



Information and Communication Networks
Public Company Limited

Annual Report 2019



**PROFESSIONAL TELECOMMUNICATION
SYSTEM INTEGRATOR FOR HIGHEST
CUSTOMER SATISFACTION**



Bussiness Operation

Business Operation Dertermination

The Company has strong determination to run the business direction through moral, ethical, merit principle and corporate governance code of conduct. Telecommunication innovation and solutions are developed for the highest customers' satisfaction in both of our products and services. Moreover, the Company also takes responsibility to all stakeholders equally, together with community, society and environment.

Vision

To become the leader in engineering and digital technology, with the advancement of innovative products and excellent services guaranteed with the highest customer satisfaction under the principles of good corporate governance.

Mission

- Develop all employees with enhanced knowledge and expertise to keep pace with changes in technology consistently and appropriately.
- Ensure the highest satisfaction of customers by providing products and services to effectively meet all consumers' demands.
- Foster organizational ethics and take into account the importance of sustainable environment, community, and society.

Core Values

- Attitude
- Happiness
- Sustainability



Contents



02

Financial Highlights

05

Message from the Chairman
and Chief Executive Officer

06

Board of Directors

12

Management Team

19	Policy and Business Overview
24	Nature of Business
51	Risk Factors
55	Company Assets
57	Legal Disputes
58	General Information and Other Important Information
60	Securities and Shareholders
62	Management Structure
73	Corporate Governance
100	Corporate Social Responsibility
107	Internal Control and Risk Management

110	Audit Committee's Report
112	Related Party Transactions
114	Report on the Board of Directors Responsibility for Financial Reporting
115	Independent Auditor's Report
122	Financial Statements
130	Notes to Financial Statements
163	Management Discussion and Analysis



Financial Highlights

(Unit : Million THB)

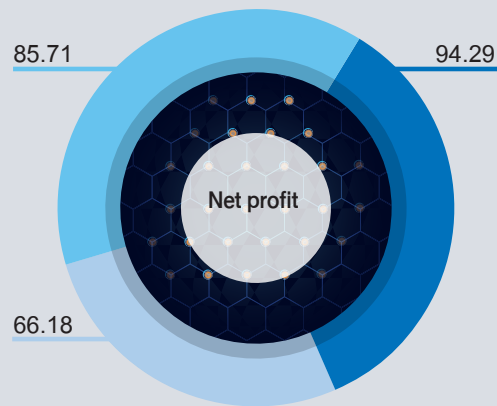
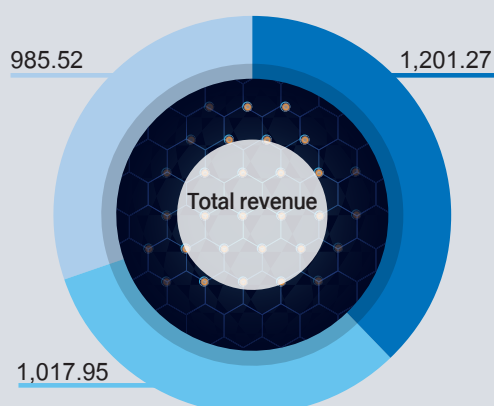
At the End of Period	2019*	2018	2017
Financial Status			
Total Assets	1,207.11	854.18	971.26
Total Liabilities	634.00	335.13	474.92
Total Shareholders' Equity	573.11	519.05	496.34
Business Performance			
Sales Revenue	1,198.72	1,015.55	956.85
Total Revenue	1,201.27	1,017.95	958.52
Cost of Sales and SG&A	1,082.89	910.07	872.86
Net Profit (Loss)	94.29	85.71	66.18
Financial Ratio			
Gross Margin (%)	15.87%	16.85%	15.18%
Net Profit (%)	7.80%	8.42%	6.90%
RoE (%)	17.49%	16.88%	20.01%
Earnings per Share (Baht/Share)	0.21	0.19	0.20**
D/E Ratio	1.15	0.65	0.96
Book Value (Baht/Share)	1.23	1.15	1.48**

*Presented as consolidated financial statements due to the purchase of shares of Expert Engineering and Communication Company Limited (EEC) on 2 January 2019.

**Weighted average number of ordinary shares in issue during the year and number of shares in proportion at the par value of 0.50 Baht each.

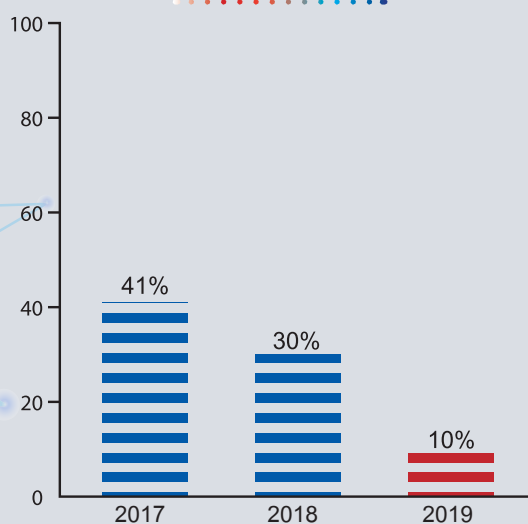
(Unit : Million THB)

● 2019 ● 2018 ● 2017

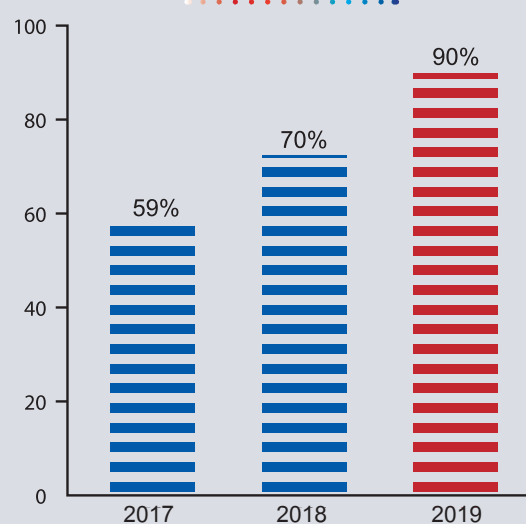


Revenue in Proportion

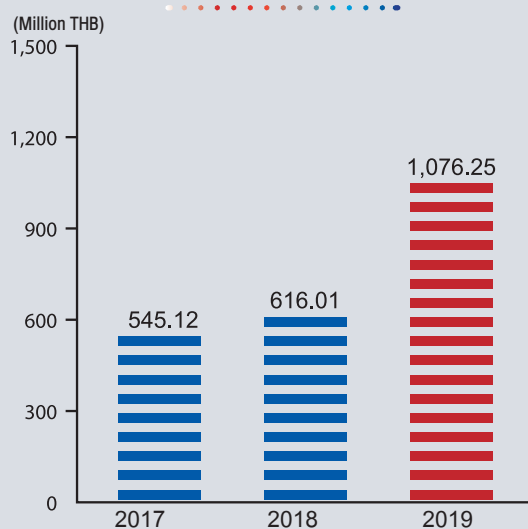
Private Sectors (Million THB)



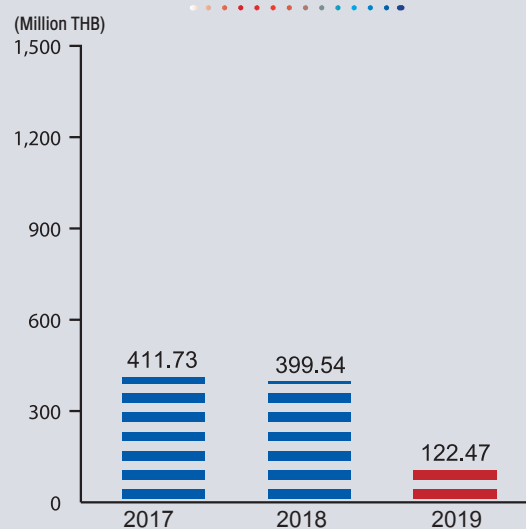
Public Sectors (Million THB)



Revenue Classified by Business Type

Telecommunication System/
Construction and Electrical System

Supply and Maintenance



Remark : * Presented as consolidated financial statements due to the purchase of shares of Expert Engineering and Communication Company Limited (EEC) on 2 January 2019.



Information and Communication Networks Public Company Limited (ICN), one of Thailand's leading Telecommunication Systems Integrator, was established in September 2007. ICN was launched by the group of telecom veterans who have decades of experience in Thailand telecommunication arena, to provide quality solutions for the increasing demand of telecommunication services in Thailand.



ICN led by Mr. Monchai Manepairoj, CEO, was awarded for High-Speed Internet Service Project in Remote Area (Zone C) Group 5 Northeast 3 Region from CAT who entered into the bidding of the NBTC, with a total project value of 2,426 Million Baht under the name of "IR Consortium". ICN has the work proportion for value of 1,237 Million Baht.



On 13 July 2019, Mr. Monchai Manepairoj, CEO, together with Mr. Thammawat Uchupaiboonwong, CMO, and Mrs. Wilaiporn Thamwichai, VP-Business Administration as well as ICN employees participated in the "mai Forum 2019" in order to promote and publicize the business of the Company at Centara Grand Hotel at Central World.



On 8 August 2019, Mr. Thammawat Uchupaiboonwong, CMO, and Ms. Patnarin Maliwawal, CFO, jointly announced business and financial performance as well as future outlook trends to investors at the "Opportunity Day 2Q2019" event at the Stock Exchange of Thailand.



In September 2019, ICN has been granted a Type 1 Internet Service License (without own network) from the NBTC for a period of 5 years to provide internet services covering both wired and wireless services.



Ms. Patnarin Maliwal, CFO, received a token of appreciation from Mr. Pakorn Peetathawatchai, President of SET, and Mr. Krisada Sektrakul, Senior Executive Vice President of SET as a volunteer coach for the project of "SET Social Impact Gym 2019" for sharing knowledge, experience and strategy in conducting business e.g. business management, finance, marketing and supply chain for Art Story By Autistic Thai.



On 23 November 2019, Ms. Patnarin Maliwal, CFO, has been invited by Faculty of Commerce and Accountancy, Chulalongkorn University as a lecturer under the topic of "Strategic Implementation" for graduate students, Master of Business Administration Program.



Message from Chairman and Chief Executive Officer



The year 2019 was a challenging year that the Company has coped with various changes not only the implementation of large projects that the Company has been awarded but also another milestone to invest in other business which has been considered as another step for business expansion. Apart from that, in this year the new government was elected and one of the government policies is to promote the investment in innovation for the development of digital infrastructure and moving country towards a smart nation such as investing in an internet gateway and wireless communication technology in 5G system to ensure continuous internet communication supporting a large number of connections and various applications to increase economic value, economic competitiveness as well as supporting social policies such as education services and public health services and building opportunities for career development corresponding to the trend of technology disruption which is an important factor that the Company is very well aware.

With regard to the aforementioned changes, the Company has taken various approaches to meet these changes and one of which was to invest in ordinary shares of Expert Engineering and Communication Company Limited in early 2019 to increase business potential and expand opportunities to strengthen business for the Company. The year 2019 has reflected a remarkable level of economic challenges in both domestic and international environment. The international economic situation affected the overall economic slow down in Thailand. However, according to the investment policy of the government which is our important customer group, the Company's operating results is in line with the business plan. For the year 2020, the Company will reinforce and expand the business spectrum and customer base for both government sector and private

sector in the areas of network maintenance work including planning for various projects such as project to promote internet access for public benefit, network development project for education, agriculture and public health, utilities management project, smart city and safety innovation project, cloud services project, logistic and rail transport development project and expanding 5G mobile network project etc. Apart from this, in the year 2019, the Company has supported the SET Social Impact Gym 2019 activity led by the Stock Exchange of Thailand whereby our executive participated as a volunteer coach in this activity in order to share knowledge, experience and strategy in conducting business for social enterprise entrepreneurs, which is a linkage and collaboration between business and social sectors to promote innovation development, increase competitiveness in the digital age for the effective business management by creating strong and sustainable social and environmental results.

On behalf of the Company's Board of Directors, executives and employees, we would like to express our gratitude to all shareholders, investors, business partners and all groups of stakeholders for your continuous support with confidence and trust in our business operations. The Company remains committed to good governance to develop high quality and efficient services with telecommunications expertise to keep up with the changes of technology in order to ensure the highest satisfaction of customers together with the emphasis on human resource development without discrimination in gender, race, religion, promoting good health and well-being together with preserving the environment and creating social benefits in compliance with "The 17 Sustainable Development Goals" (SDGs) of the United Nations for the Company to grow strong, stably and sustainably.



Board of Directors



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1. **Mr.Segsan Roylapcharoenporn**
Chairman, Audit Committee Chairman and Independent Director
2. **Mr.Monchai Manepairoj**
Director and Chief Executive Officer
(Authorized Director)

3. **Mr.Ronapoom Rungruangpol**
Director (Authorized Director)
4. **Mr.Pira Laohasomboon**
Director (Authorized Director)



5

5. **Mr. Anuwat Luengtaweekul**
Audit Committee and Independent Director
6. **Mr. Chanachai Kulnoppaleark**
Audit Committee and Independent Director



6



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7. **Ms. Patnarin Maliwal**
Director and Chief Financial Officer
(Authorized Director)

Ms. Tanankorn Klungpreamchitt is the Company Secretary appointed by the Board of Directors' Meeting No. 1/2019 on 20 February 2019.



Directors' Profile



Mr. Segsan Roylapcharoenporn

Chairman, Audit Committee Chairman and Independent Director

Age: 75 years

Education

- Bachelor of Engineering (Telecommunication Engineering),
King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program (DCP) 107/2008

Working experience in the past 5 years

- 2017 - Present Chairman, Audit Committee Chairman and Independent Director
Information and Communication Networks PCL
- 2016 - Present Council Councilor Suan Dusit University
- 2009 Advisor of Chairman CAT Telecom PCL
- 2006 - 2008 Director CAT Telecom PCL

Shareholding (30/12/2019)

-

Relationship Directors and Executives

-



Mr. Monchai Manepairoj
Director and Chief Executive
Officer (Authorized Director)
Age: 57 years



Mr. Ronapoom Rungruangpol
Director (Authorized Director)
Age: 69 year

Education

- Master of Information Systems, City University, U.S.A.
- Bachelor of Science, Kasetsart University
- Director Accreditation Program (DAP) 103/2013

Working experience in the past 5 years

- 2014 - Present Director and Chief Executive
Officer
Information and Communication
Networks PCL
- 2010 - 2013 Deputy Managing Director
Loxley Wireless PCL

Shareholding (30/12/2019) : 19.49%

Relationship Directors and Executives

-

Education

- Master of Industrial Education, Texas Southern
University, U.S.A.
- Bachelor of Construction Technology, Texas Southern
University, U.S.A.
- Bachelor of Laws, Sukhothai Thammathirat Open
University
- Director Accreditation Program (DAP) 133/2017

Working experience in the past 5 years

- 2016 - Present Director
Information and Communication
Network PCL
- 2014 - 2015 Director
Information and Communication
Networks Co.,Ltd.
- 2000 - Present Director
IDA Parcel Post Co.,Ltd.
- 1996 - Present Director
Wang Pra Doo Co.,Ltd.

Shareholding (30/12/2019) : 0.07%

Relationship Directors and Executives

-



Mr. Pira Laohasomboon
Director (Authorized Director)
Age: 52 years



Mr. Anuwat Luengtaweekul
Audit Committee and
Independent Director
Age: 56 years

Education

- Master of Telecom Management, Asian Institute of Technology
- Bachelor of Solid State Electronics, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) 131/2016

Working experience in the past 5 years

- 2007 - Present Director
Information and Communication
Networks PCL
- 2007 - 2014 Managing Director
Information and Communication
Networks Co., Ltd.

Shareholding (30/12/2019) : 7.77%

Relationship Directors and Executives

-

Education

- Master of Business Administration, Rangsit University
- Bachelor of Science (Accounting), Kasetsart University
- Director Certification Program (DCP) 24/2002
- Successful Formulation & Execution the Strategy (SFE) 3/2009
- How to Measure the Success of Corporate Strategy (HMS) 4/2014
- Role of Compensation Committee (RCC) 21/2016
- Board and Performance Evaluation Program
- Top Executive Program in Commerce and Trade (TEPCoT) 11/2018

Working experience in the past 5 years

- 2019 - Present Director
Thanachart Insurance PCL
- 2016 - Present Audit Committee and
Independent Director
Information and Communication
Networks PCL
- 2012 - Present Nomination and Compensation
Committee Ratchathani
Leasing PCL
- 2010 - Present Director
Ratchathani Leasing PCL
- 2009 - Present Vice President
Thanachart Bank PCL

Shareholding (30/12/2019) : 0.07%

Relationship Directors and Executives

-

**Mr. Chanachai Kulnoppaleark**

Audit Committee and
Independent Director
Age: 56 years

**Ms. Patnarin Maliwal**

Director and Chief Financial
Officer (Authorized Director)
Age: 44 years

Education

- Master of Business Administration, University of the Thai Chamber of Commerce
- Bachelor of Accounting, Thammasat University
- Director Accreditation Program (DAP) 133/2017

Working experience in the past 5 years

- 2016 - Present Audit Committee and Independent Director
Information and Communication Networks PCL
- 2008 - 2018 Asst. Vice President / Company Secretary Kulthorn Kirby PCL
- 2014 - 2017 Director
Kulthorn Materials and Controls Co., Ltd.

Shareholding (30/12/2019) : 0.07%**Relationship Directors and Executives**

-

Education

- Master of Business Administration (Financial Management in International Business), Assumption University
- Bachelor of Arts, Germanistics, Chulalongkorn University
- Company Secretary Program (CSP) 73/2016
- Director Accreditation Program (DAP) 155/2018

Working experience in the past 5 years

- 2019 - Present Director and Chief Financial Officer Information and Communication Networks PCL
- 2018 - 2019 Director, Chief Financial Officer and Company Secretary Information and Communication Networks PCL
- 2016 - 2018 Chief Financial Officer and Company Secretary Information and Communication Networks PCL
- 2014 - 2016 Chief Financial Officer Information and Communication Networks PCL
- 2013 - 2014 Chief Operating Officer LawtonAsia Insurance Broker Co., Ltd.
- 2012 - 2014 Head of Strategy Officer S&P Syndicate PCL
- 2008 - 2011 Chief Financial Officer / VP-Commercial Head Siemens IT Solutions and Services Ltd.

Shareholding (30/12/2019) : 0.17%**Relationship Directors and Executives**

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Management Team



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1. Mr. Monchai Manepairoj

Director and Chief Executive Officer
(Authorized Director)

2. Ms. Patnarin Maliwal

Director and Chief Financial Officer
(Authorized Director)

3. Mr. Thammawat Uchupaiboonwong

Chief Marketing Officer

4. Mr. Suwat Youcharoen

Chief Operating Officer

5. Mr. Surasak Kongjantra

Vice President – Business Development



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6. **Mr. Worapoj Wongsawat**
Vice President - Sales and Marketing 3
7. **Mr. Sirisak Viriyamanpong**
Vice President - Sales and Marketing 1
8. **Mr. Akeapot Boonyarattapun**
Vice President - Operation

9. **Mrs. Wilaiporn Thamwichai**
Vice President – Business Administration
10. **Ms. Wanlapa Luangdilok**
AVP - Finance and Accounting



Management's Profile



Mr. Monchai Manepairoj
Director and Chief Executive
Officer (Authorized Director)
Age: 57 years



Ms. Patnarin Maliwal
Director and Chief Financial
Officer (Authorized Director)
Age: 44 years

Education

- Master of Information Systems, City University, U.S.A.
- Bachelor of Science, Kasetsart University
- Director Accreditation Program (DAP) 103/2013

Working experience in the past 5 years

- 2014 - Present Director and Chief Executive Officer
Information and Communication Networks PCL
- 2010 - 2013 Deputy Managing Director
Loxley Wireless PCL

Shareholding (30/12/2019) : 19.49%

Relationship Directors and Executives

-

Education

- Master of Business Administration (Financial Management in International Business), Assumption University
- Bachelor of Arts, Germanistics, Chulalongkorn University
- Company Secretary Program (CSP) 73/2016
- Director Accreditation Program (DAP) 155/2018

Working experience in the past 5 years

- 2019 - Present Director and Chief Financial Officer Information and Communication Networks PCL
- 2018 - 2019 Director, Chief Financial Officer and Company Secretary Information and Communication Networks PCL
- 2016 - 2018 Chief Financial Officer and Company Secretary Information and Communication Networks PCL
- 2014 - 2016 Chief Financial Officer Information and Communication Networks PCL
- 2013 - 2014 Chief Operating Officer LawtonAsia Insurance Broker Co., Ltd.
- 2012 - 2014 Head of Strategy Officer S&P Syndicate PCL
- 2008 - 2011 Chief Financial Officer / VP-Commercial Head Siemens IT Solutions and Services Ltd.

Shareholding (30/12/2019) : 0.17%

Relationship Directors and Executives

-



Mr. Thammawat Uchupaiboonwong
Chief Marketing Officer
Age: 50 years



Mr. Suwat Youcharoen
Chief Operating Officer
Age: 47 years

Education

- Bachelor of Engineering (Electrical Engineering),
King Mongkut's University of Technology Thonburi

Working experience in the past 5 years

- 2018 - Present Chief Marketing Officer
Information and Communication
Networks PCL
- 2015 - 2017 Chief Operating Officer
Information and Communication
Networks PCL
- 2010 - 2015 Senior Vice President
Loxley Wireless PCL

Shareholding (30/12/2019) : 0.17%

Relationship Directors and Executives

-

Education

- Master of Telecommunications, Asian Institute of
Technology
- Bachelor of Engineering (Electrical Engineering),
Chulalongkorn University

Working experience in the past 5 years

- 2018 - Present Chief Operating Officer
Information and Communication
Networks PCL
- 2015 - 2017 Vice President - Project
Management
Information and Communication
Networks PCL
- 2011 - 2015 Asst.Vice President
Loxley Wireless PCL

Shareholding (30/12/2019) : 0.05%

Relationship Directors and Executives

-



Mr. Surasak Kongjantra
Vice President – Business
Development
Age: 51 years



Mr. Worapoj Wongsawat
Vice President – Sales and
Marketing 3
Age: 51 years

Education

- Master of Economics (Business Economics), Kasetsart University
- Bachelor of Engineering (Electronics Engineering), King Mongkut's Institute of Technology Ladkrabang

Working experience in the past 5 years

- 2019 - Present Vice President - Business Development
Information and Communication Networks PCL
- 2018 Vice President - Sales and Marketing 3
Information and Communication Networks PCL
- 2014 - 2017 Vice President - Sales Special Project 2
Information and Communication Networks PCL
- 2011 - 2015 Vice President
Loxley Wireless PCL

Shareholding (30/12/2019) : 0.34%

Relationship Directors and Executives

-

Education

- Master of Business Administration, Sripatum University
- Bachelor of Engineering, Southeast Asia University

Working experience in the past 5 years

- 2019 - Present Vice President - Sales and Marketing 3
Information and Communication Networks PCL
- 2018 Vice President - Sales and Marketing 4
Information and Communication Networks PCL
- 1994 - 2017 Vice President
United Telecom Sales & Services Co., Ltd.

Shareholding (30/12/2019) : 0.03%

Relationship Directors and Executives

-



Mr. Sirisak Viriyamanpong
Vice President – Sales and
Marketing 1
Age: 41 years



Mr. Akekapot Boonyarattapun
Vice President – Operation
Age: 47 years

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Engineering (Electrical Engineering), Mahidol University

Working experience in the past 5 years

- 2019 - Present Vice President - Sales and Marketing 1
Information and Communication Networks PCL
- 2014 - 2018 Asst.Vice President
Information and Communication Networks PCL
- 2010 - 2014 Asst.Vice President
Loxley Wireless PCL

Shareholding (30/12/2019) : 0.49%

Relationship Directors and Executives

-

Education

- Bachelor of Engineering (Electronics Engineering), King Mongkut's Institute of Technology Ladkrabang

Working experience in the past 5 years

- 2019 - Present Vice President – Operation
Information and Communication Networks PCL
- 2018 Vice President - Project
Management
Information and Communication Networks PCL
- 2015 - 2017 Vice President Service and
Maintenance
Information and Communication Networks PCL
- 2013 - 2015 Senior Manager
Loxley Wireless PCL
- 1996 - 2013 Project Manager
Siemens Ltd.

Shareholding (30/12/2019) : 0.11%

Relationship Directors and Executives

-



Mrs. Wilaiporn Thamwichai
Vice President - Business
Administration
Age: 52 years



Ms. Wanlapa Luangdilok
Asst. Vice President - Finance
and Accounting
Age: 48 years

Education

- Bachelor of Business Administration,
Bangkok University

Working experience in the past 5 years

- 2018 - Present Vice President - Business
Administration
Information and Communication
Networks PCL
- 1998 - 2017 Senior Vice President
Loxley Wireless PCL

Shareholding (30/12/2019) : 0.03%

Relationship Directors and Executives

-

Education

- Master of Business Administration (Accounting),
Thammasat University
- Bachelor of Commerce and Accountancy,
Thammasat University

Working experience in the past 5 years

- 2017 - Present AVP - Finance and
Accounting
Information and Communication
Networks PCL
- 2007 - Present Director
SingThai.com Co., Ltd.
- 2015 - 2016 F&A Senior Manager
Information and Communication
Networks PCL
- 2014 - 2015 Accounting and Tax Manager
PTT Retail Management Co.,Ltd.
- 2000 - 2013 Accounting Manager
Yeenin Frozen Foods Co., Ltd.

Shareholding (30/12/2019) : 0.04%

Relationship Directors and Executives

-



Policy and Business Overview

Information and Communication Networks Public Company Limited (ICN) has been officially established on 13 September 2007. In 2014, ICN had reorganized its business strategies and placed a greater emphasis on service efficiency. The company successfully increased its registered capital by 65 million Baht resulting in the total registered capital of 115 million Baht. ICN announced the appointment of Mr. Monchai Manepairoj as Chief Executive Officer, who possesses excellent knowledge and expertise, with a proven track record of success and more than 25 years of experience in the telecommunication industry. With efficient management and network-centric operations evolved by over 40 highly professional and experienced senior executives and employees, ICN is strongly proficient in providing the complete turnkey telecommunication business (Turnkey), covering a broad scope of consultancy, design, installation, testing, system integration, and after-sales services. As part of the goal to demonstrate the leadership of the telecommunication and communication market, ICN always has confidence and trust in a complete selection of revolutionary products provided by world-class telecommunication suppliers such as Nokia, Huawei, Coriant, Oscilloquartz, H3C and Thales (Gemalto was finally acquired by Thales in 2019). To keep providing customers with a comprehensive range of quality products and services, ICN also focuses on distributing high-end communication equipment used as spare parts (Supply) and offering efficient maintenance services (Maintenance) to various telecommunication networks. In 2016, ICN had commenced its brand-new business line, emphasizing on the installation and design of construction and electrical systems, with the establishment of a data center for a leading telecommunication company in the country.

On 18 April 2017, the Annual General Meeting of Shareholders 2017 approved to transform the Company into a public company. The Company was renamed into “Information and Communication Networks Public Company Limited”, increasing its registered capital by 110 million Baht from the original amount of 115 million Baht, which came to a total of 225 million Baht. On 27 April 2017, the Company achieved 165 million Baht of its paid-up capital. On 15 September 2017, the Company was listed on the Thai Market for Alternative Investment (MAI), while successfully introducing its Initial Public Offering (IPO), totaling 120,000,000 shares valued at 1.84 Baht per share, to the public for the first time.

SUPPLIER



Vision, Mission, and Goals

Vision

To become the leader in engineering and digital technology, with the advancement of innovative products and excellent services guaranteed with the highest customer satisfaction under the principles of good corporate governance.

Mission

- Develop all employees with enhanced knowledge and expertise to keep pace with changes in technology consistently and appropriately.
- Ensure the highest satisfaction of customers by providing products and services to effectively meet all consumers' demands.
- Foster organizational ethics and take into account the importance of sustainable environment, community, and society.

Goals

- To generate business sustainability and continuing growth, with the expectation to maximize the Company's recurring income derived from the network maintenance service business to over 50% of total revenue, while being able to expand the Company's potential to both public and private sectors.
- To maximize customer satisfaction by offering a comprehensive range of high-quality products and professional services that genuinely meet all customers' needs.
- To ensure economic security to employees and their families by fostering the development of skill, ability, expertise, and innovation on a regular basis.
- To offer excellent social services to the public via various activities, for instance, the supports of scholarships and tools for needy schools and hospitals in the remote areas.

Core Values

- Attitude
- Happiness
- Sustainability

Significant Business Development

Our significant business development can be explained below:

2007
<ul style="list-style-type: none"> Registered as “JRW Network Solutions Company Limited”, with an initial registered capital of 20 million Baht. Awarded the telecommunication installation projects from JRW Utility Company Limited, an authorized dealer of Nokia Siemens Networks (Thailand) Company Limited to provide a comprehensive range of telecommunication and communication services for public customers.
2009
<ul style="list-style-type: none"> Decreased the registered capital by 10 million Baht from the original amount of 20 million Baht by reducing the number of ordinary shares totaling 1,000,000 shares valued at 10 Baht per share. Changed the Company’s name from “JRW Network Solutions Company Limited” to “Information and Communication Networks Company Limited”. Increased the registered capital by 10 million Baht from the amount of 10 million Baht, coming to a total of 20 million Baht, with the issuance of 1,000,000 new ordinary shares valued at 10 Baht per share for the Company’s working capital.
2012
<ul style="list-style-type: none"> Increased the registered capital by 30 million Baht from the amount of 20 million Baht, coming to a total of 50 million Baht, with the issuance of 3,000,000 new ordinary shares valued at 10 Baht per share for the Company’s working capital.
2014
<ul style="list-style-type: none"> Increased the registered capital by 65 million Baht from the amount of 50 million Baht, coming to a total of 115 million Baht, with the issuance of 6,500,000 new ordinary shares valued at 10 Baht per share for the Company’s working capital. Appointed as an authorized reseller to be responsible for the distribution of telecommunication products and services under the Alcatel-Lucent brand provided by Alcatel-Lucent (Thailand) Company Limited (Alcatel-Lucent was acquired by Nokia in 2016). Appointed as an authorized reseller to be responsible for the distribution of telecommunication products and services under the Coriant brand provided by Coriant GmbH from Germany. Started the business model as a main contractor to proceed with the design and installation of the integrated telecommunication system for CAT Telecom Public Company Limited and TOT Public Company Limited. Started a new business line in distributing telecommunication equipment as well as providing maintenance services for telecommunication systems.

2015

- Appointed as an authorized channel partner to be responsible for the distribution of telecommunication products and services under the Huawei brand provided by Huawei International Private Company Limited from Singapore.
-

2016

- Appointed as an authorized partner to be responsible for the distribution of telecommunication products and services under the Nokia brand provided by Nokia Solution and Networks (Thailand) Company Limited.
 - Appointed as a value added reseller to be responsible for the distribution of telecommunication products and services under the Oscilloquartz brand provided by Oscilloquartz SA from Switzerland.
 - Appointed as a value added reseller to be responsible for the distribution of hardware and software products under the Gemalto brand provided by Gemalto (Thailand) Ltd. (Gemalto was acquired by Thales in 2019).
 - Started a new business line in the construction and design of electrical systems, with the establishment of modern data centers for renowned telecommunication providers in Thailand.
-

2017

- The Annual General Meeting of Shareholders 2017 on 18 April 2017 approved the following resolutions: Transformed into a public company.
- Revised the value of ordinary share from 10 Baht to 0.50 Baht per share.
- Increased the registered capital by 110 million Baht from the amount of 115 million Baht, coming to a total of 225 million Baht, with the issuance of 220,000,000 new ordinary shares valued at 0.50 Baht per share to be allocated as follows:
 - (1) 100,000,000 of newly issued ordinary shares to be allocated to original shareholders, resulting in the Company's paid-up capital of 165 million Baht.
 - (2) 108,000,000 of newly issued ordinary shares to be allocated to the public.
 - (3) 12,000,000 million of newly issued ordinary shares to be allocated to the Company's Board of Directors, executives, and employees at the similar price offering to the public.
 - The Company was listed on the Thai Market for Alternative Investment (MAI) on 15 September 2017.
 - Introduced the Initial Public Offering (IPO), totaling 120,000,000 shares valued at 1.84 Baht per share.
 - Appointed as value added reseller to be responsible for the distribution of products, software, documentation and services provided by ZTE (Thailand) Co., Ltd.
 - Appointed as value added reseller to be responsible for the distribution of products, software and services under the HP brand provided by HP Inc (Thailand) Ltd.

