially high-value project with long-duration; for example, the investment in a new manufacturing plant to expand production bases. The instability of the politics situation may result in the change of policy and government regulations which can impact on the investment project.

❖ Risk Prevention and Reduction

In this case, the Company is closely monitoring the situation, including setting up plan to expand its service to overseas markets. This could help the Company to reduce the risk of the political instability but also increase business opportunities. However, over nearly 20 years of business operation, the Company had never served in any public service project and currently, there is no such policy.

The Risk of Managing and Administrating the Company Business.

❖ The Risk of Controlling the Votes at a Shareholder's Meeting by Majority Shareholders

Khemaphirat family including juristic persons (holding company), which this family has a larger portion of shares more than 55% of the paid-up capital after offering ordinary shares in this time contributes that the Khemaphirat family still in the position of executive management, and authorized person to sign on behalf of the Company. This makes them to be the major shareholder holding power in controlling the company's operations and management including the control of votes in shareholder's meeting for nearly the whole both in the nomination of committee or any resolution in other subjects which requiring majority votes from the shareholder's meeting except for the subjects specified by the law or company's regulations specifying that shall receive 3 of 4 votes of the shareholder's meeting. Therefore, it is very difficult for other shareholders to collect shareholders' votes for inspection and balancing consideration subjects proposed by the largest shareholder.

❖ Risk Prevention and Reduction

The Company attempts to develop a transparency and controllable system. The Company appoints five (5) Independent Committees in which three (3) of them serve as Audit Committee. There is also Internal Audit and Internal Control Department which report directly to the Audit Committee to be a mechanical for monitoring and inspection the Company's operation and management. Moreover, there are six (6) directors from nine(9) directors who are not in the Khemaphirat family which can balance the powers in proposing any subject for consideration to the general shareholder's meeting

The Risk of Unable to Pay Dividend

At present, although, the Company's Board of Directors has a dividend policy proposing to shareholders to pay dividend at least 50% of net profit before foreign exchange shown in financial statement under the conditions of the investment plans and any other relevant factors. Payment future dividend payment (if any) will depend on the discretion of the Company's Board of Directors as specified in the Public Company Limited Act B.E.2535 (and additional amendments) including other conditions; for example, actual cash flow, profits, financial status, demand for capital, and any other investment of the Company as well as any other factors that the board of directors consider that it relevant to the company's business. The Company cannot guarantee that the Company will earn enough profit and pay out a dividend

in any year. In spite of the Company may earn enough profit, it may not approve for paying dividends to shareholders. By the way, according to the Public Company Limited Act B.E.2535 (and additional amendments), if there is still accumulated losses, it is prohibited to pay dividend, no matter that the Company has the net profits in that year or not.

Operating Assets

Main Fixed Assets

As at December 31, 2020, the operating assets of the Company and its affiliate were as follows:

(Unit : Million Baht)

Nature of Asset	Consolidated Financial Statement		
	Nature of Ownership	Value	Encumbrance
Land and land improvement	Owner	269,528,519	Partial
Building and structure	Owner	329,184,123	None
Machinery and equipment	Owner	310,167,143	None
Furniture and office equipment	Owner	19,50,7415	None
Computer and computer program	Owner	45,683,234	None
Vehicle	Owner	85,488,650	None
Work in progress		28,174,992	
Total Value of Assets		1,087,734,076	
Less Depreciation		(532,376,478)	
Total Book Value - Net		555,357,598	

Details on location, utilization areas and objective on ownership of the important assets for business operation of the Group of Company could be summarized as follows:

Land of the Group of Companies

Type of Asset	Location	Areas	Objectives on Ownership	Nature of Ownership	Encumbrance
Land	No. 97 Moo. 3, Surasak Sub-district, Sriracha District, Chonburi Province Title deed no. 104807, 104808, 29038, 49488, 18809, 8347	30 Rai, 1 Ngan, 66 Sq. w.	Occupied as headquarter building, piping fabrication and construction plant and liquid tank fabrication and installation plant.	The Company is the owner.	None
Land	No. 153 Moo. 3, Surasak Sub-district, Sriracha District, Chonburi Province Title deed no. 156533	16 Rai, 3 Sq. w.	Occupied as steel structure fabrication plant	The Company is the owner.	None

Land	Surasak Sub-district, Sriracha District, Chonburi Province Title deed no. 13854, 156533	18 Rai, 2 Ngan, 45 Sq. w.	Occupied as steel structure temporary warehouse prior to installation and as sand blasting areas.	Rented from SCC Park Co., Ltd.	None
Land	Makhamkoo Sub-district, Nikom Pattana District, Rayong Province. Title deed no. 1579-1580, 2178	64 Rai 22 Sq. w.	Occupied as office of SCC Maintenance Services Co., Ltd. at Rayong Province	The Company is the owner.	None
Land	Pananikom Sub-district, Ban Khai District, Rayong Province. Title deed no. 1963, 2521	48 Rai, 59.2 Sq. w. ๙๑ ๑/๕	To support for future business expansion	The Company is the owner.	None

Building and Structure of the Group of Companies

Asset	Location	Objectives on Ownership	Nature of Ownership	Encumbrance
Headquarter building and plant - Headquarter – 1,120 Sq. m. - Office building – 468 Sq. m. - Warehouse – 228 Sq. m. - Piping and tank fabrication and construction plant - 7,204 Sq. m. - Canteen - 286 Sq. m.	No. 97 Moo. 3, Surasak Sub-district, Sriracha District, Chonburi Province	Occupied as headquarter and piping and tank fabrication and construction plant and employees' canteen	The Company is the owner.	None
Office building and plant - Steel structure fabrication plant – 2,387 Sq. m.	No. 153 Moo. 3, Surasak Sub-district, Sriracha District, Chonburi Province	Occupied as steel structure fabrication plant	The Company is the owner.	None

Building and Structure of the Group of Companies (Cont'd)

Asset	Location	Objectives on Ownership	Nature of Ownership	Encumbrance
Office building and equipment warehouse (Makhamkoo Sub-district) <ul style="list-style-type: none"> - Building 1 - 960 Sq. m. - Building 2 - 1,920 Sq. m. - Building 3 - 672 Sq. m. - Building 4 - 450 Sq. m. - Building 5 - 2,040 Sq. m. 	Makhamkoo Sub-district, Nikom Pattana District, Rayong Province	Occupied as office of SCC Maintenance Services Co., Ltd. and equipment warehouse	Owned by the Company.	None
Clubhouse <ul style="list-style-type: none"> - 432 Sq. m. - Sandblasting Plant (Temporary) 	SurasakSub-district, Sriracha District, Chonburi	Occupied as sport complex for employees and sand blasting plant	Owned by the Company.	None

Machineries, Tools and Equipment used in Construction Work

Asset	Objective on Ownership	Encumbrance
Tools and Equipment <ul style="list-style-type: none"> - Shearing Steel Machine - Welding Machine - Sand Blasting Machine 	Owner	None
Vehicles <ul style="list-style-type: none"> - Crane - Crane with Aerial Device - Truck and Crane Truck 	Owner	None

Computer and Computer Program

Asset	Nature of Ownership	Encumbrance
Computer System Program, software and Information technology	Owner	None

General Data And Other Parties

Company's name	:	Sriracha Construction Public Co., Ltd.
Business type	:	Mechanical Engineering and Construction
Location	:	97 Moo3 Kao Kilo Rd., Surasak Sub-district, Sriracha District, Choburi Province 20110
Company's registration	:	No. 0107554000305
Telephone	:	+66 38 317 - 555
Fax	:	+66 38 317 - 577
website	:	www.sricha.com
Registration capital	:	310,000,000.00 baht
Paid-up capital	:	309,879,000 baht
Numbers of ordinary shares	:	309,879,000 shares
Par value	:	1 baht

Company's name (1)	:	SCC Maintenance Services Company Limited
Shares	:	75 %
Business type	:	Maintenance services
Location of head office	:	97 Moo3 Kao Kilo Rd., Surasak Sub-district, Sriracha District, Choburi Province 20110
Telephone	:	+66 38 317 - 555
Fax	:	+66 38 317 - 577
Paid-up capital	:	10,000,000.00 baht
Numbers of ordinary shares	:	1,000,000. shares
Par value	:	10 baht

Other parties

Securities registrar	:	Thailand Securities Depository Co., Ltd.
Location	:	6 2 Stock Exchange of Thailand Building 4 ,7 floor Ratchadaphisek Rd., Klongteoy, Bangkok 10110
Telephone	:	+66 2229 2800
Fax	:	+66 2359 1259
Auditor	:	AST Master Co., Ltd.
Location	:	790/12 Thonglor Tower, Soi Thonglor 18, Sukhumvit 55 Rd., Klongtan Neau, Wattana, Bangkok 10110
Telephone	:	+66 2714 8842-3, +66 2185 0342
Fax	:	+66 2185 0225
Auditor	:	Office Pitisevi Company Limited
Location	:	8/4 Floor 1, 3 Soi Vibhavadi Rangsit 44, Vibhavadi-Rangsit Rd., Ladyao,Chatuchak, BKK 10900
Telephone	:	+66 2714 8842-3, +66 2185 0342
Fax	:	+66 2185 0225

Remaining work on hand

The remaining works which have not been submitted on 31 st December, 2020 hold the total value of 3,008.50 million baht. The total value of Backlog was 1,632.70 million baht.

Customer's names/project's location	Project's features	Duration Time	Project value	Backlog
CTCI (Thailand) Co.,Ltd. /Thailand	EPC Main Work for CFP Crude Oil Tank Project	19Months	213.70	1.8
JGC Corporation /Thailand	Harmony Project	31Months	617.6	345.30
Thaioil PCL. /Thailand	CFP Concurrent Work Project Package	15Months	47.0	3.6
Dynatec Madagascar	PEXCELL Project	12Months	511.8	244.7
Prachinburi /Thailand	T3 Project	14Months	1,496.6	1,000.0
Covestro(Thailand)Co.,Ltd. Thailand	DBN-L4 Project	15Months	76.8	0.1
MKK Asian Co.,Ltd. /Thailand	TH1801:Piping Work, Equipment Work and Temporary Facilities	11Months	96.4	30.3
Total			3,008.5	1,632.7

Financial Statement

Independent Auditor's Report

To the Board of Directors and Shareholders of **Sriracha Construction Public Company Limited**

Opinion

I have audited the accompanying consolidated financial statements of **Sriracha Construction Public Company Limited and its subsidiary** ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of **Sriracha Construction Public Company Limited** for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Sriracha Construction Public Company Limited and its subsidiary** and of **Sriracha Construction Public Company Limited** as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Key audit matters and how audit procedures respond are described below.

Revenue recognition from construction services

The Group recognized its revenue from rendering service on construction contract, which is performance obligation satisfied over time of performance construction by measuring the progress towards complete satisfaction of that performance obligation based on input method. This method measures the progress of performance construction based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. I focused on this area because the recognition of revenue on construction contracts involved significant judgement and assumption in estimating the progress of construction service.

My procedure in relation to management's assumptions used in recognition of revenue on construction contract included:

- understood and assessed the estimated total contract cost prepared by management, in particular, the key assumptions including the expected recovery, the historical financial performance and forecast out-turn against budget of other contracts of a similar nature and size. Tested internal controls over the construction budgeting process relating to the estimated total construction contract costs and revisions thereto and verified estimated costs by interviewing the project engineer and random inspecting the supporting evidences;
- tested the internal controls over revenue and receivable cycle and purchase and payable cycle for construction projects;
- inspected client acceptance certificates, correspondence and minutes of meetings between the Group and customers. Inspected selected signed contracts for key clauses to identify relevant contractual mechanisms such as variations to the contract requested by the customer, sharing of cost overruns or efficiencies with the customer, contractual damages and success fees and assessed whether these key clauses were appropriately reflected in the amounts included in the forecasts;
- compared gross profit from the start of projects up to now for analysis and assessment for the appropriateness of estimated project costs;
- performed site visit for significant projects, inquired the progress of projects from engineers and compared and assessed the appropriateness of the progress of construction projects with the progress measuring using input method.
- checked actual costs against supporting documents, tested the calculation of the progress of work based on actual construction costs incurred, and compared the analysis of the progress as evaluated by the project engineer to the progress based on actual construction costs incurred.

Revenue recognition from services

The Group's revenue from rendering manpower and maintenance services are considered as a material amount and have direct impact to the Group's profit or loss, as well as revenue from construction services, which financial statements users pay attention, including the large numbers of size and volume of transactions, numerous conditions. As a result, the recognition of revenues from services is related to judgements and accounting estimates, and there is a risk with respect to the amount and timing of revenue recognition. I, therefore, focused on this matter.

I have examined the revenue recognition of the Group by assessing and testing the internal controls with respect to the revenue cycle, and with special consideration giving to expanding the scope of the testing which respond to the accuracy and revenue recognition period in the financial statements of the Group. Applying a sampling method to select service revenues transactions to assess whether revenue was accurate and appropriate recognized in consistence with the conditions stipulated in relevant document and in compliance with the Group's revenue recognition policy. On a sampling basis, examining supporting documents for actual revenue recognition occurring during the year and near the end of the accounting period. Reviewing credit notes that the Group issued

after the period-end. Performing analytical procedures to detect possible irregularities in revenues transactions throughout the accounting period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of, 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 do not express any form of assurance conclusion thereon.

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

-
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

NONGRAM LAOHAAREEDILOK
Certified Public Accountant
Registration No. 4334

AST Master Co., Ltd.
24 February 2021

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	In Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	7	746,814,350	744,219,469	674,700,628	696,838,821
Current investment	4	-	5,825,624	-	5,825,624
Trade and other current receivables	8	331,835,222	248,909,370	272,148,397	156,225,284
Unbilled receivables	9	301,977,102	43,841,743	283,949,109	43,841,743
Supplies	10	54,477,350	18,730,720	49,080,354	12,480,436
Other current financial assets	4,11	5,847,195	-	5,847,195	-
Total Current Assets		1,440,951,219	1,061,526,926	1,285,725,683	915,211,908
NON-CURRENT ASSETS					
Restricted bank deposits	12	138,836,651	136,849,184	138,836,651	136,849,184
Investment in subsidiary	13	-	-	11,722,619	4,972,619
Investment in associated company	14	-	-	-	-
Property, plant and equipment	15	555,357,598	557,508,369	542,719,638	546,747,613
Intangible assets	16	8,748,459	9,587,946	6,837,547	7,118,147
Deferred income tax assets	17	14,657,831	15,019,940	11,091,762	12,037,032
Other non-current assets		1,223,512	471,295	1,130,112	363,095
Total Non-current Assets		718,824,051	719,436,734	712,338,329	708,087,690
TOTAL ASSETS		2,159,775,270	1,780,963,660	1,998,064,012	1,623,299,598

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

		In Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Trade and other current payables	19	233,264,159	96,754,938	209,135,154	77,280,531
Current portion of lease liabilities	20	3,660,580	1,660,758	2,509,017	974,621
Advance received from contractors	9	127,219,838	33,909,905	119,093,458	33,909,905
Deferred construction revenues	9	12,822,657	10,188,363	12,822,657	3,142,126
Accrued income tax		-	854,811	-	-
Total Current Liabilities		376,967,234	143,368,775	343,560,286	115,307,183
NON-CURRENT LIABILITIES					
Lease liabilities	20	4,972,012	2,500,545	3,935,399	1,745,611
Non-current provisions for employee benefits	21	103,879,114	105,112,671	84,297,100	88,455,182
Total Non-current Liabilities		108,851,126	107,613,216	88,232,499	90,200,793
TOTAL LIABILITIES		485,818,360	250,981,991	431,792,785	205,507,976
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
310,000,000 common shares, Baht 1 par value		310,000,000	310,000,000	310,000,000	310,000,000
Issued and paid-up share capital					
309,879,000 common shares, Baht 1 par value		309,879,000	309,879,000	309,879,000	309,879,000
Premium on share capital		1,187,139,623	1,187,139,623	1,187,139,623	1,187,139,623
Retained earnings (deficit)					
Appropriated for legal reserve	22	31,000,000	31,000,000	31,000,000	31,000,000
Unappropriated		213,517,576	63,940,992	135,582,260	(19,060,098)
Other components of shareholders' equity		(97,329,656)	(91,166,903)	(97,329,656)	(91,166,903)
Total equity holders of the parent		1,644,206,543	1,500,792,712	1,566,271,227	1,417,791,622
Non-controlling interests		29,750,367	29,188,957	-	-
TOTAL SHAREHOLDERS' EQUITY		1,673,956,910	1,529,981,669	1,566,271,227	1,417,791,622
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,159,775,270	1,780,963,660	1,998,064,012	1,623,299,598