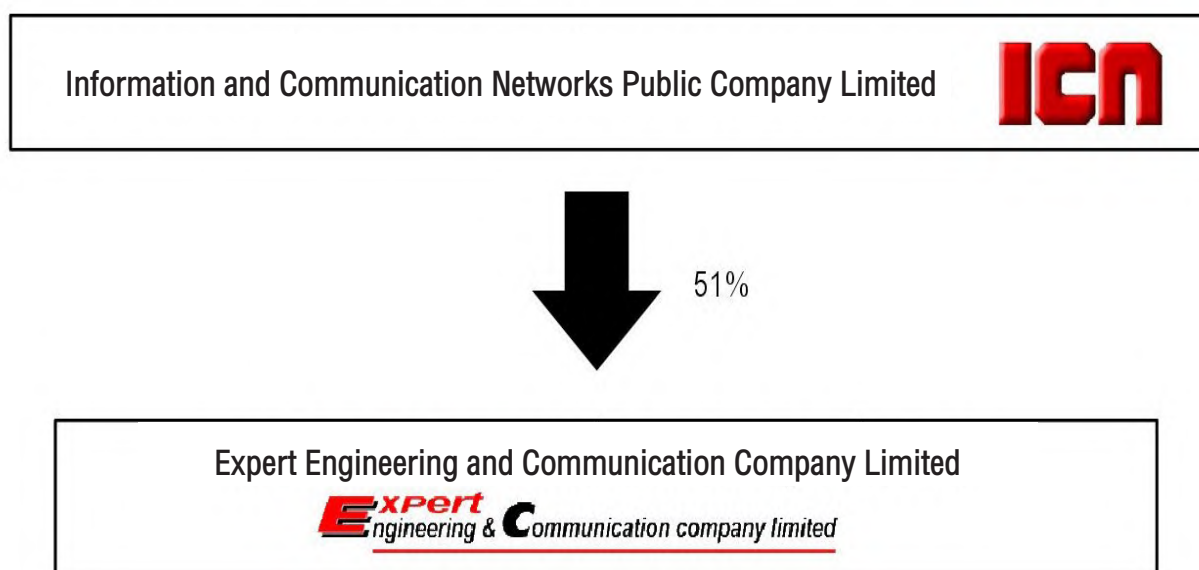
2018

- Appointed as reseller to be responsible for the distribution of software products under the IBM brand provided by IBM Singapore Pte Ltd.
- Appointed as reseller to be responsible for the distribution of software products under the Oracle brand provided by Oracle Corporation.
- Appointed as reseller to be responsible for the distribution of software products under the HPE brand provided by Hewlette Packard Enterprise.
- Awarded the letter of intent for High-Speed Internet Service Project in Remote Area (Zone C) Group 5 Northeast 3 Region from CAT who entered into the bidding of the NBTC, with a total project value of 2,426 million Baht under the name of “IR Consortium”. ICN has the work proportion for value of 1,237 million Baht.

2019

- Share purchase of 102,000 ordinary shares or 51% of the total shares of Expert Engineering and Communication Company Limited (EEC) in January 2019.
- Received a Type 1 Internet Service License from the NBTC for a period of 5 years in September 2019.

Structure of the Company Group



To expand business potential, ICN purchased 102,000 ordinary shares of Expert Engineering and Communication Company Limited (EEC) or 51% of the total shares with the total value of 35.70 Million Baht with effective from 2 January 2019. EEC operates telecommunication and technology systems such as water resources management, data measurement and remote control systems, etc.



Nature of Business

ICN has been recognized as Thailand's leading telecommunication system integrator. ICN specializes in providing excellent products and services related to the design and installation of telecommunication systems, empowered by extensive knowledge and professional expertise of executives and employees. ICN has also expanded its business line to the design and installation of construction and electrical systems, together with the distribution of supplies and maintenance services.

Revenue Structure

With regards to nature of business, the revenue can be categorized into 2 major groups i.e. (1) sales revenue from turnkey business encompassing telecommunication and construction and electrical system and (2) sales revenue from supply of telecommunication system and maintenance of telecommunication system whereby the revenue in the year 2017 – 2019 are as follows:

Type	2017		2018		2019*	
	MB	%	MB	%	MB	%
Sales Revenue						
Sales Revenue from Turnkey Business						
- Sales Revenue from Telecommunication System	456.34	47.61	615.96	60.65	932.58	77.63
- Sales Revenue from Construction and Electrical System	88.78	9.26	0.05	0.01	15.25	1.27
Sales Revenue from Supply and Maintenance						
- Sales Revenue from Supply of Telecommunication System	109.40	11.42	210.87	20.76	115.78	9.64
- Sales Revenue from Maintenance of Telecommunication System	302.33	31.54	188.67	18.58	135.11	11.25
Total Sales Revenue	956.85	99.83	1,015.55	99.76	1,98.72	99.79
Other Income**	1.67	0.17	2.40	0.24	2.55	0.21
Total Revenue	958.52	100.00	1,017.95	100.00	1,201.27	100.00

Remark: *Presented as consolidated financial statements due to the purchase of shares of Expert Engineering and Communication Company Limited (EEC) on 2 January 2019,

** Other income consists of interest income and gain from foreign exchange

Product and Service Details

Details of telecommunication products and services can be categorized according to the revenue structures as described below:

Turnkey Project

ICN offers a comprehensive range of products and services for turnkey telecommunication projects. As a project contract is signed, the Company will present the project master plan to the customer for common understanding in every work step. Once the master plan is approved, the Company shall proceed with the inspection, design, and procurement of required equipment and materials, installation and commissioning

where each completed work will be submitted to a customer according to the scheduled phases. Meanwhile, ICN has divided its service systems into two major categories as follows:

1. Telecommunication System

ICN is specialized and experienced in providing the telecommunication services where the required data can be transmitted uninterruptedly from one place to another via electronic systems. Basically, it takes about 3–6 months to achieve a normal project or up to 1–2 years for a large-scale and complicated project depending on the requirements specified in an agreement. The Company is able to proceed with design, transparent procurement, and successful installation of the required telecommunication equipment and systems for both wired and wireless telecommunication networks as follows:

1) Transport Network

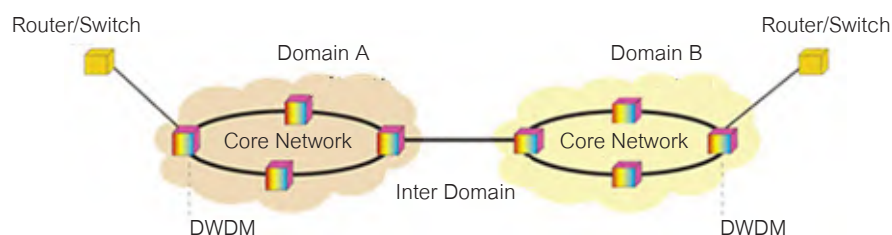
Transport Network is a fundamental communication device used to transmit the data remotely by using various transmission techniques. The transport network equipment, which is required to be installed in the core network to ensure effective transmission of big data. ICN is specialized in design and perform the system implementation by using the equipment listed below:

(1) IP Router / Carrier Switch

IP Router or Carrier Switch has been developed for the transfer of data, using IP, Ethernet, and Multi-Protocol Label Switching (MPLS), where the routing of information and priority arrangement of data can be managed specifically according to a user's requirement for data transmission efficiency. Normally, the device is mostly used at a distance of up to 40 kilometer and can support data transmission at 100 Gbps. For the installation of IP Router or Carrier Switch, ICN has exposed to the products provided by Nokia and Huawei, which are the world top 2 well-known brands.

(2) Next-Generation Dense Wavelength Division Multiplexing (DWDM)

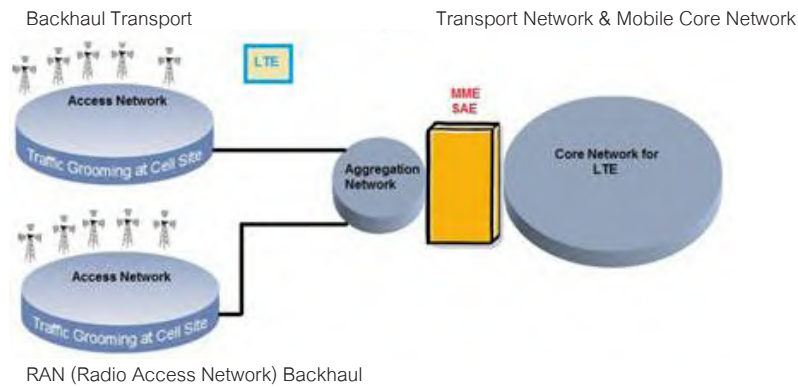
With the adoption of Dense Wavelength Division Multiplexing (DWDM) technology, the information can be transmitted on multiple levels of wavelength via fiber optic cable. This ensures the enhanced effectiveness of multi-data transmission of up to 3200 Gbps at the maximum distance of 200 kilometers. Supported by the Generalized Multi-Protocol Label Switching/Automatically Switched Optical Network (GMPLS/ASON) technology, Next-Generation DWDM also helps facilitate the automatic searching of a new protection path, particularly when a working path is out of service or damaged to maintain the consistency for the users. ICN always relies on innovative supplies provided by Nokia and Huawei, which are the world top 2 well-known brands.



Sample Picture of Optical Transport Network

3. Mobile Backhaul Router

ICN offers design and installation services of Mobile Backhaul Router used to connect the terrestrial mobile network and the base station control system together. The Company uses the products provided by Huawei and Nokia.



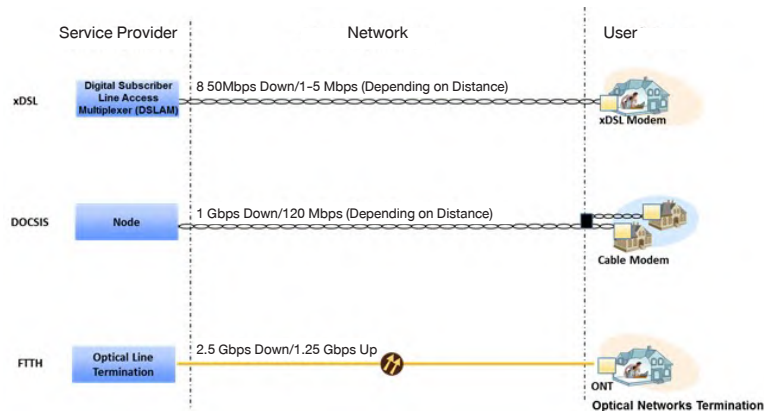
Sample Picture Mobile Backhaul Transport

4. Synchronous Digital Hierarchy (SDH)

This communication device has long been used to guarantee the completion of wired network projects. As copper telephone wire is the fundamentally required equipment, it ensures stable operations and enhanced security of application. However, the device can support up to 10 Gbps only. At present, there is still a demand for such device in certain groups of customers who focus mainly on network security. ICN normally uses quality products of Coriant.

2) Access Network

Access Network is a network that connects the core network to endpoints to provide data transmission services in various forms, varying in voice, video, data, and multimedia. The network can be operated by several technological systems, for instance, ADSL, VDSL, DOCSIS, FTTC, and more. ICN prefers to rely on highly competitive products provided by Nokia and Huawei.



Sample Picture of Access Network

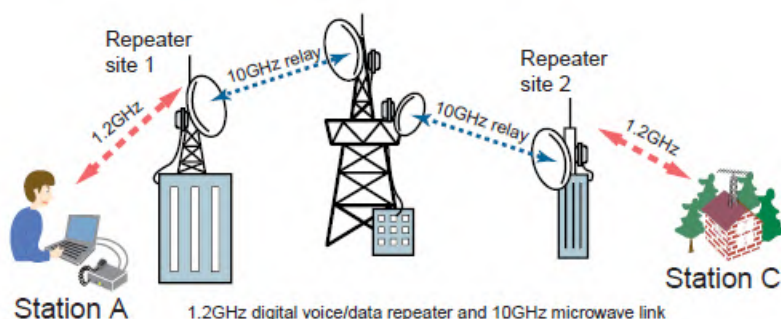
3) Fiber Optic Cable (FOC)

Fiber Optic Cable is used for transmitting data based on the principles of the reflection of the light in transmission. With this type of cable, the required data will be transmitted at nearly the speed of light, where the loss value can surely be minimized and the transmission distance is much farther than other types of cables. Nowadays, Fiber Optic Cable becomes the most fundamental and popular signal transmission equipment among telecommunication business providers. ICN has always purchased the product from local manufacturers and distributors, with regard to functions and specifications required by customers for certain projects.



4) Microwave Radio

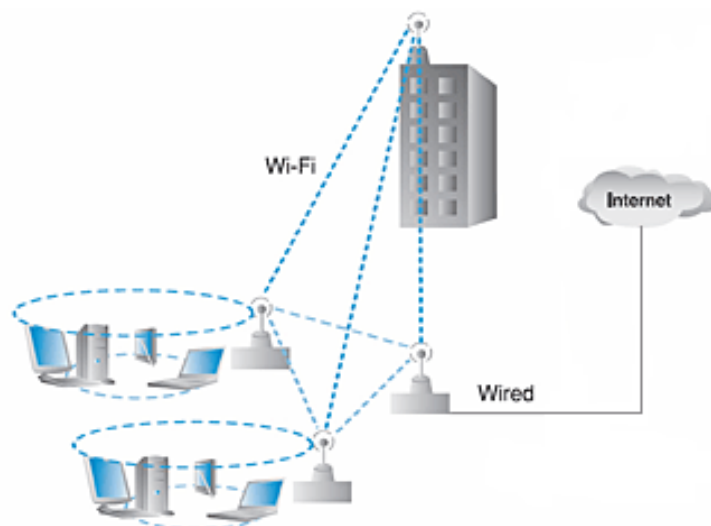
Microwave Radio is a communication system that relies on the steadiness of radio frequency ranging between 0.3 GHz – 300 GHz. For practical usage, the system can be functioned efficiently at the frequency between 1 GHz – 60 GHz as it can be produced easily by electronic devices. The required data will be transmitted by microwave frequency travelling in the air, in which a base station is required to be prepared for receiving and sending such required data. Travelling with the “Line of Sight” approach, microwave frequency is required to operate with periodic data transmission, where the required data will be sent and received collectively between base stations. Microwave radio communication system is ideal for remote data transmission, particularly in backcountry areas. ICN’s reliable Microwave Radio system is provided by Nokia and Huawei.



Sample Picture of Microwave Communication

5) Broadband Wireless Access (BWA)

Broadband Wireless Access or BWA is empowered by mobile connectivity requiring the consistency of the high-speed internet. This definitely makes the wireless network comparable to some certain wired networks, where BWA will serve as a tool to facilitate the transmission of data from the core network to a user with wireless connectivity. Normally, BWA is used for data transmission requiring radio waves at the frequency ranging between 2.3 GHz – 2.4 GHz and 2.5 GHz – 2.6 GHz, thanks to Nokia and Huawei for providing a comprehensive range of high-quality BWA products.



Sample Picture of Broadband Wireless Access

6) Equipments related to 3G / 4G/ 5G Mobile Network

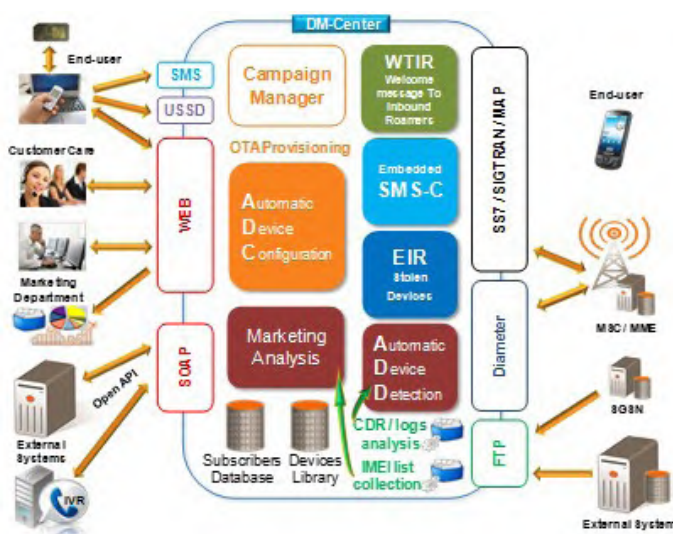
ICN is capable of providing 3G and 4G mobile broadband services, also known as the Long-Term Evolution (LTE) technology and the 5th or 5G high speed wireless communication technology which is coming in the near future, considered the groundbreaking wireless communication systems that combine voice, video telephony, high-speed data, internet access, and other additional services together. ICN is highly specialized in designing and installing the 3G / 4G / 5G Mobile Network systems, varying in Mobile Switching Center Server (MSC-S), Radio Network Controller (RNC), Value Added Service (VAS), and Business Support System (BSS) under Nokia and Huawei brands.

7) Other Related Devices

Aside from wired and wireless telecommunication systems, ICN also provides turnkey business, supported by the use of the following devices.

- **Mobile Device Management (MDM)**

Mobile Device Management (MDM) is usually implemented with the use of a third-party device with management features of both 3G and 4G networks for subscribers to facilitate the settings of preferred information. This technological equipment also helps simplify the storage of information, particularly for planning of marketing strategies and maximizing the so-called Mobile Value-Added Services. Systems featured in the device can support various subscribers' platforms, while offering enhanced security, including Mobile Application Management (MAM) and Mobile Content Management (MCM). To achieve the design and installation of the Mobile Device Management system, ICN relies on quality products of the Thales (Former name: Gemalto) brand.



Sample Picture of Mobile Device Management

- **Synchronization**

Synchronization is the process of establishing consistency among data obtained from a certain source to a targeted data storage unit and vice versa. Considered a key device for clock signal generation, all telecommunication networks have been urged to install this equipment to ensure untroubled synchronization of telecommunication signals, particularly for sequential digital communication in a lengthy distance requiring the steadiness of the high-speed signal. A sender and a receiver of data will know the current status of the transmitting data. ICN's synchronization system is supported by Oscilloquartz.

- **Order Management System (OM)**

Order Management is a software system to manage for opening, modifying and canceling various services which provides services on 3G / 4G LTE mobile networks such as activating / deactivating SIM cards for both prepaid or monthly payment (Postpaid), National Roaming service, opening / closing data services, services for changing the new SIM card with the existing number.

- **Service Activation At Once Management System (SAAM)**

Service Activation At Once Management is a system that connects to the OM system (Order Management) to convert the work order from the OM system to the terminal device of the mobile telephone exchange system, which has a variety of protocol and data transmission formats by terminal connecting devices such as:

- HLR (Home Location Registering) is a database system to collect ID information and information of all users.
- PCRF (Policy and Charging Rules Function) is function for managing the usage of data within the user network based on fair consumption model having service quality suitable as specified in the system, such as the condition that when a user use the data in maximum amount according to the specified amount the speed of data usage of that user the size of the bandwidth will be reduced according to the speed conditions of data usage from the normal value. With such principle it will enable the telecommunication service provider to guarantee the quality of service to all users in the system.

- Value-Added Service (VAS) is various value added service systems such as RBT (Ring Back Tone), MCN (Missed Call Notification) etc.

- **Over The Air System (OTA)**

OTA platform is a software for managing the SIM card on a 3G / 4G LTE mobile phone network remotely by means of data transmission over a network called Over-The Air (OTA), allowing management SIM card (which is sold and used) from a remote location. Mobile phone users do not need to request service at the service center or need to contact the service provider's call center such as network management, the user's SIM card information update service, download and installation of new application information on the subscriber's SIM card without changing the new SIM card.

Regarding the above-mentioned system, ICN can provide design and installation services for three types of turnkey projects consisting of:

- 1. Telecommunication System and Network Construction**

ICN provides construction services for telecommunication networks, both inside and outside at customer's specified location. All products, in compliance with high quality and required specifications, are supplied by locally and internationally renowned telecommunication providers. ICN has been required to proceed with all requirements of survey, design, installation, acceptance test, delivery, and training for a customer's responsible parties, aiming for clear understanding towards the application and maintenance of all related systems. Our service scopes also cover the contact and co-ordination with responsible authorities of relevant public agencies, for instance, the Department of Highways, the Bangkok Metropolitan Administration, the Metropolitan Electricity Authority, and the Provincial Electricity Authority to obtain permission for the network installation.

- 2. Telecommunication System and Network Expansion**

ICN offers a complete range of quality-focused services for the expansion of the installed base, providing the complete coverage of service areas backed by the enhanced capacity of bandwidth. ICN is compulsorily required to understand the original telecommunication systems prior to proceeding with the survey, design, installation, acceptance test, delivery of essential devices for network expansion comprising of devices for Access Node, for DWDM and for Topology for adapting "Chain" or "Spur" into "Ring", which help maximize the capacity of data transmission for various networks with greater coverage.

- 3. Telecommunication System and Network Improvement**

ICN provides the services for the improvement, upgrade, and alteration of software/ firmware/ license and/or hardware of certain telecommunication networks aiming for greater efficiency of operations (Site Upgrade). ICN is capable of developing the Protection Route to facilitate the relocation of both hardware and software to ensure greater steadiness and capacity of service as well as reduce any possible damage or discontinuity of operations. This requires skillful knowledge and professional expertise in achieving each project.

High-Speed Internet Service Project in Remote Area (Zone C) Group 5 Northeast 3 Region

Information and Communication Networks Public Company Limited incorporation with Ray Tel Co., Ltd. under the name of “IR Consortium” has signed the contract No. 001/2562 on 7 February 2019 with CAT Telecom Public Company Limited (“CAT”) who won the bid from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) for the implementation project to provide the High-speed Internet Service in Remote Area (Zone C) Group 5 Northeast 3 Region, which covers the areas of 5 provinces consisting of Khon Kaen, Chaiyaphum, Nakhon Ratchasima, Buriram and Surin. The total project value is 2,426,659,420 Baht. ICN has the work proportion for the value of 1,237,596,304 Baht. Period of work is 5 years and 270 days from the day after the contract sign date.

Broadband Internet Service covers the provision of internet signal with download / upload speed of 30/10 Mbps under 2 categories as follows:

- Deploy 100 high-speed internet services from CAT, for which the last mile network is to be arranged to enable the connection of the target points to CAT original network.
- Deploy the high-speed internet service to be provided by the contractors for 2,664 service points.

This project can be categorized into 2 parts covering 5 provinces as aforementioned which are as follows:

1. Work carried out for the provision of the High-speed Internet Service in Remote Area (Zone C) Group 5 Northeast 3 Region.
2. Last mile network for connecting the service points with CAT's network.

The nature of the project scopes can be classified into 5 types as follows:

1. **Type 1:** The provision of public high-speed internet for village (USO Wi-Fi) consists of supply of wireless equipment and high-speed internet signal for the use of public high-speed internet services in the target villages.



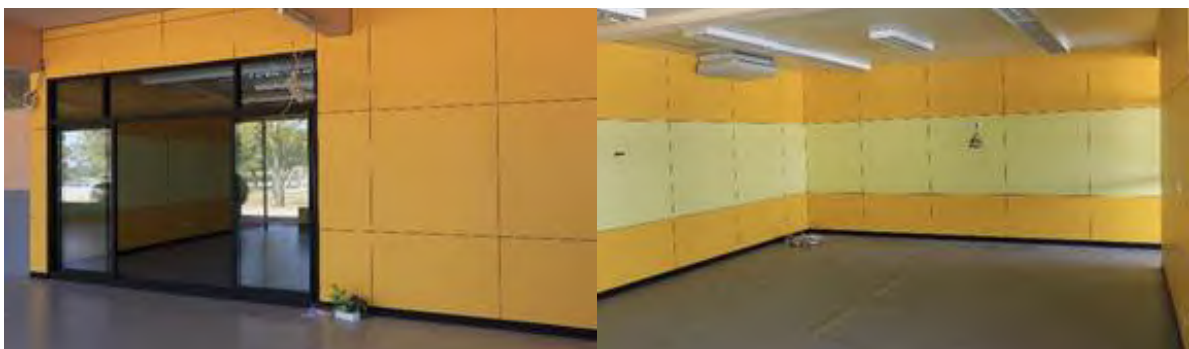
Type 1: Installation of a concrete pillar and wireless signal transmission equipment for high-speed internet public service in the village at Moo 5 Don, Dan Nai Sub-district, Dan Khun Thot District, Nakhon Ratchasima Province

2. **Type 2:** The provision of public high speed internet service center (USO Net) consists of providing service places by constructing service building within the school area and installing computers, high speed internet equipment and other facilities to provide high speed internet services to support the teaching and learning of schools and communities in the target areas.

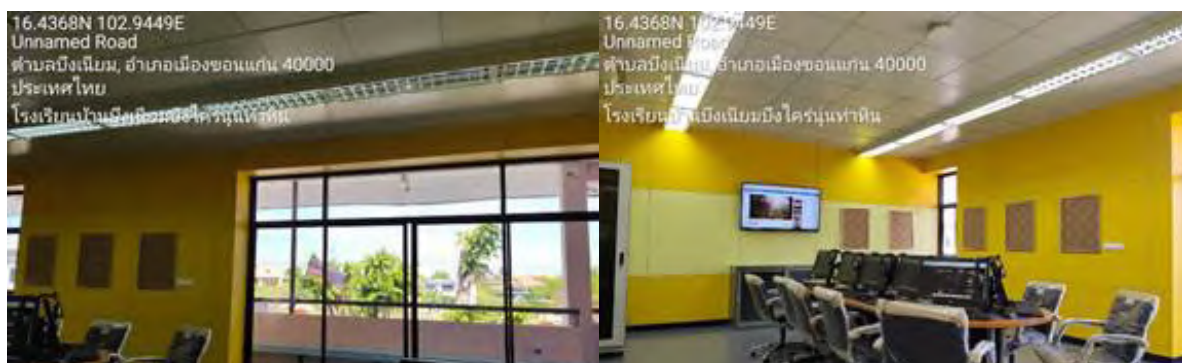


Type 2: The completed service building in the area of Pracharat Witthaya Serm School, Khon Kaen Province together with computer, high speed internet equipment and other facilities for the provision of high speed internet services

3. **Type 3:** The provision of public high-speed internet room (USO Wrap) consists of providing facilities by renovating the school classroom together and the installation of computers, equipment, and other facilities to provide high-speed internet services for the benefit of teaching and learning activities of schools and communities in the target areas.



Type 3: Renovation a room at Ban Don Dan Nai School, Dan Khun Thot District, Nakhon Ratchasima Province to provide public high-speed internet service



Type 3: Renovated room together with computers, equipment and other facilities at Ban Beng Niam Beng Kri Noon Ta Hin School, Mueang District, Khon Kaen Province for the use of public high-speed internet services

4. **Type 4:** The provision of public high-speed internet for school (Last mile to school) consists of providing a set of broadcasting equipment (wireless and wired), high speed internet signal, computers with equipment and others facilities to provide high-speed internet services for the benefit of teaching and learning activities of schools and communities in the target areas.



Type 4: Providing a set of broadcast equipment, high speed internet signal, computers and other equipment at Ban Nong Bong School, Dan Nai Sub-district, Dan Khun Thot District, Nakhon Ratchasima Province

5. **Type 5:** The provision of public high-speed internet Last Mile to Sub-district Health Promoting Hospital consists of providing a set of broadcasting equipment (wireless and wired), high speed internet signal, computers with equipment and others facilities to provide high-speed internet services for doctors, nurses and patients in the target hospitals as well as for the benefit of neighborhood communities.



Type 5: Providing public high speed internet signal services for Hin Dad Sub-district Health Promoting Hospital, Hin Dad Sub-district, Dan Khun Thot District, Nakhon Ratchasima Province

In a snapshot, the number of service points in each province categorized by types of service provision are as follows:

Province	Type 1	Type 2	Type 3	Type 4	Type 5	Total
Khon Kaen	400	4	43	86	-	533
Chaiyaphum	341	4	35	75	2	457
Nakhon Ratchasima	470	2	55	111	1	639
Buriram	455	7	52	76	1	591
Surin	430	5	55	54	-	544
	2,096	22	240	402	4	2,764

At current status, the project is under progress and can be utilized after the acceptance procedure is completed in certain areas.

2) Construction and Electrical Systems

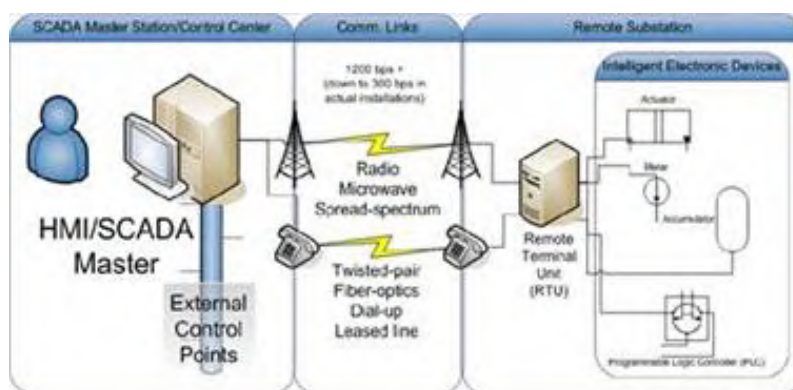
ICN has always recognized the importance of satisfying various demands for telecommunication products and services, as part of the ambitious goal to become successful telecommunication system integrator serving to several businesses. In 2016, ICN had expanded its new business line in construction and electrical systems, consisting of the following excellent services.

(1) Electrical System Installation Services

ICN is capable of providing a comprehensive range of quality electrical system installation services for data center with internationally accepted standards. Electrical systems installed in a data center consist of designs and high-quality devices to be featured in various units, including server room, mechanical and electrical room, NOC room, storage room, meeting room, and generator power plant room. Besides, ICN also specializes in designing and installing other relevant systems for a data center, varying in mechanical and electrical system, air refrigeration and control system, automatic fire detection and alarm system, and security system. With the experience and expertise in the industry, ICN can cope efficiently with complicated electrical systems, leading to the enhanced capacity and competitiveness of its telecommunication business.

(2) Supervisory Control and Data Acquisition (SCADA)

Supervisory Control and Data Acquisition, also known as SCADA, has been developed to facilitate real-time data validation and analysis used for monitoring the status of information and controlling industrial and engineering systems, varying in telecommunication and communication, water supply, wastewater treatment, energy management, and so on. Current circumstances shall be shown for user acknowledgement and timely problem solving to increase work efficiency. SCADA can support both wired and wireless networks, whereby ICN is proficient in this system with highly experienced personnels and business partners and good products.



Supply and Maintenance

To provide customers with total solution service, ICN also offers the distribution of spare parts, while remaining firm in developing its telecommunication maintenance services, which can be described as follows:

1) Supply

ICN is engaged in the distribution of telecommunication devices of all types. Most of the devices are spare parts, which have been purchased by customers to substitute inferior or damaged ones. All spare parts can be implemented or re-installed by the customers themselves. However, ICN will offer its sufficient assistance to customers experiencing complicated or serious cases. ICN shall provide the equipment to the operators with 1–2 years warranty.

Telecommunication spare parts, which can support both wired and wireless networks, are listed below:

- 3G / 4G or LTE mobile system
- Internet Protocol (IP) network for the Internet of Things (IoT)
- Optical network
- Microwave network; in case that it can not be served by wired network or not worth for investment; for instance, in the islands or in backcountry area
- SIM card security verification system
- Synchronization system for telecommunication devices to avoid any mismatch in data communication
- IT infrastructure server and storage for Cloud Computing
- Mobile Device Management (MDM) for subscribers' system monitoring and management
- Software Defined Network (SDN) for data center management
- Fiber optic cable and installation-related equipment

ICN has been appointed as an authorized distributor in Thailand by several globally renowned telecommunication equipment manufacturers, including Nokia, Huawei, Coriant, Thales (Former name: Gemalto), Oscilloquartz, ZTE, H3C and HP. In case where any product without authorized distributor certificate, such as fiber optic cable, is ordered, ICN can successfully search for ones with superior quality from its local telecommunication suppliers, such as HBC Telecom, Siam Fiber Optics, and Thai

China Fiber Optics, and more.

2) Maintenance

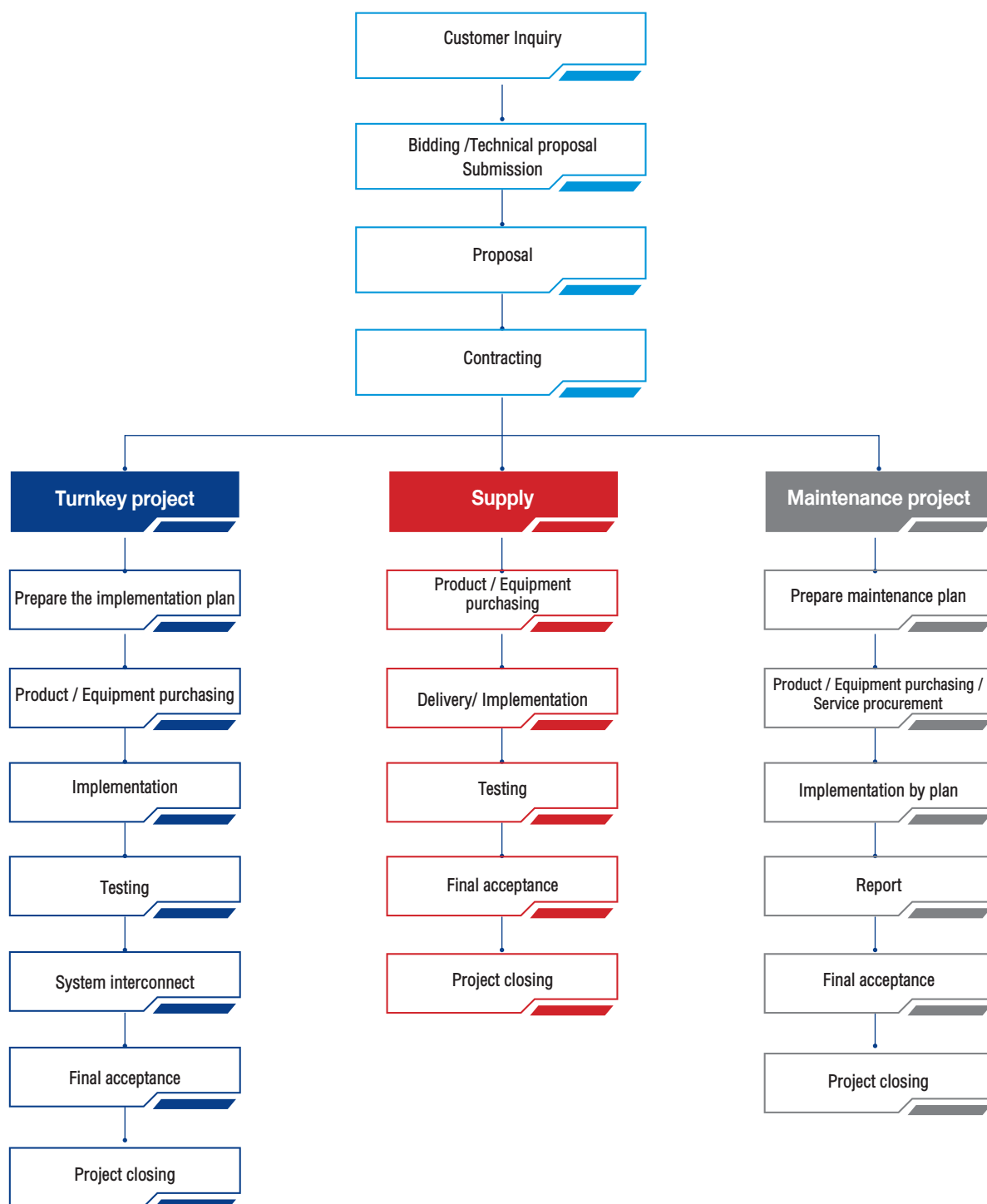
ICN recognizes the importance of developing its network maintenance business as it can generate the so-called Recurring Income, where market competition is not very high. With the requirement of qualified personnel, they are expected to reduce possible risks that may arise from price negotiation. ICN's significant maintenance services include:

- Maintenance of the main mobile exchange
- Maintenance of mobile equipment of the base station
- Maintenance of optical network, microwave network, IP router / carrier switch, and IP network for voice, video telephony, image, and data

ICN's maintenance services can be divided into three main categories, including preventive maintenance, corrective maintenance, and proactive / adaptive maintenance.

To promote the superiority of maintenance services, ICN has prepared the Service-Level Agreement (SLA) to provide quality assurance between users and service providers. ICN has successfully established its Network Operations Center (NOC) to ensure there will be no untoward incident happened to any certain telecommunication system, monitor and solve the incidents in order to comply to designated SLA.

Service Process



ICN has provided its high-quality services in different aspects depending on the requirements of each project. Basically, the turnkey projects require at least 120–540 days to be completed. The construction and electrical systems take about 60–180 days of service. Meanwhile, effective periods of the maintenance services last for 1–5 years approximately.

Marketing and Competitiveness

Competitive Strategies

1) Developing Strategic Partnership with Locally and Internationally Renowned Telecommunication Equipment Manufacturers

ICN has been entrusted to be an authorized distributor by several leading telecommunication equipment manufacturers such as Nokia, Huawei, Coriant, Thales (Former name: Gemalto), Oscilloquartz, ZTE, H3C and HP. In particular, Nokia and Huawei have all been renowned for being the world's leaders of telecommunication solutions. In addition, ICN also has co-operated with companies that provide IT services, software and solutions in the Internet of Things (IoT), Big Data, Chatbot such as Siemens, Oracle, IBM, Inspur, Acer (Taiwan) etc. Backed by successful collaboration and concrete relationship with strategic partners, ICN is able to generate effective distribution of high-quality products and services to highly satisfy various demands of customers.

2) Getting Manpower Equipped with Competitive Expertise and Experience

Admittedly, the telecommunication industry requires knowledgeable people, with genuine expertise in engineering and other related fields of study. ICN's employees, particularly from the sales, product and solution, and service and maintenance departments, possess remarkable engineering backgrounds, together with a broad range of intellectual qualifications deemed appropriate with their positions. With over 25 years of experience in the telecommunication industry, those engineering-inspired workforces have been equipped with engineering excellence standard by leading telecommunication companies in Thailand and from foreign nations. In addition, ICN's outstanding employees have successfully participated in special training programs, for instance, "Nokia Architecture and Evolution for DWDM Technology" and "Update on DWDM Products" developed by ICN's strategic partners.

3) Fostering Concrete Relationship with Customers to Understand Their Genuine Requirements

With long-standing experiences in working with locally and internationally renowned telecommunication business providers, executives and employees of ICN can understand customers' needs so that they can foster concrete relationship in the long run. All valued customers will be offered well-selected products and services suitable for each telecommunication project. It is considered ICN's most required standard to generate cost and time efficiency to ensure that the delivery of products and services is always maintained at the next level of progress, supported by competitive prices always appreciated by customers from both public and private sectors.

With desirable relationship with customers, ICN is committed to maximizing its product and service quality based on professional experience and enhanced expertise of its manpower. In 2016, ICN had successfully expanded its new business line in the construction and electrical system business, as part of the goal to maintain its continuing growth.

4) Causing Greater Impacts with Standardized Warranty and After-Sales Services

To ensure the maximized quality of products and services, ICN has developed its policy to offer 1–5 years of warranty to all purchased products, depending on customers' requirements. ICN has set up its service and maintenance team consisting of qualified engineers to push forward strategic development of products and services. As a consequence, ICN can reduce its problem-solving period for defective or damaged items to be resumed to normal, while being able to monitor the status of the purchased products as well as disseminate appropriate knowledge related to the purchased products to customers in the most productive way.

Additionally, ICN has prepared the Service-Level Agreement (SLA) to ensure further effectiveness of maintenance, repair, and alteration services for various telecommunication networks as well as increase confidence of customers.

Distribution Channels and Target Market

As the telecommunication business requires massive investment capitals in making certain projects achievable, ICN has remained firm to focus on large-sized telecommunication operators from both public and private sectors. Also, ICN has recognized its importance of providing excellent and competitive customer services directly for valued customers and via the assistance of business partners.

1) Main Contractor

ICN is pleased to offer a wide range of quality products and services directly to valued customers via its sales representatives from Sales & Marketing Section which is responsible for both public and private sectors such as CAT Telecom Public Company Limited, TOT Public Company Limited, the Metropolitan Electricity Authority, the Provincial Electricity Authority, Bank for Agriculture and Agricultural Co-operatives, Wire & Wireless Co.,Ltd. and True Corporation Group etc.

2) Subcontractor

Backed by experiences and expertise of ICN, there are plenty of great opportunities for ICN to boost business expansion as well as cooperate with renowned business partners. ICN has always been entrusted as a keen subcontractor to make various telecommunication projects achievable. Our reputed customers are Wire & Wireless Company Limited, SVOA Public Company Limited, Advanced Information Technology Public Company Limited, International Research Corporation Public Company Limited, SAMART Communication Services Company Limited, Thai Transmission Industry Company Limited, and United Telecom Sales & Services Company Limited.

ICN's total revenue from the sales of products and services classified by distribution channels during 2017–2019 can be elaborated as follows:

Type of Service	Y 2017		Y2018		Y2019	
	MB	%	MB	%	MB	%
Distribution of products and services directly to customers	568.42	59.41	674.65	66.43	787.82	65.72
Distribution of products and services via business partners	388.43	40.59	340.90	33.57	410.90	34.28
Total	956.85	100.00	1,015.55	100.00	1,198.72	100.00

Pricing Policy

1) Turnkey Project

ICN mostly applies cost-based pricing policy. It is necessary for ICN to allocate quality equipment and services regarding the appropriateness of both quoted prices and technical specifications, emphasizing on effective operations and management approaches at minimal costs including equipment, subcontractor costs and appropriate margin level under cost-plus pricing method. ICN also determines prices with consideration of the continuity of certain telecommunication projects, expecting to keep supplying them with additional quality products and services, as well as the competitiveness of other relevant telecommunication projects.

2) After-Sales Service

For the telecommunication equipment supply business, ICN has always relied on the equipment costs with cost-plus pricing, together with the consideration of mid-prices previously agreed by regular customers prior to price negotiation regarding the quantity of ordered products and other relevant conditions such as payment, delivery, and warranty.

Regarding the maintenance services, ICN will propose competitive prices based on the scope and area of maintenance services corresponding to possible risk factors, service costs, competitiveness of the telecommunication market, and experience and expertise of manpower.

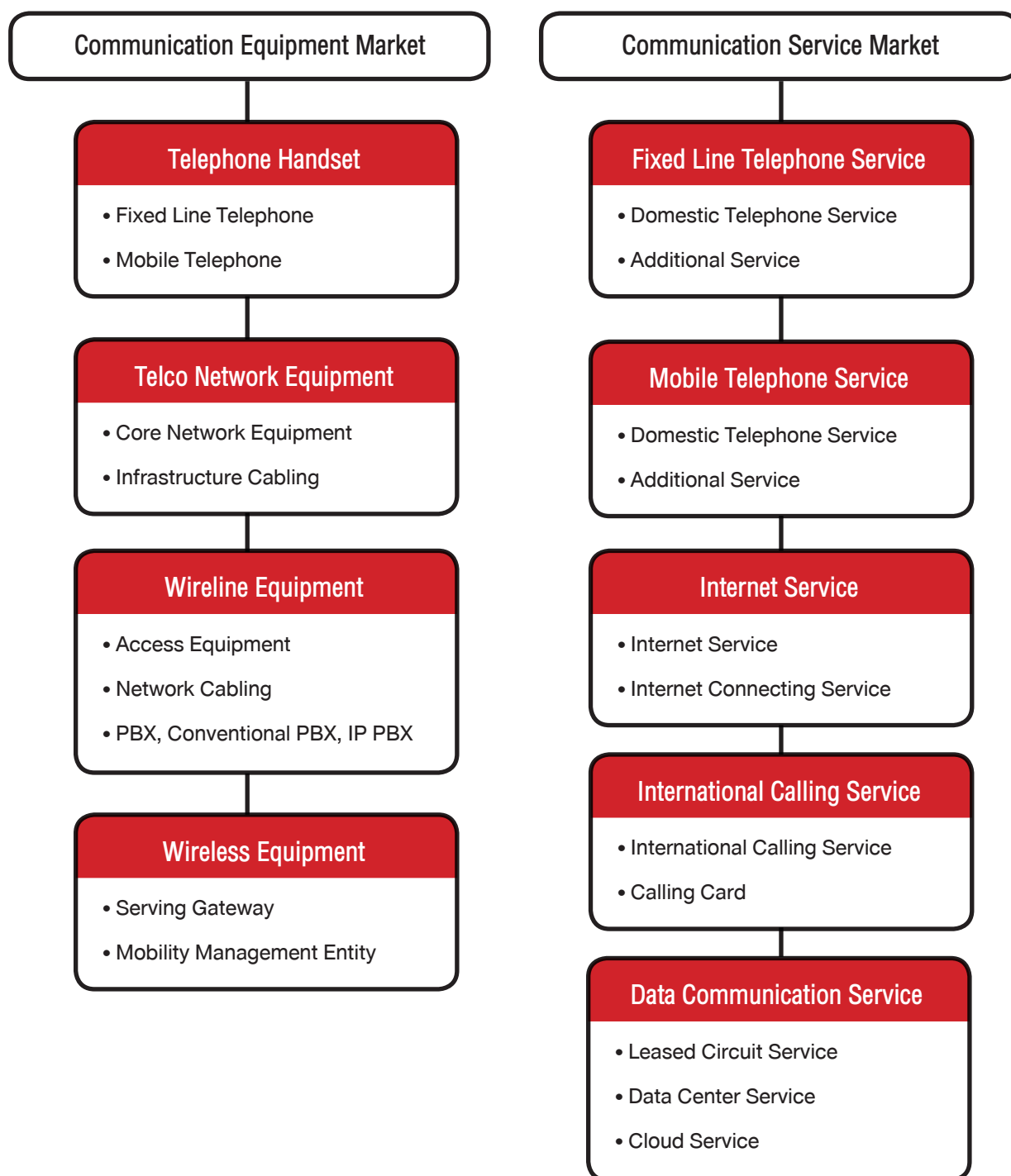
Communication Market in Thailand

The communication market is an important market serving as a driving force for the information and communication technology (ICT). It also plays a significant role in the development of the economic and social sectors for the country. The advancement in communication technology has made significant changes in the present and future forms of communication from the past. Driving the economy with digital technology in accordance with national policies and plans for digital development for economy and society will be the main master plan for the development of the digital economy and society of the country for 20 years (2018 – 2037) that determines the direction of driving sustainable national development by using digital technology which is in line with the national strategy and the National Economic and Social Development Plan. The communication market can be classified into 2 major types including:

1. Communication Equipment Market
2. Communication Service Market

TYPE	Y 2016	Y 2017	Y 2018	Y 2019F
	(MB)	(MB)	(MB)	(MB)
1. Communication Equipment Market	246,513	261,360	256,914	263,444
2. Communication Service Market	330,816	339,182	357,006	366,229
Total	577,329	600,542	613,920	629,673

Source: Office of The National Broadcasting and Telecommunications Commission (NBTC)



Source : Office of the National Broadcasting and Telecommunications Commission (NBTC)

Overview of the Communication Market in Thailand (Including Internet Market)

Based on the data of the market value of communication in Thailand in 2018 and the forecast in 2019 by the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) found that the value of the communications market in 2018 is worth 613,920 million Baht, increased of 2.20% from 2017, and it is expected that in 2019 there will still be a positive direction with a value approximately 629,673 million Baht, increased of 2.60% from the year 2018.

The investment in the communication equipment market in the year 2018 is worth 256,914 million Baht or equivalent to 41.80% while spending in the communication service market is approximately 357,006 million Baht or an increase of 58.20% of the entire communication market value. The tendency in the year 2019 is expected to be in the same direction, that is, the proportion of the communication equipment market to the communication service market is 41.80: 58.20.

Although the overall economy is still slowdown but the investment in communication equipment and communication service spending that will occur in 2019 is expected to be positive in a narrow range, that is, the investment value is approximately 263,444 million Baht, increased of 2.50% from 2018 and spending in communication service was approximately 366,229 million Baht, increased of 2.60% from the year 2018.

Communication Equipment Market

TYPE	Y 2016	Y 2017	Y 2018	Y 2019F
	(MB)	(MB)	(MB)	(MB)
1. Telephone Handset	111,410	121,962	118,976	123,692
2. Telecommunication Network Equipment	73,284	75,315	73,780	74,723
3. Wireline Equipment	16,733	17,702	18,468	18,992
4. Wireless Equipment	45,086	46,381	45,690	46,037
Total	246,513	261,360	256,914	263,444

Source: Office of The National Broadcasting and Telecommunications Commission (NBTC)

The communication equipment market in 2018 was worth 256,914 million Baht, decreased of 1.70% from 2017. However, the communications equipment market is expected to have a positive growth in the year 2019 with an investment of approximately 263,444 million Baht, increasing from 2.50% compared to 2018, Positive factors are from government investment such as submarine cable system project in Koh Samui, Koh Phangan, Koh Tao and private investment. The communication equipment market consists of (1) Telephone Handset Market (2) Telecommunication Network Equipment Market (3) Wireline Equipment Market and (4) Wireless Market Equipment.

Market Value of Telephone Handset

In 2018, the telephone handset market is worth 118,976 million Baht, decreased of 2.40% from 2017. It is expected that in 2019, it will increase by 4.00% from the year 2018 with a total value of 123,692 million Baht. Telephone handset market is divided into 2 types which are (1) fixed line telephone market and (2) mobile telephone market.

Fixed line telephone is a stationary communication device. In the case of communication with analog signal classified as a conventional handset and communicating via digital signal is classified as IP Phone.

Mobile telephone is wireless communication device. Nowadays, all digital communication can be divided into 2 types which is feature phone that is mobile phone focusing on simple use. Users are not able to download

additional applications themselves. The smartphone is a mobile phone that can support various operating systems than feature phone and users can download more applications.

When considering the value that is generated in the sub-market found that the fixed line telephone market with analog signal and the facsimile market have been steadily declining since 2017 as consumers increasingly use digital communication technology, resulting in the IP Phone market worth approximately 1,151 million Baht and is expected to increase to 1,185 million Baht in the year 2019.

The demand for fixed line analog telephones is steadily declining. However, it still needs in the market for replacement resulting the fixed line telephone market in 2018 is 85 million Baht and decreased to 82 million Baht in 2019, while facsimile in 2018 is 26 million Baht and decreased to 21 million Baht in 2019.

The Change of behavior of consumers who want to communicate anytime, anywhere, resulting in a continuous demand for the use of mobile telephone. Although the mobile telephone market has declined slightly in 2018 due to the economic slowdown resulting in value of 117,714 million Baht, but the value of this market is expected to be positive in 2019 and worth approximately 122,404 million Baht or increased 4.00% from 2018.

Using marketing strategy to encourage consumers to purchase products or make transactions through mobile applications resulting in the demand for feature phone continuing decrease, worth approximately 291 million Baht and expected to decrease by another 10.00% in the year 2019.

Although nowadays smartphone is popular but with the economic slowdown smartphone market in 2018 is worth 117,423 million Baht, decreased of 2.50% from 2017. It is expected to be positive in 2019 worth 122,142 million Baht or increase 4.00%.

Market Value of Telecommunication Network Equipment

Telecommunication Network Equipment is a device used in communication services which can be divided into 2 main groups as follows:

- (1) Core Network Equipment is the main network equipment installed before reaching the destination which connects to the user's home such as MPLS (Multi-Protocol Label Switching), OLT (Optical Line Terminal) etc.
- (2) Infrastructure Cabling is cables that are installed at the main network to the distribution layer.

Although the overall economy is still slowdown and private investment in the communications market has been operating since it was licensed last year but government investment that wants to promote equality in communication access such as USO Net Project, Net Pracharat Project and to encourage Thai society to become more digital society resulting the investment image of the telecommunication network equipment market in 2018 has shrunk slightly. The overall value is 73,780 million Baht, decreased 2.00% from 2017 and it is expected to be slightly positive in 2019 with an investment value of 74,723 million Baht.

It was found that in 2018, the investment in the core network equipment was approximately 46,792 million Baht, decreased of 1.90% from the year 2017, while the investment in the infrastructure cabling valued at 26,988 million Baht, decreased of 2.30% from 2017. It is expected that in 2019, investment in the core network equipment market will be positive worth 47,768 million Baht, increased of 2.10% from 2018 and the investment in infrastructure cabling will be similar to the year 2018 with an estimated value of 26,955 million Baht.

However, the investment in the infrastructure cabling is also divided into 3 sub-markets, namely (1) conduit (2) submarine cable and (3) general investment, found that in 2018, the investment in conduit is valued at 2,476 million Baht or proportionately at 9.17%. Submarine cable is worth 7,753 million Baht, equivalent to 28.73% and

general investment is 16,759 million Baht, equivalent to 62.10% of the investment in the group of all infrastructure cabling. It is expected that in 2019 the investment in conduit and submarine cable still have a positive direction with an estimated value of 2,709 million Baht and 8,155 million Baht respectively, which increased by 9.40% and 5.20% from 2018, while general investment in 2019 will be decreased by 4.00% or worth approximately 16,091 million Baht.

Market Value of Wireline Equipment

Wireline equipment is the terminal device that connects the signal from the main network to the user's home which is classified as follows:

- (1) Access Equipment is the device that connects from the main network to the user's home
- (2) Network Cabling to the user's home such as copper wire (FTTH)
- (3) Telephone Exchange Equipment and Private Branch Exchange such as analog PBX (Switching PBX), digital PBX (IP PBX, IPBX)

Government policy to promote Thai society as a digital society resulting in continued investment in wireline equipment even though the economy is in a slowdown period, in 2018 the investment value is approximately 18,468 million Baht, increased of 4.30% from 2017 and it is expected in 2019 to be worth 18,992 million Baht or increased by 2.80%. The wireline equipment market consists of (1) Access Equipment Market (2) Network Cabling Market and (3) PBX Market.

It was found that investment in access equipment and network cabling markets has a positive direction, while investment in the traditional PBX market is continuously declining since current devices support digital system resulted the value-added IP PBX market.

Investment in access equipment market in 2018 is approximately 9,530 million Baht, increased of 9.10% from 2017. It is expected in 2019 that it will be worth 9,998 million Baht, increased of 4.90% from 2018.

Investment in network cabling market in 2018 is estimated at 6,959 million Baht, increased of 3.60% from 2017. It is expected that in 2019, it will be about 7,144 million Baht, increased of 2.70% from 2018.

Investment in PBX market is valued at 1,979 million Baht consisting of investment in conventional PBX equipment of approximately 382 million Baht and IP PBX devices of approximately 1,597 million Baht. Investment in the conventional PBX equipment in 2019 is reduced to 202 million Baht while the investment in IP PBX equipment will increase to 1,648 million Baht.

Market Value of Wireless Equipment

Wireless equipment is a media device and connect to wireless communication such as Serving Gateway (SGW), Mobility Management Entity (MME), Packet Data Network Gateway (PDNG) etc.

In 2018, investment in the wireless equipment market is worth 45,690 million Baht, decreased of 1.50% from 2017. It is expected that the investment value in 2019 will be slightly positive worth 46,037 million Baht, increased of 0.80% from 2018.

Communication Service Market

TYPE	Y 2016	Y 2017	Y 2018	Y 2019F
	(MB)	(MB)	(MB)	(MB)
1. Fixed Line Telephone Service	12,006	10,829	9,516	8,458
2. Mobile Telephone Service	241,564	246,102	251,241	257,522
3. Internet Service	55,740	61,106	75,391	79,160
4. International Calling Service	6,960	5,995	5,413	4,871
5. Data Communication Service	14,546	15,150	15,445	16,218
Total	330,816	339,182	357,006	366,229

Source: Office of The National Broadcasting and Telecommunications Commission (NBTC)

The communication service market is the main portion of the communication market which accounts for 56.50% and 58.20% of the communication market in 2017–2018 respectively. The communication service market in 2018 is worth 357,006 million Baht. In 2019, it is expected to be 366,229 million Baht, increased of 2.58% from 2018. Due to intense competition conditions, the service fees cannot be increased. The communication service market can be divided into (1) Fixed Line Telephone Service Market (2) Mobile Telephone Service Market (3) Internet Service Market (4) International Calling Service Market (5) Data Communication Service Market.

Market Value of Fixed Line Telephone Service

According to the behavior of consumers turning to prefer to communicate with mobile telephone instead of fixed line telephone Including the use of voice communication service via alternative channels (Over the Top or OTT) resulting in the continuous shrinkage of fixed line telephone service market. In 2018, the value is approximately 9,516 million Baht, decreased of 12.10% from 2017. In 2019 it is expected the fixed line telephone service market will be approximately 8,458 million Baht, decreased of 11.10% from 2018.

Market Value of Mobile Telephone Service

The survey found that although service providers use various sales promotion strategies including incentives for users to change from prepaid to postpaid in order to increase average revenue per number (APRU), the mobile telephone service market has entered saturation resulting the overall value of the mobile telephone market is growing in a limited frame. In 2018, the value is approximately 251,241 million Baht, increased of 2.10% from 2017. The market value of mobile telephone service in 2019 is expected to grow only 2.50% worth about 257,522 million Baht.

The value generated in the mobile telephone service market can be divided into 2 sub-markets, which are from (1) Mobile Voice Service and (2) Mobile Non-voice Service which includes SMS MMS and internet service via mobile telephone network. The study indicated that nowadays, consumers are increasingly communicating and using various services through non-voice service while voice communication tends to decrease continuously. In 2018, the value from voice service is 69,276 million Baht, decreased of 4.00% from 2017 and it is expected to decrease to 60,963 million Baht in 2019. Non-voice service generated revenue for service providers in 2018 worth 181,965 million Baht, increased of 9.90% from 2017 and will be increased to 196,559 million Baht in 2019.

Market Value of Internet Service

In 2018, the internet service market is worth approximately 75,391 million Baht, increased of 23.40% from 2017. The higher rate is a result of the performance of some service providers. Although the current economic condition is still in a slowdown period but expect that the internet service market is still steadily growing. It is expected that in 2019 it will be approximately 79,160 million Baht, increased of 5.00% from 2018. The growth of internet service market is expected to be a result of government measures that want to support the use of internet in remote areas such as Net Pracharat Project, USO Net Project but according to the intense competition causing this market value not increase dramatically.

Market Value of International Calling Service

The development of communication technology makes good and clear quality OTT communication with a lower cost than international direct dialing or IDD resulting in the value of the international calling service through direct telephone networks continuously decreasing. In 2018, the value is approximately 5,413 million Baht, decreased 9.70% from 2017. It is expected that it will decrease by another 10.00% in 2019 resulting in the overall international calling service market worth approximately 4,871 million Baht.

The value generated in the international calling service market can be divided into 3 sub-markets, namely (1) international calling service market via direct telephone network (IDD) (2) international calling service market via internet (VoIP) (3) International calling card market and roaming revenue (International Roaming) found that all markets have continuously decreased. Especially the international calling card market where the market value dropped to 17 million Baht in 2018.

Market Value of Data Communication Service

The development of information and communication technology has changed the format and method of data collection of the organization from the past. Previously, data was stored on computers or servers set up within that organization. Nowadays, users, especially the private sector, have increasingly turned to data storage services in data centers managed by service providers including using other services such as Cloud Service resulting in the continuous growth of data communication service market in 2018. This market is worth approximately 15,445 million Baht, increased of 1.90% from 2018 and the value is expected to increase to 16,218 million Baht or equivalent to 5.00% from the year 2018.

Details of Telecommunication Market Value of Thailand in Year 2016 - 2018 and Forecast in Year 2019

Type of Market	Value (MB)				Growth Rate (%)		
	2016	2017	2018	2019f	2016-2017	2017-2018	2018-2019f
Communication Equipment Market	246,513	261,360	256,914	263,444	6.00	-1.70	2.50
Telephone Handset	111,410	121,962	118,976	123,692	9.50	-2.40	4.00
Fixed Line Telephone	1,151	1,227	1,262	1,288	6.60	2.80	2.10
Conventional Handset	70	89	85	82	27.10	-4.50	-3.50
IP Phone	1,020	1,095	1,151	1,185	7.40	5.10	3.00
Fax	61	43	26	21	-29.50	-40.00	-18.60
Mobile Telephone	110,259	120,735	117,714	122,404	9.50	-2.50	4.00
Feature Phone	256	306	291	262	19.50	-4.90	-10.00
Smartphone	110,003	120,429	117,423	122,142	9.50	-2.50	4.00
Telecommunication Network Equipment	73,284	75,315	73,780	74,723	2.80	-2.00	1.30
Core Network Equipment	47,048	47,699	46,792	47,768	1.40	-1.90	2.10
Infrastructure Cabling	26,236	27,616	26,988	26,955	5.30	-2.30	-0.10
Conduit	-	2,271	2,476	2,709	-	9.00	9.40
Submarine Cable	-	6,715	7,753	8,155	-	15.50	5.20
General Investment	-	18,630	16,759	16,091	-	-10.00	-4.00
Wireline Equipment	16,733	17,702	18,468	18,992	5.80	4.30	2.80
Access Equipment	7,635	8,735	9,530	9,998	14.40	9.10	4.90
Network Cabling	6,460	6,718	6,959	7,144	4.00	3.60	2.70
PBX	2,638	2,249	1,979	1,850	-14.70	-12.00	-6.50
Conventional PBX	1,150	703	382	202	-38.90	-45.70	-47.10
IP PBX	1,488	1,546	1,597	1,648	3.90	3.30	3.20
Wireless Equipment	45,086	46,381	45,690	46,037	2.90	-1.50	0.80
Communication Service Market	330,816	339,182	357,006	366,229	2.50	5.30	2.60
Fixed Line Telephone Service	12,006	10,829	9,516	8,458	-9.80	-12.10	-11.10
Mobile Telephone Service	241,564	246,102	251,241	257,522	1.90	2.10	2.50
Mobile Voice	95,897	80,553	69,276	60,963	-16.00	-14.00	-12.00
Mobile Non-voice	145,667	165,549	181,965	196,559	13.60	9.90	8.00
Internet Service	55,740	61,106	75,391	79,160	9.60	23.40	5.00
International Calling Service	6,960	5,995	5,413	4,871	-13.90	-9.70	-10.00
IDD/ VoIP	6,763	2,217	1,737	1,353	-67.20	-21.70	-22.10
International Roaming	-	3,753	3,659	3,513	-	-2.50	-4.00
Calling Card	197	25	17	5	-87.30	-32.00	-70.60
Data Communication Service	14,546	15,150	15,445	16,218	4.20	1.90	5.00
Total Communication Market Value	577,329	600,542	613,920	629,673	4.00	2.20	2.60

Source: Office of The National Broadcasting and Telecommunications Commission (NBTC)

Levels of Competitiveness

As the telecommunication service business possesses a high growth rate resulted from new investment policies developed by both public and private sectors to support the increasing demand for quality products and services. Hence, as many operators exist in the industry, the service providers have been divided into three major categories as follows:

1. Large-sized Companies

Most of the large-sized companies are listed on the SET and allied with foreign manufacturers. These companies are capable of supplying a complete range of devices and possess financial stability, while being able to participate in large project biddings. Those high-profile companies are Samart Corporation Public Company Limited, Loxley Wireless Public Company Limited, Advanced Information Technology Public Company Limited, Forth Corporation Public Company Limited, Interlink Communication Public Company Limited, and SVOA Public Company Limited.

2. Medium-sized Companies

Medium-sized companies possess registered capital not exceeding 500 million Baht and are affiliated with foreign manufacturers as well as large-sized companies. However, the medium-sized firms are restricted by the limitation of financial accounting and track record, leading to the restriction in participating in large auctions. Currently, there are about ten medium-sized companies in the industry, where key players are Sky ICT Public Company Limited, Turnkey Communication Services Company Limited, and Thai Transmission Industry Company Limited.

3. Small-sized Companies

Small-sized companies are not considered distributors or dealers of imported telecommunication products. They possess relatively small amounts of working capitals and are unable to accept any work directly from customers. Normally, the small-sized firms are subcontractors of medium-sized companies. About 200 small-sized companies are operating their businesses across Thailand to accommodate subcontracting works provided by medium to large-sized telecommunications firms.

Since there are several types of telecommunications devices; for instance, core network, transport network, and access network, are available in the market, medium sized companies are therefore specialized in certain products solely which shall ease the level of competition among this group whereby ICN is also categorized under medium-sized companies too. Considering small companies, the opportunities to be selected as key dealers or distributors of imported telecommunications products is limited due to lack of qualified personnel, irrelevant work experience, and financial constraints.

Despite being a medium-sized company with financial constraints and limited track record, ICN's senior executives possess specialized skills and professional expertise, back by more than 25 years of experience in the telecommunication business. They also foster good relationship with several key manufacturers, distributors, and customers as well as strategic partners of large-sized companies. Consequently, ICN is able to accept a variety of works directly from customers, particularly when the company can provide quality products and services in line with the customers' requirements. ICN can also join with trade partners as well as accept subcontracting works provided by large - sized companies.

Product and Service Procurement

Product Procurement of the Company

ICN has supplied equipment and products from both domestic and foreign partners when receiving orders or contracts from its customers. There is no policy to place an order in advance as ordered products are made for specific purposes required uniquely by each project. Currently, ICN has a total of 93 business partners on its approved vendor list, where those approved partners are considered from their quality, delivery period, prices, credit terms, manufacturing capacity, and accepted standards. ICN's procurement can be divided into three major categories according to the nature of the devices.

1. Main Equipment in Networks and Communication Systems

In providing services for turnkey communication networks, construction and electrical systems, supplies, and maintenance works, ICN is required to purchase the main equipment in accordance with terms and conditions specified in the Term of Reference (TOR) approved by a customer, for instance, DWDM, SDH, optical TRX multi-service, compact MUX, and access node devices. Basically, the customer will request ICN to purchase the required equipment with designated specification from any foreign manufacturer. The company will contact the foreign manufacturer or product owner to manufacture the equipment to meet specific needs of the customer, while successfully requesting for a quotation from the foreign manufacturer. ICN will also order the equipment from its authorized distributor in Thailand or purchase directly from any overseas manufacturer, where the payment can be made in Thai baht or any foreign currency. In case of paying in a foreign currency, ICN will determine the exchange rate for the payment of the ordered equipment with the seller or arrange the forward contract to prevent any risk of such exchange rate.