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

		In Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
REVENUES					
Revenue from construction services		1,338,325,428	304,113,307	1,255,961,401	274,691,718
Revenue from services		312,699,097	607,959,795	129,469,622	333,715,496
Dividends income	6.3	-	-	28,500,000	15,000,000
Other income		4,858,673	8,482,122	4,265,052	7,983,516
Total revenues		1,655,883,198	920,555,224	1,418,196,075	631,390,730
EXPENSES					
Cost of construction services		1,029,482,403	286,530,388	977,367,255	261,611,412
Cost of services		270,195,433	414,212,322	98,606,507	194,367,946
Administrative expenses		197,242,592	256,385,386	195,224,824	251,423,487
Total expenses		1,496,920,428	957,128,096	1,271,198,586	707,402,845
Profit (loss) from operating activities		158,962,770	(36,572,872)	146,997,489	(76,012,115)
Finance income		3,833,433	5,774,891	3,648,736	5,617,843
Finance costs		(357,065)	(130,160)	(253,145)	(70,215)
Profit (loss) before tax income (expense)		162,439,138	(30,928,141)	150,393,080	(70,464,487)
Tax income (expense)	24	(12,054,410)	(6,487,590)	(4,068,581)	4,187,132
Profit (loss) for the year		150,384,728	(37,415,731)	146,324,499	(66,277,355)
Other comprehensive income					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Differences on the translating of the financial statements		(5,919,178)	(10,542,168)	(5,919,178)	(10,542,168)
Gain on change in fair value of investment					
in unit trusts-open-end fund		-	64,331	-	64,331
<u>Less</u> : Tax effect	24	-	(12,866)	-	(12,866)
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Remeasurements of post-employment benefit obligations					
Actuarial gain (loss)		8,449,614	(7,375,568)	10,092,855	(5,249,460)
<u>Less</u> : Tax effect	24	(1,689,923)	1,475,114	(2,018,571)	1,049,892
Other comprehensive income for the year		840,513	(16,391,157)	2,155,106	(14,690,271)
Total comprehensive income for the year		151,225,241	(53,806,888)	148,479,605	(80,967,626)

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit (loss) attributable to:				
Equity holders of the parent	142,244,670	(48,381,137)	146,324,499	(66,277,355)
Non-controlling interests	8,140,058	10,965,406	-	-
	<u>150,384,728</u>	<u>(37,415,731)</u>	<u>146,324,499</u>	<u>(66,277,355)</u>
Total comprehensive income attributable to:				
Equity holders of the parent	143,413,831	(64,347,073)	148,479,605	(80,967,626)
Non-controlling interests	7,811,410	10,540,185	-	-
	<u>151,225,241</u>	<u>(53,806,888)</u>	<u>148,479,605</u>	<u>(80,967,626)</u>
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent				
(Baht per share)	<u>0.459</u>	<u>(0.156)</u>	<u>0.472</u>	<u>(0.214)</u>

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

In Baht										
Equity holders of the parent										
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of shareholders' equity			Total equity holders of the parent	Non-controlling interests	Total shareholders' equity
			Appropriated for legal reserve	Unappropriated	Premium on revaluation of investments	Exchange differences on translating financial statements	Total other component of shareholders' equity			
	309,879,000	1,187,139,623	31,000,000	117,797,362	192,110	(80,868,310)	(80,676,200)	1,565,139,785	23,648,772	1,588,788,557
	-	-	-	(48,381,137)	-	-	-	(48,381,137)	10,965,406	(37,415,731)
	-	-	-	(5,475,233)	51,465	(10,542,168)	(10,490,703)	(15,965,936)	(425,221)	(16,391,157)
	-	-	-	(53,856,370)	51,465	(10,542,168)	(10,490,703)	(64,347,073)	10,540,185	(53,806,888)
	-	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
	309,879,000	1,187,139,623	31,000,000	63,940,992	243,575	(91,410,478)	(91,166,903)	1,500,792,712	29,188,957	1,529,981,669
4	309,879,000	1,187,139,623	31,000,000	63,940,992	243,575	(91,410,478)	(91,166,903)	1,500,792,712	29,188,957	1,529,981,669
	-	-	-	243,575	(243,575)	-	(243,575)	-	-	-
	309,879,000	1,187,139,623	31,000,000	64,184,567	-	(91,410,478)	(91,410,478)	1,500,792,712	29,188,957	1,529,981,669
	-	-	-	-	-	-	-	-	2,250,000	2,250,000
	-	-	-	142,244,670	-	-	-	142,244,670	8,140,058	150,384,728
	-	-	-	7,088,339	-	(5,919,178)	(5,919,178)	1,169,161	(328,648)	840,513
	-	-	-	149,333,009	-	(5,919,178)	(5,919,178)	143,413,831	7,811,410	151,225,241
	-	-	-	-	-	-	-	-	(9,500,000)	(9,500,000)
	309,879,000	1,187,139,623	31,000,000	213,517,576	-	(97,329,656)	(97,329,656)	1,644,206,543	29,750,367	1,673,956,910

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

In Baht								
Note	Retained earnings (deficit)				Other components of shareholders' equity			
	Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Other comprehensive income		Total other component of shareholders' equity	Total shareholders' equity
					Premium on revaluation of investments	Exchange differences on translating financial statements		
Balance as at 1 January 2019	309,879,000	1,187,139,623	31,000,000	51,416,825	192,110	(80,868,310)	(80,676,200)	1,498,759,248
Loss for the year	-	-	-	(66,277,355)	-	-	-	(66,277,355)
Other comprehensive income for the year	-	-	-	(4,199,568)	51,465	(10,542,168)	(10,490,703)	(14,690,271)
Total comprehensive income for the year	-	-	-	(70,476,923)	51,465	(10,542,168)	(10,490,703)	(80,967,626)
Balance as at 31 December 2019	309,879,000	1,187,139,623	31,000,000	(19,060,098)	243,575	(91,410,478)	(91,166,903)	1,417,791,622
Balance as at 1 January 2020	309,879,000	1,187,139,623	31,000,000	(19,060,098)	243,575	(91,410,478)	(91,166,903)	1,417,791,622
Cumulative effect of change in accounting policy	4	-	-	243,575	(243,575)	-	(243,575)	-
Balance as at 1 January 2020 - restated	309,879,000	1,187,139,623	31,000,000	(18,816,523)	-	(91,410,478)	(91,410,478)	1,417,791,622
Profit for the year	-	-	-	146,324,499	-	-	-	146,324,499
Other comprehensive income for the year	-	-	-	8,074,284	-	(5,919,178)	(5,919,178)	2,155,106
Total comprehensive income for the year	-	-	-	154,398,783	-	(5,919,178)	(5,919,178)	148,479,605
Balance as at 31 December 2020	309,879,000	1,187,139,623	31,000,000	135,582,260	-	(97,329,656)	(97,329,656)	1,566,271,227

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax income (expense)	162,439,138	(30,928,141)	150,393,080	(70,464,487)
Adjustments to reconcile profit (loss) to net cash provided by operating activities				
Unrealized gain on exchange rate	(246,158)	(6,091)	(246,158)	(6,091)
Depreciation	50,435,300	53,330,829	47,173,058	50,649,283
Amortization	3,347,653	2,956,418	2,598,620	2,307,037
Loss on obsolescence of supplies (reversal)	(222,306)	-	(222,306)	-
Loss from disposal and written-off of assets	335,103	313,812	335,103	313,812
Unrealized gain from changes in value of investments	(21,571)	-	(21,571)	-
Non-current provisions for employee benefits expenses	9,430,825	25,630,582	7,108,601	21,952,042
Interest income	(3,833,433)	(5,774,891)	(3,648,736)	(5,617,843)
Dividends income from subsidiary	-	-	(28,500,000)	(15,000,000)
Interest expenses	357,065	130,160	253,145	70,215
Profit (loss) from operating activities before change in operating assets and liabilities	222,021,616	45,652,678	175,222,836	(15,796,032)
(Increase) decrease in operating assets				
Trade and other current receivables	(83,462,670)	94,238,663	(124,419,231)	97,209,622
Unbilled receivables	(258,135,359)	(16,969,265)	(240,107,366)	(16,969,265)
Supplies	(35,524,324)	(1,129,670)	(36,377,612)	(1,134,096)
Other non-current assets	(752,217)	(147,200)	(767,017)	(60,000)
Increase (decrease) in operating liabilities				
Trade and other current payables	136,506,201	20,879,520	131,851,602	13,448,536
Advance received from contractors	93,309,933	32,348,393	85,183,553	32,348,393
Deferred construction revenues	2,634,294	10,188,363	9,680,531	3,142,126
Employee benefit obligations paid	(2,214,768)	(2,399,003)	(1,173,828)	(1,956,622)
Cash received from operating activities	74,382,706	182,662,479	(906,532)	110,232,662
Cash receipt from refundable income tax	23,267,178	-	23,267,178	-
Cash paid for income tax	(37,025,121)	(24,769,401)	(19,969,176)	(14,299,349)
Net cash provided by operating activities	60,624,763	157,893,078	2,391,470	95,933,313

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in current investments	-	24,101,053	-	24,101,053
Increase in fixed deposits pledged as collateral	(1,987,467)	(22,635,310)	(1,987,467)	(22,635,310)
Cash paid for additional investment in subsidiary	-	-	(6,750,000)	-
Proceeds from disposals of equipment and vehicles	1,264,953	2,370,373	1,264,953	2,370,373
Cash paid for acquisition of plant and equipment	(42,895,249)	(35,152,740)	(39,567,978)	(32,062,550)
Cash paid for acquisition of intangible assets	(2,508,166)	(1,177,667)	(2,318,020)	(571,333)
Proceeds from interest income	4,140,337	5,640,182	3,954,148	5,485,835
Dividends income from subsidiary	-	-	28,500,000	15,000,000
Net cash used in investing activities	(41,985,592)	(26,854,109)	(16,904,364)	(8,311,932)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment for lease liabilities	(2,518,047)	(1,627,746)	(1,452,976)	(1,131,391)
Interest paid	(357,065)	(130,160)	(253,145)	(70,215)
Dividends paid to non-controlling interests	(9,500,000)	(5,000,000)	-	-
Dividends paid	-	(721)	-	(721)
Cash received from capital increasing from non-controlling interests	2,250,000	-	-	-
Net cash used in financing activities	(10,125,112)	(6,758,627)	(1,706,121)	(1,202,327)
Exchange differences on translating financial statements	(5,919,178)	(10,542,168)	(5,919,178)	(10,542,168)
Net increase (decrease) in cash and cash equivalents	2,594,881	113,738,174	(22,138,193)	75,876,886
Cash and cash equivalents, beginning of year	744,219,469	630,481,295	696,838,821	620,961,935
Cash and cash equivalents, end of year	746,814,350	744,219,469	674,700,628	696,838,821
SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION				
Non-cash transactions				
Increase in lease liabilities	6,989,336	4,455,651	5,177,161	3,111,296
Decrease in accrued dividends	-	(721)	-	(721)
Increase (decrease) in accrued interest income	(306,904)	134,709	(305,412)	132,008

The notes to financial statements are an integral part of these financial statements.

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Sriracha Construction Public Company Limited is a public company incorporated and domiciled in Thailand. The Company engages in construction business, rendering manpower services and maintenance service. The major shareholder of the Company is Sriracha Holding Co., Ltd. which holds 47% shares. The registered addresses are as follows:

Head Office is located at 97 Moo 3, Surasak Sub-district, Sriracha District, Chonburi.

Branch Office 1 is located at 153 Moo 3, Surasak Sub-district, Sriracha District, Chonburi.

Madagascar Branch is located at LOT VA 46 TSIADANA AMPASANIMALO - 101 ANTANANARIVO - MADAGASCAR.

Coronavirus disease 2019 Pandemic

The Coronavirus 2019 (COVID-19) pandemic in Thailand during the beginning of the year 2020 and the epidemic situation in other countries which recently have ongoing cases of COVID-19 infected people continuously. As a result, Thailand Government issued measures to control the spread of COVID-19 during the time and control areas announced lay the government, such as the announcement of the Emergency Decree on Public Administration in Emergency Situations, temporary closing of many places, suspension of services from various service places and refraining from activities, etc. These matters resulted in an economic slowdown and impacted global business and industries. However, the Group's management is now paying close attention to the development of the COVID-19 pandemic and has continuously evaluating its impacts on the operation. In this regard, the management has used estimates and judgement in respect of various issues as the situation has evolved.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PREPARATION

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Thailand Federation of Accounting Professions ("TFAC"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

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. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. All financial information presentation has been rounded to Baht unless other misstated.

The consolidated financial statements included the accounts of subsidiary that the Company being influence over the control is as follow:

Company name	Country of incorporation	The date of commencing control	Percentage of holding by company
<u>Subsidiary</u>			

Outsourcing maintenance service business

Significant transactions with subsidiary in the consolidated financial statements have been eliminated.

“The Company” represents “Sriracha Construction Public Company Limited” while “The Group” represents “Sriracha Construction Public Company Limited and its subsidiary”.

Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within shareholders’ equity in the consolidated statement of financial position.

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial Reporting Standards that became effective in the current period

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

3.1.1 Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five financial reporting standards, accounting standards and financial reporting standard interpretations, as follows;

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost, taking into account the type of instrument, the characteristics of the contractual cash flows and the entity’s business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The effects of the adoption of these standards on the Group's interim financial statements are described below:

- The measurement method of impairment of financial assets

The Group is to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Group's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at 1 January 2020.

- Recognition of investment in opened-end fund

The Group initially recognised investment in opened-end fund at their fair value on the contract date and subsequently measure them at their fair value at the end of each reporting period. Changes in the fair value of investment in opened-end fund are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated. The effect of the change is described in Note 4 to the consolidated financial statements.

3.1.2 TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The adoption of this financial reporting standard has no material impact to the Group's interim financial statements. For leases previously classified as finance leases, the Group recognised the carrying amount of the finance lease asset and lease liability as at 1 January 2020, as the carrying amount of the right-of-use asset (presented as part of underlying assets) and the lease liability. In addition, in applying TFRS 16 for the contracts exist before 1 January 2020, for the first time, the Group has used the following practical expedients permitted by the standard:

- The accounting for operating leases with a remaining lease term of less than 12 months from 1 January 2020 as short-term leases
- Elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

During the year 2020, The Federation of Accounting Professions has issued the Notification regarding the revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, totaling 16 number, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, revising the definition of materiality, definition of business and accounting requirement for Interest Rate Benchmark Reform.

In addition, in January 2021, The Federation of Accounting Professions has issued the Notification regarding a revision from year 2020 of five Thai Accounting Thai Financial Reporting Standards, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2022 onwards (except for consent to reduce rental fee relate to covid-19, it will be effective for accounting period beginning or after 1 June 2020). The most of the changes directed towards revisions of accounting requirement for Covid-19 Related Rent Concessions which meet specified conditions and Interest Rate Benchmark Reform-Phase 2.

The Group's management will adopt the relevant TFRSs in the preparation of Group's financial statements when they become effective. The Group's management is on the evaluating process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

Financial reporting standards related to financial instruments.

As described in Note 3 to the financial statements, during the current period, the Group have adopted financial reporting standards related to financial instruments. The cumulative effect of initially applying these financial reporting standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the financial information was not restated.

The effect of the changes in accounting policies due to the adoption of these standards are shown below:

	In Baht		
	Consolidated financial statements		
	31 December 2019	The effect of TFRS 9	1 January 2020
Statement of financial position			
Assets			
Current assets			
Current investments	5,825,624	(5,825,624)	-
Other current financial assets	-	5,825,624	5,825,624
Shareholders' equity			
Retained earnings	63,940,992	243,575	64,184,567
Other components of shareholders' equity	(91,166,903)	(243,575)	(91,410,478)
	In Baht		
	Separate financial statements		
	31 December 2019	The effect of TFRS 9	1 January 2020
Statement of financial position			
Assets			
Current assets			
Current investments	5,825,624	(5,825,624)	-
Other current financial assets	-	5,825,624	5,825,624
Shareholders' equity			
Deficits	(19,060,098)	243,575	(18,816,523)
Other components of shareholders' equity	(91,166,903)	(243,575)	(91,410,478)

The effect to the retained earnings (deficit) as at 1 January 2020 in the consolidated and separate financial statements in the amount of Baht 243,575 above is due to the classification and measurement the fair value of the investment in the open-ended fund through profit or loss according to TFRS 9.

The classification and measurement basis, and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

	In Baht			
	Classification and measurement in accordance with TFRS 9			
	Carrying amounts under the former basis	Fair value through profit or loss	Amortized cost	Total
Consolidated financial statements as at 1 January 2020				
Financial assets				
Cash and cash equivalents	744,219,469	-	744,219,469	744,219,469
Trade receivables	171,827,665	-	171,827,665	171,827,665
Retention receivables	4,802,026	-	4,802,026	4,802,026
Other current financial assets	5,825,624	5,825,624	-	5,825,624
Restricted bank deposits	136,849,184	-	136,849,184	136,849,184
Total financial assets	1,063,523,968	5,825,624	1,057,698,344	1,063,523,968
Separate financial statements as at 1 January 2020				
Financial assets				
Cash and cash equivalents	696,838,821	-	696,838,821	696,838,821
Trade receivables	82,196,051	-	82,196,051	82,196,051
Retention receivables	4,802,026	-	4,802,026	4,802,026
Other current financial assets	5,825,624	5,825,624	-	5,825,624
Restricted bank deposits	136,849,184	-	136,849,184	136,849,184
Total financial assets	926,511,706	5,825,624	920,686,082	926,511,706

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

5. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below;

5.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

Deposits at financial institutions that are restricted in use are presented as “Fixed deposits pledged as collateral” under non - current assets in the statement of financial position.

5.2 Supplies

Supplies are stated at the lower of cost or net realizable value. Cost is determined by the average method.

5.3 Construction contracts

A Construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, or their ultimate purpose or use.

The Group recognizes revenue from construction contracts over time only if the Group can reasonably measure its progress towards complete satisfaction of the construction performance obligation. In the case that the Group is unable to reasonably measure the outcome of a construction performance, but the Group expects to recover the costs incurred in satisfying the performance obligation. The Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Measuring progress has been determined using input method which is calculated as a proportion of the actual completed construction costs to total budget costs.

When it is probable that total construction costs will exceed total construction revenue, the expected loss is recognised as an expense immediately.

When measuring progress, the Group excludes from the measure of progress any goods or services for which the Group does not transfer control to a customer. Conversely, the Group includes in the measure of progress any goods or services for which the Group transfers control to a customer when satisfying that performance obligation.

The Group's construction contracts typically are fixed price which payments from customers are based on a monthly billing schedule according to construction progress. Therefore, the Group recognizes trade receivables (including accrued income) when the Group has the right to receive payments according to such billing schedule indicated in the contracts.

Contract assets represent the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer which determined by costs incurred plus recognised profits (less recognised losses) exceed progress billings and presented as unbilled completed works.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue. The Group's contract liabilities consists of deferred construction revenues which is determined as progress billings exceed costs incurred plus recognised profits (less recognised losses) and advance received for construction work which is the amount received before the related work is performed and will gradually be settle net with the payments of progress billing from customers.

5.4 Investment in subsidiary

Subsidiary is all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains (losses) on transactions between group companies are eliminated; unrealised 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, respectively.

In the Company's separated financial statements, investment in subsidiary is accounted for at cost less impairment (if any).

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

5.5 Investment in associated company

Associate is the company in which the Company has significant influence over the associate that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investment in associated is stated by equity method in consolidated financial statements. In case of the associate has capital deficiencies the recognition of Company's portion on such investment will be equal to zero only.

Investment in associate is accounted for in the separate financial statement using the cost method net of impairment (if any).

5.6 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets, except for land, are stated at historical cost less accumulated depreciation.

Depreciation of plant and equipment is calculated on the straight-line method over their estimated useful lives are as follows:

	<u>No. of Years</u>
Land improvement	10
Building and structure	10 - 20
Machinery and equipment	5 - 10
Fixtures and office equipment	5
Vehicles	5 - 10
Computer	5

When assets are sold or retired, the Group will eliminate their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the profit or loss.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of the replacement part is included in the carrying amount of the asset is depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Work in progress are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

5.7 Intangible asset

Intangible asset is right to use a computer program that looks at a specific purchase recorded as an asset when the cost of acquisition and action to a particular computer program used accompanied by a request. It is amortized using the straight-line method over the estimated useful life of 5 - 10 years.

5.8 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets - cost of spectrum licenses, other related right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.9 Translation of foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

5.10 Translation of foreign currency financial statements

The financial statements of a branch in foreign country have been prepared in the currency of the Malagasy Ariary. The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

5.11 Leases

Accounting policies adopted since 1 January 2020

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets

Right-of-use assets included in property, plant and equipment asset, are recognised at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee 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.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopt before 1 January 2020

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized 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. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the assets.

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 in profit or loss on a straight-line basis over the period of the lease.

5.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

5.13 Provision

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 recognized as a separate asset but only when the reimbursement is virtually certain.

5.14 Revenue and cost recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties for example value added tax or other output taxes and is after deduction of any trade discounts and volume rebates.

Revenue from construction service

For construction contract, which mutually agreed before commencing related work, the customer controls assets under construction as which the Group's performance creates. Therefore, revenues have been recognized over time of construction using input method (Note 5.3) for measuring progress of construction. This method measures construction progress as a proportion of the actual completed construction costs to total budget costs. The Group determines that input method is able to reasonably depict the Group's performance in transferring control of goods or services promised to a customer.

Revenue from rendering manpower services and maintenance service

The Group recognizes revenue from rendering manpower services and maintenance service throughout the service period as the customers simultaneously receive and consume the benefits as the Group provides the services. The Group recognizes revenue in the amount to which the Group has a right to invoice.

Interest income is recognized using the effective interest method. Other income are recognised by accrual basis. Dividend income is recognised on the date the Group's right to receive payments is established.

5.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred income tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.16 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

The Group recognize an allowance for expected credit losses on its financial assets which measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables and contract assets that do not contain significant financing components, in which the Group applies a simplified approach to determine the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses of receivables and contract assets at each reporting date. It is based on its historical credit loss experience and adjusted for forecast factors specific to the debtors and the economic environment, including time value of money as appropriate.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopt before 1 January 2020

Trade receivables

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Current investments

Current investments consists of 3 - 12 months fixed deposit and investment in mutual fund which are stated at fair value, determined from their net asset value.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5.18 Critical accounting estimates and assumption

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Property plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations to transfer goods or services to a customer, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates an asset that the customer controls as the asset is created; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, The group recognizes revenue at a point in time, the management is required to use judgement when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on a proportion of the actual completed construction costs to total budget costs.

Estimated of 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, including labour costs, construction overheads, other direct costs and indirect systematically allocated costs to be incurred to completion of construction, taking into account the direction of the movement in these costs. Estimates are reviewed regularly when there is change in scope of work or whenever actual costs differ significantly from the figures used in the original estimate.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques by using the Projected Unit Credit Method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.19 Related parties

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 closed 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.

5.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders.

6. TRANSACTIONS WITH RELATED PERSONS AND COMPANIES

6.1 Relationships and pricing policies

The relationship and pricing policies among the Company with related persons and companies are as follows:

	<u>Relationships</u>
<u>Parent company</u> Sriracha Holding Co., Ltd.	The Company's shareholder and directorship
<u>Associated company</u> Thai Taihei Co., Ltd.	The Company owns 21% and directorship
<u>Subsidiary</u> SCC Maintenance Services Co., Ltd.	Shareholding by the Company and directorship
<u>Related companies</u> SCC Park Co., Ltd. B.K.One Sriracha Co., Ltd.	Directorship Directorship
<u>Related Persons</u> Boonkrua Khemapiratana Gridsada Potisomporn	The Company's director and shareholder The Company's director and shareholder

	<u>Pricing policies for significant transactions</u>
<u>Transactions</u> Revenue from services and construction Revenue from sales Rental income Purchase of materials Rental and service expenses Administrative expenses Acquisition of assets Consultant fee	At price which had been agreed upon. At normal business prices, as same as other entities. At contract prices. At normal business prices, as same as other entities. At contract prices. At normal business prices, as same as other entities. At cost plus margin. At contract prices.

6.2 Balances of transactions with related companies

Balances of transactions with related parties as at 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivable (Note 8)				
SCC Maintenance Services Co., Ltd.	-	-	68,116,783	3,527,180
Unbilled receivable				
SCC Maintenance Services Co., Ltd.	-	-	119,696,703	-
Trade payable (Note 19)				
SCC Maintenance Services Co., Ltd.	-	-	5,845,198	11,991
Other Current payable (Note 19)				
SCC Park Co., Ltd.	-	542,490	-	542,490
Advance received from customer				
SCC Maintenance Services Co., Ltd.	-	-	70,537,658	-

6.3 Revenues and expenses with related persons and companies

Transactions with related parties for the years ended 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenues from service				
SCC Maintenance Services Co., Ltd.	-	-	773,358	24,715,235
Revenues from construction service				
SCC Maintenance Services Co., Ltd.	-	-	469,222,568	-
Property rental income				
SCC Maintenance Services Co., Ltd.	-	-	1,170,000	2,542,100
Dividend income				
SCC Maintenance Services Co., Ltd.	-	-	28,500,000	15,000,000
Service expense				
SCC Maintenance Services Co., Ltd.	-	-	4,580,518	848,413
SCC Park Co., Ltd.	2,600	45,000	2,600	45,000
Total	2,600	45,000	4,583,118	893,413
Rental expense				
SCC Park Co., Ltd.	6,609,880	5,959,880	6,509,880	5,959,880
B.K.One Sriracha Co., Ltd.	187,158	106,105	187,158	106,105
Total	6,797,038	6,065,985	6,697,038	6,065,985
Directors and management's benefits				
Short-term employee benefits	26,964,640	26,506,755	26,964,640	26,506,755
Post-employment benefits	146,505	2,007,738	146,505	2,007,738
Total	27,111,145	28,514,493	27,111,145	28,514,493

7. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	690,774	520,297	600,774	430,297
Current deposits	60,557,086	69,673,880	39,401,864	49,475,299
Saving deposits	563,998,302	550,279,060	513,401,506	523,457,932
Fixed deposits, maturity less than 3 months	121,568,188	123,746,232	121,296,484	123,475,293
Total	<u>746,814,350</u>	<u>744,219,469</u>	<u>674,700,628</u>	<u>696,838,821</u>

The interest rates of deposits at financial institutions as at 31 December 2020 were 0.10% to 0.85% per annum. (31 December 2019: 0.37% to 1.45% per annum)

8. TRADE AND OTHER CURRENT RECEIVABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related company (Note 6.2)	-	-	68,116,783	3,527,180
Trade receivables - other companies	168,713,258	126,644,631	58,022,680	54,426,648
Accrued income	22,991,985	45,183,034	15,572,874	24,242,223
Total trade receivables	<u>191,705,243</u>	<u>171,827,665</u>	<u>141,712,337</u>	<u>82,196,051</u>

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other current receivables				
Retention receivables (Note 9)	57,931,409	4,802,026	57,448,799	4,802,026
Receivable - Revenue Department	46,954,853	42,170,930	38,765,690	40,529,591
Prepaid foreign income tax	18,350,566	22,822,930	18,350,566	22,822,930
Other receivables	11,738,126	7,285,819	10,715,980	5,874,686
Advance payment to contractors	5,155,025	-	5,155,025	-
Total other current receivables	<u>140,129,979</u>	<u>77,081,705</u>	<u>130,436,060</u>	<u>74,029,233</u>
Total trade and other current receivables	<u>331,835,222</u>	<u>248,909,370</u>	<u>272,148,397</u>	<u>156,225,284</u>

Aging of trade accounts receivable as at 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade receivables - related company				
Within credit terms	-	-	68,098,735	3,492,405
Overdue				
Less than 3 months	-	-	18,048	34,775
Total trade receivables - related company	-	-	68,116,783	3,527,180
Trade receivables - other companies				
Within credit terms	161,586,998	116,625,974	52,254,730	48,405,397
Overdue				
Less than 3 months	6,756,218	10,018,657	5,401,808	6,021,251
3-6 months	370,042	-	366,142	-
Total trade receivables - other companies	168,713,258	126,644,631	58,022,680	54,426,648

For trade receivables, the Group considers the allowance for lifetime expected credit losses based on the Group's historical experience, analysis of current receivables' and analysis of current general economic conditions. Management determines that the Group has no significant credit losses arising from the trade receivables outstanding as at 31 December 2020.

9. UNBILLED RECEIVABLES / DEFERRED CONSTRUCTION REVENUES

9.1 Unbilled receivables

	In Baht			
	Consolidated		separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Value of signed construction contracts	2,601,691,253	903,285,220	2,397,504,559	903,285,220
Construction revenues recognized to date	1,213,651,435	123,457,653	1,101,865,818	123,457,653
Less Installments due to date	(911,674,333)	(79,615,910)	(817,916,709)	(79,615,910)
Unbilled receivables	301,977,102	43,841,743	283,949,109	43,841,743
Retention receivables	31,675,861	119,035	31,193,250	119,035
Advance received from construction	127,219,838	30,392,897	119,093,458	30,392,897

9.2 Deferred construction revenues

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Value of signed construction contracts	494,558,996	261,781,887	494,558,996	196,781,887
Construction revenues recognized to date	267,121,064	195,200,163	267,121,064	165,778,574
<u>Less</u> Installments due to date	(279,943,721)	(205,388,526)	(279,943,721)	(168,920,700)
Unbilled receivables	(12,822,657)	(10,188,363)	(12,822,657)	(3,142,126)
Retention receivables	26,255,549	4,682,991	26,255,549	4,682,991
Advance received from construction	-	3,517,008	-	3,517,008

As at 31 December 2020 and 2019, the Group has transactions from construction contracts in the statements of financial position as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current assets				
Retention receivables (Note 8)	57,931,409	4,802,026	57,448,799	4,802,026
Unbilled receivables	301,977,102	43,841,743	283,949,109	43,841,743

Current liabilities				
Advance received from construction	127,219,838	33,909,905	119,093,458	33,909,905
Deferred construction revenues	12,822,657	10,188,363	12,822,657	3,142,126

The aggregate amount of the transaction price of construction contracts allocated to the performance obligation that are unsatisfied as at 31 December 2020 is approximately Baht 1,615 million. The management estimates that revenues will be recognized according to the transfer of the construction contracts in 2021 - 2022 of approximately Baht 1,566 million and Baht 49 million, respectively.

10. SUPPLIES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cost	55,375,714	19,851,390	49,978,718	13,601,106
<u>Less</u> allowance for obsolescence of supplies	(898,364)	(1,120,670)	(898,364)	(1,120,670)
Supplies - net	54,477,350	18,730,720	49,080,354	12,480,436

11. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at 31 December 2020 and 2019 are as follows:

	In Baht	
	Consolidated and Separate financial statements	
	2020	2019
Investments in equity instruments-unit trusts-open-end fund	5,847,195	-

Movement of the investment in the open-ended fund which measured with fair value through profit or loss is as follow:

	In Baht
	Consolidated and Separate financial statements
For the years ended 31 December 2020	
Net book value, beginning of years	-
<u>Add</u> Impact of adoption of the new financial reporting standards	5,825,624
<u>Add</u> Gain on change in fair value	21,571
Net book value, end of years	5,847,195

12. RESTRICTED BANK DEPOSITS

	In Baht	
	Consolidated and Separate financial statements	
	Interest rates (%)	
	2020	2019
3-months fixed deposits	0.10 - 0.25	0.65
12-months fixed deposits	0.20	0.75 - 0.90
Total	138,836,651	136,849,184

Such deposits were pledged as collateral against credit facilities from the financial institutions (Notes 18 and 29.2).

13. INVESTMENT IN SUBSIDIARY

Separate financial statements

Company name	Paid-up capital (In Baht)		Holdings (%)		At cost (In Baht)	
	2020	2019	2020	2019	2020	2019
SCC Maintenance Services Co., Ltd.	10,000,000	1,000,000	75	75	11,722,619	4,972,619

On 25 February 2020, the Board of Directors Meeting No.1/2020 of the Company approved invest into SCC Maintenance Services Co., Ltd. totaling 675,000 shares at the par value of Baht 10 each, amounting to Baht 6,750,000. The Company has a shareholding proportion 75%. Such subsidiary registered an increase in share capital and change list of shareholder with Department of Business Development, the Ministry of Commerce on 16 June 2020.