ICN has been appointed as an authorized distributor of products and services from leading international brands such as Nokia from Finland, Huawei from China, Coriant from Germany, Thales (Gemalto was acquired by Thales in 2019) from France, and Oscilloquartz from Switzerland. By maintaining a concrete relationship with those brand owners, ICN has always been provided with continuing supports on knowledge and skills towards advanced technology and new products to be introduced to the market as well as discount rates for certain ordered products. The lead time of procurement is approved for an average period of 90 days following the date when the order is made until the date when the product has been received, which will depend mainly on the product category and order quantity. In purchasing the main equipment, the company is required to make an advanced payment of 10–15% of the total order value, where the Letter of Credit (L/C) or Domestic Letter of Credit (DL/C) will be issued to the seller to cover the remaining value of order.

2. Optical Fiber Cables

As ICN is considered a specialized optical fiber cable service provider for both inside and outside the building area, it is essential to place a great emphasis on selecting the right suppliers who can accurately and efficiently provide quality optical fiber cables highly resistant to changing weather conditions. However, as a number of optical fiber cables are normally installed outside the building area, ICN has determined to focus on quality prior to making price comparison. With long-standing experience and reputation, the company is always capable of selecting the most efficient and affordable optical fiber cables highly suitable for every customer's general and specific requirement, while successfully maintaining a good relationship with manufacturers of optical fiber cables aiming for the best and most powerful price negotiation. For optical fiber cables, the lead time of procurement is around 30–45 days depending on type, size, and quantity of each order, where the credit term shall be granted for a maximum period of 150 days.

3. Other Devices and Products Required by Telecommunications Projects

For the procurement of other equipment and products used in the projects, for instance, closure, signal cable, equipment rack, air conditioning system, and computer, ICN will obtain such equipment from domestic distributors through the accurate and reliable procurement process supported by the comparison of prices proposed at least by three telecommunications business providers. Meanwhile, ICN has managed to entitle for a credit term of 30 days approximately.

Service Fees

1. Consultancy Service Fees Paid to Product Owners

In some cases, providing telecommunications services can be very difficult and complicated, ICN is therefore required to inquire a product owner to provide services in accordance with the required procedures, for instance, project management, design system engineering, and installation. ICN may also require the on-the-job training program to be provided by the product owner, where the company must be responsible for all costs occurred, as part of the intention to make all required tasks achievable complying with technical specifications. Most of ICN's high-quality products are supplied by Nokia and Huawei.

2. Service Fees Paid to Subcontractors

To achieve all tasks required by telecommunications service, communication network maintenance, and electrical network construction projects, ICN may sometimes require further assistance from subcontractors in various regions throughout the country. Subcontractors will be monitored and supervised by ICN's project engineer. Currently, ICN has a total of 50 subcontractors on its approved vendor list, who are selected based on experience, track record, and financial status. Successful subcontractors required by each project are appointed in accordance with the following criteria.

- All project-related details, including project model, customer, period of completion, scope of responsibility, technical specifications, commercial requirements and project warranty.
- Names of subcontractors appearing on the approved vendor list to be considered by Procurement Department, where at least three subcontractors will be proposed and further discussion on work capability, price, credit term, and financial status will be determined accordingly.

A list of subcontractors and quotations to be proposed to the Procurement Committee for consideration and approval.

Backlogs

As of 31 December 2019, ICN recorded its backlogs amounting to 1,086,571,404 Baht, which shall be recognized as sales venue in the year 2020 onwards.



Risk Factors

The Company is aware of the importance of managing risks that arise regularly from the business operation due to both internal and external factors and has prepared certain measures in reducing such risks to an acceptable level. Moreover, the Company has also revised and evaluated the risk factors and obstacles that may affect the Company and related stakeholders. The Company has established the Risk Management Committee to set guidelines for prevention of risks that will occur and major risks are classified as follows:

1. Risk of Reliance on Product Distributors

As the main business of the Company is telecommunications installation and networking services (Turnkey Project), it is required purchase products directly from the authorized distributors. If the said distributors are unable to provide the equipment required by the telecommunications installation and networking services for the Company or fail to deliver the equipment that the Company orders on schedule, it will affect the sales and profits of the Company.

However, the Company has a good relationship with the manufacturers and had no any problems to be authorized as a partner or distributor of products. In addition, the Company has also found other manufacturers in the same or similar product group. Therefore, the Company has the flexibility to adjust according to the situation if necessary and can mitigate the risk of relying on only one single product.

2. Risk of Inconsistency of Revenue

The Company provides integrated telecommunications system services ranging from consulting, design, procurement, installation, commissioning, inspection, system connection and selling related equipment in the telecommunication network system for customers in the area of telecommunication service providers who want to expand, improve or repair their telecommunication systems. In the year 2017-2019, comparing to the total revenue from sales and service, the Company has revenue from turnkey and supply businesses for 68.40%, 81.42% and 88.73% respectively. However, the said revenues depend on customers' investment plans. If they appear to delay their investments or proceed with improvement or repair services by themselves, the Company would directly be affected by such risk factor.

After realizing a possible impact of such risk, the Company has decided to focus on providing telecommunications network maintenance services aiming to obtain increasing revenues as maintenance service agreements are normally effective for a period of 1-2 years. The Company has always been approved with contract renewal, where the Company's revenues obtained from network maintenance services, both sales and service revenue, were 31.60% in 2017, 18.58% in 2018 and 11.27% in 2019, amounting to 302.33 million Baht, 188.67 million Baht and 135.11 million Baht respectively. In addition, the Company has a policy to expand new customer base for example, expanding to Information Technology (IT) system and new technologies communication systems which help the Company has additional income from such policies and from the experience of the Company for a long time making a good relationship and understanding the needs of telecom service providers including offering services for development improve the telecommunications system of the customer group. As of 31 December

2019, the Company reported its order backlog at 1,086 billion Baht, thus ensuring that it can sustain its business growth supported by the consistency of revenue achievement.

3. Risk of Reliance on Key Customers

Dependency on large customers especially government and state enterprises is another risk factor under consideration of the Company. If the government and state enterprises have to delay spending on the budget, it may affect the operating results and financial position of the Company. At present, the competition in the business is highly competitive in terms of prices, technology and services, both from domestic and foreign competitors which may affect the income of the Company. However, with the government policy of Thailand's economic development into the Thailand 4.0 era, the investment in government and government agencies in telecommunications and IT is expected to continue consistently for example, providing nationwide high-speed internet, Eastern Economic Corridor (EEC) project, Digital Economy for which the Company service quality has been developed and enhanced in order to offer the optimum technology to meet the market conditions and the customer requirements competitively and to strengthen a close relationship with business partners.

In addition, the Company aims to continue engaging more in long term maintenance services agreement project to ensure stability and recurring revenues, expand its customer base and maintain its existing customer base to minimize the risk of reliance on a few key customers.

4. Risk of Change of Communication Technology

Communication technology is rapidly changing in the era of Digital Transformation, the need of new technology to support large amounts of data according to the growing data usage is vigorously in demand. The service providers / operators are therefore required to modify their systems and networks accordingly. If the Company cannot provide the new up-to-date equipment or systems to offer services and meet customer requirement, it is probable that the Company may lose business opportunities and affect the operating results of the Company.

The Company has provided employee trainings and seminars with manufacturers, distributors, public and internal business partners, local and abroad trainings on a regular basis in order to equip the relevant employees with new technology, new products and new services in the market and to be able to build on business development from new technology, provide advices on new service platforms conforming to customers' various demands

5. Risk of Personnel Dependency

With the rapid technological change together with an increasing number of companies in telecommunication industry causing a shortage of qualified personnel who possess skills and expertise, the Company therefore emphasizes on personnel development in order to increase knowledge and skills in various areas. It is very important that personnel are knowledgeable in new technology and develop themselves constantly in order to keep pace with the technology that does not stand still by upskill, reskill and to develop skills diversely in order to equip themselves with relevant technology for future work. There is a need to develop and accelerate the recruitment of personnel in order to fill that part to be able to support the business growth stably and sustainably. Therefore, the Company has developed a risk management process focusing on personnel development policy to be in line with the industry peers in order to continuously develop the skills with an ultimate goal to align and support the business.

6. Risk of Providing Services or Purchasing Orders Before Signing Contract

In certain circumstances, The Company must offer services or order equipment before signing contract with customers. To be able to provide services according to customer specifications or in order to be able to deliver the equipment in a timely manner according to the requirements of the customers, the Company may be at risk of not receiving payment from customers and may be affected by the costs incurred if not receiving the contract eventually which will affect the performance of the Company both revenue and profit.

However, the Company shall commence the work solely for the projects with no or restricted risks of not being able to conclude the contract from its customers. In some cases, it is necessary for the Company to purchase order before the contract is signed. In this situation, term of agreement between the Company and vender will indicate the cancelation clause of those products if contract is failed to sign or any disagreement over terms at last. Similarity to any sectors, such as state enterprises or some private agencies, the Company will ask the customer to provide a letter of intent (LOI) to confirm the engagement first. For the projects that the Company has been continuously hired, such as maintenance work to provide continuous maintenance service and reduce the risk of many pending jobs, therefore, the Company must provide services before receiving contract renewals from customers and even if the risk that the customer does not renew the contract is relatively low, the Company still has additional risk mitigation i.e. the Company will not enter into a contract with the subcontractor until the Company will receive a contract from the customer. From the past records, there has been no disputes in this matter.

7. Risk of Reliance on Contractors

The Company provides equipment installation services, system installation and network maintenance services for telecommunication service providers with coverage throughout the country. Therefore, the Company has to hire contractors to install equipment or provide network maintenance services to various projects for customers. If the Company is unable to find contractors or the contractor cannot install the equipment or provide standard network maintenance services as specified or delay installation or cannot maintain the network according to the terms agreed in the contract that will affect the reputation and performance of the Company as well.

However, the Company has arranged the Approved Vendor Lists, consisting of total 50 suitable contractors nationwide. The Company will select contractors from many criteria such as quality of work, relevant work experience, team work and talented personnel, financial status including familiarity with customers and related networks. In each project, the Company will select about 3-4 contractors that offer prices to the Company. During the implementation of each project, our engineers will closely monitor and control the quality of the contractor and evaluate the quality of the contractor after the completion. From the past experiences, the Company has no problem in procuring and hiring contractors to install the equipment or provide network maintenance services in various projects of the Company.

8. Risk of Project Delay

The duration to complete and deliver the outcome of projects is cautiously set, with guarantee performances specified in the contract. If the Company fails to complete the operation agreed in the contract or any defects are found from the project causing any damages to external parties or properties, the Company must recompense the penalty stated in the contract. Regarding to this matter, the Company has realized the importance to reduce and prevent such risks by arranging insurance in each project, or distributing risks to other parties such as product owners and contractors. In addition, the Company focuses on developing personnel skills including knowledge, abilities, and responsibility for the organization.

The key factor of delay usually rises from external aspects that the Company is incapable of controlling such as the interruption from product owner's shipment or the duty to change any breakdown equipment installed before handing over the project to customers. The Company decided to explicitly manage this particular risk by prudently track each step of the processes and wisely form an understanding coordination between the Company, customers and manufacturing companies which makes it possible to identify the cause of the problem and reduce various impacts that may occur in advance to track and check project delivery period regularly.

9. Risk of Exchange Rates

The Company revenue from providing system services including selling telecommunication equipment and maintenance is determined in the form of Thai Baht, while the Company has purchased related telecommunication equipment from abroad and from some distributors in foreign currency which exposes the exchange rate risk to the Company. If the Thai Baht has depreciated against foreign currencies, it may increase the cost of project work of the Company. However, the Company has strategically developed its efficient measures to prevent such risk of foreign currencies by adopting a forward contract. This approach helps reduce impacts caused by the fluctuation of foreign exchange rates. Additionally, the Company has endeavored to negotiate with vendors in adopting Thai Baht as a transaction currency to avoid any foreign exchange fluctuation which may incur.



Company Assets

Detail of assets

As of 31 December 2019, The Company has the assets as follows:

Type of asset	Type of ownership	Obligation	Net book value (MB)
Office renovation	Owner	-	0.30
Office supplies	Owner	-	0.89
Project tool and equipment	Owner	-	2.51
Vehicles	Leasing Contract / Owner	-	1.77
Computer equipment - Hardware	Owner	-	1.16
Total			6.63

Leases of office building and warehouse

Agreement name	:	Rental of office building
Party	:	D.K.J. Construction Co., Ltd. ("Lessor") and the Company ("Lessee")
Agreement period	:	3 years during 30 June 2017 to 30 June 2020
Agreement extension	:	Lessee must request to renew agreement before expiration not less than 2 months
Essence of the agreement	:	<ul style="list-style-type: none"> - Lessor wishes to rent the office building named "D.K.J. Buidling" to the Lessee which locates on 5th Floor, 393 Sukhontasawat Rd., Latphrao, Bangkok 10230, with total area of 497 square meters. Lessee agrees to pay all facility fees including property tax. - Lessee is not allowed to assign or sublet the premises or any part thereof without prior written consent from the Lessor.
Agreement name	:	Rental of office building
Party	:	D.K.J. Construction Co., Ltd. ("Lessor") and the Company ("Lessee")
Agreement period	:	3 years during 30 June 2017 to 30 June 2020
Agreement extension	:	Lessee must request to renew agreement before expiration not less than 2 months
Essence of the agreement	:	<ul style="list-style-type: none"> - Lessor wishes to rent the office building named "D.K.J. Buidling" to the Lessee which locates on 4th Floor (partial), 393 Sukhontasawat Rd., Latphrao, Bangkok 10230, with total area of 248.50 square meters. Lessee agrees to pay all facility fees including property tax. - Lessee is not allowed to assign or sublet the premises or any part thereof without prior written consent from the Lessor.

Agreement name	:	Rental of office building
Party	:	D.K.J. Construction Co., Ltd. ("Lessor") and the Company ("Lessee")
Agreement period	:	2 years 6 months during 1 January 2018 to 30 June 2020
Agreement extension	:	Lessee must request to renew agreement before expiration not less than 2 months
Essence of the agreement	:	<ul style="list-style-type: none"> - Lessor wishes to rent the office building named "D.K.J. Buidling" to the Lessee which locates on 3rd Floor (partial), 393 Sukhontasawat Rd., Latphrao, Bangkok 10230, with total area of 99 square meters. Lessee agrees to pay all facility fees including property tax. - Lessee is not allowed to assign or sublet the premises or any part thereof without prior written consent from the Lessor.
Agreement name	:	Rental of office building
Party	:	D.K.J. Construction Co., Ltd. ("Lessor") and the Company ("Lessee")
Agreement period	:	1 year during 20 February 2019 to 19 February 2020
Agreement extension	:	Lessee must request to renew agreement before expiration not less than 2 months
Essence of the agreement	:	<ul style="list-style-type: none"> - Lessor wishes to rent the office building named "D.K.J. Buidling" to the Lessee which locates on 6th Floor (partial), 393 Sukhontasawat Rd., Latphrao, Bangkok 10230, with total area of 120 square meters. Lessee agrees to pay all facility fees including property tax. - Lessee is not allowed to assign or sublet the premises or any part thereof without prior written consent from the Lessor.
Agreement name	:	Rental of warehouse
Party	:	D.K.J. Construction Co., Ltd. ("Lessor") and the Company ("Lessee")
Agreement period	:	2 years 10 months during 1 September 2017 to 30 June 2020
Agreement extension	:	Lessee must request to renew agreement before expiration not less than 2 months
Essence of the agreement	:	<ul style="list-style-type: none"> - Lessor wishes to rent the warehouse named "D.K.J. Building" to the Lessee which locates on 1st Floor (partial), 391 Sukhontasawat Rd., Latphrao, Bangkok 10230, with total area of 100 square meters. Lessee agrees to pay all facility fees including property tax. - Lessee is not allowed to assign or sublet the premises or any part thereof without prior written consent from the Lessor.
Agreement name	:	Rental of Space
Party	:	Kaitak Narita Co., Ltd. ("Lessor") and the Company ("Lessee")
Agreement period	:	3 months during 30 October 2019 to 29 January 2020
Essence of the agreement	:	<ul style="list-style-type: none"> - Lessor wishes to rent the office building named "Kaitak Narita Tower" No. N008050 to the Lessee which located at 47/341 Popular Rd., Ban Mai, Pak Kret District, Nonthaburi 11120 with total area of 34 square meters. Lessee agrees to pay all facility fees. - Lessee is not allowed to assign or sublet the premises or any part thereof without prior written consent from the Lessor.

Investment in Subsidiaries and Associated Companies Policy

The Company shall invest in the company that has the same business operation objective as the core business of the Company or the business that has similar nature or business that supports the Company's business, resulting in the Company increase in turnover or profit; or invest in the business that enables the synergy and supports the core business of the Company to the fullest extent in order to increase the Company's competitiveness.

However, in governing the subsidiaries and associated companies, the Company shall assign the qualified and experienced directors or executives who are suitable for business operation to be the representative in the business management members of the subsidiaries and associated companies, determine the important policies and steer the business operations of the said subsidiaries and/or affiliated companies. The directors who are the Company representative shall perform the duty in governing the subsidiaries and/or associated companies and managing the entities in accordance with the policies formulated by the Company. The directors shall exercise their discretions based on the resolutions of the Meeting of the Board of Directors and/or the Meeting of the Shareholders on the significant issues of the subsidiaries and/or associated companies for maximum benefit generation to the Company and sustainable growth of the Company.

Legal Disputes

As of 31 December 2019, The Company has no legal dispute.



General Information and Other Important Information

General Information

Information of the Company

Company Name (Thai)	: บริษัท อินฟอรม์เชน แอนด์ คอมมูนิเคชั่น เน็ทเวิร์คส์ จำกัด (มหาชน)
Company Name (English)	: Information and Communication Networks Public Company Limited
Symbol	: ICN
Type of Business	: Performing as System Integrator with comprehensively specialized services in design and implementation of telecommunication system as well as of construction and electrical systems. Offering supply products and maintenance services in telecommunication systems
Head Office	: 5 th Floor, D.K.J. Building, 393, Sukhontasawat Rd., Latphrao, Bangkok 10230
Registration No.	: 0107560000184
Telephone	: 0-2553-0755-6
Fax	: 0-2553-0757
Website	: www.icn.co.th
Registered Capital	: 225,000,000 Baht at par value of 0.50 Baht
Paid – up Capital	: 225,000,000 Baht at par value of 0.50 Baht
Number of Shareholders	: 2,688 shareholders (as of 30 December 2019)
% Free float	: 56.58 %

Information of the Relevant Company

Company Name (Thai)	: บริษัท เอ็กซ์เพิร์ต เอ็นจิเนียริ่ง แอนด์ คอมมูนิเคชั่น จำกัด
Company Name (English)	: Expert Enginerring and Communication Company Limited
Type of Business	: Performing as Technology and Telecommunication System Integrator
Head Office	: 39 Soi Muban Seri Villa Yaek 1, Nong Bon, Prawet, Bangkok 10250
Registration No.	: 0105538101214
Telephone	: 0-2399-3437-8
Fax	: 0-2399-3439
Website	: www.eexpert.co.th
Registered Capital	: 20,000,000 Baht
Number and Type of Shares Issued and Paid in Full Amount	: 200,000 ordinary shares, 100 Baht per share
Proportion of Shares	: 51%

Securities Registrar

Company Name : Thailand Securities Depository Company Limited
Head office : 93 Ratchadaphisek Road, Dindang, Bangkok 10400
Telephone : 0-2900-9000
Fax : 0-2900-9991
Website : www.set.or.th/tsd

Auditor

Company Name : EY Office Limited
Head office : 33rd Floor, Lake Ratchada Office Building, 193/136-137, New Ratchadaphisek Road, Klongtoey, Bangkok 10501
Telephone : 0-2264-0777
Fax : 0-2264-0789 - 90
Website : www.ey.com/th/en/home/ey-thailand

Internal Auditor

Company Name : BK IA & IC Company Limited
Head office : 84/77 Soi Charoenkrung 80, Bangkholaem, Bangkholaem, Bangkok 10120
Telephone : 0-2116-6033



Information of Securities and Shareholders

Number of Authorized Capital and Paid-Up Capital

As of 31 December 2019, the Company's authorized capital and paid-up capital was 225,000,000 Baht being classified into 450,000,000 ordinary shares at par value of 0.50 Baht per share.

Shareholders

Shareholder structure of the Company referred on 30 December 2019 can be summarized as follows.

Shareholder Name	No. of Shares	%
1. Mr. Monchai Manepairoj	87,707,877	19.49
2. Laohasomboon Group	57,691,304	12.82
2.1 Mr.Pira Laohasomboon	34,950,000	7.77
2.2 Ms.Saipin Tangtrongchitr	22,741,304	5.05
3. Rungruangpol Group	42,908,894	9.54
3.1 Mr. Ronapoom Rungruangpol	300,000	0.07
3.2 Ms. Ida Rungruangpol	21,608,894	4.80
3.3 Mr. Dan Rungruangpol	21,000,000	4.67
4. Chonkadeedamrongkul Group	18,748,239	4.17
4.1 Mr. Sompong Chonkadeedamrongkul	11,580,939	2.57
4.2 Mr. Pongpat Chonkadeedamrongkul	3,246,000	0.72
4.4 Ms. Kanittha Chonkadeedamrongkul	1,861,300	0.41
4.3 Ms. Nataya Chonkadeedamrongkul	1,860,000	0.41
4.5 Ms. Warunee Chonkadeedamrongkul	200,000	0.04
5. Ms. Pattawan Sangnet	18,685,610	4.15
6. Ms. Chantana Krasaesan	16,490,201	3.66
7. Mr. Vijayakuma Balakrisnan	7,167,372	1.59
8. Mr. Annop Limprasert	6,700,000	1.49
9. Mr. Sittiluck Leeangkulsatien	6,100,100	1.36
10. Ms. Waytanee Malakul Na Ayudhaya	4,972,300	1.10
Other shareholders	182,828,103	40.63

Issuance of Other Securities

–None–

Dividend Payment Policy

The Company formulates the policy of dividend payment in the ratio of not below 40% of net profit from separate financial statements of the Company after deduction of corporate income tax and allocation of legal reserve. However, the Company may consider paying dividend differently from the formulated policy subject to financial liquidity and necessity to use as working capital for business management and business expansion of the Company as well as economic situation.

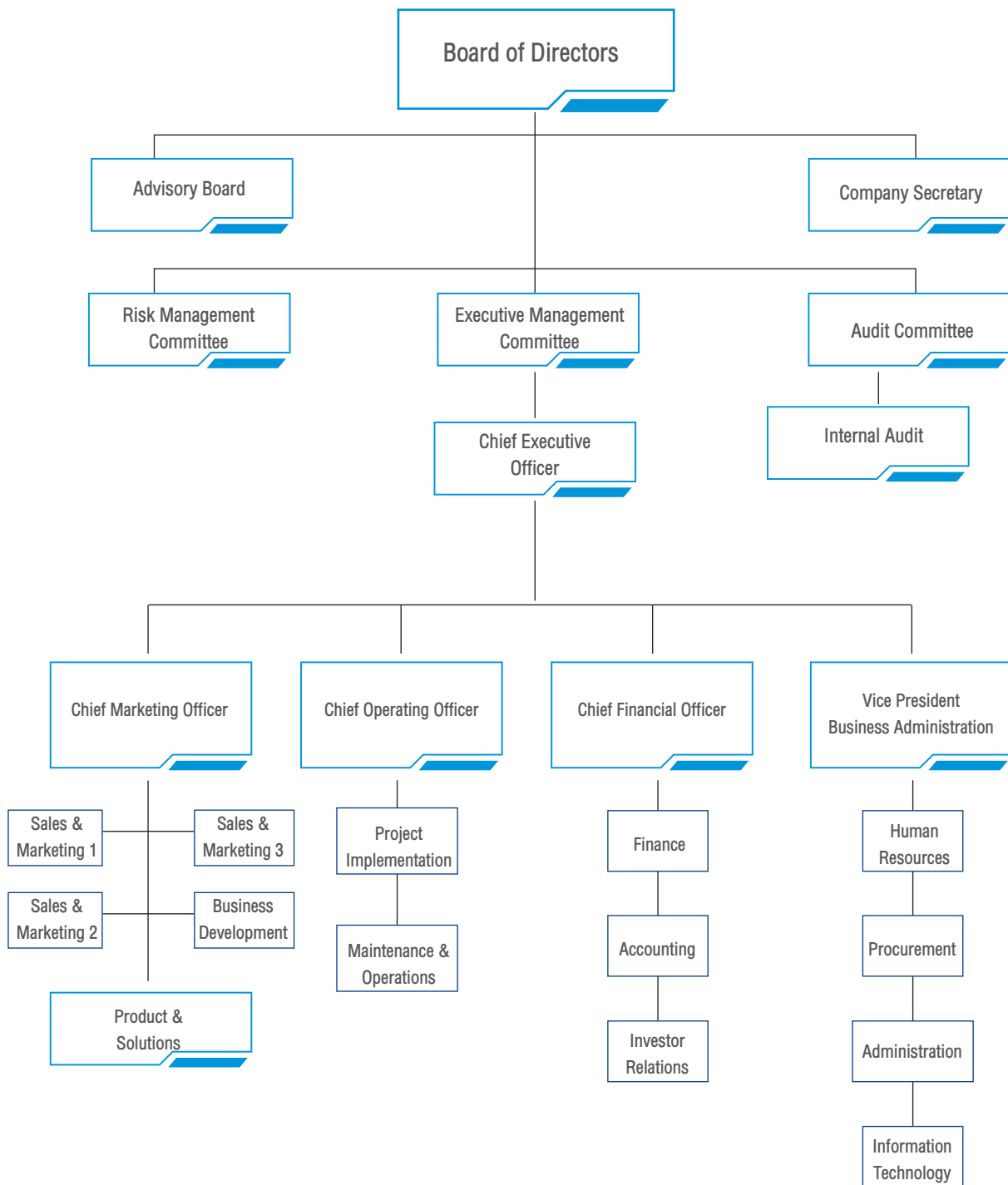
In this regard, the resolution of the Board of Directors that approved the payment of dividends must be proposed for the approval from the shareholders' meeting exception for the interim dividend payment in which the Board of Directors has the power to approve the payment of interim dividends and report to the next shareholders' meeting.

Subject	2017	2018	2019
Net Profit (MB)	66.17	85.72	93.04
Net Profit per Share (Baht)	0.20	0.19	0.21
Interim Dividend (Baht/Share)	–	0.05	0.05
Dividend (Baht/Share)	0.09	0.09	0.10*
Total Dividend Payment (Baht/Share)	0.09	0.14	0.15*
Dividend Payment Ratio Compared to Net Profit (%)	64.46	77.38	76.41
Total Shares (Share)	450,000,000.00	450,000,000.00	450,000,000.00
Total Paid Dividend (MB)	40.50	63.00	67.50

Note: * For the performance of the year 2019, the Board of Directors resolved to propose to the Annual General Meeting of Shareholders for the year 2020 to consider and approve the payment of cash dividends to shareholders in total at the rate of 0.15 Baht per share. The Company first paid an interim dividend at the rate of 0.05 Baht per share on 12 December 2019, remaining as the second dividend payment at the rate of 0.10 Baht per share. However, the said dividend payment must be approved by the Annual General Meeting of Shareholders on 22 April 2020.



Management Structure



Organization Chart

As of 31 December 2019, the management structure of the Company consists of the Board of Directors and three Sub-Committees which are Audit Committee, Executive Committee and Risk Management Committee (the Company does not have a specific Nomination and Remuneration Committee but shall appoint Board of Directors to act as representation). In addition, the Meeting of the Board of Directors No. 2/2019 held on 8 May 2019 had a resolution to appoint the Advisory Board in order to render advices on strategies and guidelines for business related matters to the Board of Directors.

The directors, audit committees, executive directors and executives of the Company have complete qualifications under Section 68 of Public Limited Companies B.E. 2535 (1992) and in accordance with the relevant announcements of Capital Market Supervisory Board. The scope of authorities of the Board and Committees are as follows.

The Board of Directors consists of:

Name-Surname	Position
1. Mr. Segsan Roylapcharoenporn	Chairman of the Board and Chairman of the Audit Committee
2. Mr. Monchai Manepairoj	Director and Chief Executive Officer
3. Mr. Ronapoom Rungruangpol	Director
4. Mr. Pira Laohasomboon	Director
5. Mr. Anuwat Luengtaweekul	Independent Director and Audit Committee
6. Mr. Chanachai Kulnoppaleark	Independent Director and Audit Committee
7. Ms. Patnarin Maliwal	Director and Chief Financial Officer

Ms. Tanankorn Klungpreamchitt, the Company Secretary, was appointed by the Meeting of the Board of Directors No. 1/2019 on 20 February 2019.

Authorized binding signatory directors of the Company

Any two of four directors consisting of Mr. Monchai Manepairoj, Mr. Pira Laohasomboon, Mr. Ronapoom Rungruangpol and Ms. Patnarin Maliwal shall jointly affix their signatures with the Company's seal.

The Board of Director's Meeting

Name - Surname	No. of Attendances/ No. of Meeting			
	2018		2019	
1. Mr. Segsan Roylapcharoenporn	5/5	100%	6/6	100%
2. Ms. Prapharat Tangkawattana ¹	2/5	40%	-	-
3. Mr. Monchai Manepairoj	5/5	100%	6/6	100%
4. Mr. Ronapoom Rungruangpol	5/5	100%	6/6	100%
5. Mr. Pira Laohasomboon	5/5	100%	5/6	83%
6. Mr. Anuwat Luengtaweekul	3/5	60%	5/6	83%
7. Mr. Chanachai Kulnoppaleark	5/5	100%	5/6	83%
8. Ms. Patnarin Maliwal ¹	1/5	20%	6/6	100%

Note: ¹On 25 July 2018, Ms.Prapharat Tangkawattana resigned from the director office and Ms.Patnarin Maliwal was appointed as director in the Meeting of the Board of Directors No. 4/2018 on 6 November 2018.

Audit Committee consists of:

Name-Surname	Position
1. Mr.Segsan Roylapcharoenporn	Chairman of the Audit Committee
2. Mr. Anuwat Luengtaweekul *	Audit Committee
3. Mr. Chanachai Kulnoppaleark *	Audit Committee

Note: *are the directors with adequate knowledge and experiences who can perform duty in reviewing the reliability of financial statements. Mr. Anuwat Luengtaweekul holds the office of the Vice President – Strategy and Finance, Thanachart Bank Public Company Limited, and graduated Bachelor of Accounting and Master of Business Administration. Mr. Chanachai Kullapapruks used to hold the office of Assistant Vice President (Business Group) and Company Secretary, Kulthorn Kirby Public Company Limited, and graduated Bachelor of Accounting and Master of Business Administration-Accounting

Whereas Miss Patnarin Maliwal is the Secretary of the Audit Committee.

Audit Committee's Meeting

Name-Surname	No. of Attendances/ No. of Meeting			
	2018		2019	
1. Mr. Segsan Roylapcharoenporn	4/4	100%	4/4	100%
2. Mr. Anuwat Luengtaweekul	3/4	75%	3/4	75%
3. Mr. Chanachai Kulnoppaleark	4/4	100%	3/4	75%

Executive Committee consists of:

Name-Surname	Position
1. Mr. Monchai Manepairoj	Chairman of the Executive Committee
2. Mr. Ronapoom Rungruangpol	Executive Committee
3. Ms. Patnarin Maliwal	Executive Committee
4. Mr. Thammawat Uchupaiboonwong	Executive Committee
5. Mr. Suwat Youcharoen ¹	Executive Committee

Whereas Mrs. Wilaiporn Thamwichai was appointed as the Secretary of the Executive Committee in the Executive Committee No. 2/2019 on 14 February 2019.

Executive Committee's Meeting

Name - Surname	No. of Attendances/ No. of Meeting			
	2018		2019	
1. Mr. Monchai Manepairoj	3/3	100%	12/12	100%
2. Mr. Ronapoom Rungruangpol	3/3	100%	9/12	75%
3. Ms. Patnarin Maliwal	3/3	100%	11/12	91%
4. Mr. Thammawat Uchupaiboonwong	3/3	100%	12/12	100%
5. Mr. Suwat Youcharoen	3/3	100%	12/12	100%

Risk Management Committee consists of:

Name-Surname	Position
1. Mr. Ronapoom Rungruangpol	Chairman of the Risk Management Committee
2. Ms. Wilaiporn Thamwichai	Risk Management Committee
3. Ms. Wanlapa Luangdilok	Risk Management Committee
4. Mr. Nopphadol Jirayuwanon	Risk Management Committee
5. Mr. Chatchai Chaitekul	Risk Management Committee
6. Mr. Chavaron Benjatikul ¹	Risk Management Committee

Note: ¹Mr. Chavaron Benjatikul was appointed as a member of the Risk Management Committee on 1 January 2019 for the replacement of Mr. Kachornkit Chongsanguan.

Risk Management Committee's Meeting

Name - Surname	No. of Attendances/ No. of Meeting			
	2018		2019	
1. Mr. Ronapoom Rungruangpol	4/5	80%	6/6	100%
2. Ms. Wilaiporn Thamwichai	5/5	100%	6/6	100%
3. Ms. Wanlapa Luangdilok	5/5	100%	6/6	100%
4. Mr. Nopphadol Jirayuwanon	5/5	100%	6/6	100%
5. Mr. Chatchai Chaitekul	5/5	100%	4/6	67%
6. Mr. Kachornkit Chongsanguan	3/5	60%	-	-
7. Mr. Chavaron Benjatikul ¹	-	-	6/6	100%

Note: ¹Mr. Chavaron Benjatikul was appointed as a member of the Risk Management Committee on 1 January 2019 for the replacement of Mr. Kachornkit Chongsanguan.