Details of non-controlling interests of the Group's non- wholly owned subsidiary are as follow:

In Baht

Company name	Proportion of equity interest held by on-controlling interests (%)		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests	
	2020	2019	2020	2019	2020	2019	2020	2019
SCC Maintenance Services Co., Ltd.	25	25	29,750,367	29,188,957	8,140,058	10,965,406	9,500,000	5,000,000

14. INVESTMENT IN ASSOCIATED COMPANY

Company name			In Baht			
			Consolidated financial statements		Separate financial statements	
	Holdings (%)		At equity method		At cost	
	2020	2019	2020	2019	2020	2019
Thai Taihei Co., Ltd.	21	21	-	-	606,600	606,600
<u>Less</u> Allowance for impairment of investment			-	-	(606,600)	(606,600)
Net			-	-	-	-

Thai Taihei Co., Ltd. was incorporated in Thailand and engages in business of consultant for the construction services and had not commenced any significant operation.

15. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements

	In Baht							
	Land and land improvement	Building and structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Building and Machinery in progress	Total
As at 1 January 2019								
Cost	267,634,658	324,013,794	295,443,843	17,797,391	67,515,785	41,794,446	2,990,184	1,017,190,101
<u>Less</u> Accumulated depreciation	(9,429,403)	(121,562,643)	(219,743,655)	(13,644,356)	(53,049,881)	(25,845,171)	-	(443,275,109)
Net book value	<u>258,205,255</u>	<u>202,451,151</u>	<u>75,700,188</u>	<u>4,153,035</u>	<u>14,465,904</u>	<u>15,949,275</u>	<u>2,990,184</u>	<u>573,914,992</u>
For the year ended 31 December 2019								
Opening net book value	258,205,255	202,451,151	75,700,188	4,153,035	14,465,904	15,949,275	2,990,184	573,914,992
<u>Add</u> Acquisitions	-	-	4,481,856	500,676	10,192,957	1,027,771	23,405,131	39,608,391
Transfer in (out)	1,893,861	5,170,329	-	-	-	-	(7,064,190)	-
<u>Less</u> Disposals and write off assets	-	-	(1,691,424)	(9,217)	(983,544)	-	-	(2,684,185)
Depreciation	(4,166,453)	(25,275,473)	(14,720,001)	(1,496,297)	(4,600,006)	(3,072,599)	-	(53,330,829)
Closing net book value	<u>255,932,663</u>	<u>182,346,007</u>	<u>63,770,619</u>	<u>3,148,197</u>	<u>19,075,311</u>	<u>13,904,447</u>	<u>19,331,125</u>	<u>557,508,369</u>
As at 31 December 2019								
Cost	269,528,519	329,184,123	288,213,549	18,188,373	72,181,641	42,822,216	19,331,125	1,039,449,546
<u>Less</u> Accumulated depreciation	(13,595,856)	(146,838,116)	(224,442,930)	(15,040,176)	(53,106,330)	(28,917,769)	-	(481,941,177)
Net book value	<u>255,932,663</u>	<u>182,346,007</u>	<u>63,770,619</u>	<u>3,148,197</u>	<u>19,075,311</u>	<u>13,904,447</u>	<u>19,331,125</u>	<u>557,508,369</u>

Consolidated financial statements

	In Baht							
	Land and land improvement	Building and structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Building and Machinery in progress	Total
For the year ended 31 December 2020								
Opening net book value	255,932,663	182,346,007	63,770,619	3,148,197	19,075,311	13,904,447	19,331,125	557,508,369
<u>Add</u> Acquisitions	-	-	23,553,650	1,319,042	13,307,010	2,861,016	8,843,867	49,884,585
<u>Less</u> Disposals and write off assets	-	-	(1,600,055)	-	(1)	-	-	(1,600,056)
Depreciation	(3,838,836)	(20,307,648)	(16,129,618)	(1,431,231)	(5,500,605)	(3,227,362)	-	(50,435,300)
Closing net book value	<u>252,093,827</u>	<u>162,038,359</u>	<u>69,594,596</u>	<u>3,036,008</u>	<u>26,881,715</u>	<u>13,538,101</u>	<u>28,174,992</u>	<u>555,357,598</u>
As at 31 December 2020								
Cost	269,528,519	329,184,123	308,957,928	19,507,415	83,729,651	45,683,232	28,174,992	1,084,765,860
<u>Less</u> Accumulated depreciation	(17,434,692)	(167,145,764)	(239,363,332)	(16,471,407)	(56,847,936)	(32,145,131)	-	(529,408,262)
Net book value	<u>252,093,827</u>	<u>162,038,359</u>	<u>69,594,596</u>	<u>3,036,008</u>	<u>26,881,715</u>	<u>13,538,101</u>	<u>28,174,992</u>	<u>555,357,598</u>

Separate financial statements

	In Baht							
	Land and land improvement	Building and structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Building and Machinery in progress	Total
As at 1 January 2019								
Cost	267,634,658	319,728,150	277,475,380	15,931,881	58,059,209	39,642,029	2,990,184	981,461,491
<u>Less</u> Accumulated depreciation	(9,429,403)	(120,116,532)	(204,856,894)	(12,075,635)	(46,063,376)	(24,012,416)	-	(416,554,256)
Net book value	<u>258,205,255</u>	<u>199,611,618</u>	<u>72,618,486</u>	<u>3,856,246</u>	<u>11,995,833</u>	<u>15,629,613</u>	<u>2,990,184</u>	<u>564,907,235</u>
For the year ended 31 December 2019								
Opening net book value	258,205,255	199,611,618	72,618,486	3,856,246	11,995,833	15,629,613	2,990,184	564,907,235
<u>Add</u> Acquisitions	-	-	3,173,142	423,780	7,311,991	859,802	23,405,131	35,173,846
Transfer in (out)	1,893,861	5,170,329	-	-	-	-	(7,064,190)	-
<u>Less</u> Disposals and write off assets	-	-	(1,691,424)	(9,217)	(983,544)	-	-	(2,684,185)
Depreciation	(4,166,453)	(24,846,908)	(13,726,126)	(1,378,703)	(3,580,710)	(2,950,383)	-	(50,649,283)
Closing net book value	<u>255,932,663</u>	<u>179,935,039</u>	<u>60,374,078</u>	<u>2,892,106</u>	<u>14,743,570</u>	<u>13,539,032</u>	<u>19,331,125</u>	<u>546,747,613</u>
As at 31 December 2019								
Cost	269,528,519	324,898,479	268,936,373	16,245,966	59,844,098	40,501,830	19,331,125	999,286,390
<u>Less</u> Accumulated depreciation	(13,595,856)	(144,963,440)	(208,562,295)	(13,353,860)	(45,100,528)	(26,962,798)	-	(452,538,777)
Net book value	<u>255,932,663</u>	<u>179,935,039</u>	<u>60,374,078</u>	<u>2,892,106</u>	<u>14,743,570</u>	<u>13,539,032</u>	<u>19,331,125</u>	<u>546,747,613</u>

Separate financial statements

	In Baht							
	Land and land improvement	Building and structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Building and Machinery in progress	Total
For the year ended 31 December 2020								
Opening net book value	255,932,663	179,935,039	60,374,078	2,892,106	14,743,570	13,539,032	19,331,125	546,747,613
<u>Add</u> Acquisitions	-	-	20,147,437	1,200,840	11,833,043	2,719,952	8,843,867	44,745,139
<u>Less</u> Disposals and write off assets	-	-	(1,600,055)	-	(1)	-	-	(1,600,056)
Depreciation	(3,838,836)	(19,879,084)	(14,765,055)	(1,300,822)	(4,292,811)	(3,096,450)	-	(47,173,058)
Closing net book value	<u>252,093,827</u>	<u>160,055,955</u>	<u>64,156,405</u>	<u>2,792,124</u>	<u>22,283,801</u>	<u>13,162,534</u>	<u>28,174,992</u>	<u>542,719,638</u>
As at 31 December 2020								
Cost	269,528,519	324,898,479	286,274,539	17,446,806	69,918,141	43,221,782	28,174,992	1,039,463,258
<u>Less</u> Accumulated depreciation	(17,434,692)	(164,842,524)	(222,118,134)	(14,654,682)	(47,634,340)	(30,059,248)	-	(496,743,620)
Net book value	<u>252,093,827</u>	<u>160,055,955</u>	<u>64,156,405</u>	<u>2,792,124</u>	<u>22,283,801</u>	<u>13,162,534</u>	<u>28,174,992</u>	<u>542,719,638</u>

As at 31 December 2020 and 2019, Right-of-use assets which the Group is a lessee have included in the property, plant and equipment are as follows:

	In Baht	
	Vehicles	
	Consolidated financial statements	Separate financial statements
As at 31 December 2019		
Cost	9,396,103	6,211,991
<u>Less</u> Accumulated depreciation	(1,195,028)	(432,562)
Net book value	8,201,075	5,779,429
For the year ended 31 December 2020		
Opening net book value	8,201,075	5,779,429
<u>Add</u> Acquisitions during year	10,336,028	7,747,243
<u>Less</u> Depreciation	(2,808,816)	(1,886,827)
Closing net book value	15,728,287	11,639,845
As at 31 December 2020		
Cost	19,732,131	13,959,234
<u>Less</u> Accumulated depreciation	(4,003,844)	(2,319,389)
Net book value	15,728,287	11,639,845

16. INTANGIBLE ASSETS

Movement in intangible assets during the year is as follows:

	In Baht	
	Consolidated financial statements	Separate financial statements
As at 1 January 2019		
Cost	36,394,325	32,106,475
<u>Less</u> Accumulated amortization	(25,027,628)	(23,252,624)
Net book value	11,366,697	8,853,851
For the year ended 31 December 2019		
Opening net book value	11,366,697	8,853,851
<u>Add</u> Acquisitions	1,177,667	571,333
<u>Less</u> Amortization	(2,956,418)	(2,307,037)
Closing net book value	9,587,946	7,118,147
As at 31 December 2019		
Cost	37,571,992	32,677,808
<u>Less</u> Accumulated amortization	(27,984,046)	(25,559,661)
Net book value	9,587,946	7,118,147

For the year ended 31 December 2020

Opening net book value	9,587,946	7,118,147
<u>Add</u> Acquisitions	2,508,166	2,318,020
<u>Less</u> Amortization	(3,347,653)	(2,598,620)

	In Baht	
	Consolidated financial statements	Separate financial statements
Closing net book value	8,748,459	6,837,547
As at 31 December 2020		
Cost	40,080,158	34,995,828
<u>Less</u> Accumulated amortization	(31,331,699)	(28,158,281)
Net book value	8,748,459	6,837,547

17. DEFERRED INCOME TAX ASSETS

The gross movement and the deferred income tax account is as follow:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
As at 1 January	15,019,940	8,720,421	12,037,032	6,812,874
Change to profit or loss	1,327,814	4,837,271	1,073,301	4,187,132
Change (credited) to other comprehensive income	(1,689,923)	1,462,248	(2,018,571)	1,037,026
As at 31 December	14,657,831	15,019,940	11,091,762	12,037,032

The movement in deferred tax assets and liabilities during the year is as follow:

	In Baht			
	At 1 January 2020	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income	At 31 December 2020
<u>Consolidated financial statement</u>				
<u>Deferred tax assets</u>				
Non-current provisions for employee benefits	21,022,534	1,443,212	(1,689,923)	20,775,823
Lease liabilities	18,799	37,661	-	56,460
Total	21,041,333	1,480,873	(1,689,923)	20,832,283
<u>Deferred tax liabilities</u>				
Depreciation	(5,960,500)	377,409	-	(5,583,091)
Unrealised gain of available-for-sale- investments	(60,893)	60,893	-	-
Accrued income	-	(591,361)	-	(591,361)
Total	(6,021,393)	(153,059)	-	(6,174,452)
Deferred tax - net	15,019,940	1,327,814	(1,689,923)	14,657,831

	In Baht			
	At 1 January 2020	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income	At 31 December 2020
<u>Separate financial statement</u>				
<u>Deferred tax assets</u>				
Non-current provisions for employee benefits	17,691,036	1,186,955	(2,018,571)	16,859,420
Lease liabilities	7,465	28,931	-	36,396
Total	17,698,501	1,215,886	(2,018,571)	16,895,816
<u>Deferred tax liabilities</u>				
Depreciation	(5,600,576)	387,883	-	(5,212,693)
Unrealised gain of available-for-sale-investments	(60,893)	60,893	-	-
Accrued income	-	(591,361)	-	(591,361)
Total	(5,661,469)	(142,585)	-	(5,804,054)
Deferred tax - net	12,037,032	1,073,301	(2,018,571)	11,091,762

	In Baht			
	At 1 January 2019	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income	At 31 December 2019
<u>Consolidated financial statement</u>				
<u>Deferred tax assets</u>				
Non-current provisions for employee benefits	15,220,552	4,326,868	1,475,114	21,022,534
Lease liabilities	45,425	(26,626)	-	18,799
Total	15,265,977	4,300,242	1,475,114	21,041,333

<u>Deferred tax liabilities</u>				
Depreciation	(6,497,529)	537,029	-	(5,960,500)
Unrealised gain of available-for-sale-investments	(48,027)	-	(12,866)	(60,893)
Total	(6,545,556)	537,029	(12,866)	(6,021,393)
Deferred tax - net	8,720,421	4,837,271	1,462,248	15,019,940

Separate financial statement

Deferred tax assets

Non-current provisions for employee benefits	12,961,506	3,679,638	1,049,892	17,691,036
Lease liabilities	33,089	(25,624)	-	7,465

	In Baht			
	At 1 January 2019	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income	At 31 December 2019
Total	12,994,595	3,654,014	1,049,892	17,698,501
<u>Deferred tax liabilities</u>				
Depreciation	(6,133,694)	533,118	-	(5,600,576)
Unrealised gain of available-for-sale- investments	(48,027)	-	(12,866)	(60,893)
Total	(6,181,721)	533,118	(12,866)	(5,661,469)
Deferred tax - net	6,812,874	4,187,132	1,037,026	12,037,032

The financial position of deferred tax assets and liabilities is as follow:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred income tax assets	20,832,283	21,041,333	16,895,816	17,698,501
Deferred income tax liabilities	(6,174,452)	(6,021,393)	(5,804,054)	(5,661,469)
Deferred income tax assets - net	14,657,831	15,019,940	11,091,762	12,037,032

18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 31 December 2020 and 2019, the Company has credit facilities for short-term loans and other facilities from financial institutions totaling Baht 567.06 million. Such loans are guaranteed by deposits at financial institutions (Note 12).

19. TRADE AND OTHER CURRENT PAYABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related company (Note 6.2)	-	-	5,845,198	11,991
Trade payables - other companies	134,432,185	27,125,849	116,606,959	15,532,482
Total trade payables	134,432,185	27,125,849	122,452,157	15,544,473
Other current payables				
Accrued expenses	86,319,507	58,141,345	77,424,683	51,416,712
Payable - Revenue Department	7,058,412	8,136,488	4,697,691	6,968,090
Other payables - related company (Note 6.2)	-	542,490	-	542,490
Other payables - other companies	5,454,055	2,808,766	4,560,623	2,808,766

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Total other current payables	98,831,974	69,629,089	86,682,997	61,736,058
Total trade and other current payables	233,264,159	96,754,938	209,135,154	77,280,531

20. LEASE LIABILITIES

The Group entered into the lease liabilities for vehicle with the lease period of 3 - 4 years with the amount of minimum installments and the present values for lease liabilities as follows;

	In Baht			
	Minimum installments amount		The present value of minimum installments amount	
	2020	2019	2020	2019
<u>Consolidated financial statements</u>				
Within 1 year	3,998,445	1,859,436	3,660,580	1,660,758
Over 1 to 5 years	5,193,024	2,625,131	4,972,012	2,500,545
	9,191,469	4,484,567	8,632,592	4,161,303
<u>Less</u> Deferred interest	(558,877)	(323,264)	-	-
	8,632,592	4,161,303	8,632,592	4,161,303
<u>Separate financial statements</u>				
Within 1 year	2,769,600	1,124,559	2,509,017	974,622
Over 1 to 5 years	4,125,662	1,848,331	3,935,399	1,745,609
	6,895,262	2,972,890	6,444,416	2,720,231
<u>Less</u> Deferred interest	(450,846)	(252,659)	-	-
	6,444,416	2,720,231	6,444,416	2,720,231

The movements of lease liabilities for the year ended 31 December 2020 are as follow:

	In Baht	
	Consolidated financial statements	Separate financial statements
As at 31 December 2019	4,161,303	2,720,231
Addition from lease agreement during the year	6,989,336	5,177,161
Accretion of interest	357,065	253,145
Payment	(2,875,112)	(1,706,121)
As at 31 December 2020	8,632,592	6,444,416
<u>Less</u> current portion	(3,660,580)	(2,509,017)
Lease liabilities - net of current portion	4,972,012	3,935,399

The following are the amounts for the year ended 31 December 2020 recognised in profit or loss:

	In Baht	
	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	2,808,816	1,886,827
Interest expense on lease liabilities	357,065	253,145
Expense relating to short-term lease	31,056,770	24,877,830
Leases of low-value underlying assets	1,138,485	227,900
Total	35,361,136	27,245,702

21. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movements of non-current provisions for employee benefits for the year ended 31 December 2020 and 2019 are summarized below:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Defined benefit obligations	105,112,671	74,505,524	88,455,182	63,210,302
Included in profit or loss:				
Current service costs	8,032,716	7,936,907	5,939,467	5,961,019
Past service costs	-	15,549,116	-	14,168,747
Current interest costs	1,398,109	2,144,559	1,169,134	1,822,276
Total	9,430,825	25,630,582	7,108,601	21,952,042
Included in other comprehensive income:				
Actuarial loss (profit) arising from				
Financial assumptions changes	(5,360,633)	8,145,565	(3,609,067)	6,789,016
Demographic assumptions changes	(8,532,314)	(769,997)	(5,884,461)	(1,539,556)
Experience adjustments	5,443,333	-	(599,327)	-
Total	(8,449,614)	7,375,568	(10,092,855)	5,249,460
Benefit paid by the plan	(2,214,768)	(2,399,003)	(1,173,828)	(1,956,622)
Defined benefit obligations	103,879,114	105,112,671	84,297,100	88,455,182

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of construction services	5,189,854	14,667,150	5,189,854	14,667,150
Cost of services	493,794	3,678,540	493,794	-
Administrative expenses	3,747,177	7,284,892	1,424,953	7,284,892
Total	9,430,825	25,630,582	7,108,601	21,952,042

The Group expect to pay Baht 19.21 million of long-term employee benefits during the next year (Separate financial statements: Baht 16.32 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 11.8 years.

Principal actuarial assumptions at the reporting date

For the year ended 31 December 2020 and 2019.

	Consolidated and Separate financial statements	
	2020	2019
Discount rate	1.37 % per annum	1.71% per annum
Salary increase rate	3.0 - 7.0%	3.0 - 8.0%
Employee turnover rate	Scale related to Age ranging from 0.0 - 45.0%	Scale related to Age ranging from 0.0 - 45.0%
Mortality rate	According to Thailand TMO 2017 Estimated adjusted death rate from 3.0% per annum.	According to Thailand TMO 2017 Estimated adjusted death rate from 3.0% per annum.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation at 31 December 2020				
Discount rate (1% movement)	(7,316,725)	7,547,921	(5,592,748)	5,639,985
Future salary growth (1% movement)	8,139,801	(7,261,549)	6,177,190	(5,547,205)
Turnover rate (20% movement)	(4,572,030)	5,527,055	(3,683,709)	4,524,663
Mortality rate (1% movement)	330,618	(364,937)	250,998	(275,672)
Defined benefit obligation at 31 December 2019				
Discount rate (1% movement)	(7,954,099)	9,223,287	(6,651,003)	7,700,021
Future salary growth (1% movement)	10,012,228	(8,806,410)	8,366,071	(7,369,340)
Turnover rate (20% movement)	(4,584,633)	5,655,794	(3,623,336)	4,446,453
Mortality rate (1% movement)	334,866	(370,231)	278,883	(307,991)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Amendments to the law relating to the legal severance pay rates

On 5 April 2019, the Labor Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group and the Company have additional long-term employee benefit liabilities of Baht 15.55 million and Baht 14.17 million, respectively. The Group reflected total effect of the change by recognising past service costs as expenses in the statement of comprehensive income in 2019.

22. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

23. PROVIDENT FUND

The Company established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund was approved by the Ministry of Finance. Under the plan, employees must contribute 3 percent of their basic salary, with 3 percent of the employees' basic salary based on employees' service years to be matched by the Company. The Company appointed an authorised fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Acts B.E. 2530.

For the year ended 31 December 2020 and 2019, the Group's contribution to the provident fund recorded in the consolidated financial statements is Baht 2.51 million and Baht 2.30 million, respectively. (Separate financial statements for 2020 and 2019 : Baht 2.10 million and Baht 1.89 million, respectively.)

24. INCOME TAX

Income tax expenses for the years ended 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax				
Income tax for the year	13,297,345	11,324,861	5,141,882	-
Overstatement of income tax of previously period	84,879	-	-	-
Total current income tax	13,382,224	11,324,861	5,141,882	-
Deferred income tax				
Relating to origination and reversal of temporary differences	(1,327,814)	(4,837,271)	(1,073,301)	(4,187,132)
Tax income (expense) presented in the statements of comprehensive income	12,054,410	6,487,590	4,068,581	(4,187,132)
Tax income recognised in other comprehensive income				
Gain on change in value of investment	-	12,866	-	12,866
Actuarial loss (profit)	1,689,923	(1,475,114)	2,018,571	(1,049,892)
Total	1,689,923	(1,462,248)	2,018,571	(1,037,026)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before income tax	162,439,138	(30,928,141)	150,393,080	(70,464,487)

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Applicable tax rate	20%	20%	20%	20%
Income tax	32,487,828	(6,185,628)	30,078,616	(14,092,897)
Effects of:				
Tax losses	1,533,702	13,658,090	1,533,702	13,658,090
Non-deductible expenses	2,110,435	5,233,427	1,614,657	4,470,655
Additional expenses deductible for tax purposes	(1,078,912)	(1,381,028)	(629,385)	(1,035,848)
Income not subject to tax	-	-	(5,700,000)	(3,000,000)
Utilization of taxable loss carried forward	(26,897,590)	-	(26,897,590)	-
Income tax of foreign branches	5,141,882	-	5,141,882	-
Additional income tax of prior years	84,879	-	-	-
Current income tax expenses	13,382,224	11,324,861	5,141,882	-
Changes of temporary differences	(1,327,814)	(4,837,271)	(1,073,301)	(4,187,132)
Income tax expenses (income) presented in the statements of comprehensive income	12,054,410	6,487,590	4,068,581	(4,187,132)

Information about deferred tax further disclosed in Note 17.

As at 31 December 2020 and 2019, the Group has not recognized deferred tax assets in respect of loss as follows:

	In Million Baht	
	Consolidated and Separate	
	financial statements	
	2020	2019
Loss carry forward	120	247

25. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2020 and 2019 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Purchase of materials and consumable used	258,587,948	94,842,635	229,755,842	57,708,506
Staff costs	712,908,999	555,266,064	577,848,948	411,921,765
Subcontractors costs	218,682,726	112,238,624	179,496,160	73,029,062
Short-term and low-value of rental land, equipment and vehicles	32,195,255	23,074,086	25,105,730	16,289,000
Depreciation	50,435,300	53,330,829	47,173,058	50,649,283
Amortization	3,347,653	2,956,418	2,598,620	2,307,037

26. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The segment information in the management internal report classify the group business operation to construction service business and maintenance service business, it also classifies by the location of customer (Geographical) to local and oversea business.

The financial information is classified by business operation of the Group and geographical segment which manner consistent with the management internal reports for the years ended 31 December 2020 and 2019 are as follows:

Consolidated financial statements

	In Million Baht					
	Domestic		Overseas		Total	
	2020	2019	2020	2019	2020	2019
Revenue from construction services	1,071	304	267	-	1,338	304
Revenue from services	189	302	123	306	312	608
Total revenues	1,260	606	390	306	1,650	912
Cost of construction services	(872)	(287)	(157)	-	(1,029)	(287)
Cost of services	(174)	(249)	(96)	(165)	(270)	(414)
Total cost	(1,046)	(536)	(253)	(165)	(1,299)	(701)
Segment operating profit	214	70	137	141	351	211
Other income					9	14
Profit before expenses					360	225
Administrative expenses					(198)	(256)
Profit (loss) before income tax					162	(31)
Income tax expense					(12)	(6)
Profit (loss) for the years					150	(37)

Other information

As at 31 December 2019 and 2020

Property, plant and equipment	555	558	-	-	555	558
Liabilities which cannot be classified by segment					486	251

The Group's total revenues from operations derived from four domestic and foreign customers equivalent to 80% of total revenues, four of which revenue from construction services (equivalent to 73% of total revenues) and one of which revenue from services (equivalent to 7% of total revenues) (2019: three customers equivalent to 68% of total revenues, two of which revenue from construction services (equivalent to 25% of total revenues) and two of which revenue from services (equivalent to 43% of total revenues)).

27. PROMOTIONAL PRIVILEGES

By virtue of the provisions of Industrial Investment Promotion Act B.E. 2520, the investment promotion certificate No. 59-0060-0-00-1-0, the Company were granted certain privileges on their Manufacture of metal structures and equipment for industrial applications as follows;

- Exemption of corporate income tax on the profit for five years from the date of earning operating income from promoted activity.
- In case of loss from operation during the exemption period, it can deduct from the profit beyond the exemption period for five years.

- c. Exemption of import duty on raw materials and the need to import from abroad for use in manufacturing for export for a period of one year from the date of first import.
- d. Exemption of income tax on dividends paid from the profit of the promoted activity throughout the promoted period.

As a promoted industry, the Company must comply with certain conditions and restrictions provided for the promotional certificate.

Revenues from construction services classified as promoted and non-promoted business for the years ended 31 December 2020 and 2019 of the Company are summarized as follows:

Separate financial statements

	In Million Baht					
	2020			2019		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Revenues from construction services	426	830	1,256	85	189	275

28. FINANCIAL INSTRUMENTS

As at 31 December 2020, the Group is not engaged in the trading of any derivative financial instruments for speculative purposes.

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, and trade payables. The financial risks associated with these financial instruments and how they are managed is described below.

28.1 Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and liabilities under financial arrangement agreements. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate; therefore, no financial derivative was adopted to manage such risks.

Interest rate sensitivity

The Group expected that there is no materiality effect on profit (loss) before tax from a possible change in interest rate due to the interest rate of financial assets of the Group are market rate.

28.2 Credit risk

Trade and other accounts receivables

The Group was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Group's customer base, The Group does not anticipate material losses from its debt collection. The Group estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by considering the customer's past collection experiences. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments. The calculation reflects the reasonable and supportable information that is available at the reporting date

about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.

	Currency	Baht	
		Consolidated and Separate financial statements	
		Foreign currency	Baht
Assets	US Dollars	2,738,339	81,787,071
Liabilities	US Dollars	264,875	7,911,128
Financial instruments and cash deposits			

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments.

28.3 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

	In Baht			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Consolidated financial statements				
Non-derivatives				
Trade and other current accounts payable	233,264,159	-	-	233,264,159
Lease liabilities	3,660,580	4,972,012	-	8,632,592
Total non-derivatives	236,924,739	4,972,012	-	241,896,751
Separate financial statements				
Non-derivatives				
Trade and other current accounts payable	209,135,153	-	-	209,135,153
Lease liabilities	2,509,017	3,935,399	-	6,444,416
Total non-derivatives	211,644,170	3,935,399	-	215,579,569

28.4 Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

As at 31 December 2020 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

Foreign currency assets mainly represent trade receivables and contract assets. Foreign currency liabilities mainly represent trade payables.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of assets and liabilities to USD currency.

The following table details the Group's sensitivity to a 5% appreciate and depreciate in Thai Baht against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at 31 December 2020 for a 5% change in foreign currency rates as follows:

	In Million Baht	
	Consolidated and Separate	
	financial statements	
	Assets	Liabilities
Profit (loss)		
- 5% appreciate	(4.01)	0.40
- 5% depreciate	4.01	(0.40)

28.5 Fair values of financial instruments

Given that part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, and loans denominated in Thai Baht bearing the market interest rates, the Company's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

The carrying value and fair value of financial assets and financial liabilities as at 31 December 2020 is presented below.

	In Baht			
	Consolidated financial statements as at 31 December 2020			
	Carrying value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	-	746,814,350	746,814,350	746,814,350
Trade receivables	-	191,705,243	191,705,243	191,705,243
Retention receivables	-	57,931,409	57,931,409	57,931,409
Other current financial assets	5,847,195	-	5,847,195	5,847,195
Restricted bank deposits	-	138,836,651	138,836,651	138,836,651
Total financial assets	5,847,195	1,135,287,653	1,141,134,848	1,141,134,848

	In Baht			
	Separate financial statements as at 31 December 2020			
	Carrying value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial assets				

In Baht				
Consolidated financial statements as at 31 December 2020				
	Carrying value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Cash and cash equivalents	-	674,700,628	674,700,628	674,700,628
Trade receivables	-	141,712,337	141,712,337	141,712,337
Retention receivables	-	57,448,799	57,448,799	57,448,799
Other current financial assets	5,847,195	-	5,847,195	5,847,195
Restricted bank deposits	-	138,836,651	138,836,651	138,836,651
Total financial assets	5,847,195	1,012,698,415	1,018,545,610	1,018,545,610

28.6 Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets that were measured at fair value or the recurring basis, using different levels of inputs as follow:

(Unit: In Million Baht)				
Consolidated and Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
As at 31 December 2020				
Investments in opened - end fund	-	5.85	-	5.85
As at 31 December 2019				
Investments in opened - end fund	-	5.83	-	5.83

29. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2020, the Company have commitments and contingent liabilities as follows:

29.1 The Group has commitment under the lease and service agreements, as follows:

	In Baht
	Consolidated and Separate financial statements
<u>Paid within</u>	
Within 1 year	5,909,880
Total	5,909,880

In during the years ended 31 December 2020, the Company had lease expenses recognized in the statement of comprehensive income totaling Baht 5.91 million.

29.2 The Group has contingent liabilities in relation to letter of guarantees issued by the banks for performance guarantee in the service contracts with customers in Thai Baht amounting to Baht 344.19 million, U.S. Dollars 0.79 million and letters of guarantee issued for electricity amounting to Baht 3.15 million. These letters of guarantees are pledged by deposits at financial institutions (Note 12).

29.3 The Company has capital commitment to purchase machinery amounting to U.S. Dollars 0.11 million.

30. CAPITAL MANAGEMENT

The primary objective of the Company's and subsidiary capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2020, debt to equity ratio in the consolidated financial statement is 0.29: 1 (the separate financial statement: debt to equity ratio is 0.28: 1).

31. EVENTS AFTER THE REPORTING PERIOD

On 24 February 2021, the Board of Directors' meeting, resolved to propose the Annual General Meeting of Shareholders to approve a dividend payment of Baht 0.40 per share totaling Baht 123.95 million. The dividend will be paid from the retained earnings.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on 24 February 2021

Management Discussion & Analysis (MD&A)2020

Overview on Performance of the Company and the Affiliate

The Company operates business on rendering steel structure construction services to the main contractor and the project owner directly. Main customer bases of the Company are customers in energy industry, i.e. oil refinery, power generation industry, petrochemical industry and mining industry which are regarded as heavy mechanical construction industrial groups. Most of the works are complicated and required high expertise, for instance fabrication of steel structure, pipe rack, pipelines and large steel tank including installation of large industrial machineries. The Company has experiences on detailed engineering work, procurement and integrated construction but the specialized field of expertise is the heavy mechanical construction. Main strategies of the Company are to enhance confidence to the customer groups and maintain good reputations of the Company in the long term. Factors leading to such achievement are to control quality of work and costs, manage construction projects as planned and complete the works within the specified period. Revenues of the Company depend on the acquisition of works awarded by the customers from bidding process so uncertainty of the bidding project and delay of the project may cause the Company's revenue fluctuate pursuant to the amount of work bid, despite the Company tries to maintain continuity of revenues.

There are a few competitors in the heavy mechanical construction industry, so the competition is not intense and each competitor has different strength. The Company mainly focuses on mechanical construction in heavy industry with a fewer ratio in detailed engineering work and raw materials procurement when compared with other competitors. They are constantly projects on construction and expansion of production capacity in Thailand.