Management Group

There are 10 members of management group consisting of:

Name-Surname	Position
1. Mr. Monchai Manepairoj	Chief Executive Officer
2. Ms. Patnarin Maliwal	Chief Financial Officer
3. Mr. Thammawat Uchupaiboonwong	Chief Marketing Officer
4. Mr. Suwat Youcharoen	Chief Operating Officer
5. Mr. Surasak Kongjantra	Vice President – Business Development
6. Mr. Worapoj Wongsawat	Vice President – Sales and Marketing 3
7. Mr. Sirisak Viriyamanpong	Vice President – Sales and Marketing 1
8. Mr. Akekapot Boonyarattapun	Vice President – Operation
9. Mrs. Wilaiporn Thamwichai	Vice President – Business Administration
10. Ms. Wanlapa Luangdilok	AVP – Finance and Accounting

Changes in ICN Shares Held by Directors and Executives in 2019

No.	Name	Position	ICN shares held as of 28/12/ 2018	ICN shares held as of 30/12/ 2019	Increase/ (Decrease) in ICN shares held in 2019	Percentage of shares held in 2019 (%)
1	Mr. Segsan Roylapcharoenporn	Chairman, Audit Committee Chairman and Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
2	Mr. Monchai Manepairoj	Director and Chief Executive Officer	87,454,512	87,707,877	253,365*	19.49
	Spouse and minor children		-	-	-	-
3	Mr. Ronapoom Rungruangpol	Director and Chairman of the Risk Management Committee	300,000	300,000	-	0.07
	Spouse and minor children		-	-	-	-
4	Mr. Pira Laohasomboon	Director	34,950,000	34,950,000	-	7.77
	Spouse and minor children		22,741,304	22,741,304	-	5.05
5	Mr. Anuwat Luengtaweekul	Audit Committee and Independent Director	300,000	300,000	-	0.07
	Spouse and minor children		-	-	-	-
6	Mr. Chanachai Kulnoppaleark	Audit Committee and Independent Director	300,000	300,000	-	-
	Spouse and minor children		-	-	-	-
7	Ms. Patnarin Maliwal	Director and Chief Financial Officer	644,947	768,072	123,125*	0.17
	Spouse and minor children		-	-	-	-
8	Mr. Thammawat Uchupaiboonwong	Chief Marketing Officer	638,538	746,616	108,078*	0.17
	Spouse and minor children		-	-	-	-
9	Mr. Suwat Youcharoen	Chief Operating Officer	222,830	247,205	24,375*	0.05
	Spouse and minor children		-	-	-	-
10	Mr. Surasak Kongjantra	Vice President – Business Development	1,455,066	1,548,319	93,253*	0.34
	Spouse and minor children		-	-	-	-
11	Mr. Worapoj Wongsawat	Vice President – Sales and Marketing 3	28,538	136,616	108,078*	0.03
	Spouse and minor children		-	-	-	-
12	Mr. Sirisak Viriyamanpong**	Vice President – Sales and Marketing 1	N/A	2,184,913	-	0.49
	Spouse and minor children		N/A	7,500	-	0.00
13	Mr. Akekapot Boonyarattapun	Vice President – Operation	417,836	486,577	68,741*	0.11
	Spouse and minor children		-	-	-	-
14	Mrs. Wilaiporn Thamwichai	Vice President – Business Administration	28,538	134,707	106,169*	0.03
	Spouse and minor children		-	-	-	-
15	Ms. Wanlapa Luangdilok	AVP – Finance and Accounting	129,790	186,795	57,005*	0.04
	Spouse and minor children		-	-	-	-

Remark: *Receiving shares from Employee Joint Investment Program (EJIP) started from 1 August 2018 – 31 July 2021

** Mr. Sirisak Viriyamanpong was appointed as Vice President – Sales and Marketing 1 effective on 1 January 2019 onwards.

Company Secretary

In the Meeting of the Board of Directors No. 1/2019 on 20 February 2019, the Board of Directors resolved to appoint Ms. Tanankorn Klungpreamchitt for the replacement of Ms. Patnarin Maliwal to hold the Company Secretary office in accordance with Section 89/15 of Securities and Exchange Act B.E. 2535 (1992), amended by Securities and Exchange Act (Issue No. 4) B.E. 2551 (2008). Ms. Tanankorn Klungpreamchitt attended the training of the Course of Company Secretary Program (CSP) Certificate, Batch 99/2019 on 27 - 28 June 2019. The duties and responsibilities of the Company Secretary are as follows:

1. Supervise and give counsel to the directors and executives related to compliance of laws, requirements, rules and regulations of the Company and monitoring and supervising for proper and regular practice.
2. Be responsible for organizing the Meeting of the Board of Directors and the Meeting of the Shareholders, and supervise and coordinate for compliance with resolution of such Meeting.
3. Supervise the disclosure of data and report the information in responsible part in accordance with rules and requirements of Stock Exchange of Thailand and Office of Securities and Exchange Commission, including relevant laws.
4. Prepare and retain the following documents.
 - 4.1 Registration of Directors
 - 4.2 Appointment Letter for the Meeting of the Board of Directors, and the Meeting Minutes of the Board of Directors
 - 4.3 Appointment Letter for the Meeting of the Shareholders and the Meeting Minutes of the Shareholders
 - 4.4 Annual Report of the Company
 - 4.5 Stakeholding Report for Directors and Executives

Remuneration for Directors and Executives in 2019

The Company determines the remuneration for directors and executives in a proper level and adequate rate with consideration to retain qualified directors and executives without excessive payment of remuneration and in the level which is comparable to other companies in the same industry based on experience, duty, scope of role and responsibility. The payment of remuneration for director shall be considered and approved by the Meeting of the Shareholders of the Company in part of remuneration for the executives in accordance with the principle and policy prescribed by the Board of Directors by considering duty, responsibility, and performance of each executive in relation to the Company's overall performance.

Monetary Remuneration

Remuneration for Board of Directors

In Annual General Meeting of the Shareholders for 2019 on 24 April 2019, it resolved the determination of annual remuneration for directors for 2019 under the following details.

- Meeting allowance for the Chairman of the Board for 20,000 Baht/person/time
- Meeting allowance for director for 10,000 Baht/person/time
- Meeting allowance for the Chairman of the Audit Committee for 20,000 Baht/person/time
- Meeting allowance for the audit committee for 10,000 Baht/person/time

- Monthly remuneration for executive director who is not a permanent employee of the Company for 80,000 Baht per month and actual telephone bill and travelling expense

In 2017, 2018 and 2019, the Company paid remuneration to the Board of Directors under the following details.

(Unit : Baht)

Name - Surname	2017		2018		2019	
	Meeting Allowance	Other	Meeting Allowance	Other	Meeting Allowance	Other
1.Mr. Segsan Roylapcharoenporn	90,000.00	-	160,000.00	-	190,000.00	-
2. Ms. Prapharat Tangkawattana ²	70,000.00	-	30,000.00	-	-	-
3. Mr. Monchai Manepairoj ¹	-	-	60,000.00	-	70,000.00	-
4. Mr. Ronapoom Rungruangpol	50,000.00	720,000.00	60,000.00	960,000.00	70,000.00	960,000.00
5. Mr. Pira Laohasomboon	30,000.00	-	60,000.00	-	60,000.00	-
6. Mr. Anuwat Luengtaweekul	35,000.00	-	45,000.00	-	75,000.00	-
7. Mr. Chanachai Kulnoppaleark	65,000.00	-	80,000.00	-	85,000.00	-
8. Ms. Patnarin Maliwal ²	-	-	10,000.00	-	70,000.00	-
Total	350,000.00	720,000.00	505,000.00	960,000.00	620,000.00	960,000.00

Note: ¹ In the Year 2017, Mr. Monchai Manepairoj requested to waive the right not to receive meeting allowance of the director.

² On 25 July 2018, Ms.Prapharat Tangkawattana resigned from the director office and Ms.Patnarin Maliwal was appointed as director in the Meeting of the Board of Directors No. 4/2018 on 6 November 2018.

Remuneration for Executives

In 2017, 2018 and 2019, the Company paid remuneration to the executives for 23.03 million Baht, 31.19 million Baht and 35.38 million Baht, respectively. The said remuneration includes salary, bonus, and contribution to provident fund.

Year	No. of Executive (person)	Remuneration (Baht)
2017	8	23,025,102
2018	9	31,191,061
2019	10	35,387,448

Personnel

As at 31 December 2019, the number of employee of the Company has been as follows.

Department	No. of employees (person) 31 December 2019
1 Sales Department	11
2 Product and Solutions	6
3. Operation Department	
3.1 Project Management	24
3.2 Service and Maintenance	10
4. Finance and Accounting and Business Administration	12
Total	63

Note : Number of employee in the Table excludes 10 executives

Labor Dispute

-None-

Remuneration for Employees

Monetary Remuneration

In 2017 – 2019, the Company paid remuneration to its personnel (excluding executives) in the amount of 37.38 million Baht, 45.37 million Baht and 44.64 million Baht, respectively, as remuneration in term of salary, bonus, overtime pay, contribution to provident fund, Employee Joint Investment Program (EJIP) and other welfares.

Other Remuneration

-None -

Personnel Development Policy

“Human Resource” is the most important asset of an organization. Therefore, the organization has focused on human resource development in order to grow the personnel together with the organization on a good basis according to the defined organization’s culture. These include positive attitude, cheerful working environment, and sustainable growth based on the organization’s value, resulting in a physical and mental dedication to success.

An integral strategy that will lead the organization to the goal is to support and develop human resources according to the organizations’ vision and mission, with an aim to increase competency and become sustainable organization. An emphasis will also be placed on a continuous development of human resources with a purpose on maximizing a full potential of each personnel and creating an opportunity for the organization to meet its mission. Meanwhile, a development of career growth together with that of the organization will result in common goals in an effective and efficient way. This will be in a form of clear and consistent business plan as well as Key Performance Indicators (KPIs) that are transferred from level to level, in which they are used as a framework and standard on a reflection of measurement of each personnel performance.

Key Performance Indicators Policy

In order to establish a consistency in the goal of both the personnel and organization, Key Performance Indicators (KPIs) have become an important key in an effective personnel and organization performance. KPIs are transparent, direct, and fact-based, which will help the organization to achieve its vision and mission in a more efficient way. The important of KPIs will help elevate the development and support to human resources for them to achieve the organization’s goal.

Human Resources Development

The organization has established a career development plan for every positions and departments, where the expectations towards performance used as a foundation include the followings:

- Knowledge – focus on a development on new technology understanding with adaptability to change and ability to deal with new business or market opportunities in the future.
- Skill – develop technical skill for each specific role and responsibility.

Note that the abovementioned topics are aimed for personnel development, emphasizing a variety of development in order to support and grow human resources for a sustainable business growth.

Training and Development Policy

The organization has realized that human resources are propelling drivers that will lead the business to sustainable success. Therefore, the organization has continuously sharpened the skill and knowledge of the personnel, and, in parallel, brought the system to manage and develop human resources in many aspects with the plan below.

Internal Training

An internal training is created to support and develop the potential of the management and employee for them to respond to the strategy and goal of the organization in its most effective and efficient ways. The organization, therefore, organized the following trainings:

- Finance for Non-Finance Manager Training was introduced to management who possesses minimal experience in finance so that they effectively gain basic financial knowledge and understanding, and make great business decisions.
- Technical Knowledge for each Career Path Training was introduced to employees so that they can grow skill for each specific function such as computer and telecommunication skills.

Computer Skills Training

- Microsoft Office skills (Immediate & advanced)
- Visio skills

Technology and Telecommunication Skills Training

- Data center standard in Thailand
- TCP/IP Advanced
- Transmission Microwave (Basic)
- Transmission DWDM (Basic & Advanced)
- Standard for an installation of telecommunication and electric works

External Training

In addition to internal training, the organization has encouraged management and employee to attend trainings provided by leading domestic and international institutions and organizations, with the purpose to develop skills for each employee to a higher level, as well as to exchange opinions with other organizations as following example:

- Chief Transformation Officer (CTO), Ultralink China, Corporate Finance, Advanced Certificate in Public Administration and Law Course etc.
- Computer, Telecommunication, Accounting and Finance, and English communication such as Electrical Engineering within the Building, Alcatel-Lucent 1830 PSS-32/8 (Photonic Service Switch – 32/8), Electrical Installation in Thailand 2556BE (New standard), AutoCad 2D (Basic/Intermediate), Transfer Pricing, Taxation for Tax Accountant, Beyond Treasury Management, TFRS for 2562 BE and 2563 BE, Changes in TFRS (revised 2562BE), and English language communication etc.

Apart from a training for a support and development of skill and knowledge in many aspects, the organization has placed a great emphasis on innovation and creativity. ICN 4.0 Technology activity was held, in line with the organization's vision and mission to lead the organization to the goal. Furthermore, this will encourage teamwork, potential opportunity to illustrate creativity, and a development of great talents.

The Company has continuously organized several trainings pertaining to management and employees, with total training hours of 17 hours per person per annum.

Training (Category)	Number of Attendees	Training Hours
Top management	4	238
Technology, telecommunication, and electrical engineering	25	406
Leadership and psychology	5	48
Computer skill	19	117
English communication	5	100
Accounting and finance	23	294

Employee Retention and Succession Plan Policy

The Company has a policy to retain highly talented individuals by organizing trainings and tools to develop and support those individuals as well as planning a career path such as Job Rotation and Job Assignment to ensure a growth in the Company for those high-performance and high-potential employees. The purpose is to encourage talented people to exhibit and leverage their skill and knowledge at its fullest capacity to meet the organization's goal. In addition, the Company has seen and emphasized the succession of each position, especially those of the top management, creating a trust towards the organization's plan for replacement should there be any available positions or any future for the Company's growth.



Corporate Governance

Policy of Corporate Governance

Information and Communication Networks Public Company Limited (“Company”) considers good corporate governance as paramount important due to its consideration and opinion that it is a crucial mechanism in leading to effective, transparent and verifiable management system that contributes to build confidence and reliance for shareholders, investors, stakeholders, and related parties. The adoption of good corporate governance is the instrument for value addition, competitiveness building and promotion of long-term sustainable growth of the Company. Therefore, the Company endorsed the policy for good corporate governance as prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission in the Meeting of the Board of Directors No. 1/2017 on 29 March 2017 and has applied the principle of compliance with Code of Best Practices as operating guideline of the Company. The principle of good corporate governance of the Company covers the principles of 5 sections as follows:

- Section 1 The Rights of Shareholders
- Section 2 The Equitable Treatment of Shareholders
- Section 3 The Role of Stakeholders
- Section 4 Disclosure and Transparency
- Section 5 Responsibilities of the Board of Directors

In the Year 2017, the Securities and Exchange Commission issued the Corporate Governance Code for Listed Companies 2017 (“CG Code 2017”) laying down 8 main practices for the Board of Directors as follows:

1. Establishing clear leadership role and responsibilities of the Board, contributing to the sustainable value creation for the business;
2. Defining objectives and goals that promote sustainable value creation;
3. Enhancing the Board effectiveness;
4. Ensuring effective executive management and personnel management
5. Promoting innovation and conducting business with responsibility;
6. Strengthening effective risk management and internal control system;
7. Ensuring disclosure and maintaining financial integrity;
8. Ensuring engagement and communication with shareholders.

These practices are for adoption by the Board of Directors in the corporate governance to ensure good business results in the long term, reliability for shareholders, for the benefit in creating value for the business with sustainability. In this regard, the Board of Directors’ Meeting No. 5/2018 held on 12 December 2018 considered reviewing the Company’s corporate governance policy by applying the Corporate Governance Code for Listed Companies 2017 as it deemed appropriate for the Company’s business context as much as possible, and also added suitable practices for company improvement and the Board of Directors shall consider reviewing the CG Code at least once a year as appropriate.

Section 1 The Rights of Shareholders

The Company is aware of the importance of the rights of shareholders and promotes the shareholders to use their rights according to basic rights of shareholders by allowing them to receive sufficient information and supporting them to vote during the annual general meeting and will not commit any action that will violate the rights of shareholders. The Company determines the policy to provide facilitation and to promote all shareholders both Thai and foreign investors, individual investors and institutional investors to participate in the meeting of the shareholders as following details.

Policy for Facilitating and Promoting the Shareholders to Attend the Shareholders' Meeting

1. The Annual General Meeting of Shareholders is determined to be held every year within 4 months after the end of the fiscal year of the Company. The Extraordinary General Meeting of Shareholders can be called upon on a case-by-case basis by the Board of Directors of the Company, in case of urgent matter or issues to consider any special agenda that may affect or relate to the benefits of the shareholders.

2. Invitation letter to the Annual General Meeting of Shareholders is prepared and sent to every type of shareholders including institutional shareholders, together with the details of meeting agendas; important and necessary information for the shareholders consideration including opinion of the Boards of Directors, minutes of previous annual general meeting of shareholders, annual report, all types of proxies named Form A, Form B and Form C as determined by the Ministry of Commerce with instructions by indicating location, date, time and a map of meeting venue. In the meeting invitation letter, details of documents that shareholders need to present in the meeting in order to preserve the right in attending the meeting will be given. The invitation letter will be sent to shareholders at least 21 days prior to the meeting day so that shareholders will receive sufficient, accurate, complete and transparent information for making a decision to cast a vote. In addition, the invitation letter will be announced in the newspaper in Thai for 3 consecutive days before the meeting day at least 3 days. Moreover, the Company aims to distribute a complete invitation letter of the Annual General Meeting of Shareholders together with related documents about the meeting on the website in Thai version for at least 30 days prior to the meeting day and in English version for at least 7 days prior to the meeting day. The shareholders can use such information to make a decision for voting with completeness and honesty. The provided documents are intended for the shareholders to be prepared before attending the meeting. The Company also publicizes this news via SET portal that the Company has already distributed invitation letter and related documents on the Company's website.

3. On the meeting day, shareholders will be equally assisted by arranging sufficient receptionists to provide information and inspect documents for registration. The Company uses efficient and rapid system for registration and prepares stamp duty for the shareholders to affix proxy with free of charge. The Company also arranges a spacious meeting place which is convenient in Bangkok area for shareholders to reach and attend the meeting.

4. The Company will not take any actions that are considered limiting the rights of attendance of shareholders. Every shareholder has the right to attend the meeting of shareholders throughout the length of the meeting.

5. Prior to every meeting commencement, the Company will introduce all of the rules relevant in the meeting such as commencement ceremony of the meeting, the methods of voting and counting of votes of shareholders in order to reach a resolution for each agenda according to the articles of association of the Company. For counting

vote, the Company will carry on counting the votes of shareholders who do not cast a vote for every agenda and the resolution of each agenda will be clearly summarized in the meeting venue. The Company will ensure to separate the votes for each agenda clearly in order to preserve the rights of shareholders.

6. For vote counting procedure, the company will arrange an independent outsider e.g. auditor or shareholder who is selected and approved by the meeting to count or examine the vote counting for both the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders. The vote counting will be disclosed to the meeting and recorded in the minutes of the meeting.

7. The Chairman of the Board of Directors will allocate meeting time adequately and proceed the meeting properly and transparently. During the meeting, attendants are given an opportunity to exercise their rights for protecting their benefits by asking questions, sharing opinions, giving recommendations and casting a vote in the meeting of shareholders regarding important issues that may affect the Company such as the appointment or removal of directors, nomination of an independent director, approval of the auditor, dividend allocation, increase or decrease of capital, determination of amendment of articles of association or memorandum of association and approval of a special resolution.

8. The Chairman, directors and management are responsible for attending the Annual General Meeting of Shareholders to answer questions raised by shareholders.

9. The Company grants the shareholders, who delay in meeting, to exercise their rights by balloting for agenda under consideration and has not yet concluded.

10. The Company has indicated the interests of directors in the invitation letter to the meeting of shareholders. During the meeting of shareholders, if any director has an interest or is related in any agendas, the Chairman of the meeting will inform attendants in advance prior to considering such agenda. The directors with an interest to such agenda will not attend the meeting and be refrained from casting vote in such agenda.

11. The Company will announce resolutions of the meeting by notifying them to SET portal of the Stock Exchange of Thailand and have them disseminated on the Company's website on the following day after the Annual General Meeting of Shareholders.

12. The Company will prepare minutes of the Annual General Meeting of Shareholders submitted to the Stock Exchange of Thailand within 14 days after the meeting day according to the requirement of the Stock Exchange of Thailand. Details of the meeting which comprised of the minutes of meeting, voting and questions from shareholders of each agenda will be completely and suitably disseminated.

Section 2 The Equitable Treatment of Shareholders

The Company is aware of the equitable treatment of shareholders to every group of shareholders not only major shareholders but also minor shareholders, institutional shareholders or foreign shareholders and endeavor to implement any mechanism to support the genuine.

1. The Company has a policy to treat and protect the rights of every shareholder equally and fairly for management shareholders and non-executive shareholders, Thai shareholder, foreign shareholders, major shareholders or minority shareholders by allowing shareholders to exercise their rights to propose additional agenda and nominate qualified candidates to be elected as directors of the Company at least 3 months before the end of the fiscal year and disseminating such criteria for exercising such rights through the channel of the Stock Exchange of Thailand including notifying the criteria for determining whether to accept the proposed proposal clearly by publishing on the Company website.

2. The shareholders have the right to authorize proxies to attend and vote in the meeting and to receive documents and proxy instructions to legitimate proxies. When submitting the proxy form to the director at the meeting, proxies shall have the right to attend the meeting and vote as same as shareholders.

3. The Company will propose names of independent directors in the Company's proxy form to be an alternative for shareholders to have the opportunity to proxy to any independent directors.

4. The Company will conduct the shareholders' meeting in accordance with the agenda specified in the invitation letter. The Company has no policy to add on agenda to the meeting without notifying the shareholders in advance so that the shareholders have opportunity to study the information on the agenda before making a decision.

5. The Chairman, relevant directors and executives are responsible for attending shareholders' meetings to answer questions to shareholders including recording important questions and comments in the minutes of the meeting for later examination by the shareholders.

6. To provide the opportunity to the shareholders without losing their rights, the Company allows the shareholders who wish to attend the meeting to register even after the time of registration.

7. The ballot cards will be prepared separately by important matters for every agenda so that the shareholders can vote as they think appropriate. The result of the vote will be calculated with the votes received in advance in the proxy form. Before announcing the resolution of the vote in the meeting with transparency, the Company will collect ballots from shareholders for later examination.

8. The Company will disclose updated information through the Company's website to notify shareholders with regard to the change of the important Company information as well as information to be disclosed by the Company in accordance with various requirements such as the minutes of the General Meeting of Shareholders. After the disclosure to the Stock Exchange of Thailand, the Company will also publish such information on the Company's website to allow shareholders to ask questions and receive information equally.

9. The Company identifies that directors and executives of the Company are not allowed to conduct any security trading during the 1month period before the publication of financial statements or other information that affects the price of the Company's security and shall not trade the Company's security within 24 hours after the disclosure of all information to the public. When a director or an executive performs the security trading, the report for the change of security holding shall be delivered to the Securities and Exchange Commission within 3 working days for further disclosure.

10. The directors or executives are required to report their conflict of interest to the Board of Directors for acknowledgment.

11. The Company has set up Insider Trading policies of the related persons including director, executive, staff, and employee, as well as spouse and underage children of such persons who are related to the information. In addition, the Board also determines penalty measure related to disclosure of the Company's information or insider trading for personal interest in accordance with the policy for protection of the insider trading and provision of knowledge to the directors and executives of the Company about duty of reporting the possession of securities by him/her, his/her spouse or person who lives together as husband and wife, and underage children, as well as reporting the change in possession of securities to the Office of the Securities and Exchange Commission under Section 59 and penalty measure under Securities and Exchange Act (Issue No. 5) B.E. 2559 (2016).

12. In treatment and supervision of every shareholder, every shareholder can suggest and express his/her opinions or notify complaints to the Chairman of the Board (independent director) and Company Secretary via email: icn_companysecretary@icn.co.th. The independent Committee shall consider, screen and consider issues for appropriate execution such as in case of suggestion considered and deemed by the Board of Directors to be useful for business operation of the Company, the said issues shall be proposed to the Meeting of the Board of Directors for consideration and determination of the operating guideline or being the meeting agenda in the Meeting of the Shareholders as appropriate accordingly. Moreover, the channel for information inquiry or opinion expression of the investors via icn_ir@icn.co.th is provided. Investor Relations Unit is responsible for providing necessary information to the investors.

Section 3 The Role of Stakeholders

The Company has a policy to attach importance to the rights of all stakeholders for satisfaction creation to all parties under the following details.

Shareholder :	The Company aims for effective, honest and fair business operation to generate overall maximum benefit to the Company and shareholders by knowledge and skill of management for major shareholders and minor shareholders under concern on satisfactory overall operation, stable growth, and competitiveness maintenance, maximum shareholder satisfaction such as organizing company visit by shareholders and meeting top executive, overhearing opinions and suggestions of the shareholders, and arranging the channels of information dissemination and contact with the shareholders via Website: www.icn.co.th and Email icn_ir@icn.co.th .
Employees	: The Company treats its employees equitably and fairly, and gives proper rewards, gives precedence to regular development of the employees' potential by continuously organizing training of knowledge and competency development to employees for development of knowledge skill and work skill, and cultivating good attitude and consciousness to be good staffs with competency and good citizen to the society. The Company strictly complies with staff-related laws and regulations by establishing and giving contribution of provident fund for employees, as well as other welfares such as health insurance, accident insurance, vacation availability, etc.
Business Partner	: The Company aims for business partner treatment with equity and equality under concern on mutual benefit under trade condition in good faith without corruptive action in trading with business partner, and without conflict with laws. The Company establishes the procedure and practice for business partner or contractor selection and guideline for anti-corruption, support of encouragement and cultivation activities for all staffs to comply with relevant laws and rules and regulations.
Creditor	: The Company aims for strict compliance with financial condition and agreement in the matters of objectives of money spending, repayment, collateral quality supervision, and any other matters agreed with the creditor in order to attain mutual benefit.

Customer	: The Company aims for building customer confidence and satisfaction by offering good quality products and services in reasonable price and complying with customer conditions under main concern on benefit that meets customer satisfaction, good relation maintenance, and non-disclosure of customer information without permission unless it is the information required for disclosure to the related outsider in accordance with legal regulations.
Competitor	: The Company aims for conducting under set of rules of good competition, maintaining norm of code of petition competition, and avoiding dishonest procedure for competitor destruction.
Community and Society	: The Company shall not perform any act that adversely affects to society, natural resources and environment, and must seek for the opportunity to continuously and seriously support the social creativity and cultivation of social responsibility consciousness activities among all levels of employees, and to strictly perform or control for strict compliance with laws and rules issued by the governance agencies.

Section 4 Disclosure and Transparency

The Board of Directors take the importance of the disclosure of the Company information into account since it will affect the price of Company security and impact the decision making process of the investors and its stakeholders. It is therefore very important to control and determine relevant criteria in information disclosure including financial data and general information in accordance to the rules and regulations by law from The Security and Exchange Commission and The Stock Exchange of Thailand. These information will contain important matters which are clear, complete, sufficient, reliable, transparent, updated and be accessible by all parties and it will be publicized via SET Portal System of the Stock Exchange of Thailand and the Company website (www.icn.co.th) in order that all relevant parties may access to this information equally. Such information is for instance the policy report and corporate governance structure in the annual information form (Form 56-1), annual report (56-2), minutes of shareholders' meeting so that the shareholders can follow the details in the meeting.

The Board of Directors is aware of their responsibility towards the financial statements report whereby the data must be accurate, complete, true and reasonable information. The Company's financial statements are prepared in accordance with Generally Accepted Accounting Standards by adopting appropriate accounting policies, regularly observing and carefully exercising discretion, and disclosing adequate information in the notes to financial statements. Moreover, The Board of Directors maintains efficient internal control system to reasonably ensure that the accounting information is accurately, completely and adequately recorded in securing the assets and realizing on weaknesses to prevent fraud or malfunction.

The Board of Directors has appointed the audit committee comprising of non-executive directors who are in an independent role. The audit committee shall be responsible for the quality of financial statement and internal control system and will review the financial statements, related parties transactions and internal control system. The audit committee shall directly report to the Board of Directors.

In case of any inquiries, you may contact the Investor Relations Department at the telephone number 02-5530755 ext. 502 and email: icn_ir@icn.co.th for an equal information access towards shareholders and stakeholders.

Section 5 Responsibilities of the Board of Directors

The Board of Directors recognizes the responsibility and role in identifying the policy and the direction of the operation of the Company to be in accordance with laws, objectives, The Company's articles of association as well as the resolution of the shareholders' meeting by supervising the management to proceed in accordance with the policy effectively and efficiently to protect the interests of the Company and maximize economic value to the highest benefit of the shareholders based on good corporate governance principles. The Board of Directors will monitor the implementation of business strategies in order to achieve sustainable growth. With consideration of its importance, the Board of Directors consists of professional with leadership skills, vision, knowledge, capability and experience in various fields appropriately and full of integrity and is independent in making decisions for the best interests of the Company and shareholders.

The Board has followed the best practices of the Stock Exchange of Thailand in various areas as follows.

1. Structure of the Board of Directors

The Board of Directors comprises of the experts with knowledge, competency and experiences in the executive office level from different organizations. The experiences, knowledge and competencies then can be effectively applied to develop and formulate the policies and directions of the Company's business operation and bring about maximum interests for the Company and shareholders. The Board of Directors shall play the crucial roles in formulating the policies and overview of the organization, and play the crucial roles in governing, verifying, monitoring the performance of the Management, and assess the Company's overall operations in accordance with setting plans.

The structure of the Board of Directors consists of independent directors more than 1/3 of total number of directors for the whole board. At present, the Company has total of 7 directors being classified into 2 executive directors and 5 non-executive directors including 3 independent directors/audit committees. The structure of the Board of Directors has clear checks and balances since the Board of Directors consists of non-executive directors more than half of total number of directors. Each director makes independent decision for maximum interests of the Company. The Board of Directors also appoints the Sub-Committees to help governing the Company's business as follows.

1.1 The Executive Management Committee of the Company consists of 5 executive directors in total. The Executive Management Committee shall determine guidelines and strategies for business operation in accordance with targets determined by the Board of Directors for flexible management.

1.2 The Audit Committee of the Company consists of 3 audit committees in total to perform duties in specific issues and propose issues to the Board of Directors for consideration and acknowledgement. The Audit Committee has rights and duties as determined in authorities of the Audit Committee. At least one audit committee shall have adequate knowledge and experiences in accounting area so that he/she can perform duty in reviewing the reliability of the Company's financial statements.

The Board of Directors determines the policy that the Chairman of the Board and the Chief Executive Officer must not be the same person for clearness in responsibilities between determination of governance and routine management. The Company also clearly allocates roles, duties and responsibilities between the Board of Directors and executives. The Board of Directors shall perform duties in formulating the policies and governs the operation of the executives while the executives shall perform managerial duties of the Company in various areas in accordance with the formulated policies to prevent authoritarianism.

The Company therefore clearly determines the scope of authorities in operating power of the Company (Authority Table).

The Board of Directors establishes the policy on the number of listed companies in which each director will hold office as director, which shall not exceed 5 companies without any exemption. It is deemed that such number enables all directors to devote their time to regularly attend the meetings. The Board of Directors also appoints the Company Secretary in accordance with the guideline for the CG Code to provide suggestions relating to various laws and regulations as required by the Board of Directors and to supervise activities of the Board of Directors as well as coordinating to ensure compliance with the Board of Directors' resolutions.

The Board of Directors establishes the policy for the Company's CEO on holding of office as director in other companies which shall not exceed 5 listed companies by notifying to the Board of Directors' Meeting the reasons and details in which he/she holds such office.

2. Roles, Duties and Responsibilities of the Board of Directors

The Company determines that the directors shall comply with Code of Best Practices for Directors of Listed Companies in accordance with guideline of the Stock Exchange of Thailand. The Board of Directors must understand and recognize on its own roles, duties and responsibilities, honestly perform duties in accordance with laws, objectives and Articles of Association of the Company as well as resolution of the Meeting of the Shareholders, and mainly concern on the interests of the Company and shareholders. The Board of Directors formulates the policies, targets of business operation, business plan, and budget of the Company, and governs the Management to effectively and efficiently execute in accordance with formulated policy, work plan and budget for overall maximum interests of the Company and shareholders.