In 2020, the operations of the Company and its affiliate emphasized on management of the existing projects in hand which comprised of the followings:

- Machinery control and maintenance project under Ambatovy Project in Madagascar with value of 3.80 USD/year or approximately 113.87 million baht/year. This project has commenced since 2012 and up to present, the Company has operated this project for more than 8 years.
- TH1801: Piping Work, Equipment Work and Temporary Facilities Project: MKK Asia Co., Ltd., contract value worth 104.96 million baht.
- EPC Main Work for CFP Crude Oil Tank Project, contract value worth 213.71 million baht
- Harmony Project, contract value worth 617.61 million baht
- CFP Concurrent Work Project Package III, contract value worth 47 million baht
- PEXCELL Project, contract value worth 511.84 million baht
- T3 Project, contract value worth 1,496.61 million baht
- DBN-L4 Project, contract value worth 76.80 million baht
- SKT-P Project, contract value worth 45 million baht

As at December 31, 2020, remaining value of the Company's backlogs of construction works totaled 1,632.74 million baht, which comprised of the following projects:

- EPC Main Work for CFP Crude Oil Tank Project, 1.79 million baht
- Harmony Project, 345.27 million baht
- CFP Concurrent Work Project Package III, 3.57 million baht
- PEXCELL Project, 244.72 million baht
- T3 Project, 1,000.05 million baht
- DBN-L4 Project, 0.11 million baht
- SKT-P Project, 37.23 million baht

As at December 31, 2020, remaining value of the Company's backlogs of service works totaled 441.81 million baht, which comprised of the following projects:

- Ambatovy Project in Madagascar, 286.08 million baht.
- Each year the Company's affiliate realized revenue in machinery maintenance projects averaged 155.73 million baht per year.

Operating results of the Company and its affiliate for the year ended December 31, 2020 and 2019 were as follows:

(Unit: Million Baht)

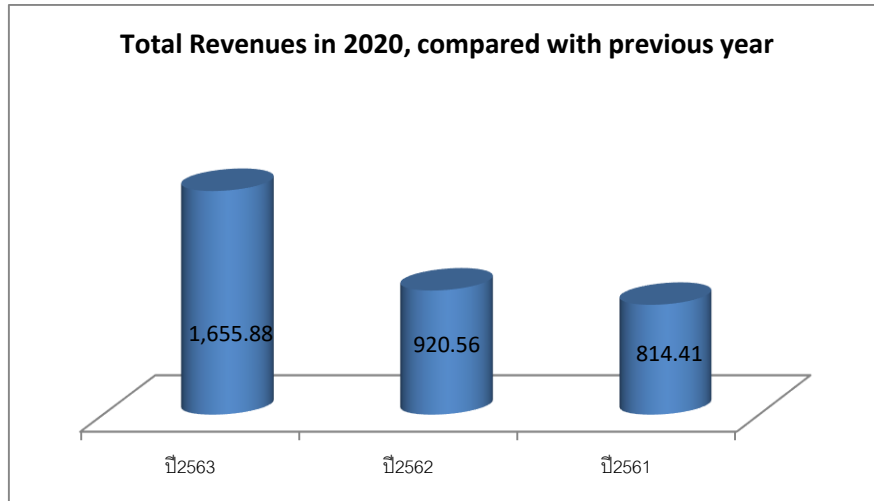
Operating Results	For the Year ended December 31			
	Consolidated Financial Statements		Increase (Decrease)	
	2020	2019	Amount	%
Revenues from construction contracts	1,338.32	304.11	1,034.21	340.08
Revenues from rendering of services	312.70	607.96	(295.26)	(48.57)
Other incomes	4.86	8.48	(3.62)	(42.69)
Cost of construction services	(1,029.48)	(286.53)	742.95	259.29
Cost of rendering of services	(270.20)	(414.21)	(144.01)	(34.77)
Administrative expenses	(197.24)	(256.39)	(59.15)	(23.07)
Other items	3.83	5.77	1.94	(33.62)
Finance costs	(0.36)	(0.13)	0.23	176.92
Income tax expenses	(12.05)	(6.49)	5.56	85.67
Net profit (loss)	150.38	(37.43)	(187.81)	(501.76)
Net profit (loss) attributable to equity holder of the parent	(48.38)	(48.38)	(190.62)	(394.01)

For net profit in 2020, profits increased by 190.62 million baht, or 394.01%, when compared with 2019. Revenue from construction contracts increased by 1,034.21 million baht, or 340.08% because there were additional construction projects in 2020. Revenue from rendering of service decreased by 295.26 million baht, or 48.57% due to the deceased volume of overseas works and the affiliate's works.

Revenue from construction contracts of the construction business recorded in percentage of the completed construction works.

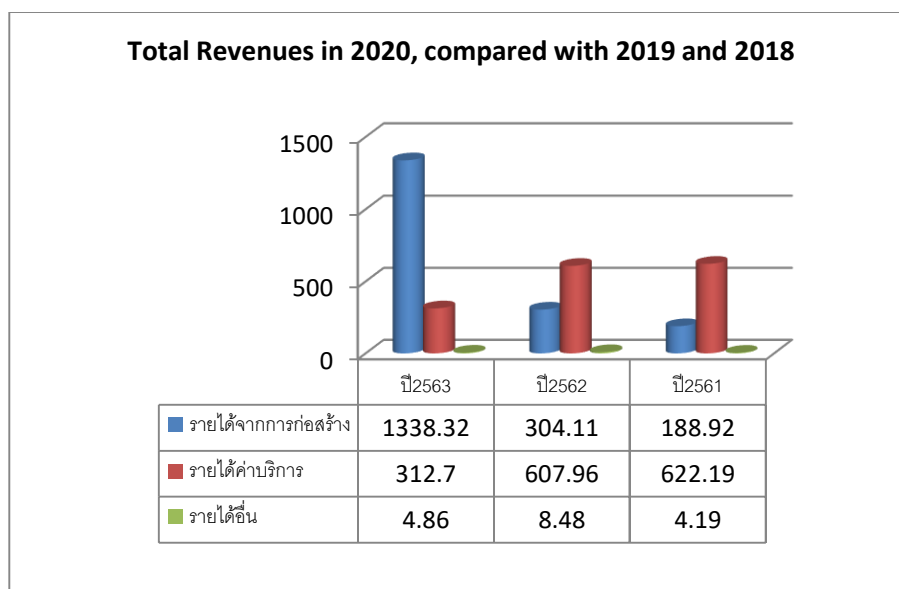
For overview, revenues from construction contracts and from rendering of services in 2020 were 1,651.02 million Baht, an increase by 738.95 million baht, or 81.02% from the year 2019 which was 912.07 million baht. Other incomes decreased by 3.62 million baht, or 42.69%. Cost of construction services increased by 742.95 million baht, or 259.29% pursuant to increased ratio of revenue from construction contract. Cost of rendering of services decreased by 144.02 million baht, or 34.77% which was in line with the decreased ratio of revenue from rendering of services. Administrative expenses decreased by 59.14 million baht or 23.07%. Income tax expenses increased by 5.57 million baht, or 85.81%.

14.1.1 Analysis of Operating Results



Operating Revenue

Revenues classified by main products which comprised of revenues from construction contracts, revenues from rendering of service and other incomes.



Revenues for the year ended on December 31, 2020

Type of Revenue	Unit : Million Baht	% of Total Revenue
1. Revenue from construction contracts	1,338.32	80.82%
2. Revenue from rendering of services	312.70	18.88%
3. Other incomes	4.86	0.30%
Total Operating Revenues	1,655.88	100.00%

Revenues for the year ended on December 31, 2020 and 2019 classified by each type as follows:

Type of Revenue	Consolidated Financial Statements			
	Million Baht		Increase / (Decrease)	
	2020	2019	Amount	%
Revenue from construction contracts	1,338.32	304.11	1,034.21	340.08
Revenue from rendering of services	312.70	607.96	(295.26)	(48.57)
Other incomes	4.86	8.48	(3.62)	(42.69)
Total	1,655.88	920.55	735.33	79.88

Revenue from construction contracts is revenue the Group received from providing construction works to the customers, i.e., steel structural work, fabrication & installation of piping system and installation of machinery & equipment, while revenue from rendering of services is revenue the Group received from provision of services under Machinery and Equipment Maintenance Contract, both domestically and abroad.

Revenue from Construction Contracts

Type of Revenue	Consolidated Financial Statements			
	Unit : Million Baht		Increase / (Decrease)	
	2020	2019	Amount	%
Revenue from construction contracts	1,338.32	304.11	1,034.21	340.08
Total revenue from construction contracts	1,338.32	304.11	1,034.21	340.08

In fiscal year 2020, the Company's revenue from construction contracts was 1,338.32 million baht, increasing by 1,034.21 million baht, or 340.08% when comparing with 2019. Revenue from construction contracts accounted for 80.82% of total revenues of the Company. Revenue from construction contracts comprises of the following projects:

- Shutdown TEI-IN 2019 Project
- TH1801: Piping Work, Equipment Work and Temporary Facilities Project
- EPC Main Work for CFP Crude Oil Tank Project
- Harmony Project

- CFP Concurrent Work Project Package III Project
- PEXCELL Project
- T3 Project
- DBN-L4 Project
- SKT-P Project

Increase or decrease of volume of works in each type depended on works of each customer because the main operations of the Company were in project formats, so ratio of the Company's products in each project was differently.

Revenue from Rendering of Services

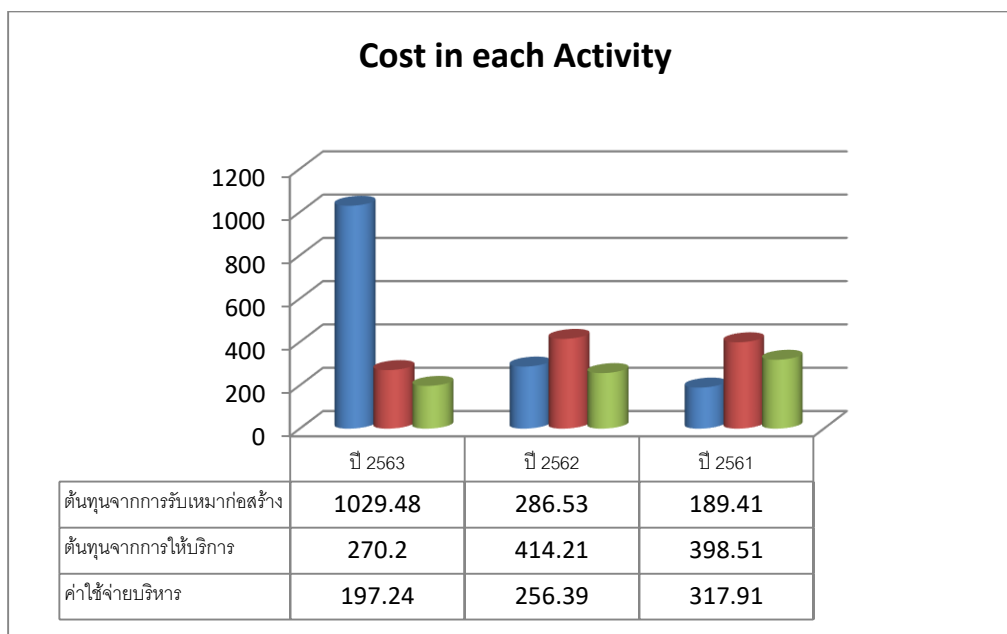
Consolidated Financial Statements				
Type of Revenue	Unit : Million Baht		Increase / (Decrease)	
	2020	2019	Amount	%
Revenue from rendering of services	312.70	607.96	(295.26)	(48.57)
Total revenue from rendering of services	312.70	607.96	(295.26)	(48.57)

Revenue from rendering of services in 2020 was 312.70 million baht, decreasing by 295.26 million baht, or 48.57% when compared with 2019. Revenues from rendering of services accounted for 18.88% of total revenues. Revenue from services on control and maintenance of machinery under Ambatovy Project in Madagascar and revenue from providing maintenance service of machinery and equipment of SCC Maintenance Services Co., Ltd. were 189.72 million baht, or 60.67 percent of revenue from rendering of services.

Other Incomes

Consolidated Financial Statements				
Type of Revenue	Unit : Million Baht		Increase / (Decrease)	
	2020	2019	Amount	%
Other incomes	4.86	8.48	(3.62)	(42.69)
Total other incomes	4.86	8.48	(3.62)	(42.69)

Other incomes in 2020 increased by 3.62 million baht, or 42.69%, when compared with 2019. Majority of other incomes derived from interest income received, gains from asset disposition and gains from exchange rate. Other income accounted for 0.30% of total revenues.



Cost and expenses for the year ended December 31, 2020

Type of Expenses	Consolidated Financial Statements			
	Unit : Million Baht		Increase / (Decrease)	
	2020	2019	Amount	%
Cost of construction services	1,029.48	286.53	742.95	259.29
Cost of rendering of services	270.20	414.21	(144.01)	(34.77)
Cost of construction and services	1,299.68	700.74	598.94	85.47
Administrative expenses	197.24	256.39	(59.15)	(23.07)
Total	1,496.92	957.13	539.79	56.40

Main costs of the Company are cost of construction services and cost of rendering of services, which comprise of materials supply, labor cost and production overhead. In fiscal year of 2020, cost of construction services and cost of rendering of services totaled 1,299.68 million baht, or accounting for 86.82% of total costs and expenses, which was increased by 539.79 million baht, or 56.40%, when compared with the year 2019. These costs and expenses can be classified by structure of products as follows:

Cost of construction services was 1,029.48 million baht, increasing by 742.95 million baht, or 259.29%, comparing with 2019. Cost of construction services accounted for 76.92% of revenue from construction contracts of the Company, or accounting for 79.21% of total cost.

Cost of rendering of services was 270.20 million baht, increasing by 144.01 million baht, or 34.77%, comparing with 2019. Cost of rendering of services accounted for 86.41% of revenue from rendering of services or 20.79% of total cost.

Administrative expenses. Main administrative expenses were employees' salary, expenses related to employees, depreciation, and etc. In fiscal year of 2020, administrative expenses were 197.24 million baht, decreasing by 59.15 million baht, or 23.07%, when comparing with 2019.

Gross Profit (Loss) and Net Profit

Gross profit (loss) and gross profit margin, divided into profit from construction contracts and profit from rendering of services

	2020		2019		Increase (Decrease)	
	Gross Profit	Profit Margin	Gross Profit	Profit Margin	Gross Profit	Profit Margin
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Gross profit (loss) from construction contracts	308.84	23.08	17.58	5.78	291.26	1,656.77
Gross profit from rendering of service	42.50	13.59	193.75	31.87	(151.25)	(78.06)
Total gross profit	351.34	21.28	211.33	23.17	140.01	66.25

Total gross profit in fiscal year 2020 was 351.34 million baht or accounted for total gross profit margin of 21.28%, a decrease by 140.01 million baht, or 66.25%, when comparing with the year 2019.

In 2020, the Company's gross profit from construction contracts was at 308.84 million baht, or accounted for gross profit margin of 23.08% of revenue from construction contract, which was increased by 291.26 million baht, or 1,656.77%, when comparing with the year 2019. Reason for the increased gross profit was because the Company has additional projects in 2020 and gross profit margin of the works was higher than the previous year.

In 2020, gross profit from rendering of services of the Company was 42.50 million baht, or accounted for gross profit margin of 13.59% of revenue from rendering of services, a reduction by 151.52 million baht, or 78.06% from 2019. Reason for reduction of gross profit was because amount of services works were less than the previous year.

Net Profit (Loss)

	2020		2019		Increase (Decrease)	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Profit (Loss) before finance costs and income tax	158.96	9.60	(36.57)	(3.97)	(195.53)	(534.67)
Net profit (loss) attributable to equity holders of parent	142.24	8.59	(48.38)	(5.26)	(190.62)	(394.01)

As at December 31, 2020, profit before finance costs and income tax was 158.96 million baht, an increase from 195.53 million baht in 2019 and net profit attributable to equity holders of the parent was 142.24 million baht, an increase from 190.62 million baht in 2019. Thus, it made the Company's earnings per share (EPS) increased from (0.16) baht to 0.46 baht. Return on Equity (ROE) was 9.05%, an increase by 386.62% from the previous year. Return on Assets (ROA) was 8.07%, an increase from 2019 by 488.96%, while Asset Turnover was 0.84 time, an increase from the last year which was 60.97%.