The Board of Directors is responsible and accountable for the overall affairs of the company and may delegate important day-to-day duties to management by written e.g. transaction authorization. However, the said delegation does not release the Board of Directors from duties and responsibilities. The Board of Directors should monitor management to perform duties entrusted by the Board of Directors. Duties and responsibilities of the Boards of Directors, the Chief Executive Officer (CEO) and the Executive Management are as follows:

- (1) Matters for which the board has primary responsibility are matters that the board should fully consider for suitable operation consisting of as follows:
 - a) Define objectives and business objectives.
 - b) Develop culture of compliance and ethical conduct, and lead by example.
 - c) Strengthen an effective board structure and practices being conducive to achieving the company's objectives.
 - d) Ensure suitable CEO selection, remuneration, development and performance evaluation.
 - e) Ensure appropriate compensation architecture that supports achievement of the company's objectives.
- (2) Matters involving shared responsibility of the board and management are matters requiring joint consideration between the Board of Directors, Chief Executive Officer and management. The Board of Directors shall closely monitor these matters and seek regular reports periodically from management consisting of as follows:

- a) Formulate and review strategies, business plans and annual work plans.
 - b) Ensure sufficient risk management and internal control system.
 - c) Define appropriate authorities in accordance to management responsibilities.
 - d) Oversee appropriate policies, development plans and budget for resource allocation, including human resource management and development and plan for IT.
 - e) Monitor and evaluating corporate performance.
 - f) Ensure integrity of financial and non-financial information disclosure.
- (3) Matters that the board should not perform are matters in which the Board of Directors should refrain from active involvement in normal circumstances and delegate to CEO and management consisting of as follows:
- a) The management will be responsible with its decision by execution to be in line with strategies, policies and plans approved by the Board of Directors. The Board of Directors will monitor the result of performance without intervention unless there is a necessity.
 - b) Prohibition such as the approval of conflict of interest of directors, etc.

3. Roles, Duties and Responsibilities of the Chairman

The Chairman of the Company shall be appointed by the Board of Directors. To ensure the clear division of duties of the Company's policy formulation and operation, and the role of Board to lead and monitor the management's performance, the Company stipulates that the Chairman and CEO must not be the same person. The Chairman's duties and responsibilities are as follows:

- (1) Call Board meetings, chair Board meetings and shareholders' meeting, as well as set meeting agenda in collaboration with CEO
- (2) Control meeting efficiently in compliance with the Company's Articles of Association while supporting and giving opportunity for directors to express their independent views.
- (3) Encourage the Board to work to their utmost ability, based on their duties and responsibilities, under corporate governance, and support the work of CEO.
- (4) Supervise and follow up the work of the Board and the committees to ensure that the Company's objectives are reached.
- (5) Cast a decisive vote in Board meetings in case of equal votes of both sides.

4. The Meeting of the Board of Directors

The Company has set the schedule for the board meeting in advance which allows directors to be able to arrange time and attend meeting. Unless there is a special agenda, the Chairman of the board or directors according to the number specified by law, can call additional meetings as necessary. The Board of Directors has scheduled regular meetings every 3 months. The meeting agenda in each meeting shall be clearly specified. The meeting agenda will be determined by mutual consideration between the Chairman and the Chief Executive Officer. Invitation letter for meeting together with details shall be delivered in advance for 7 days so that the Board of Directors can have enough time to study information prior to meeting attendance. The Chairman of the board will act as the chairman of the meeting for ensuring careful consideration of each

agenda and allowing all directors to express opinions and discuss together. The high-level executives will attend the meeting to clarify the information as a person related to direct work until satisfied before voting in each agenda. The meeting minutes shall be recorded in writing and collect the meeting minutes which are certified by the Board of Directors and ready for verification by the Board of Directors and the related parties.

The Board of Directors has a policy to have a meeting between non-executive directors without management attending the meeting in order to allow the directors to have independent discussion and exchange of opinions and able to monitor the operations of the management efficiently. For the year 2019, a meeting between non-executive directors without management was held on 9 December 2019. The meeting considered to exchange of opinions on the operations and the efficiency of the management.

In addition, the Board of Directors has a policy to prohibit directors and executives who are connected persons or have interests in the agenda to consider attending the meeting or voting on that agenda. The Board of Directors will consider from the report of conflict of interest which every director and executive has a duty to prepare such report as the Board of Directors has a policy for directors and executives to prepare the report of conflict of interest for disclosure such information to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The Board of Directors has set a policy regarding the minimum number of quorum as the Board of Directors will vote in the Board of Directors meeting which shall have at least two-thirds of the total number of directors.

5. Remuneration for Director and Executive

The Company determines remuneration for directors and executives in the proper level and in the adequate rate for retention of quality directors and executives without excessive payment of remuneration and in the level which is comparable with the companies in the same industrial group. The considered factors consist of experience, duty, scope of role and responsibility. The payment of remuneration for director shall be considered and approved by the Meeting of the Shareholders of the Company in part of remuneration for the executives in accordance with the principle and policy prescribed by the Board of Directors by considering from duty and responsibility, and performance of each executive in accompany with the Company's overall operation.

6. Development of the Directors and Executives

The Board of Directors formulates the policy for promotion and facilitation in arranging training and providing knowledge of corporate governance system of the Company to the related persons consisting of director, audit committee, executive, and company secretary for continuous working improvement, for instance, course of the Stock Exchange of Thailand, course of Thai Institute of Directors Association (IOD) etc.

For the year 2019, the Board of Directors has encouraged the directors, executives and company secretary to attend training and participate in seminars in order to increase continuous knowledge as follows:

- Ms. Patnarin Maliwal, the director and Chief Financial Officer of the Company, attended the Chief Transformation Officer Course (CTO Course) organized by the Stock Exchange of Thailand between 26 June 2019 – 28 August 2019.

- Mr Thammawat Uchupaiboonwong, Chief Marketing Officer, attended the Top Executives in City Leaders Development Course (City Leaders Generation 5) organized by Navamindradhiraj University between 29 November 2019 – 20 March 2020.
- Mr. Suwat Youcharoen, Chief Operating Officer, attended Ultralink: China Class 2 training course between 3 June 2019 – 7 June 2019 in the People's Republic of China.
- Mr. Sirisak Viriyamanpong, Vice President of Sales and Marketing, attended the Advanced Certificate in Public Administration and Law Course, Class 19, organized by King Prajadhipok's Institute between 4 October 2019 – 31 July 2020.
- Ms. Tanankorn Klungpreamchitt, the Company Secretary, attended the Company Secretary Program (CSP) Class 99/2019, organized by the Thai Institute of Directors (IOD) on 27-28 June 2019.

7. Orientation for New Directors

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

Sub-Committees

The management structure of the Company consists of the Board of Directors and another 3 Sub-Committees consisting of the Audit Committee, Executive Committee and Risk Management Committee (the Company does not have a specific Nomination and Remuneration Committee but shall appoint Board of Directors to act as representation). The directors, audit committees, executive directors and executives of the Company are completely qualified under Section 68 of Public Limited Companies Act B.E. 2535 (1992) and in accordance with the relevant announcements of Capital Market Supervisory Board. The scope of authorities of each Committee of the Company is as follows.

1. Scope of Authorities of the Board of Directors

1. The Board of Directors has power, duty and responsibility in honestly management and operation of the Company's business in accordance with laws, objectives, articles of association of the Company as well as resolution of the Meeting of the Shareholders, and carefully maintain the Company's benefit.

2. Prepare statement of financial position and income statement of the Company as at the ending date of the accounting period of the Company which has already been audited by the auditor, and propose to the Meeting of the Shareholders for consideration and approval.

3. Formulate target, guideline, policy, operating plan and budget of the Company, as well as control administration and management of the Management or of any person entrusted for such execution in accordance with formulated policy.

4. Consider reviewing, auditing and approving policy, direction, strategy, business operation plans of the Company proposed by the Management.

5. Continuously monitor the operation in accordance with work plan and budget.

6. Consider formulating the policy of risk management in companywide extension and govern to have the system or process of risk management under supporting measure and control procedure to appropriately reduce impact on the Company's business.

7. Consider determining management structure to have power to appoint the Executive Management Committee, the Chief Executive Officer and other Sub-Committees as appropriate, as well as determine scope of authorities of the Executive Management Committee, the Chief Executive Officer and Sub-Committees being appointed.

The authorization under the determined scope of the authority shall not have the manner of authorization that allows such Executive Management Committee, the Chief Executive Officer and Sub-Committees to be able to consider and approve transactions that may have conflict of gain and loss, or conflict of any other interests performed with the Company or subsidiaries (if any) except the approval of transactions which are in line with the policies and criteria already considered and approved by the Board.

8. The Board may authorize one or several directors or any other person to perform any acts in lieu of the Board under control of the Board or may authorize the said person to have power as deemed appropriate by the Board within period deemed appropriate by the Board. The Board may cancel, revoke, revise or alter that authorization when deemed appropriate.

That authorization shall not be the manner of authorization that allows the said person to enable to consider and approve transaction that he/she or person who may have conflict, gain and loss or may have conflict of interests in any other manner which will be performed with the Company or its subsidiaries (if any) as defined in the Announcement of the Capital Market Supervisory Board and/or Stock Exchange of Thailand, and/or any other announcements of the relevant agencies unless it is the approval of the transaction in accordance with the policy and criteria already considered and approved by the Board.

2 Scope of Authorities of the Audit Committee

1. Review the Company to have proper and adequate financial reporting.

2. Review the Company to have appropriate and efficient internal control system and internal audit system, and consider the independence of the Internal Audit Unit, and give consent in consideration on appointing, removing, dismissing the Head of Internal Audit Unit or any other work unit related to internal audit.

3. Review the Company to comply with Securities and Exchange Law, requirement of the Stock Exchange of Thailand and relevant laws related to the Company's business.

4. Consider, select, nominate and appoint the independent person to perform duty of the auditor of the Company and propose the remuneration of the said person, and attend the meeting with the auditor without meeting attendance of the Management at least once a year.

5. Consider the connected transaction or transaction that may have conflict of interests in accordance with laws and requirements of Stock Exchange of Thailand to ensure that such transaction is reasonable and maximally beneficial to the Company.

6. Prepare report of the Audit Committee by disclosing in Annual Report of the Company. Such report shall be signed by the Chairman of the Audit Committee and contain the minimum information as follows.

- (a) Opinion related to accuracy, completeness and reliability of the Company's financial report
- (b) Opinion related to adequacy of the internal control system of the Company
- (c) Opinion related to compliance with Securities and Exchange Law, and requirement of Stock Exchange of Thailand or relevant laws related to the Company's business
- (d) Opinion related to appropriateness of the auditor
- (e) Opinion related to transaction that may have conflict of interests
- (f) Number of Meetings of the Audit Committee and meeting attendance of each audit committees
- (g) Overall opinion or observation acquired from the function of the Audit Committee in accordance with charter.
- (h) Other transactions deemed that the shareholders and general investors should be informed under scope of duties and responsibilities entrusted by the Board of Directors

7. Take any other actions as entrusted by the Board of Directors under consent of the Audit Committee.

3 Scope of Authorities of the Executive Management Committee

1. Consider and propose target, policy, business plan and annual budget to the Board of Directors for consideration and approval.

2. Control business operation of the Company in accordance with policy, work plan and budget approved by the Board of Directors.

3. Consider approving the operation which is the normal transaction of the Company's business based on investment fund or budget approved by the Board of Directors whereas the financial limit for each transaction shall be in line with table of operation power which is passed for approval from the Board of Directors.

4. Propose the organization chart and power of organizational management to the Board of Directors for consideration and approval.

5. Have power to appoint or hire the consultant related to internal management for maximum efficiency.

6. Consider profit and loss of the Company, proposal of interim dividend payment or annual dividend to be proposed for approval of the Board of Directors.

7. Being granted for authorization power to authorize any other one or several persons to take any action under control of the Executive Management Committee or may authorize to the said person to have power as deemed appropriate by the Executive Management Committee within the period deemed appropriate by the Executive Management Committee. The Executive Management Committee may cancel, revoke, alter or revise the authorized person or that authorization as deemed appropriate.

8. Perform other duties as occasionally entrusted by the Board of Directors.

The authorization of authorities and responsibilities of the Executive Management Committee shall not have the nature of authorization or sub-authorization that allows the person who is authorized by the Executive Management Committee to enable to approve transaction that the authorized person or the person who may have conflict (as defined and prescribed in the announcement of the Securities and Exchange Commission and/or relevant agencies), have gain and loss or may have any other conflict of interests with the Company or

subsidiaries and/or related companies. The Executive Management Committee has no power to approve the execution in such matter. Such matter shall be further proposed to the Meeting of the Board of Directors and/or the Meeting of the Shareholders (as the case may be) for approval unless it is the approval of transaction in accordance with policy and condition of normal trade which is in line with the announcement prescribed by the Capital Market Supervisory Board and/or Stock Exchange of Thailand and/or relevant agencies.

4. Scope of Authorities of the Risk Management Committee

1. Consider policy and the overall risk management approach of the Company which covers important risks such as financial risk, investment risk and the risk that affect the reputation of the Company etc., to present to the Board of Directors for approval.

2. Formulate strategies and guidelines for risk management of the Company in accordance with the risk management policy by being able to evaluate, track and view the amount of the risk of the Company to be at an appropriate level.

3. Supervise and monitor the adoption of risk management policy under the guidelines and policies approved by the Board of Directors.

4. Set the risk measurement criteria and risk limitation that are acceptable by the Company.

5. Determine measures to be used to manage risks appropriately to the situation.

6. Review the adequacy of policies and risk management systems including the effectiveness of the system and compliance with the stipulated policy.

7. Report to the Board of Directors regularly regarding the management, operations and status of the company risks and changes, including what needs to be improved to comply with the policies and strategies.

8. Present a risk management working group as necessary and support the working group on personnel, budget and other necessary resources in accordance with the scope of responsibility.

Nomination and Appointment of the Directors and Topmost Executive

Since the company has not yet appointed the Nomination and Remuneration Committee, The Board of Directors therefore assigned a number of directors as a working group for recruiting, selecting and proposing person to hold the position of director and high-level executive of the Company by considering selection from experience, knowledge, ability and qualifications as required by law as well as considering the remuneration to be appropriate for the duties and responsibilities and propose to the Board of Directors for approval including the appointment of new directors or retired directors. The selection of persons to be appointed as directors will be presented to the Board of Directors meeting to consider before proposing to the shareholders' meeting to consider the selection of directors in accordance with the criteria and procedures as specified in the Company's Articles of Association.

Element and Appointment of the Board of Directors

Element, nomination, appointment, removal or retirement from the director office of the Company shall be prescribed in Articles of Association of the Company and can be summarized in the following essences.

1. The Board of Directors consists of at least 5 directors and the directors not less than half of total number of directors must have domicile in the kingdom and must be qualified as prescribed by law.

2. The Meeting of the Shareholders shall select the directors in accordance with the following criteria and procedure.

- (1) One shareholder has vote equivalent to number of his/her holding shares.
- (2) Each shareholder can use the existing votes to select one or several persons as directors. In case where several persons are selected as directors, votes are unable to be divided to anyone more or less.
- (3) The persons who gain highest votes in descending order shall be selected as directors in equal number of directors who are supposed to have or supposed to select in that time. In case where the selected person in descending order has equal vote in excess of number of directors who is supposed to have or supposed to be selected in that time, the Chairman shall perform casting vote.

3. In every Annual General Meeting of the Shareholders, the director shall vacate from the office for one-third of number of directors at that time. If the number of directors is indivisible to be consistent to three portions, the closest number of the directors to one-third portion shall resign. The director who must vacate the office in the first year and the second year after the registration of the Company, lots shall be drawn. In the following years, the director who is in the office for longest period shall vacate the director office. The director who shall retire by rotation can be selected to resume the office again.

4. Any director who will resign from the office shall submit Resignation Form to the Company. The resignation shall be effective from the arrival date of Resignation Form to the Company.

5. In case of vacancy of director office due to other reason apart from it is time for retirement by rotation, the Board of Directors may select the qualified person without prohibited characteristics in accordance with Public Limited Companies Law and/or Securities and Exchange Law to enter to be the replacing director in the next meeting. Unless the remaining term of the director is less than 2 months, the person who enters to be the replacing director shall be in the director office for just the remaining term of his/her replaced director. The resolution of the Board shall consist of votes not less than three-fourth of the remaining number of directors.

6. The Meeting of the Shareholders can resolve that any director can vacate his/her office before term of retirement by rotation is due with votes not less than three-fourth of number of the shareholders who attend the meeting and have voting rights whereas total counted votes are not less than half of number of shares held by the shareholders who attend the meeting and have voting rights.

The Board of Directors consists of knowledgeable directors with ability and experience in various fields of business. As of 31 December 2019, the Board of Directors consists of 7 members (a brief biography of each director is shown on pages 8 - 11 of the Annual Report 2019) as follows:

Name - Surname	Position	Date of the First Appointment
1. Mr. Segsan Royleapcharoenporn	Chairman of the Board, Chairman of the Audit Committee and Independent Director	18 April 2017
2. Mr. Monchai Manepairoj	Director	1 May 2014
3. Mr. Ronapoom Rungruangpol	Director	30 November 2016
4. Mr. Pira Laohasomboon	Director	13 September 2007
5. Mr. Anuwat Luengtaweekul	Audit Committee and Independent Director	26 April 2016
6. Mr. Chanachai Kulnoppaleark	Audit Committee and Independent Director	26 April 2016
7. Ms. Patnarin Maliwal	Director	6 November 2018

The Company recognizes the important of diversity in the structure of the board of directors (Board Diversity) by considering that it is an important factor in strengthening mind balance, increasing the efficiency of decision making and the work of the board of directors which is beneficial to business operations without limitation of gender, race, religion or any other restrictions. The Company has determined the composition of the board of directors to consist of persons with knowledge, competency and work experience with various expertise including being a person with morals and ethics, having a good attitude, leadership and visionary which will be beneficial and in line with the Company's strategy, policy, and business direction.

Element and Appointment of Independent Director

The Board of Directors shall mutually and primarily consider the qualification of the person who will hold the position as the independent director by considering from qualification and prohibited characteristics of the director pursuant to Public Limited Companies Act, Securities and Exchange Law, Announcement of Capital Market Supervisory Board, including relevant announcements, regulations and/or rules. Moreover, the Board of Directors shall consider selecting independent director from the qualified expert with work experiences and appropriateness in other fields in combination, and then propose to the Meeting of the Shareholders for consideration and appointment to be the director of the Company accordingly. The Company formulates the policy for appointment of the independent directors at least 1/3 of total number of directors and the appointed independent directors must not be less than 3 persons.

Definition of Independent Director

1. Holding shares not more than 1% of total number of shares with voting rights of the Company, holding company, subsidiary, associated company, major shareholder or regulator of the Company. The shareholding of the related person of the said independent director shall be counted.

2. Not being or never been the director who participates in management, employee, staff, consultant who earns fixed salary or regulator of the Company, holding company, subsidiary, associated company, subsidiaries in the same level, major shareholder or of the regulator of the Company unless he/she is free from the said nature at least 2 years. The said prohibited characteristics exclude the case where the independent director has ever been the government officer or consultant of administrative agencies which are the major shareholders or regulator of the Company.

3. Not being the person with consanguinity or relation by legal registration in the nature of being father, mother, spouse, kinsfolk, and child including the spouse of the children, the executive, major shareholder, regulator or person who is nominated to be the executive or regulator of the Company or subsidiaries.

4. Not having or never had business relation with the Company, holding company, subsidiary, associated company, major shareholders, or regulator of the Company in the nature that may obstruct the exercise of his/her independent discretion; and not being or never been the significant shareholder or regulator of the person who has business relation with the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company unless the independent director is free from the said nature not less than 2 years.

5. Not being or never been the auditor of the Company, holding company, subsidiary, associated company, major shareholders, or regulator of the Company; and not being the significant shareholder, regulator or partner of the audit office which is under by the auditor of the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company unless the independent director is free from the said nature not less than 2 years.

6. Not being or ever been any professional service provider and legal consultancy or financial consultancy service provider who earns more than 2 million Baht of service fee per year from the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company; and not being the significant shareholder, regulator or partner of the professional service provider unless the independent director is free from the said nature not less than 2 years.

7. Not being the director who is appointed to be the representative of the director of the Company, major shareholder or shareholder who is related to the major shareholder.

8. Not engaging in the business that has the same nature and is significantly competitive to the business of the Company or subsidiaries; or not being the significant partner in the partnership or being the director who participates in management, employee, staff and consultant who earns fixed salary or holds share more than 1% of total number of shares with voting rights of other company that engages in the business which has the same nature and is significantly competitive with the business of the Company or subsidiaries.

9. Not having any other nature that causes the failure to express independent opinion related to the Company's operation.

Each independent director has a tenure of not more than 9 years without exception.

Element and Appointment of the Audit Committee

The Board of Directors shall appoint the Audit Committee consisting of at least 3 audit committee members who are appointed from the independent directors of the Company and qualified in accordance with Securities and Exchange Law, and announcements, regulations and/or rules prescribed by the Stock Exchange of Thailand. Moreover, the independent director who holds the audit committee member position shall be additionally qualified as follows.

1. Not being the director who is entrusted by the Board to make the decision on the business operation of the Company, holding company, subsidiary, associated company, and subsidiaries in same level, or juristic person that may have conflict.

2. Not being the director of the holding company, subsidiaries or subsidiaries in the same level particularly being the listed companies.

3. Have sufficient knowledge and experiences that can perform the duty on behalf of the audit committee member. There shall be at least one audit committee member who has knowledge and experiences to enable to perform the duty in reviewing reliability of financial statements.

The position holding term of each audit committee member shall be 3 years per term.

Element and Appointment of the Executive Committee

The Board of Directors appoints the Executive Committee which will be selected from the directors or high-level executives of the company that can manage the matters relating to normal business operations and management of the company and can set policies, business plans, budgets, management structures including monitoring the Company's performance in accordance with the policies set by the Board of Directors.

Element and Appointment of the Risk Management Committee

The Risk Management Committee has been selected from directors, high-level executives and employees in business lines and support lines to be responsible for the matters related to the risks of the Company.

Element and Appointment of the Chief Executive Officer

The Board of Directors has duty to nominate and appoint the appropriate qualified person in holding the office of the Chief Executive Officer under the following criteria.

1. The general qualification, expertise and experience shall be considered in accordance with what are determined by the Board of Directors.

2. The Chief Executive Officer shall not be the same person as the Chairman of the Board of Directors.

3. The roles, authority and duties of the Chief Executive Officer shall be separately and clearly specified by the Chairman of the Board of Directors to create balance between the management and corporate governance.

4. The Board of Directors determines the framework of the operating authority and target of the Chief Executive Officer and regularly assesses the performance every year. The assessment criteria is divided into 3 sections as follows:

Section 1 : Progress of the plan

Section 2 : Performance measurement contains with

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| (1) Leadership | (6) Relationship with 3 rd parties |
| (2) Strategy formulation | (7) Management capability and relationship with personnel |
| (3) Compliance with strategies | (8) Succession plan |
| (4) Financial planning and performance | (9) Knowledge of products and services |
| (5) Relationship with the board | (10) Personal attributes |

Section 3 : Development of Chief Executive Officer

5. Chief Executive Officer has duty to assess the operation of top executive in descending order using target and criteria of assessment which is linked with strategic plan and annual plan for consideration on determination of the appropriate remuneration and incentive measure.

Scope of Authorities of the Chief Executive Officer

1. Control day-to-day business operation and/or management of the Company.
2. Prepare and propose policy, direction, strategy, business operation plan, budget, investment, management structure of the Company and criteria of business operation to be consistent with economic condition, to the Executive Management Committee and the Board of Directors for further approval consideration.
3. Govern the operation or working of the Company in accordance with policy, work plan and budget approved by the Board of Directors, and audit and evaluate the overall operation of the Company in accordance with the determined policy, and have duty to report overall operation, management, and operating progress to the Executive Management Committee, Audit Committee and the Board of Directors.
4. Consider approving the operation which is the normal transaction of the Company's business based on investment fund or budget approved by the Board of Directors. The financial limit for each transaction including entry into contracts related to such matter shall be in line with what is specified in the authority table which has already been approved by the Board of Directors but not more than annual budget approved by the Board of Directors.
5. Be authorized to consider and approve normal operating expenses of the Company's business based on budget approved by the Board of Directors and in accordance with authority table which has already been approved by the Board of Directors.
6. Determine organization structure and appointment, employment, removal, determination of wage, remuneration, bonus and termination of the employee from the level of assistant division manager and over.
7. Be authorized to issue rules and regulations and announcement in accordance with policy and interest of the Company and maintain work rule and discipline within the organization.
8. Have the authority to sub-authorize and/or entrust other person to perform specific work instead. The said sub-authorization and/or entrusting shall be under the scope of authorization based on power of attorney and/or in accordance with rule, requirement or order prescribed by the Board of Directors and/or company.
9. Perform other duties occasionally entrusted by the Board of Directors or Sub-Committees.

In executing any other matters that the Chief Executive Officer or the person who is authorized by the Chief Executive Officer or person that may have conflict (as defined and prescribed in the announcements of the Capital Market Supervisory Board and/or Stock Exchange of Thailand and/or relevant agencies), has conflict of interests with the Company and/or subsidiaries and/or relevant companies, the Chief Executive Officer has no approval authority for execution in such matters. Such matters shall be proposed to the Meeting of the Board of Directors and/or the Meeting of the Shareholders (as the case may be) for further approval unless it is the approval of the transaction in accordance with normal business and normal trade condition which is in line with what are prescribed in the announcements of the Capital Market Supervisory Board and/or Stock Exchange of Thailand and/or relevant agencies.

Self-evaluation of the Board

The Company arranges the annual performance evaluation of the Board of Directors and Sub-committees on a yearly basis. The performance evaluation of the Board of Directors and Sub-committees which consist of the Audit Committee, the Executive Committee and the Risk Management Committee by a collective self-evaluation method with reference to the self-evaluation form provided by the Stock Exchange of Thailand in 2015.

With regards to the aforementioned self-evaluation process, the Company Secretary and Subcommittees' Secretaries will deliver self-evaluation forms to Directors and Sub-committees to evaluate and return forms to the Company. The Company will present the evaluation results to the Board of Directors' Meeting for their mutual consideration and determination of improvement guidelines for the better performance. In 2019, The performance evaluation of the Board of Directors and all Sub-committees were rated "good to excellent" with the following details:

Board of Directors / Sub-Committees	Performance Evaluation (%)
1.The Board of Directors	98.27
2.The Audit Committee	98.76
3.The Executive Committee	98.33
4. The Risk Management Committee	76.78

The criteria for collective self-evaluation method of the Board of Directors and Sub-committees include 6 main topics as (1) Structure and qualifications of the Board of Directors (2) Roles, duties and responsibilities of the Board of Directors (3) Board of Directors Meeting (4) Duties of Directors (5) Relationship with the management (6) Director self-development and executive development.

Succession Plan for Topmost Executive

In order to continue the business operation smoothly, the Board of Directors will supervise the adoption of a succession plan for the position of Chief Executive Officer and high level executives. The performance according to the succession plan will be reported to the Board for acknowledgment periodically.

Governance on the Operation of Subsidiaries and Associated Companies

The Company shall invest in the company that has the same business operation objective as the core business of the Company or the business that has similar nature or business that supports the Company's business, resulting in the Company increase in turnover or profit; or invest in the business that enables the synergy and supports the core business of the Company to the fullest extent in order to increase the Company's competitiveness.

However, in governing the subsidiaries and associated companies, the Company shall assign the qualified and experienced directors or executives who are suitable for business operation to be the representative in the business management members of the subsidiaries and associated companies, determine the important policies and steer the business operations of the said subsidiaries and/or affiliated companies. The directors who are the Company representative shall perform the duty in governing the subsidiaries and/or associated companies and managing the entities in accordance with the policies formulated by the Company. The directors shall exercise

their discretions based on the resolutions of the Meeting of the Board of Directors and/or the Meeting of the Shareholders on the significant issues of the subsidiaries and/or associated companies for maximum benefit generation to the Company and sustainable growth of the Company.

In the year 2019, the Company purchased of 102,000 ordinary shares of Expert Engineering and Communication Co., Ltd. (EEC) or 51% of the total shares with the total value of 35.70 Million Baht with effective from 2 January 2019. EEC operates telecommunication and technology systems such as water resources management, data measurement and remote control systems, etc. The Company has appointed the top management of the Company to be a representative in the management of the business in EEC, effective from 1 February 2019 in accordance with the resolution of the Board of Directors Meeting No. 5/2018 on 12 December 2018 as follows:

- Mr. Thammawat Uchupaiboonwong, Chief Marketing Officer of ICN, has been appointed as chairman of the board of directors in EEC.
- Mr. Suwat Youcharoen, Chief Operation Officer of ICN, has been appointed as director, managing director and company secretary in EEC.

Supervision on Use of Internal Information

For transparency and prevention of personal benefit acquisition from use of the Company's internal information which has not yet been publicly disclosed, and avoidance of scandals related to appropriateness of the security trading of the persons inside the Company, practical rule therefore has been issued for observance of the directors, executives and employees of the Company as follows.

1. The directors, executives, staffs and employees of the Company are prohibited to disclose or exploit from secret and/or internal information of the Company for personal interest or any other person's interest either directly or indirectly and whether they will gain the return or not.

2. The directors, executives, staffs and employees of the Company as well as spouse and non-full age children of such persons are prohibited to use the Company's internal information which has impact or may have impact on change in price of the Company's security which has not yet been publicly disclosed for purchase, sale, offering for purchase, offering for purchase or persuading other person to purchase, sell, offer for purchase or offer for sale of the Company's securities either directly or indirectly prior to disclosure of that information to public, whether such act is performed for personal interest or other person's interest, or such act is performed by other person whereas such persons will gain interest in return. Anyone violates shall be punished in accordance with the Company's disciplinary measure.

3. The Company shall inform the executives for understanding and acknowledgement on duty in reporting the possession of the Company's securities by them, their spouse and non-full age children, and reporting change in possession of the securities to the Office of the Securities and Exchange Commission under Section 59 and penalty provision under Securities and Exchange Act (Issue No. 5) B.E. 2559 (2016).

4. The Company shall determine not to allow the directors, executives, staffs and employees of the Company as well as their spouse and non-full age children of such persons to trade the securities of the Company in 1 month period prior to disclosure of financial statements to public for acknowledgement. The Company shall inform the directors, executives, staffs and employees of the Company for acknowledgement about the aforesaid requirements.

Internal Control System

The Company gives precedence to internal control system both for managerial level and operational level. Therefore, the clear scope of operating duties and responsibilities is determined in writing under control on maximum benefit of asset utilization and allocation of separate duties and responsibilities in approval, recording account and information, and storage and supervision of assets for appropriate checks and balances among each other. In addition, internal control on financial system shall be performed through the Company's establishment of financial reporting system to be proposed to the responsible executive of the line. The internal auditor shall be responsible for auditing internal control system and directly reporting to the Audit Committee.

The Company formulates the clear business operation target of which its operating results are measurable. The Management regularly and monthly compares actual operating result with the formulated target and both internal and external risk factors detected in operation shall be assessed, analyzes the causative factors, formulates monitoring measure for the causative event of risk factors, as well as abatement measure for risks, continuously entrusts the related work units to monitor the said risks, and reports progress to the Board of Directors.

Policy Related to Conflict of Interests

The Company determines the preventive measure for conflict of interests that may occur from related party transactions of the Company and the person who may have conflict. The stakeholder in any issue is unable to be involved in approving the said issue. The Board of Directors shall supervise the Company to strictly comply with Securities and Exchange Law and relevant regulations, announcements, orders, or requirements of the Capital Market Supervisory Board and Stock Exchange of Thailand, as well as perform in accordance with the requirements related to disclosure of information of connected transaction performing and acquisition or disposal of the important assets of the Company, and comply with accounting standards prescribed by the Institute of Certified Accountants.

Moreover, the Company shall assign the Audit Committee or auditor as the case may be to consider auditing and remarking opinion on the appropriateness of price and validity of transaction performing, and disclose the said related party transactions in notes to financial statements which are audited or reviewed by the Company's auditor, Annual Registration Statement (Form 56-1), and Annual Report (Form 56-2).

Auditors

The Audit Committee has considered the selection of the auditors according to the Company's assessment criteria such as the independence of the operation, quality, standard of operation and the corresponding qualification according to the announcement of the Stock Exchange of Thailand and must be approved by the Securities and Exchange Commission.

However, the auditors of the Company shall be qualified according to the announcement of the Stock Exchange of Thailand and must be approved by the Securities and Exchange Commission including no relationship or interest with the Company, subsidiaries, executives, major shareholders or any person related to aforesaid persons. The auditors must be independent in reviewing and expressing opinions on the financial statements.

Investor Relations

The Company has established an Investor Relations Department under the supervision of Finance and Accounting Department with its roles and responsibility in communicating and disclosing information accurately, completely, truthfully and thoroughly to investors, analysts, media and other stakeholders equally and fairly through various media such as published documents Information dissemination on the website, email, etc., taking into account the investor relations ethics as follows.

1. Disclose important and necessary information for making accurate and timely investment decisions.
2. Maintain internal information and not use internal information for personal or others gain in order to illegally exploit oneself or others
3. Disclose information equally and fairly by allowing all related parties to access and inquire information.
4. Perform duties professionally with integrity and good faith based on the principle of equality. Do not act on any bribery that can be considered as personal motivation and self-interest rather than the benefit of the Company and related stakeholders.

In the year 2019, the executives of the Company have participated “SET Opportunity Day” activity held by the Stock Exchange of Thailand on 8 August 2019. There were analysts and investors attending both at the Stock Exchange of Thailand and by online www.set.or.th/opday and through the SET App application.