14.1.2 Analysis on Financial Position

As some particulars in the balance sheet are specifically used in mechanical construction business only, so we would like to clarify about such specific particulars and nature of construction business.

When the Company enters into a long-term construction contract, the Company shall negotiate with the Employer on making of advance payment, so that the Company shall have fund for purchasing construction supplies (i.e., steel, and other equipment). Ratio of such advance payment of each construction project shall not be fixed amount but it depends on negotiation between the Company and the Employer. The Company shall record such advance payment in “advance payment from customer” account. Balance of this account shall be gradually reduced in proportion with progress of the project or percentage of completion.

When the Company commences the project construction, it shall evaluate progress of work and calculate percentage of completion to be used to recognize revenue in each accounting period. The work which has been completed (revenue is recognized) but invoice has not been issued to collect money from the customer shall be recorded in “accrued revenue” or “unbilled completed work”. In case the Company submitted invoice and waited for payment from the customers, such accrual balance shall be recorded as “trade account receivable”. At the same time, if the Company collects money before commencing the work, such money shall be recorded as “advanced revenue” together with revenue recognition. The Company shall recognize construction cost based on completion of work and cost estimation which has been assessed by the engineers and the management of the Company. Cost of construction materials which have already been paid but not yet recognized as construction cost shall be recorded as “construction in progress”.

After the project construction has been completed and delivered to the customer, normally some project's customers may retain some money (i.e., 10% of project value) to warrantee the work. Such money shall be retained for some time (i.e. 1 year) which is called warrantee period. The customer shall return such money to the Company after the end of warrantee period. Ratio of retention and warrantee period of each project shall not be the same, depending on negotiation of the Company and the customer. In case such project has many phases, money shall be retained after completion of each phase and the customer shall gradually return retention in each phase after the end of warrantee period. In addition, the Company usually negotiates with the customers to expedite return of retention by submitting a letter of credit to the customer instead. In this regard, the Company's deposit account shall be used as collateral for such letter of credit.

Balance Sheet	Consolidated Financial Statements			
	(Unit : Million Baht)		Increase (Decrease)	
	2020	2019	Amount	%
Assets				
Current assets	1,440.95	1,061.53	379.42	35.74
Non-current assets	718.83	719.43	(0.60)	(0.08)
Total Assets	2,159.78	1,780.96	378.82	21.27
Liabilities				
Current liabilities	376.97	143.37	233.60	162.94
Non-current liabilities	108.85	107.61	1.24	1.15
Total Liabilities	485.82	250.98	234.84	93.57
Shareholders' Equity				
Equity attributable to parent	1,644.21	1,500.79	143.42	9.56
Non-controlling interests	29.75	29.19	0.56	1.92

Balance Sheet	Consolidated Financial Statements			
	(Unit : Million Baht)		Increase (Decrease)	
	2020	2019	Amount	%
Total Shareholders' Equity	1,673.96	1,529.98	143.98	9.41

Material changes of assets, liabilities and shareholders' equity of the Company as of December 31, 2020 when compared with the balance as of December 31, 2019 were as follows:

Assets

As at December 31, 2020, total assets of the Company and its affiliate were 2,159.78 million baht, increasing from the previous year by 378.82 million baht or 21.27%, due to the following reasons:

Current assets increased by 379.42 million baht or 35.74%, mainly due an increase of trade account receivables of 19.88 million baht, other receivables of 63.05 million baht, unbilled completed works of 258.13 million baht, and inventory of 35.75 million baht.

Non-current assets increased by 0.60 million baht, or 0.08%.

Liabilities

As at December 31, 2020, liabilities of the Company and its affiliate were 485.82 million baht, increasing by 234.84 million baht or 93.57% from 2019, mainly due to the following reasons:

Current liabilities increased by 233.60 million baht, or increase by 162.94%. Primary reasons were due to the increase of trade account payables amounted to 107.31 million baht, other payables amounted to 29.20 million baht, advance payment from the employer of 93.31 million baht, advanced revenue from construction of 2.63 million baht including ~~and~~ accrued expenses. However, such particulars did not cause the Company to incur any interest burden.

Non-current liabilities increased by 1.24 million baht, or 1.15%.

The Company's Debt to Equity (D/E) Ratio was 0.29 time, an increase from 2019 which was at 0.16 time.

Shareholders' equity

As at December 31, 2020, shareholders' equity of the Company and its affiliate was 1,673.96 million baht, increasing by 143.98 million baht or 9.41% from 2019. In 2020, retained earnings increased by 149.58 million baht due to profit from operating results of the Company and its affiliate in 2020.

Analysis of Liquidity

Liquidity of the Company and its affiliate for the year ended December 31, 2020: Net cash flow has increased by 2.59 million baht. The Company and its affiliate have net cash carried forward from 2019 amounted to 630.48 million baht, an increase by 113.74 million baht, which made outstanding net cash at the ending period equaled to 744.22 million baht. Details of sources of cash flow from and used in each activity were as follows:

Type of Cash Flow	Consolidated Financial Statements			
	(Unit : Million Baht)		Increase (Decrease)	
	2020	2019	Amount	%
Cash flow from operating activities	60.62	157.89	(97.27)	(61.61)
Cash flow from investing activities	(41.98)	(26.85)	15.13	56.35
Cash flow from financing activities	(10.13)	(6.76)	3.37	49.85
Currency translation differences increase (decrease)	(5.92)	(10.54)	(4.62)	(43.83)
Net cash and cash equivalents increase (decrease)	2.59	113.74	(111.15)	(97.72)
Cash and cash equivalents as at January 1	744.22	630.48	113.74	18.04
Cash and cash equivalents as at December 31	746.81	744.22	2.59	0.35

Net cash flow from operating activities was 60.62 million baht which came from profit attributable to the parent pursuant to income statement amounting to 162.44 million baht, adjusted with reconciliation of net profit of cash received (paid) from operating activities. Major items which resulted in the increase of cash flow were depreciation of 50.43 million baht, and provision of employee benefit liabilities of 9.43 million baht. Major items which resulted in a decrease of cash flow were trade account receivables of 24.77 million baht, other receivables of 58.69 million baht, unbilled completed works of 258.13 million baht, inventory of 35.75 million baht, trade payables of 107.31 million baht, other payables of 29.20 million baht, advance payment from the employer of 93.31 million baht, advanced revenue from construction 2.63 million baht and income tax pending refund of 23.27 million baht.

Net cash flow from investing activities was in deficit of 41.98 million baht, mainly due to payment for acquisition of building and equipment of 42.89 million baht.

Net cash flow from financing activities was in deficit of 10.13 million baht, mainly came from dividend to non-controlling interest of 9.5 million baht.

Cash cycle of the Company and its affiliate decreased from 71 days to 15 days in 2020 due to average collection period of the Company and its affiliate equaled to 37 days which was lower than last year (45 days), and it was under normal collection period of the Company, while payment period equaled to 22 days.

Even though cash and cash equivalents as at ending of 2020 of the Company and its affiliate were 746.81 million baht, increased by 2.59 million baht from the previous year (cash and cash equivalents in 2019 were 744.22 million baht) but it did not pose any liquidity problem at all. As it can be seen that liquidity ratio was 3.82 times, which was higher than 1 time. In addition, quick ratio equaled 2.44 times, which was regarded as good criteria with capability to pay total liquidity liabilities from total liquidity assets. From analysis of current asset structure at as ending of the year, it showed that receivables from operations amounted to 191.70 million baht, other receivables amounted to 140.13 million baht and unbilled completed works amounted to 301.98 million baht. Current liabilities were 376.97 million baht, increased from the previous year which was at 233.60 million baht. Such amounts comprised of trade account payables and other payables amounting to 233.26 million baht and advance payment from the employer amounting to 127.22 million baht. This advance payment did not have any impact or decrease liquidity in 2020 as it did not only make the Company do not have to invest in purchase of raw material by its own in advance, but it could also guarantee that the Company can collect some partial payment of the works. The Company expected that it is quite confident to have adequate reserve fund to expand the works and accept the works with high values in 2021.

Dividend Policy

The Company's Policy

The Board of Directors will consider from the company's performance each year and see if the company has earned enough profit to pay dividend and has yet remained the substantial Capital fund to accommodate growth and business expansion. However the company must reserve the legal amount of 31,000,000 baht which is 10% of registered capital in accordance with the law and AOA article 59 of the company. The Dividend policy of the company is to pay dividend at no less than 50% of net profit which is stated and shown in the approved company financial statement each year. The Board of Directors will propose for approval from shareholder in annual general meeting each year. The Board of Directors also has the right to approve an interim dividend if there is enough profit to spare. However, if there is an accumulation loss, the dividend shall not be paid. The affiliates of the Company sets the policy to pay dividend of not less than 50.0% of net profits from financial statements of the affiliates after the deduction of corporate income tax, legal reserves, and all necessity reserves by considering together with cash flow, financial status, liquidity, and investment plan in each period.

The affiliate policy

The dividend policy of the affiliate company will pay at no less than 50% of net profit which is stated and shown in the approved financial statement of each year. The company will take Cash Flow, Liquidities and retained earning into consideration as well.

Detail of Dividend for the past 3 years.

	2020	2019	2018
Dividend per share			
3.1 interim dividend	-	-	-
3.2 annual dividend	Waiting	-	-
Total Dividend	Waiting	-	-

Company Board of Director's Structure

For the year 2020, The company is consist of 4 Boards set which are The Company Board of Director, The Audit Committee, the Executive Committee and the Nominated and Remuneration Committee in which each group has different scope of duties and responsibilities as shown in the details below ;

The Board of Directors

The Board of Directors consists of 9 persons full with qualification, competence, and work experiences. At present, the Board of Directors consists of 9 persons who are 4 directors and 5 independent directors. An independent director means being the director without any participation in company's management. They do not held any position as the executives or the permanent employees of the Company as well as not having any authorization in signing following the Company's regulations. The executives director mean the director who participate greatly in the Company's management or be the permanent employees who receive regular salaries as well as having an authorization in signing following the Company's regulations.

On 31st December, 2020 the Company's Committees consist of 9 committees as follows:

No.	Name	Position
1.	Mr. Yiem Chundprasit	Chairman
2.	Mr. Dusit Choopanya	Independent director and chairman of Audit Committee
3.	Mr. Narong Sooksawasdi	Independent director and Audit Committee
4.	Mr. Trairak Tengtrairat	Independent director and Audit Committee
5.	Mr. Kamol Ratanachai	Independent Director
6.	Mr. Boonkrua Khemapiratana	Director/Managing Director
7.	Mr. Gridsada Potisomporn	Director/Deputy Managing Director
8.	Mr. Chatmongkol Khemapirat	Director/Asst. Managing Director in operation
9.	Mrs. Sudchinda Sethakulvichai	Director/Company Secretary

Authorized Director who have the power of signing on behalf of the Company and the affiliates Sriracha Construction Public Co., Ltd.

Mr.Boonkrua Khemapiratana, Mr.Chatmongkol Khemapirat and Mrs.Sudchinda Sethakulvichai are directors with authorization to sign on behalf of the company and two directors must sign together along with the company seal.

SCC Maintenance Services Co., Ltd. Either Mr. Boonkrua Khemapiratana or Mr. Chatmongkol Khemaphirat or Mrs.Sudchinda Sethakulvichai has the authorization to sign on behalf of the company along with company seal.

Board of Directors Detail

The Board of Directors consists of 9 persons with 4 executive directors and 5 independent directors. All directors are qualified fully according to related law or official regulations. The Board of Directors meeting must consist of no less than half of the board to attend the meeting.

Scope of duties and responsibilities

1. Provide overall business Strategies and Tactics including setting up the policy, direction, vision, plan, guidance and budget etc. of the executive board then supervise and control the company to go as directed.
2. Supervise and manage the Company to operate in accordance with law, objectives, and Company's regulations as well as the resolution of shareholder's meeting with honesty, loyalty, and carefulness in maintaining the Company's benefits
3. Having the financial and accounting report that present the real status of the Company's Finance statement that follows the accounting standard and to propose to the shareholder's meeting for consideration and approval
4. Consider the nomination of directors, audit committees and/or other sub-committees following the suitability and necessity for supervising and managing system together with internal control to be in accordance with specified policies as well as nominating the suitable top executives management for supervising the Company's operation assigned by the Board of Directors including the consideration and specification on the remuneration of Top management.
5. Consider the suitability in assigning and specifying the scope of duties of sub-committees
6. Manage to receive enough information from management team in order to work fully and accordingly with the scope of work and responsibilities as stated.
7. Manage to have the good corporate governance as a general practice of the company.
8. Consider and propose for the nomination of auditor and fixing the suitable remuneration before proposing to the shareholder for the approval
9. Consider the approval of operational expense within the financial budget under the authorization of managing director, executive board, and other sub-committees
10. Perform other operations related to the business operation in comply with the law, regulations, and

resolution of the shareholder's meeting of the Company

The Board of Directors Meeting

The Company specifies the meeting schedule of committee in advance causing the committee to be able to manage their time for attending the meeting. Except for the case of special occasion, the Chairman or directors in numbers specified by the law can hold the meeting following necessity. The board of directors specifies normal meeting in every 3 months. The Office of Managing Director and

Company's Secretary will send the invitation letter for the meeting along with the agenda and supplementary documents to the board members for at least 7 days in prior of the meeting date in order to allow sufficient time to the board of directors to study all information.

Each meeting, Chairman will carefully supervise the consideration of each agenda and allow every director to express their opinion freely and mutually discuss. The top executives are required to attend the meeting for explaining the information as directly related persons to the operation before the resolution is passed in each agenda. Moreover, the minute of meeting is also conducted in written form and carefully stored for the audit as well. In 2020, the Company held the meetings and the board members attended as follows:

Meeting of the Board of Directors in the past year

No.		Name	Numbers of attendance in 2020
1.	Mr. Yiem	Chundprasit	6/6
2.	Mr. Boonkrua	Khemapiratana	5/6
3.	Mr. Dusit	Choopanya	6/6
4.	Mr. Narong	Sooksawasdi	6/6
5.	Mr. Trairak	Tengtrairat	5/6
6	Mr. Kamol	Ratanachai	6/6
7..	Mr. Gritsada	Potisomporn	6/6
8.	Mr. Chatmongkol	Khemapirat	6/6
9.	Mrs. Sudchinda	Sethakulvichai	6/6

Audit Committee

On 31st December, 2020, the Audit Committee of the Company consists of 3 persons who are independent directors with diverse abilities in each field of occupation for both engineering, and Finance Account. They are responsible for considering and approving of the company's financial statements and the affiliates, verifying the internal audit and internal control, holding the meeting with the auditor, assistant managing director in financial and accounting department and considering the referential details. The Audit Committees consist of:

No.	Name	Position
1	Mr. Dusit Choopanya	Chairman of Audit Committee
2	Mr. Narong Sooksawasdi	Audit Committee
3	Mr. Trairak Tengtrairat	AuditCommittee

Mrs.Sudchinda Sethakulvichai is the secretary of Audit Committee

The Audit Committee term is 3 years except resignation case following the Company's regulation. They can be re-elected to return to the position again.

Elements of Audit Committee

Among 3 audit committee, there must be at least 1 Auditing Committee with proficiency in accounting or financial management of the Company. The meeting of Audit Committee consists of no less than two third to attend the meeting.

Scope of duties and responsibilities of Audit Committee – in internal audit

1. Verify the Company to have correct, complete, sufficient, and reliable financial report
2. Verify the Company to have sufficient, suitable, and effective internal control and internal audit systems. Consider the independence of internal audit department and consider approving the nomination, transfer and dismiss the head of internal audit department
3. Verify that the company works in comply with the related law and regulation.
4. Consider recruiting or nominating the persons to be independently responsible for the auditor of the Company and propose the remuneration of such persons as well as attending the meeting with the auditor without the participation of management department for at least once a year
5. Openly conduct the report of the Audit Committee in the annual report of the Company. The mentioned report must be signed by the Chairman of Audit Committee and must consist of the following data:
 - 1) Opinion on the correctness, completeness, and reliability of financial report of the Company
 - 2) Opinion on the sufficiency of internal control system of the Company
 - 3) Opinion on the conformity to the law related to the Company's business
 - 4) Opinion on the suitability of auditor
 - 5) Opinion on the details possibly related party transaction.
 - 6) Other details which the shareholders should be acknowledged under the scope of duties and responsibilities assigned by the Board of directors.
6. Report the operation of the Audit Committee to the Board of Directors for at least four times a year.
7. Be responsible for the duties of Audit Committee. The Audit Committee has authorization in holding the meeting with the executives or employees to request for necessary data being use by the Audit Committee.
8. If the Audit Committee find or be doubtful in any detail or activity which may significantly affect the financial status or operational performance of the Company, the Audit Committee must report the Board of Directors to verify such detail or activity immediately

9. Perform other things following the assignment of the Board of Directors and the approval of the Audit Committee

Scope of duties and responsibilities of Audit Committee– in risk management

1. Consider the policies and guidelines in the risk management of the Company covering several kinds of risks, for example, financial risk, the risk affecting the Company's reputation, for proposing to the approval of the Board of Directors.
2. Specify the guidelines in the risk management of the Company to be in accordance with the policy of risk management by assessing, observing, and supervising the amount of risk of the Company to be in the of the Company suitable level
3. Supervise and observe the conformity to the policy of risk management under the guidelines and policies approved by the Board of Directors.
4. Provide the assessment and analysis on the damage possibly occurring systematically and continually for assuring that the risk survey covers all processes of business operation
5. Specify the criteria and limit of risk which is acceptable by the Company
6. Support and develop the risk management to continually occur throughout the whole Company
7. Review the sufficiency of policies and system of risk management including the effectiveness of the system and the conformity to the specified policies
8. Regularly report the operational performance to the Board of Directors on the operation and status of risk of the Company as well as to propose to the Board of Directors for considering the improvement and correction on the Company's operation in order to agree with the specified policies and strategies of risk management.

Meeting of Audit Committee in the past year

No.	Name		Numbers of attendance in 2020
1.	Mr. Dusit	Choopanya	4/4
2.	Mr. Narong	Sooksawasdi	4/4
3.	Mr. Trairak	Tengtrairat	3/4

Board of Executive Committee

On 31st December, 2020, the Executive Committees consist of 5 committees as follows:

The Executive committee with management power and authorization consists of not less than 5 persons appointed by the Board of directors.

The meeting of Executive Committee shall consist of no less than half of the whole committee to attend the meeting.

Scope of duties and responsibilities for Board of Executive Committees are as follows:

1. Plan and set the policies, direction, strategies, financial plan, budget, and other managements to meet with the economic conditions and competitive conditions of market and to propose to the Board of Directors for the approval
2. Study the possibility for new projects. Consider the approval to participate in bidding as well as supervise and control the current project to go as directed.
3. Inspect and observe the operation following the policies and guidelines in the management specified by the Company efficiently for facilitating the business operation and report the operational result to the meeting of Company's Committee
4. Give some advice and consultation. Specify the policies and authorization of managing director and committees for supporting the business of the Company
5. Consider the approval of authorization in the management and business operation to the executives

following the Company's regulations

6. Consider the approval of payment for the management and business operation in the part over the financial budget of managing director following the approval announced at that time. Report to the Company's Committee is required in the first meeting of Company's Committee from the date of approval
7. Operate others following the policies assigned by the Company's Committee

The aforementioned authorization to the Executive Committees must be under the regulation of law and

Company's rules. In the case that any operation with or possibly with the benefits or stakes of Executive Committees and/or persons possibly with conflict, the Executive Committees and/or assigned persons do not have authorization in approving the mentioned operation. This must be proposed to the Company's Committee for the consideration later.

Meeting of Executive Committee

No.	Name		Numbers of attendance in 2020
1.	Mr.Boonkrua	Khemapiratana	2/2
2.	Mr Gridsada	Potisomporn	2/2
3.	Mr.Chatmongkol	Khemapirat	2/2
4.	Mrs.Sudchinda	Sethakulvichai	2/2
5.	Mrs.Boonlom	Farkmitra	2/2

Nomination and Remuneration Committee

As at December 31, 2020, the Company's Nomination and Remuneration Committee comprised of 3 independent directors who have various knowledge and capability in different professions. Duties of this Committee are to nominate and select the directors in case of resignation or retire on rotation of any directors as well as to consider on appropriated remuneration of each Committee. List of the Nomination and Remuneration Committee are as follows:

No.	Name	Position
1	Mr. Narong Sooksawasdi	Chairman of the Nomination and Remuneration Committee
2	Mr. Dusit Choopanya	Member of the Nomination and Remuneration Committee
3	Mr. Trairak Tengtrirat	Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall hold office for a term of 3 years each. The director who is retired on rotation pursuant to the Company's Article of Association may be re-appointed.

Components of the Nomination and Remuneration Committee

In order to constitute the quorum during the meeting, the number of the Nomination and Remuneration Committee must not be less than two thirds.

Scope of Power and Responsibility of the Nomination and Remuneration Committee

Scope of power, duties and responsibility of the Nomination and Remuneration as per specified by the Board of Directors are as follows:

Duties and responsibilities regarding the nomination

To consider an appropriateness of the organizational structure including components of the Board of Directors and the Committees of Sriracha Construction Public Co., Ltd.

To consider guideline and criteria on appropriated qualifications of the Board of Directors, the Committee, the Executive Committee, the Managing Director and High-level Executives as well as criteria on recruitment of the appropriated personnel to hold such positions.

To perform other works as per assigned by the Board of Directors.

Duties and responsibility related to remuneration consideration

To consider fair and reasonable remuneration criteria for the Board of Directors, the Committees, the Executive Committee, Managing Directors and High-level Executives who have been appointed by the Company's Board of Directors.

To consider other remuneration criteria, i.e. reward, meeting allowance, pension, bonus and other benefits of the Board of Directors and the Committees including the Executive Committee, and high-level executives who have been appointed by the Board of Directors, and propose to the shareholders' meeting for consideration and approval

The Board of Directors may assign the Nomination and Remuneration Committee to perform other tasks related to remuneration and other benefits of the high-level executives in order to achieve the company's objectives, as follows:

To determine and operate pursuant to the policy as well as the Human Resources Department for the high level executives to be in the same direction of the Company's business objectives.

To strengthen confidence that remuneration including benefits of the high-level executives are on par with other business operators in the same industry.

To maintain qualified and appropriated personnel in the high-level executives to work for the Company.

Meeting of the Nomination and Remuneration Committee

The meeting should be held at least once a year and the management or the executive or the relevant employees or the person deemed necessary may attend the meeting or provide related or necessary information to the meeting. In addition, the Nomination and Remuneration Committee may specify the number of the meeting, as it deems appropriated.

In order to constitute the quorum during the meeting, the number of the Nomination and Remuneration Committee must not be less than two thirds and to consider all remuneration of the people currently holding the position.

The Nomination and Remuneration Committee who has interests in the matter considered must not vote for such matter, except in the case of considering about the remuneration for the whole Board of Directors.

In case of vote, each member of the Nomination and Remuneration Committee can have 1 vote, in case of tie vote, the Chairman of the Nomination and Remuneration Committee shall cast the vote.

Meeting of the NRC for the year 2020

No.	Name		Numbers of attendance in 2020
1.	Mr.Narong	Sooksawasdi	2/2
2.	Mr.Dusit	Choopanya	2/2
3.	Mr.Trairak	Tengtrairat	2/2

Remuneration for Board of Directors and others sub-committee

Position	Meting allowance/time	Operational remuneration	
		Monthly	Annual
Chairman	15,000	50,000	The remuneration of all Directors in total is no less than 0.1% but not greater than 0.5% of gross revenue stated in Financial Statement that has been approved by shareholders in the Annual General Meeting.
Directors	15,000	25,000	
Chairman of audit Committee	20,000	-	
Audit Committee	10,000	-	
Chairman of NRC Committee	15,000		
NRC Committee	10,000		
Chief Executive Officer	-	10,000	
Executive Officer	-	5,000	

The remuneration of the Board of Directors, Audit Committee, and Executive Committee are as follows (Unit : baht)

Monthly remuneration and meeting allowance

The criteria of remuneration of Company's Committee, Auditing Committee, NRC Committee and Executive Committee are as mentioned above.

Annual remuneration

The Board of Directors receive remunerations in total of all members is between 0.1 - 0.5 percent of the total revenue of the Company's annual financial statements that have been approved by shareholders at the Annual General Meeting of shareholders. The annual bonus allocation shall be determined, considered and approved each year by the Board of Directors depending on the operation performance of the company.

Social Responsibility

The Company operates business with responsibilities to communities and society and has specified the operating guidelines to build up consciousness on social responsibility and environmental conservation of everyone in the Company continually. The Company undertakes activities to create better society, community and environment constantly in order to make the communities that the Company situated in have a better quality of life. The Company also undertakes businesses which have the least unfavorable effect to society, environment and quality of the people including promptly and effectively responds to incident which impacts environment and communities as a result from the Company's operations by providing full cooperation to the relevant government officials and agencies.

Respect for Human Rights and Fair Treatment of Labor

The Company supports and respects for human rights, both within and outside of the organization, by specifying as practices in the Business Ethics on topic of Respect for Human Rights and Fair Treatment of Labor. The Company supports and respects compliance with laws and regulations relevant to the employees, including the international principles on fundamental human rights, without distinction of any kind, such as race, gender, color, religion, language, political or other opinion, impairment or disability or any other status which is not directly relevant to the operations. For the past period, no claim on violation of human rights has been lodged.

Employee participation for sustainable peacefulness in the organization

The Company has appointed the labor relations officers to oversee welfares and increased communication channels between the employees and the Company, both via intranet and via opinion boxes installed in the designated points, in order to listen to any beneficial recommendations, such as provision of welfares. They also serve as communication channels for the employees to give any suggestion and complaint on frustration relevant to the work or inconvenience/cleanliness relevant to hygiene and well-being in the workplace with aim to make the employees happily working in the workplace. All suggestions shall be considered by the Welfare Committee, the employees' representatives, who shall consider with the employer on provision of other welfares suitable with the organization apart from those specified by the law, provided that the appropriateness, reasonableness and concordance with the laws and regulations shall be taken into consideration. Solution method shall be jointly considered for benefits of all parties and for strengthening good working relationship together. For the past period, no report or petition on violation of human rights or unfair treatment of labor had been lodged at all.

Conservation of Environment

In 2020, the Company still maintained the energy saving measures which has been applied since 2018, for instance, the employees were urged to switch off the light and air-conditioners during lunch break, set screen saver when computers are not in use, change fluorescent lamps to LED lamps, clean air-conditioners every 3 months, and turn off tap

water when not in use and use only necessary. However, in 2020, consumption of electricity and pipe water increased pursuant to the increased amount of work and number of employees, but the energy saving measures were strictly and continually complied.

Reduction Usage of Paper in the Office

In 2020, the Company still continued the campaign on using both sides of paper and reuse document files with the works which were not quite important with aims to save cost, reduce tree cutting and minimize amount of waste.

Policy on Political Contributions, Corporate Philanthropy and Supporting Fund

Political Contributions

Policy on Political Contributions, Corporate Philanthropy and Supporting Fund

The Company has a policy to conduct business with political neutrality and it will not support any specific politician or any political party. The Company will not provide any monetary support or supplies to any political party, politician, or political candidate for political contribution objective as per the meaning in paragraph one. The Company's employee has own liberty and freedom to participate in any activity but he/she must not claim for being the Company's employee or usage of any of the Company's asset, equipment or tool for benefits in any political movement.

Corporate Philanthropy

Corporate philanthropy may pose risk to the Company because it involves money spending without any tangible return and it may be used as an excuse or a means for corruption. Therefore, in order to prevent hidden agenda of corporate philanthropy, the Company has specified the corporate philanthropy policy, criteria, and review process with control details as follows:

It must be able to be proven that money donated is truly for corporate philanthropy and for charitable purpose and there are operations to support the achievement of the project's objective and such operations can truly benefit the society or pursuant to operation's objectives on Corporate Social Responsibility (CSR).

It must be able to be proven that such corporate philanthropy does not involve in reciprocity with any person or any agency, except it is for decoration of honor as per general customary practices, for instance, display logo or announce name of Sriracha Construction Public Co., Ltd. in the event venue or in the media for public relations purposes, and etc.



On May 8, 2020, the Company has cooperated with Ma Kham Koo Municipality Office, which is the location of the Company's plant in Nikom Pattana District, Rayong Province, donated rice and dried food to the people who were impacted from new coronavirus (Covid-19) pandemic.

Corporate Social Responsibility Policy (CSR)

Sriracha Construction Public Co., Ltd. and its affiliate have strong intention to develop the business to grow prosperously and become strong and sustained organization by operating business with transparency, honesty and morality based on corporate governance principles with sustainable social and environmental responsibilities as well as consideration of benefits of all stakeholder groups under the concept of "Respect", "Care" and "Share". The objective, which is part of the Company's business ethics, is to make the industrial sectors live peacefully and in harmony with the communities and the societies including to jointly uplift the society to prosper simultaneously. Hence, in order to act in keeping with such intention and concept, the Company has specified the corporate social responsibility policy as follows:

- 1) To operate business with transparency, honesty, fairness and accountability by focusing on the growth of the Company together with development of quality of life of employees and communities, quality of society and environment in all dimensions as well as to take care benefits of all stakeholder groups pursuant to the Company's vision and mission.
- 2) To promote and provide knowledge on society and environment to the Company's employees at all levels and it will be used as common guidelines for development and supervision on social and environmental responsibility throughout the organization.
- 3) To support social and environmental activities or projects by applying the Company's potentials and resources, so that they will achieve targets and objectives worthily and efficiently.
- 4) To arrange two-way communications and public relations on social and environmental activities or projects to communities, society and stakeholders as well as to allow the stakeholders to participate in such project or activity, as appropriated.
- 5) The Company supports the regime of government with democracy system and has political neutrality policy.

- 6) The management of all business units must cooperate and encourage the employees to jointly and successfully compliance with this policy.

Support the People with Disabilities and the Youth

The Company prioritizes on taking care of communities and societies because it realizes that one of the factors that contributed to growth of the Company nowadays derived came from support and cooperation of the communities, with regards to labor and public utilities. Thus, the Company puts emphasis on potential development of the local people to lay foundation for development of society and communities for better and sustainable quality of life. Moreover, The Company also gives importance to the people with disabilities because the Company perceives that the people with disabilities have similar capability as the normal people, but they are lack substantial assistance. The Company has provided fund to support the people with disabilities since 2014 including up to the present day. The Company also gives them career opportunity, by encouraging them to use their knowledge, capability, skill and expertise, for instance, the Company employed the blind to be the lecturers in the schools to teach English language, traditional Thai massage as well as employed the people with disabilities who can travel and have skills in foreign languages and computer to be the Company's employees in various positions, i.e. public relations officer and etc.

In addition, the Board of Directors realizes that education of the youth is very crucial to the society and the country because if the employees come from mentally and physically happy family, they can work with efficiency and happiness and their children will have good education and quality of life. When their children grow up, they can help and develop their society, community and environment. When the Company is surrounded with good communities, it can support the Company's operations and can contribute to objectives achievement easily.

In 2020, the Company's social activities still focused on activities for the youth, for instance, provision of scholarships and support Children Day's activities on January 10, 2020 to the schools located surrounding the Company, namely, Wat Pra Prathanporn School, Wat Piboon Sunhatham School, and Baan Chak Yai Chine School..

Anti-corruption

The Company, as a member of the Thailand's Private Sector Collective Action Coalition on Anti-Corruption (CAC), arranged campaign and public relations to the directors, the executives and the employees continually to make them understand about practices for being the organization with corporate governance and responsibility to societies and all stakeholders. Whistle blowing channel has been provided via the Company's website: www.sricha.com for a whistle-blower to notify any suspicious or corruption behaviors and there is measure to protect the whistle-blower in place. Annual training plan has been arranged to introduce knowledge on compliance with the anti-corruption policy to the new employees by adding contents and curricular in the new employee orientation session. In addition, training plan on CAC measures to the directors, executives and employees has been organized to communicate best practices against corruption, such as declination from accepting gift, gratuity or all kinds of services from the stakeholders, refusal to provide political contribution to avoid a vested interest. Internal and external communication channels have also been specified for the stakeholders which including directors, executives and employees. There are processes to analyze risk, opportunity and impact caused by corruption in the business process of the organization. Risk management guidelines and responsible

persons have been specified to monitor results, take precaution, prevention, and development into corporate culture since day one of becoming the Company's employees.