The Company has disclosed and communicated important information in both Thai and English by preparing a “Company Snapshot” every quarter in accordance with the guidelines of the mai stock market in order to disseminate basic information of the Company such as general information, key developments, key income structure, financial ratio, business plans, etc., for both institutional and minor investors to access important company information in a short and precise format which will be useful for investors to use the data for further investment analysis. Investors can access ICN Company Snapshot information at www.thaistedcompany.com.

In addition, the Company provides an opportunity for analysts to meet with senior management fairly and equally in accessing Company information without discrimination. Investors and analysts can contact the Investor Relations Department directly via telephone number 02-553-0755 ext. 502 or via email: icn_ir@icn.co.th

Risk Control and Management

The Company recognizes the importance of various risks that may affect the business operations of the Company and therefore, has established a Risk Management Committee. The Board of Directors will ensure that The Company has a risk management and internal control system to achieve objectives effectively and complying with relevant laws and standards.

Anti-corruption

The Company has established anti-corruption policy which is an important principle in the business that will not support the business, group of people or people who are involved or witnessed with undesirable benefits whether directly or indirectly from misuse of authority by clear guidelines to cooperate and support with the government and private sectors.

Promoting Innovation of Directors and Doing Responsible Business Practices

1. The Board of Directors gives importance and supports the innovation that creates value for the business together with creating benefits for customers or those involved and has responsibility to society and environment with the following guidelines:

- 1.1 The Board of Directors recognizes the importance of creating an organizational culture that encourages innovation and supervises the management to take this matter to review as part of strategy, planning, developing, improving operations and monitoring performance.
- 1.2 The Board of Directors supports innovation promotion in order to add value to the business according to the ever changing environmental conditions which may cover the business model, the way of thinking in the design and development of products and services, research, work process improvement including cooperation with business partners

2. The Board of Directors will monitor and supervise the management to conduct business with responsibility to society and environment that must be reflected in the operational plan to ensure that every department of the organization has implemented with the objectives, main goals and strategies of the business with the following guidelines:

- 2.1 The Board of Directors oversees that there are mechanisms that ensure the business conducting with ethics under social and environmental responsibility, not violating the rights of stakeholders, to be a guideline for all departments of the organization to be able to achieve the main goal sustainably by creating policies or guidelines which should cover at least the following matters:
 - (1) Responsibility to employees by complying with relevant laws and standards by treating employees fairly and respecting human rights such as determining compensation and other fair benefits, providing welfare that is not less than the legal limit or more as appropriate, supporting health care and work safety, providing knowledge training to develop potential and promote progress for employees as well as providing opportunities to employees on order to develop their skills in other areas.
 - (2) Responsibility to customers by complying with relevant laws and standards, fairness, retention of customer information, after-sales service throughout the product and service warranty, monitoring of customer satisfaction for the improvement of products and services including advertising and sales promotion which must do responsibly and not cause misunderstanding or take advantage of the customer's misunderstanding.
 - (3) Responsibility to business partners by having a transparent procurement process and fair contract conditions or agreements and developing the ability for standardized services.
 - (4) Responsibility to community by bringing knowledge and business experience to develop projects that can create concrete benefits for the community and having tracking and measuring progress and long-term success.
 - (5) Environmental responsibility by preventing, reducing, managing and ensuring that the Company will not create or produce negative impact on the environment which covers energy consumption, water consumption, renewable resources, waste management from business operations, greenhouse gas emissions, etc.

- (6) Fair competition by conducting business transparently without creating unfair competitive advantages.
- (7) Anti-corruption by complying with relevant laws and standards, the company shall have and announce the anti-corruption policy to the public.

3. The Board of Directors will monitor the efficient and effective allocation and management of resources performed by Management by considering the impact and development of resources throughout the value chain in order to achieve the objectives and main goals sustainably with the following guidelines:

- 3.1 The Board of Directors recognizes the need for resources to be used and realizes that the use of each type of resource affects each other.
- 3.2 The Board of Directors recognizes that different business models cause different impacts on resources. In deciding the business model; therefore, the impact and worthiness on resources will be considered based on ethics, responsibility and value creation for sustainable business.
- 3.3 The Board of Directors will ensure that in achieving the objectives and main business goals the management will review and develop the use of resources effectively and efficiently with consideration of the changes of internal and external factors.

4. The Board of Directors will provide a plan for the development of information technology that corresponds to the needs of the business including supervising the use of information technology for increasing business opportunities and improving operations risk management to enable the Company to achieve its objectives and main goals with the following guidelines:

- 4.1 The Board of Directors will provide information technology development plans which covers sufficient resource allocation for business operation.
- 4.2 The Board of Directors will oversee the risk management of the organization which covers information management and risk management.
- 4.3 The Board of Directors shall establish policies and measures to maintain the security of information systems.

Remuneration for the Auditor

In the accounting year of 2017, 2018 and 2019, the Company paid audit fee to the auditors of EY Office Limited as follows.

Description	2017	2018	2019
Audit Fee	1,520,000.00	1,520,000.00	1,800,000.00
Non-Audit Fee	196,000.00*	-	-
Total	1,716,000.00	1,520,000.00	1,800,000.00

Note * Service fee paid for the preparation for listing to the Stock Exchange of Thailand

Applying Good Corporate Governance Principles for Listed Companies in 2017

As the Securities and Exchange Commission has issued the Corporate Governance Code for Listed Companies 2017 or CG Code 2017, The Board of Directors is aware of the said CG Code and recognizes its role as a leader of the organization that create sustainable value for the business. In the year 2019, the Company has applied the principles of good corporate governance for listed companies in 2017 as follows:

- The Board of Directors has set the schedule for the Board of Directors meeting in advance so that the directors can arrange time to attend the meeting. The Company, however, has set the meeting schedule in advance since 2017.
- The Board of Directors has established the annual performance of the 2019 for the Board of Directors and sub-committees.
- The Board of Directors held a meeting for non-executive directors for 1 time on 9 December 2019.
- The Executive Committee held meetings of the Executive Committee on a monthly basis.

Compliance with Good Corporate Governance Principles in Other Matters

The Company has regularly reviewed the guidelines to comply with good corporate governance principles. The Company has participated in the quality assessment of the 2019 Annual General Meeting of Shareholders with the Thai Investors Association which the Company has passed the evaluation with a score of 90 percent.

On 1 November 2019, the Thai Institute of Directors Association (IOD) announced the Corporate Governance Assessment for the Year 2019 (CGR), which the company received a very good rating of 4 stars with a total score of 82 percent.

In addition, in order to apply the principles of the Corporate Governance Code for Listed Companies 2017, The Company also adheres to good corporate governance principles in other matters as follows:

- Ensuring effective executive management and personnel management The Company is aware of the importance of human resources. Therefore, there is a policy of retaining potential personnel in order to develop that human resource so that they can use their knowledge and ability to perform their work with maximum efficiency to the organization and also taking into account the importance of personnel succession plans especially the top management of the Company. In the year 2019, the Company has set up a policy to develop personnel including the creation of a human resource manual such as Recruitment Manual, Training and Personnel Development Manual and Wage and Salary Payment Manual in order to have a tidy work environment, effectiveness and for the relevant employees holding to the same standard.
- Promoting innovation and conducting business with responsibility In the year 2019, the Company has encouraged the employees to participate in creating new innovations for the organization by organizing the contest “ICN 4.0 Using Technology to Create New Innovations” by allowing employees who were interested to create innovation to submit their work in the contest. The objective of this project aims for connecting the activity in accordance with the vision and mission of the Company that will lead the organization having the same goal achievement, resulting in teamwork, increasing potential and providing a platform for employees to express their creativity.
- Strengthening effective risk management and internal control The Board of Directors has appointed a Risk Management Committee which consists of directors, executives and company employees

from various departments operating under the Risk Management Committee Charter with regular meetings at least 2 times per quarter and reporting to the Board of Directors every quarter regarding the management of operations and the risk status of the Company and various changes including things that need to be improved in accordance with the policies and strategies of the Company.

- Ensuring disclosure and maintaining financial integrity The Company has disclosed both financial and non-financial information to the Stock Exchange of Thailand, shareholders and relevant agencies correctly, sufficiently, in time for transparency and fairness for investment by submitting information in both Thai and English versions via SET Portal within the specified period Including information based on accounting periods, such as quarterly financial statements, annual financial statements, annual registration statement (Form 56-1), annual report, Management Discussion and Analysis (MD&A) and important financial information to inform investors of changes in the financial position and results of operations of the Company in each operating period and regularly submitting information according to events. The Company has disclosed its information to the Stock Exchange of Thailand when there are important events necessary to make a decision to invest in the Company's securities to allow the trading of securities in the stock market to have liquidity, fairness and discipline including for investors to receive information equally. Additionally, the Company also realizes the importance of financial reliability in the management of receivables and payables including related financial institutions by considering morality and ethics for the business operation.

Others

None-



Overview Policy

The Company adheres to the principles of social responsibility practices of The Securities and Exchange Commission of Thailand to achieve the main objective and lead to sustainable development. By conducting business under the law, rules and regulations as well as moral principles and good corporate governance principles, the Company takes into account the maximum benefit and the rights as required by law of stakeholders in various groups such as business partners, employees, shareholders, society and the environment by coordinating mutual benefits appropriately to ensure that these rights are well protected and treated including receiving fair returns through the “Corporate Governance Policy” to define

rightly governance principles. Also the Company uses “Code of Conduct” to be a guideline for employees to strictly observe with regarding to equality, fairness, no exploitation, being honest in business including cultivating a sense of social responsibility for employees at all levels continuously with unity and participating in social activities to promote work balance.

Corporate Social Responsibility Guidelines

1. Fair Business Practices

The Company expresses its intention to conduct the business under the morality and ethics as well as creates credibility by operating with honesty, transparency and verifiability. Furthermore, the Company treats customers, partners, and competitors with fairness not taking advantage or any action that attack, defame and destroy the reputation of competitors. The Company



commits to and supports competition of fair trading in order to enhance service development as well as avoids actions that might lead to illegal acts or intellectual property infringement, for instance, using only the copyrighted computer program. In addition, the Company also focuses on providing services to customers by giving accurate and sufficient information of products including listening and giving advice how to solve problem to customers.

2. Anti-Bribery and Corruption

Under the framework of good ethics, transparency by disclosing adequate information to all dimensions either direct or indirect processes. The Company has determined and announced the Anti-Corruption Policy for the management and employees as follows;

- Anti-Corruption Measure is to be a part of its business operations and the responsibility of the board of directors, management, employees and all parties who are able to provide any suggestions on the achievement of anti-corruption policy as announced.
- The Company encourages and supports all parties to provide any suggestions towards anti-corruption.
- The Company will develop the anti-corruption to comply with the relevant laws and ethics by organizing the risk management in the relevant activities. However, the Company arranges manuals/processes to the concerned persons.
- The Company will not support and/or execute any bribes in all activities; including the donations to government and all parties performing in the ways of corruption.
- The Company will always an appropriate internal control system to prevent employees from corruption; especially in Sales and Marketing and Procurement Sections.
- The Company will provide the anti-corruption knowledge to the board of directors, management and employees to encourage the integrity and responsibility in his/her duty and relay a good intention of the Company towards this matter.
- The Company will arrange the necessities to enable a transparent and correct financial reporting. The Company will encourage its employees and the relevant parties to freely communicate any corruption matters and notifications by ensuring that the reporter will be well protected, and appoint the anti-corruption person for monitoring all issues which may incur. The Company has specified the channels for the “whistle blows” as follows:

Postal mail:

Send to Chief Executive Officer or Vice President,
Business Administration
Information and Communication Networks Public
Company Limited
DKJ Building, 5th Floor, No. 393 Sukhontasawat
Road, LatPhrao, Bangkok 10230

E-mail:

Chief Executive Officer: monchai.m@icn.co.th
Tel 02-553-0755
Vice President, BA: wilaiporn.t@icn.co.th
Tel 02-553-0755 ext.507
and Suggestion / comments / complaints box
in the Company

3. Respect for Human Rights

The Company recognizes the significance of human dignity and has established policies for executive officers and every employee to respect human rights and respect human dignity of each other as well as stakeholders, which is the universal principle and is considered as the significant route in operating business as follow :

- Support and respect in human rights by conducting the business and supervising its employees not to be involved with any violation of human rights activities, such as not to utilize any kind of forced labor and child labor. This also includes the strict compliance to the standard of labor protection law.
- Respect and be abided by the international principles in hiring and treating all stakeholders with fairness on the basis of human dignity, by equally giving opportunities to every individual without any discrimination and violation of basic rights on gender, age, religious, nationality, region, position, physical condition and political opinions.
- Monitor and follow up on subsidiaries, trade partner and stakeholders to strictly practice in accordance with international principles on human rights, including protect rights of stakeholders that may be violated by operating the business in accordance with the specified laws.
- Provide working location that have good working

environment and emphasize on the safety and occupational health in the workplace.

- Give employees opportunities to participate in management and comments on operating business or Company working procedure through “Suggestion / comments” in the Company
- Stipulate measures in protecting employees that report the violation of human rights or treating employees unequally. The whistle blower will not be punished, bullied or be treated in any way that will lead that individual to be unable to no longer work at the Company.

4. Fair Treatment of Employees

The Company believes in the power of every single employee in the organization as an important force in driving the organization towards vision and effective implementation of the mission appropriate in accordance to the business strategy. Therefore, the Company will select and recruit new employees with knowledge, ability, skills, good attitude who are ready and suitable to join the Company along with retaining the existing employees and they will jointly develop more knowledge, capabilities and skills, Initiative, result oriented and good team player spirit, support each other, and harmony in order to achieve the Company’s goals with efficiency and effectiveness. Most importantly, the Company has always focused on working happily and pride to be a part of the organization.

Wage Management, Compensation and Benefits

The Company adheres to fair principles on remuneration which has a hiring process and fair employment conditions including determination of compensation and job evaluation under the fair performance evaluation process for a happy living. Moreover, there is financial support in the form of grants including many welfare benefits such as provident fund, Employee Joint Investment Program, medical expenses in addition to social security, annual health check, annual trip, etc., along with promoting employees with a balance in work and personal life according to the philosophy of the sufficiency economy.

Rights and Individual Freedoms

The Company attaches to the importance to the protection of human dignity, rights and individual freedom by operating the Company without human rights violations, including treating all employees with equality. Employees have the opportunity to raise a concern to the management, which the Company prepares cabinets or boxes for comments and suggestions as well as other complaints within the Company to allow employees to express their opinions and complaints to management.

Employee Development

The Company has a systematic employee development process for employees at all levels by developing knowledge and skills that the Company expects by promoting further education such as seminars, various training in order to develop knowledge, ability, and instill a good attitude, morality, ethics and teamwork in order to make all employees as a part of the organization.

Participation in the Creation of Society and Community

The Company supports and encourages all employees to participate in various activities for society and the environment (CSR) by specifying a mission for the employees to participate in doing good and providing assistance to society and communities.

Recognizing the importance of human resource development and treating workers fairly is a factor that will add value and enhance the competitiveness and sustainable growth of the Company in the future.

5. The Responsibility toward Consumers

The Company has a policy to focus on customers who are direct consumers and social communities which are indirect consumers by sharing accurate and correct knowledge and information as per system engineering standards, complying to fair contract management, keeping customer information confidential. and setting policies as follows.

- Conduct business with a commitment to provide quality products and provide standardized services to add value Including continuously responding to the needs of customers along with providing the information needed to make decisions without distorting the facts.

- Conduct business by adhering to honesty, integrity, fairness and without taking any action that violates the rights of customers to keep customers' s trade secrets and resisting to use for personal gain or wrongful conduct.
- In case of unable to perform as contract condition, they have to inform customers in advance in order to find solutions and prevent damage
- Provide communication way through various channels such as websites so that customers can complain to the Company and complaints will be responded by fair action

6. Preserving Environment

The Company is committed to conduct business in accordance with safety standards, maximum occupational health and environment which has the following guidelines;

- Comply with various laws and regulations in safety, occupational health and environment.
- Follow the standards to create a safety in health and working environment for all employees.
- Educate to employees regarding hygiene issues, safety and environment at all levels as well as support methods and compliance with environmental protection measures.
- Disclose the information in terms of safety, occupational health and environment related to the Company's operations.

The Company has taken care of the working environment to be safe for the life and property of employees, customers and visitors who come regularly. There are regular check-up in the safety protection system. There is a campaign to use paper worthwhile by utilizing both sides in the office and focusing on the method of receiving - sending electronic mail or email (electronic mail: e-mail) to reduce paper consumption, turning the lights off during the lunch break time, setting the suitable air conditioning temperature of the Company, etc. The Company will follow up and evaluate the operation on a regular basis.

7. Society and Community Development

The Company has a policy to continuously develop the community and society to recognize its responsibility to the community and society. There is a policy to provide educational support to youth, educational equipment donation and supporting scholarships. In addition, the Company has a policy to support the surrounding society such as giving financial support to various foundations for using in helping the needy, making procurement to support the work of social development charities to make income and create pride for underprivileged people, providing financial support to religious affairs, including hospitals to improve the medical equipment.

The Company has also a policy to support activities that are beneficial to the community in various areas around the country. Those are considered as part of helping promote and develop local economies which are not related to any illegal action or may cause negative effects to the community and society.

8. Having Innovation and Disseminating Innovations Derived from Social Responsibility

The Company has promoted and supported the creation of ideas or searched and developed new knowledge, including applying the knowledge gained in business practices as well as management in creating innovation. The Company will encourage innovation both at the work process level in the organization, at the level of cooperation between organizations and any working process which is meant of doing things by new methods, and the changes in ways of thinking and acting in order to increase value. The goal of innovation is to make things changed in a better way, produce more productivity in order to maximize social benefits such as using the computer program to change the text in an original book into a soft file and converting to a braille book for the visually impaired to read.

Executing and Reporting

The Company is aware of the importance of stakeholders at all levels, such as staff level which are the key driving force of the organization in business

operations. Therefore, for the good relationship between the Company and the employees, there are the principle of employee development, concrete compensation and welfare management policy which are ongoing actions in order to create unity through various activities. The Company provides training and development of knowledge, understanding, skills as well as creating a positive attitude through appropriate processes and tools. The annual training plan has been developed and exercised throughout the year. There is an orientation for new employees to inform the regulations, as well as the organizational culture, which may support the adaptation of new employees. They will learn and receive work experience transfer from supervisors to understand their duties and able to learn the work process during working time. There are workshops to exchange knowledge, experience, and other information such as new innovations.

The Company focuses on building good relationships for smooth operation with activities to strengthen employees in various departments to know each other between departments. That makes a greater coordination within the organization, such as the New Year's event, to connect the relationship between the management and employees to do activities together and allow employees to participate in expressing opinions through various channels in the organization. Moreover, the Company also implement appropriate welfare such as provident fund, Employee Joint Investment Program, medical insurance in addition to social security, annual health check, annual trip, etc.,

Guidelines for Compliance with Anti-Corruption Policy

The Company operates business with transparency and, morality under the laws and business ethics. The Company has set the principles in business ethics by prohibiting employees from demanding assets or any other benefits from partners, contractors or other related parties. All executives and employees cannot use the property or falsify the name of the Company, including using the authority to seek personal benefits. All executives and employees should avoid to accept gifts from contractor partners, except for traditional festive gifts with reasonable value. The Company has

established the guidelines for employees to treat all contractors equally by taking into account the fair benefits of both parties in accordance with agreements made between them including waiving any action that is beneficial to the contractor. In case of violation it will be considered as severe with maximum punishment level including the Audit Committee had inquired management about the possibility of fraud and the measures taken by the Company to prevent the said matters. In addition, the Company has taken steps to prevent involvement in corruption as follows:

- The Company has communicated the policy to director level, executives and employees to act with integrity under strict laws and adhere to the Company's ethics.
- The Company provides a channel for reporting behavior sightings that may involve the corruption within the Company.
- All level of employees shall fully cooperate with internal auditors and external auditors and provide complete information to the internal auditors office and the financial auditor who are responsible for auditing, monitoring and evaluating the process steps as well as the internal control system whether they are sufficient, effective and in conjunction to the Company goal.

Follow-up and Evaluation in Accordance with the Policy to Prevent Involvement with Corruption

The Company has monitored according to the anti-corruption policy under the responsibility of Human Resources Department. The Company expects everyone to report in good faith about the contrary or suspected practices to the principles to direct supervisors. Or in case of unable to report the supervisor, they can report to Human Resources Department and the information provided will be treated as confidential. The supervisor also has an obligation to monitor and recommend his/her subordinates to comply with the policy and code of conduct that the Company has set in principle on a regular basis.

Influence of Business Operation on Social Responsibility

- None -

Society and Environmental Responsibility Operations

There are projects in which employees participate in social responsibility, i.e. supporting the visually impaired through the donation inactive desk calendar program by collecting the 2018 desk calendar or older to donate to the Educational Technology for the Blind Center, Foundation for the Blind in Thailand under the royal patronage of H.M. The Queen for using as paper in braille printing and typing the softcopy from original books for braille production through the ICN Type4Blind project, aiming to be a part of helping the blind to get access to the books they need. This project has announced to get book donations and apply volunteers to type the manuscript before forwarding to the Educational Technology for the Blind Center, Foundation for the Blind in Thailand under the royal patronage of H.M. The Queen in order to produce braille books for the visually impaired to read for knowledge, entertainment and benefits and the development of physical or mental potential from the information received as well as visiting the work process, production and delivery of braille books for the visually impaired.

Participation in the charity run program or maiA Virtual Run for the Thai Red Cross Society. The Company has participated in activities together with mai, maiA and other member companies in mai, total of 38 companies, which set a donation target of 1,000,000 Baht for the Thai Red Cross Society by the executives and employees of each Company to accumulate the running distance of 1 kilometer = 10 Baht since 15 September 2019 - 15 November 2019.

The Company has supported the creation of children and autistic individuals through imagination, brainstorming ideas and feelings through art by screened drawings on fabric bag products for sale at reasonable prices under the Thai Autism Foundation

and the Thai Autistic Social Enterprise Company Limited in the Creative Thinking Art Project that uses artistic talents to develop both EQ and IQ. The Company hopes that they will be proud, develop their recovery process and ability and be happy when seeing what they create and what it means for others. It's encouraging them to produce good work and make revenue by their own in the future as well as acknowledging the acceptance from society for their ability. It was also to promote a campaign for reducing the use of plastic bags for the recipient of the said bag to be utilized, help reduce environmental problems and solve the problem of waste management and plastic waste, which is a national problem that government agencies and the private sector continues to search for solutions continuously since 1 plastic bag takes 450 years to decompose, if burned, it will produce hydrocarbons which is another cause of global warming that is a big problem in our world nowadays.

Supporting funds donation to Amir Al-Mu'Minin Foundation, another program which helps orphans and disadvantaged children/people in the 3 southern border provinces of Thailand to have a better living by providing scholarships, patron, adoptive parents, career development, and other needed. Also creating consciousness for the community in doing good deeds and reconciliation between Muslim brothers and other religions.

The Company is well aware of the roles, duties and responsibilities to better environment outside the core business process, especially supporting projects

or activities for public benefit and have continued to build activities for the aim of contributing to the development and rewarding to society. With ongoing operations throughout the year, for example, ICN volunteered to plant mangrove forests in ICN Unite to do better for the Environment" project by organizing a mangrove planting activity with the cooperation of volunteer staff to increase the fertility of the ecosystem and promote environmental conservation awareness with the recommendations by the staff of the park and leading the team into the real planting area at the Sirindhorn International Environmental Park, Rama VI Camp, Cha-Am District, Phetchaburi Province. The park is located at the Border Patrol Police Bureau (BPPB), Huai Sai Royal Department Study Centre, and the Foundation for Mrigadayavan Palace under the patronage of HRH Princess Bejaratana Rajasuda Sirisobhabannavadi jointly for presentation to HRH Princess Maha Chakri Sirindhorn in 2003, to celebrate on the occasion of Her Royal Highness Princess Maha Chakri Sirindhorn's Forty-eighth Birthday Anniversary. Its operation was designed to follow the initiatives and work during her work-stay at the camp in the hope that it will become a living natural museum which represents HRH the Princess's honorable deeds and ingenuity in conservation of nature, environment, history, and culture, to both Thais and foreigners. Its mission is to be a study center for the recovery of mangrove, beach and mixed deciduous forests, and habitat of fauna. In addition, the park will help promote ecotourism, and historical tourism for Thailand and the world.



Internal Control and Risk Management

Project Risk Management

Due to the Company's main project tender-focused business doing, the Company therefore realizes on the contingent risks from sales of each project and formulates the policy of risk management to be part of the Company's business operation and set up Risk Management Working Group to perform duty in assessing risks occurred both from finance, management of project, technique and internal factors and external factors in order to suggest the guideline of risk management to be in acceptable level so that the project will be successful and enable to yield proper return for the Company.

Internal Control

The Board of Directors and executives have direct duties and responsibilities in establishing and maintaining internal control system and regularly reviewing efficiency of internal control to protect the investment fund of the shareholders and the Company's assets. Internal control includes financial control, operation, operating governance to be in line with relevant laws and rules, and risk management.

Internal control system effectively established by the Company shall contribute to the Company's reasonable confidence that can attain the setting objectives and targets in the following matters.

- Proper and reliable data system and financial report
- Compliance of regulations, policies, work processes of the Company and relevant laws.
- Existence of the Company's assets under well control, supervision, storage and maintenance
- Effective operation of the Company and saving resource consumption
- Efficient attainment of the Company's objectives and strategies, and operation

The internal control system of the Company can be summarized based on the element of control in each area as follows.

1. Control Environment

The Company establishes good organizational structure and environment which are the important foundation of efficient internal control. The Company also determines clear vision, target, strategy and budget, and criteria for operating result measurement, regularly and continuously restructure the organization to be consistent with business plan, improves corporate governance system, recruits quality personnel, and continuously develops under complete working policies and rules that cover financial transaction, procurement, risk management and other areas.

In 2019, based on the report of BK IA and IC Company Limited the internal auditor of the Company The Company has established handbooks for personnel operations such as Recruitment Handbook, Training and Personnel Development Handbook, Wages and Salaries Payment Handbook etc., for the purpose of the tidiness of human resource operation and work efficiently And in order for the concerned employees to adhere to the same standards.

2. Risk Assessment

The Company determines that every work unit shall assess and consider risks in performing transactions and the Audit Committee shall perform duty in governing risks to be in the manageable level.

3. Control Activities

The Company determines delegation of function and job so that control system occurs among each other, determines written approval authority of transaction and financial limit, and prepares the guideline of supervision on connected transactions and related party transactions in accordance with laws.

4. Information System & Data Communication

The Company establishes data system for adequate decision whereas there is work unit that shall effectively collect, analyze and store data bank of the Company, and communicate organizational data system in both two ways in the level of the Board of Directors for preparation of data and documents which are adequate for decision making.

5. Monitoring & Activities

The external auditor of the Company which is EY Office Limited as the auditor of financial statement for 2019 and remarked the opinion that the said financial statements of Information and Communication Networks Public Company Limited are fairly proper in the materiality in accordance with Thai Financial Reporting Standards.

The Board of Directors had the opinion that the Company has adequate and effective internal control system with sufficient numbers of responsible personnel to monitor and handle this system efficiently. The Company therefore is able to conduct its business in accordance to Good Corporate Governance and transparency. Moreover, the Company has set up the monitoring system to ensure that Company assets shall be used with an appropriate purpose by directors or management within their authority as well as a proper control is in place to manage any transactions with conflict of interest or with related parties efficiently.

To ensure an effective internal control system, the Company has hired BK IA and IC Company Limited as an internal audit since 2015 under the lead of Ms. Boonnee Kusolsopit. The internal audit shall present the audit report directly to the Audit Committee on a quarterly basis. Internal Audit Section has duties in giving counsel and auditing, assessing internal control system, risk management system and corporate governance to ensure that risk management system, internal control system and corporate governance process of the Company that they are adequately formulated and effective in accordance with the setting objectives. The Company has assigned Ms. Nithinun Anuthitiphan, Purchasing Supervisor, and Ms. Duangkamon Phongpunjasil, Human Resources Officer, to jointly coordinate with BKI & IC Company Limited.

Internal audit section shall prepare an annual audit plan with considering of Risk Based Approach that emphasizes on significant risks that will affect the Company's objective achievement and financial accuracy.

BK IA and IC Company Limited, the internal auditor of the Company, proposed annual internal audit plan for 2019 which was approved by the Board of Directors in the Meeting of the Board of Directors No. 1/2019 under the following details of internal audit plan.

Auditing or Monitoring Cycle/System	Period of Auditing Documentary Information	Auditing Entry Date
1. Control of personnel and payment, compensation and entertainment expenses	Jan - Feb 2019	Mar 2019
2. Control of sales, project bidding, control of projects and product delivery/ project work delivery	Jan - Apr 2019	May 2019
3. Accounting records, revenue and costs recognition from sales of products / services and track of debt collection	June - July 2019	Aug 2019
4. Control of procurement and payment	Sep - Oct 2019	Nov 2019

The Audit Committee considered, reviewed and approved the said annual audit plan and follow up the auditing result and performance of internal audit section on a quarterly basis. In addition, internal audit section of the Company has also referred to the professional internal audit work standard of the Institute of Internal Auditors of Thailand as the operation framework. The internal auditors are independent and impartial and receive full support in all matters.



Audit Committee's Report

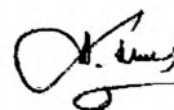
The Audit Committee independently performed its duties in accordance with the scopes of duties and responsibilities, as assigned by the Board of Directors, to monitor the Company's operations and ensure that the executive committee and management members perform their duties with accountability towards shareholders, integrity, responsibility, and compliance with the Company's policies.

In 2019, the Audit Committee held four meetings with the Management, internal auditors, and financial auditors to monitor the compliance as per the recommendations of the auditors. The Audit Committee reported its performance and recommendations to the Board of Directors on a quarterly basis. The main duties performed by the Audit Committee can be summarized as follows:

1. The Audit Committee reviewed the quarterly and annual financial statements of the Company. In addition, the Audit Committee inquired and obtained clarifications from the Management and auditors regarding the accuracy and completeness of the financial statements, sufficiency of information disclosure, events after the reporting period, and adjusting entries that materially affect the financial statements in order to ensure that the preparation of the financial statements was in compliance with relevant laws and financial reporting standards, the financial statements were accurate and credible, and the disclosure of information in the financial statements was sufficient and timely for the benefits of investors or users of the financial statements.
2. In reviewing the internal control assessment, the Audit Committee examined and expressed opinions towards the results of 2019 internal control assessment, as well as inquiring additional information and reviewing related supporting documents from the Management. The Audit Committee concluded that, upon the assessment of the Company's internal control system in five aspects, namely control environment, risk assessment, control activities, information and communication, and monitoring activities, the Company's internal control system was adequate and appropriate. The Audit Committee was of the opinion that the Company had prepared sufficient personnel and risk management suitable to the nature of business to efficiently comply with the stipulated system and protect the Company's assets from wrongful or unauthorized use by the directors or management, including conflicts of interest and related-party transactions, with sufficiency and without material flaws in complying with the internal control system.
3. The Audit Committee emphasized on the Company's compliance with procedures regarding the approval of conflicts of interest transactions, which conform to legal requirements and corporate governance. The Audit Committee reviewed and ensured that the transactions were accurate and reasonable, with normal business conditions, and were of optimal benefits to the Company and its stakeholders.
4. In each meeting, the Audit Committee reviewed and expressed opinions towards the Company's compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and other applicable laws pertaining to the Company's businesses. According to the results of 2019 review, there were no material issues concerning incompliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and other applicable laws pertaining to the Company's businesses.

5. The Audit Committee reviewed the performance in 2019 of BK IA & IC Company Limited, under the role of internal auditor of the Company, and concluded that the performance was satisfactory. There was no material indication of fraud or errors in the internal audit operations. The internal auditor provided useful recommendations on internal control and was independent in performing its duties. Moreover, the internal auditor proposed reasonable remuneration.
6. The Audit Committee considered, selected, and proposed the Company's auditor for 2019, including the audit fee, to the Board of Directors in order to obtain approval from 2019 Annual General Meeting of Shareholders. Upon consideration of the performance and independence of the auditor and the suitability of the audit fee, the Audit Committee deemed that it was appropriate to appoint Ms. Thanyaporn Tangtanopajai (CPA License No. 9169) or Ms. Arisa Chumwisut (CPA License No. 9393) or Mr. Suwat Maneekanoksakul (CPA License No. 8134) from Dharmniti Auditing Co., Ltd. as the Company's auditor for 2019, due to:
 - Good performance standard and professional expertise.
 - Considering the workload and the audit fees of the auditors from other companies, Dharmniti Auditing Co., Ltd. is independent and impartial having appropriate audit fees by offering the annual audit fees for 2020 in the amount of 1,240,000 Baht (One million two hundred and forty thousand Baht only).
 - Being an auditor that has been approved by the Securities and Exchange Commission to be able to audit the financial statements of companies listed on the stock exchange.
 - Independence of the accounting firm and auditors, as proposed above, from the Company's executives, major shareholders, or related parties in auditing and expressing opinions towards the Company's financial statements.
7. The Audit Committee performed its duties according to the prescribed scopes of authority and responsibilities with conformity to Securities and Exchange Act and regulations of the Stock Exchange of Thailand.

The Audit Committee had the opinion that the Company's operations for the year ended 31 December 2019 were under appropriate internal control and internal audit systems. The financial statements were accurate, complete, having risk management suitable to the nature of business and reliable with adherence to applicable laws, regulations, and other requirements pertaining to the Company's businesses. In addition, the Company's disclosure of information was adequate and the Company conducted its operations according to good corporate governance with sufficiency, transparency, and reliability.



(Mr. Segsan Roilapcharoenporn)
Chairman of the Audit Committee



Related Party Transactions

Business Transactions with the Related Parties

During the years, the Company and subsidiary had significant business transactions with the related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiary and those related parties.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements			Transfer Pricing Policy
	2019	2019	2018	2017	
Transactions with shareholders					
Interest expense	-	-	-	0.3	5 percent per annum
Guarantee fee	-	-	0.2	0.4	1 percent per annum
Transactions with related party					
Sales and services income	-	-	-	135.9	Close to market price

In the year 2019, the Company had no significant business transactions with related persons in which the Audit Committee has quarterly examined comply with the criteria.

Remuneration for Director and Executive

During the year ended 31 December 2019, 2018 and 2017, the Company had the expense of employee benefit provided to directors and executives as follows.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements		
	2019	2019	2018	2017
Short-term employee benefits	36.0	35.3	29.8	23.0
Post-employment benefits	1.6	1.6	1.4	1.1

Tendency of Future Related Party Transaction

The Company may continuously perform related party transactions in the future which shall be in accordance with generally practiced business transaction, and shall formulate clear policy for entering to related party transaction. Pricing and commercial conditions shall be defined under the arm's length principle, such as purchase of goods, rendering or receiving services, as well as guarantee of credit lines of the Company's directors. The related party transactions that will occur shall be based on the necessity of the Company's business operation and for the purpose of the Company's benefit. Moreover, the Company has no policy for lending the Company's money to the directors, executives and employees. However, the Audit Committee shall quarterly consider and audit the compliance of the criteria and express the opinion on reasonability of the occurred transactions.

For the related party transaction that are not in line with normal business that may occur in the future, the Audit Committee will review the compliance of criteria and justify the reason of the said transaction performing prior to executing that transaction by remarking the opinion related to the necessity, reasonability, and appropriateness on price of that transaction. The conditions shall be considered to be in line with nature of normal trade operation in arm's length price which can be compared with the price occurred with the third party. In case where the Audit Committee has none of expertise in consideration of the contingent related party transaction, the Company shall assign the independent parties who have special know-how such as auditor, asset appraiser, law firm, etc. from the company and person who may have conflict to remark the opinions related to the said related party transaction in order to support the Audit Committee's decision so that the Audit Committee shall propose to the Meeting of the Board of Directors or Shareholders as the case may be. The Audit Committee shall execute in accordance with the measure and procedure of approval on related party transaction performing as specified above. However, in case of related party transaction that may cause future contingent conflict of interests, the Board of Directors shall comply with Securities and Exchange Law, regulations, announcements, orders or requirements of Capital Market Supervisory Board and the Stock Exchange of Thailand with regards to the requirement of disclosure on information of related transaction, acquisition or disposal of assets of the Company or its subsidiaries, as well as compliance to accounting standards prescribed by Federation of Accounting Professions and the Certified Public Accountants of Thailand.



Report of the Board of Directors' Responsibility for Financial Reporting

The Company's Board of Directors is responsible for the financial statements of Information and Communication Networks Public Company Limited, along with financial information presented in the Annual Report. The Company's financial statements have been prepared in accordance with Thai Financial Reporting Standards through the adoption of an appropriate accounting policy on a consistency basis, and reflect best judgments and estimates. In addition, significant information has been adequately disclosed in the Notes to Financial Statements.

The Company's financial statements have been audited and approved by an independent auditor, i.e. EY Office Limited. In order to facilitate the auditor to conduct an audit and express an opinion according to the accounting standards, the Board of Directors has provided the auditor with support in terms of relevant information and documents; whereby the auditor's opinion is presented under the Auditor's Report section in the Annual Report.

The Board of Directors has established the systems of internal control and internal audit to effectively provide reasonable assurance as to the accuracy and completeness of financial reporting, the safeguarding of the Company's assets, and the prevention of fraudulence or material misstatement of financial reporting.

The Board of Directors has appointed the Audit Committee, which comprises of three independent directors who exhibit all qualifications as required by the Stock Exchange of Thailand and Securities and Exchange Commission (SEC). The Audit Committee's responsibilities include overseeing and auditing the quality of financial reports and ensuring the appropriateness and efficacy of internal control and internal audit systems. The Audit Committee's opinion is provided in the Annual Report.

The Board of Directors had the opinion that the Company's overall internal control system is satisfactory and sufficient to provide reasonable confidence as to the reliability of the financial statements of Information and Communication Networks Public Company Limited for the year ended 31 December 2019. The financial statements are accurate, complete, and in compliance with the Generally Accepted Accounting Principles, as well as applicable laws and regulations.

(Mr. Segsan Roilapcharoenporn)
Chairman

(Mr. Monchai Manepairoj)
Chief Executive Officer

Independent Auditor's Report



To the Shareholders of Information and Communication Networks Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Information and Communication Networks Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, 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 separated financial statements of Information and Communication Networks 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 Information and Communication Networks Public Company Limited and its subsidiary and of Information and Communication Networks Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. This 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 this matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Company has disclosed its policies on revenue recognition for sales and services provided under contracts, cost estimates for projects under contracts and provision for possible losses on projects in Note 5.1 a) and Note 5.1 b) to the financial statements. I identified revenue recognition and estimation of possible losses on projects to be areas of significant risk in the audit. This is because the amount of revenue that the Company recognises from such contracts in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition, and the estimation of possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. The Company might also enter into side agreements that may affect the terms of the main contracts. There are therefore risks with respect to amount and timing of the recognition of revenue and provisions for possible losses on projects.

I assessed and tested the internal controls put in place by the Company over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and possible losses under contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected major contracts and randomly selected additional samples and performed the following procedures:

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquired with the Company's management and engineers/the project managers about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of possible loss.

- Made enquiries of the Company's management and engineers/the project managers, gained an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the project management's competency in estimating project costs, checked actual costs to supporting documents and tested the calculation of the percentage of completion based on actual costs incurred including performed an analytical review to compare the percentage of completion derived from the actual costs incurred to the percentage of completion estimated by the Company's engineers/the project managers.
- Evaluated the possible losses on projects assessed by the management through a comparative analysis of the actual cost incurred to the cost estimates for projects.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.
- Reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of possible losses.

Business combination

As discussed in Note 12 to the financial statements, during the current year the Company invested in Expert Engineering & Communication Co., Ltd. which operate of system integration in communication business of water resource. As at the date of acquisition, the Company recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on these business acquisitions since they are material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. There is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I have examined the recognition of the assets acquired and liabilities assumed from the acquisition of business by

- Reviewing the terms and conditions of the agreements and inquired with management as to the nature and objectives of the acquisitions in order to evaluate whether the acquisitions meet the definition of a business combination under Thai Financial Reporting Standard 3 Business combinations.

- Checking the value of the acquisitions to supporting documents and related payments to assess whether they reflected the fair value of the consideration transferred and did not include acquisition-related costs.
- Assessing the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by the management, by considering the methods and significant assumptions used by the management in calculating the fair value of such assets and liabilities.
- Reviewing the components of the financial model, comparing significant assumptions with the entities's historical information and industry and related economic information such as interest rate and inflation rate, comparing discount rate with the entities's financial costs and industry and evaluating the expertise, ability and integrity of the management
- Assessing the rationale of goodwill recognised from the business combinations by analysing the pricing models, and reviewing the disclosures related to the business combinations in the notes to financial statements.

Goodwill

Because goodwill is intangible asset with indefinite useful lives, as discussed in Notes 14 to the financial statements, the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the management of the Group by gaining an understanding of management's decision-making process assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluate the discount rate applied by management through an analysis of the moving average finance costs of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable value of the goodwill using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

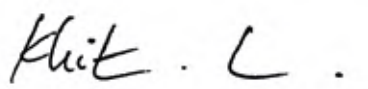
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

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

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

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

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



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 19 February 2020

Statements of financial position

Information and Communication Networks Public Company Limited and its subsidiary

As at 31 December 2019

(Unit: Baht)

	Consolidated			
		financial statements	Separate financial statements	
	<u>Note</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
Assets				
Current assets				
Cash and cash equivalents	8	284,716,554	282,005,123	350,281,450
Current investments - bank fixed deposits accounts		721,616	533,235	37,517,585
Trade and other receivables	9	258,358,469	248,515,669	144,787,004
Unbilled receivables		326,181,473	309,560,176	177,416,758
Inventories	10	160,564,710	160,564,710	55,967,444
Advance payment for goods and services		14,219,123	13,719,123	1,952,367
Other current assets		22,081,822	21,667,843	7,910,661
Total current assets		1,066,843,767	1,036,565,879	775,833,269
Non-current assets				
Restricted bank deposits	11	104,864,859	95,579,859	67,216,899
Investment in subsidiary	12	-	35,700,000	-
Office improvement and equipment	13	6,631,440	6,237,032	8,046,003
Goodwill	14	14,401,062	-	-
Intangible assets	15	13,247,664	397,800	198,796
Deferred tax assets	22	-	1,935,076	2,326,720
Other non-current assets		1,125,865	1,116,865	560,749
Total non-current assets		140,270,890	140,966,632	78,349,167
Total assets		1,207,114,657	1,177,532,511	854,182,436

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

Statements of financial position (continued)

Information and Communication Networks Public Company Limited and its subsidiary

As at 31 December 2019

(Unit: Baht)

		Consolidated		Separate financial statements	
		financial statements			
	Note	2019	2019	2018	
Liabilities and shareholders' equity					
Current liabilities					
Short term loans from financial institutions	16	125,113,364	125,113,364	-	
Trade and other payables	17	400,616,338	396,212,007	250,118,410	
Unbilled payables		21,136,105	20,920,120	44,953,937	
Advanced receipts from customers		58,639,592	58,639,592	16,509,989	
Current portion of liabilities under hire purchase agreements		536,887	493,064	464,730	
Income tax payable		4,445,181	4,445,181	2,641,228	
Other current liabilities		13,310,207	10,945,591	13,438,928	
Total current liabilities		623,797,674	616,768,919	328,127,222	
Non-current liabilities					
Liabilities under hire purchase agreements, net of current portion		483,877	472,922	965,986	
Provision for long-term employee benefits	18	9,583,423	8,888,132	6,035,636	
Deferred tax liabilities	22	135,937	-	-	
Total non-current liabilities		10,203,237	9,361,054	7,001,622	
Total liabilities		634,000,911	626,129,973	335,128,844	

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

Statements of financial position (continued)

Information and Communication Networks Public Company Limited and its subsidiary

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements	Separate financial statements	
		2019	2019	2018
Shareholders' equity				
Share capital				
Registered				
450,000,000 ordinary shares of Baht 0.50 each		225,000,000	225,000,000	225,000,000
Issued and fully paid up				
450,000,000 ordinary shares of Baht 0.50 each		225,000,000	225,000,000	225,000,000
Share premium		155,062,688	155,062,688	155,062,688
Retained earnings				
Appropriated-statutory reserve	19	15,000,000	15,000,000	10,300,000
Unappropriated		156,976,087	156,339,850	128,690,904
Equity attributable to owners of the Company		552,038,775	551,402,538	519,053,592
Non-controlling interests of the subsidiary		21,074,971	-	-
Total shareholders' equity		573,113,746	551,402,538	519,053,592
Total liabilities and shareholders' equity		1,207,114,657	1,177,532,511	854,182,436

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

Statement of comprehensive income

Information and Communication Networks Public Company Limited and its subsidiary

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements	Separate financial statements	
		2019	2019	2018
Revenues				
Sales and services income		1,198,723,912	1,139,442,118	1,015,546,157
Other income		2,542,292	2,309,553	2,402,212
Total revenues		1,201,266,204	1,141,751,671	1,017,948,369
Expenses				
Cost of sales and services		1,008,532,075	958,626,301	844,399,312
Selling and servicing expenses		32,564,842	28,893,483	23,249,885
Administrative expenses		41,791,133	37,468,148	42,424,343
Total expenses		1,082,888,050	1,024,987,932	910,073,540
Profit before finance cost and income tax expenses		118,378,154	116,763,739	107,874,829
Finance cost		-	-	(13,440)
Profit before income tax expenses		118,378,154	116,763,739	107,861,389
Income tax expenses	22	(24,092,387)	(23,725,495)	(23,080,687)
Profit for the year		94,285,767	93,038,244	84,780,702
Other comprehensive income:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain - net of income tax		-	-	931,332
Other comprehensive income for the year		-	-	931,332
Total comprehensive income for the year		94,285,767	93,038,244	85,712,034
Profit attributable to:				
Equity holders of the Company		93,674,481	93,038,244	84,780,702
Non-controlling interests of the subsidiary		611,286		
		94,285,767		
Total comprehensive income attributable to:				
Equity holders of the Company		93,674,481	93,038,244	85,712,034
Non-controlling interests of the subsidiary		611,286		
		94,285,767		
Earnings per share	23			
Basic earnings per share				
Profit attributable to equity holders of the Company		0.21	0.21	0.19

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

Statement of changes in shareholders' equity

Information and Communication Networks Public Company Limited and its subsidiary

For the year ended 31 December 2019

Consolidated financial statements										(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiary		Total shareholders' equity	
				Appropriated	Unappropriated					
Balance as at 1 January 2019 - as previously reported		225,000,000	155,062,688	10,300,000	128,690,904	519,053,592	-	-	519,053,592	
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	4	-	-	-	2,310,522	2,310,522	-	-	2,310,522	
Balance as at 1 January 2019 - as restated		225,000,000	155,062,688	10,300,000	131,001,426	521,364,114	-	-	521,364,114	
Profit for the year		-	-	-	93,674,481	93,674,481	611,286	-	94,285,767	
Other comprehensive income for the year		-	-	-	-	-	-	-	-	
Total comprehensive income for the period		-	-	-	93,674,481	93,674,481	611,286	-	94,285,767	
Increase in equity attributable to non-controlling interests of the subsidiary from investment in subsidiary	12	-	-	-	-	-	-	20,463,685	20,463,685	
Dividend paid	27	-	-	-	(62,999,820)	(62,999,820)	-	-	(62,999,820)	
Transferred to statutory reserve	19	-	-	4,700,000	(4,700,000)	-	-	-	-	
Balance as at 31 December 2019		225,000,000	155,062,688	15,000,000	156,976,087	552,038,775	21,074,971	-	573,113,746	

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

Statement of changes in shareholders' equity

Information and Communication Networks Public Company Limited and its subsidiary

For the year ended 31 December 2019

		Separate financial statements				(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2018		225,000,000	155,062,688	6,000,000	110,278,491	496,341,179
Profit for the year		-	-	-	84,780,702	84,780,702
Other comprehensive income for the year		-	-	-	931,332	931,332
Total comprehensive income for the year		-	-	-	85,712,034	85,712,034
Dividend paid	27	-	-	-	(62,999,621)	(62,999,621)
Transferred to statutory reserve	19	-	-	4,300,000	(4,300,000)	-
Balance as at 31 December 2018		225,000,000	155,062,688	10,300,000	128,690,904	519,053,592
Balance as at 1 January 2019 - as previously reported		225,000,000	155,062,688	10,300,000	-	-
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	4	-	-	-	2,310,522	2,310,522
Balance as at 1 January 2019 - as restated		225,000,000	155,062,688	10,300,000	131,001,426	521,364,114
Profit for the year		-	-	-	93,038,244	93,038,244
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	93,038,244	93,038,244
Dividend paid	27	-	-	-	(62,999,820)	(62,999,820)
Transferred to statutory reserve	19	-	-	4,700,000	(4,700,000)	-
Balance as at 31 December 2019		225,000,000	155,062,688	15,000,000	156,339,850	551,402,538

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

Cash flow statement

Information and Communication Networks Public Company Limited and its subsidiary

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	2019	2018
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities			
Profit before tax	118,378,154	116,763,739	107,861,389
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	4,580,635	2,325,633	1,986,651
Increase in allowance for doubtful debts	58,647	-	-
Loss on write off of office improvement and equipment	40,419	40,419	29,803
Loss on write-off of withholding tax	-	-	4,906,132
Provisions for project delayed and warranty (reversal)	880,215	(875,503)	1,993,270
Provision for long-term employee benefits	3,038,540	2,852,496	2,140,243
Unrealised gain on exchange	(53,681)	(53,681)	(25,671)
Interest income	(2,129,790)	(1,985,533)	(1,870,471)
Interest expenses	-	-	13,440
Profit from operating activities before changes in operating assets and liabilities	124,793,139	119,067,570	117,034,786
Operating assets (increase) decrease			
Trade and other receivables	(113,250,044)	(103,728,665)	163,270,549
Unbilled receivables	(142,957,299)	(129,255,266)	(33,748,167)
Inventories	(104,512,323)	(104,597,266)	92,780,641
Advance payment for goods and services	(12,228,706)	(11,766,756)	16,604,755
Other current assets	(13,818,999)	(13,817,849)	13,794,693
Other non-current assets	(556,116)	(556,116)	(29,017)
Operating liabilities increase (decrease)			
Trade and other payables	144,727,639	146,147,278	(122,705,751)
Unbilled payables	(23,933,702)	(24,033,817)	9,065,527
Advanced receipts from customers	42,129,603	42,129,603	(24,120,677)
Other current liabilities	(4,891,936)	(1,617,834)	(7,401,263)
Cash from (used in) operating activities	(104,498,744)	(82,029,118)	224,546,076
Cash paid for interest expenses	-	-	(13,440)
Cash paid for income tax	(23,676,739)	(22,107,528)	(21,261,519)
Net cash from (used in) in operating activities	(128,175,483)	(104,136,646)	203,271,117

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

Cash flow statement (continued)

Information and Communication Networks Public Company Limited and its subsidiary
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities			
Net cash paid for investments in subsidiary (Note 12)	(9,611,864)	(35,700,000)	-
Decrease (increase) in current investments	36,795,969	36,984,350	(36,873,786)
Decrease (increase) in restricted bank deposits	(27,171,326)	(28,362,960)	61,738,896
Acquisition of equipment	(598,736)	(451,085)	(4,551,579)
Acquisition of intangible assets	(590,068)	(305,000)	(161,860)
Interest income	2,181,622	2,046,200	1,811,478
Net cash from (used in) investing activities	1,005,597	(25,788,495)	21,963,149
Cash flows from financing activities			
Increase in short-term loans from financial institutions	125,113,364	125,113,364	-
Payments of liabilities under hire purchase agreements	(508,554)	(464,730)	(421,487)
Dividend paid	(62,999,820)	(62,999,820)	(62,999,621)
Net cash from (used in) financing activities	61,604,990	61,648,814	(63,421,108)
Net increase (decrease) in cash and cash equivalents	(65,564,896)	(68,276,327)	161,813,158
Cash and cash equivalents at beginning of year	350,281,450	350,281,450	188,468,292
Cash and cash equivalents at end of year	284,716,554	282,005,123	350,281,450
Supplemental cash flows information			
Non-cash transactions			
Increase in equipment from other payables	-	-	194,775

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

Notes to financial statements

Information and Communication Networks Public Company Limited and its subsidiary

For the year ended 31 December 2019

1. General information

Information and Communication Networks Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the system integration in telecommunication business. The registered office of the Company is at No.393, D.K.J. Building, the 5th Floor, Sukhonhasawat Road, Latphrao Sub-district, Latphrao District, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Information and Communication Networks Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding as at 31 December 2019
Expert Engineering & Communication Co., Ltd.	Operating of system integration in communication business	Thailand	51%

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiary presented under the cost method.

3 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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 Company's and its subsidiary's financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company and its subsidiary adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The Company and its subsidiary elect to apply the following practical expedients.

- Not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy.
- Not restate the contracts that were modified before 1 January 2019 but reflect the aggregate effect of all of the modifications that occur before such date when identifying the performance obligations, determining the transactions price and allocating the transaction price to the performance obligations.

The cumulative effect of the change is described in Note 4.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiary believes that adoption of these standards will not have any significant impact on the financial statements.

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 management of the Company and its subsidiary believes that adoption of this standard will not have any significant impact on the financial statements.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiary have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

	(Unit: Million Baht)
	Consolidated/Separate financial statements
Impact on retained earnings as at 1 January 2019	
Service-type warranties	2.89
Related tax	(0.58)
Total	2.31

The amounts of adjustments affecting the statements of financial position as at 31 December 2019 and the statements of comprehensive income for the year ended 31 December 2019 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Unbilled receivables	458.02	(131.84)	326.18
Inventories	42.53	118.03	160.56
Liabilities			
Unbilled payables	46.23	(25.09)	21.14
Advanced receipts from customers	49.15	9.49	58.64
Deferred tax liabilities (assets)	(0.22)	0.36	0.14

(Unit: Million Baht)

Consolidated financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Sales and service income	1,342.94	(144.22)	1,198.72
Cost of sales and services	1,151.65	(143.12)	1,008.53
Income tax expense	24.31	(0.22)	24.09
Effect to profit for the period		(0.88)	
Earnings per share (Baht):			
Basic earnings per share		(0.002)	

(Unit: Million Baht)

Separate financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Unbilled receivables	441.40	(131.84)	309.56
Inventories	42.53	118.03	160.56
Deferred tax assets	2.30	(0.36)	1.94
Liabilities			
Unbilled payables	46.01	(25.09)	20.92
Advanced receipts from customers	49.15	9.49	58.64

(Unit: Million Baht)

Separate financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Sales and service income	1,283.66	(144.22)	1,139.44
Cost of sales and services	1,101.75	(143.12)	958.63
Income tax expense	23.94	(0.22)	23.72
Effect to profit for the period		(0.88)	
Earnings per share (Baht):			
Basic earnings per share		(0.002)	

The nature of these adjustment is described below:

- Service-type warranties - The Company and its subsidiary have determined that warranty for services and maintenance provided additionally to customers beyond quality assurance service should be recognised as revenue over the periods in which the service will be provided. Previously, revenue was recognised as part of sales and services income.

5. Significant accounting policies

5.1 Revenues and expenses recognition

a) Revenue

Sales and services income

Revenues from the sale, installation and maintenance for the telecommunication systems are recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Unbilled receivables” in the statement of financial position.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advance receipts from customers” in the statement of financial position.

The service-type warranties provided customers with a service in addition to the assurance with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Interest income

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

Other incomes are recognised on an accrual basis.

b) Expenses

Cost of integration service, ongoing repair and maintenance and contract lump sum turnkey for telecommunication network systems are recognised in accordance with the percentage of work completed for which revenue has already been recognised, based on total estimated costs. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as “work in progress” under inventories or “unbilled payables” under current liabilities.

Other expenses are recognised on an accrual basis.

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

Finished goods and work in progress are valued at the lower of cost (under the first-in, first-out method) and net realisable value. Cost consists of the cost of equipment, labor, subcontract works and other relevant expenses.

5.5 Investments in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method. Allowance for impairment loss will be made when the recoverable amounts are lower than the cost of investments.

5.6 Office improvement and equipment/Depreciation

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

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

Office improvement	-	10 years
Furniture and office equipment	-	5 years
Project tool and equipment	-	5 years
Motor vehicles	-	5 years
Computer equipment - Hardware	-	3 - 5 years

Depreciation is included in determining income.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.7 Intangible assets and amortisation

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Customer relationships	7 years
Customer backlog	7 years
Software license	3 - 5 years

5.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.9 Related party transactions

Related parties comprise individuals or enterprises and individuals that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and subsidiary.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiary that gives them significant influence over the Company and its subsidiary, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Company and its subsidiary.

5.10 Long-term leases

Leases of plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

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

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

5.14 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income.

6. Significant accounting judgements and estimates

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

Estimation of revenues from sales and services and costs of sales and services

In estimation of revenues from sales and services and costs of sales and services, management are required to make judgement based on their best knowledge of the current events and arrangements and their experience of the business in order to estimate the total cost of integration service, ongoing repair and maintenance which consists of cost of equipment, labor, subcontract works and other relevant expenses for each project, based on information from the engineers/project managers. These estimates are regularly revisited or whenever the actual costs incurred significantly vary from the estimation.

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, 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 Company and its subsidiary recognise revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

7. Related party transactions

During the years, the Company and subsidiary had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiary and those related parties.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements		
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>Transfer Pricing Policy</u>
<u>Transactions with shareholders</u>				
Guarantee fee	-	-	0.2	1 percent per annum

Directors and management's benefits

During the year ended 31 December 2019 and 2018, the Company and its subsidiary had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	36.0	35.3	29.8
Post-employment benefits	1.6	1.6	1.4

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Cash	15	15	17
Bank deposits	284,701	281,990	350,264
Total	<u>284,716</u>	<u>282,005</u>	<u>350,281</u>

As at 31 December 2019, bank deposits in saving accounts carried interests between 0.1 and 0.9 percent per annum (2018: between 0.1 and 0.9 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>			
Aged on the basis of due dates			
Not yet due	228,397	218,561	95,835
Past due			
Up to 3 months	29,807	29,807	44,553
3 - 6 months	-	-	2,129
6 - 12 months	-	-	2,128
Over 12 months	59	-	-
Total trade receivables - unrelated parties	258,263	248,368	144,645
Less: Allowance for doubtful debts	(59)	-	-
Total trade receivables - unrelated parties, net	258,204	248,368	144,645
Total trade receivables	258,204	248,368	144,645
<u>Other receivables</u>			
Advance payments	-	-	73
Other	154	148	69
Total other receivables	154	148	142
Total trade and other receivables	<u>258,358</u>	<u>248,516</u>	<u>144,787</u>

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Work in progress	47,689	47,689	55,967
Equipments and deferred maintenance costs	112,876	112,876	
Total	<u>160,565</u>	<u>160,565</u>	<u>55,967</u>

11. Restricted bank deposits

These represent saving accounts and fixed deposits of the Company and its subsidiary pledged with the banks to secure credit facilities.

12. Investments in subsidiary

Details of investments in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)				
Company's name	Paid-up capital	Shareholding percentage	Cost	Dividend received during the year
	<u>2019</u>	<u>2019</u> (%)	<u>2019</u>	<u>2019</u>
Expert Engineering & Communication Co., Ltd.	20,000	51	35,700	-

On 7 August 2018, the Board of Directors' meeting of the Company passed a resolution to approve the acquisition of shares in Expert Engineering & Communication Co., Ltd. The Company purchased 102,000 common shares from the existing shareholders (equal to 51 percentage of its issued and paid-up share capital from the existing shareholders) and the Company has significant influence over such company. The Company received the shares transferred on 2 January 2019 (the acquisition date) and paid Baht 35.7 million for the share capital of Expert Engineering & Communication Co., Ltd. from its existing shareholders on 3 January 2019.

Values of assets acquired and liabilities assumed from Expert Engineering & Communication Co., Ltd. as at the acquisition date were summarised below.

	(Unit: Thousand Baht)	
	Fair value at the acquisition date	Carrying values at the acquisition date
Cash and cash equivalents	26,088	26,088
Trade and other receivables	380	380
Unbilled receivables	2,919	2,919
Inventories	85	85
Other current assets	408	408
Restricted bank deposits	10,477	10,477
Equipment	378	378
Intangible assets (Note 15)	14,688	53
Deferred tax assets	633	633
Other non-current assets	9	9
Trade and other payables	(5,824)	(5,824)
Unbilled payable	(116)	(116)
Income tax payable	(944)	(944)
Provision for warranty	(2,656)	(2,656)
Other current liabilities	(1,227)	(1,227)
Liabilities under finance lease agreements	(99)	(99)
Provision for long-term employee benefits	(509)	(509)
Deferred tax liabilities	(2,927)	-
Net assets of the subsidiary	41,763	30,055
Non-controlling interests of subsidiary (49%)	(20,464)	(14,727)
Net assets of the subsidiary in the Company's proportion (51%)	21,299	15,328
Add: The difference between the cash payment for purchase of investments and the net assets of the subsidiary in the company's proportion	-	20,372
Add: Goodwill (Note 14)	14,401	-
Cash payment for purchase of investments in subsidiary	35,700	35,700
Less: Cash and cash equivalents of the subsidiary	(26,088)	(26,088)
Net cash payment for purchase of investments in subsidiary	9,612	9,612

The difference between the consideration paid and the fair value of identifiable net assets acquired was included in a part of goodwill in the consolidated statement of financial position as at 31 December 2019.

13. Office improvement and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Office improvement	Furniture and office equipment	Project tool and equipment	Motor vehicles	Computer equipment - Hardware	
Cost						
1 January 2019	551	4,696	3,650	4,523	2,929	16,349
Increase from acquisition						
of subsidiary (Note 12)	-	980	342	421	413	2,156
Additions	-	83	1	-	515	599
Write off	-	(142)	-	-	(294)	(436)
31 December 2019	551	5,617	3,993	4,944	3,563	18,668
Accumulated depreciation						
1 January 2019	199	3,585	468	2,286	1,765	8,303
Increase from acquisition						
of subsidiary (Note 12)	-	745	271	421	341	1,778
Depreciation for the year	55	524	747	466	560	2,352
Depreciation on write off	-	(131)	-	-	(265)	(396)
31 December 2019	254	4,723	1,486	3,173	2,401	12,037
Net book value						
31 December 2019	297	894	2,507	1,771	1,162	6,631
Depreciation for the year						
2019 (Baht 1.20 million included in cost of sales and services, and the balance in administrative expenses)						2,352

(Unit: Thousand Baht)

	Separate financial statements					Total
	Office improvement	Furniture and office equipment	Project tool and equipment	Motor vehicles	Computer equipment - Hardware	
Cost						
1 January 2018	551	4,549	44	4,523	2,344	12,011
Additions	-	173	3,606	-	967	4,746
Write off	-	(26)	-	-	(382)	(408)
31 December 2018	551	4,696	3,650	4,523	2,929	16,349
Additions	-	66	-	-	385	451
Write off	-	(142)	-	-	(294)	(436)
31 December 2019	551	4,620	3,650	4,523	3,020	16,364
Accumulated depreciation						
1 January 2018	144	3,006	4	1,821	1,795	6,770
Depreciation for the year	55	600	464	465	327	1,911
Depreciation on write off	-	(21)	-	-	(357)	(378)
31 December 2018	199	3,585	468	2,286	1,765	8,303
Depreciation for the year	55	460	730	466	509	2,220
Depreciation on write off	-	(131)	-	-	(265)	(396)
31 December 2019	254	3,914	1,198	2,752	2,009	10,127
Net book value						
31 December 2018	352	1,111	3,182	2,237	1,164	8,046
31 December 2019	297	706	2,452	1,771	1,011	6,237
Depreciation for the year						
2018 (Baht 0.93 million included in cost of sales and services, and the balance in administrative expenses)						1,911
2019 (Baht 1.20 million included in cost of sales and services, and the balance in administrative expenses)						2,220

As at 31 December 2019, the Company and its subsidiary had vehicles with net book value of Baht 1.5 million (Separate financial statement: Baht 1.5 million, 2018: Baht 1.9 million) which were acquired under hire purchase agreements.

As at 31 December 2019, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 8.8 million (Separate financial statement: Baht 7.1 million, 2018: Baht 4.9 million).

14. Goodwill

Goodwill in the consolidated statement of financial position, amounting to Baht 14.4 million, arose from the company invested in Expert Engineering & Communication Co., Ltd. on 2 January 2019. As a result of this acquisition, the company directly held 51 percent of the paid up share capital of Expert Engineering & Communication Co., Ltd., with costs of investment directly attributable to the acquisition amounting to Baht 35.7 million, while the net fair value of the identifiable assets, liabilities and contingent liabilities on the acquisition date, in proportion to its shareholding, amounted to Baht 21.3 million.

The Company and its subsidiary allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing.

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering five year period.

Key assumptions used in value in use calculation are summarised below:

	<u>Percent per annum</u>
Growth rates	2
Discount rates	11

The management determined growth rates based on historical operation results and expected market growth and discount rates is the rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill.

15. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

					(Unit: Thousand Baht)
Consolidated financial statements				Separate financial statements	
	Software license	Customer relationships	Customer backlog	Total	Software license
As at 31 December 2019					
Cost	1,242	14,319	316	15,877	890
<u>Less</u> Accumulated amortisation	(546)	(2,038)	(45)	(2,629)	(492)
Net book value	<u>696</u>	<u>12,281</u>	<u>271</u>	<u>13,248</u>	<u>398</u>
As at 31 December 2018					
Cost					585
<u>Less</u> Accumulated amortisation					(386)
Net book value					<u>199</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 are presented below.

				(Unit: Thousand Baht)
		Consolidated financial statements	Separate financial statements	
		2019	2019	2018
Net book value at beginning of year		199	199	112
Increase in software license from acquisition of subsidiary (Note 12)		53	-	-
Acquisition of software license		590	305	162
Increase of customer relationships from acquisitions of subsidiary (Note 12)		14,319	-	-
Increase of customer backlogs from acquisitions of subsidiary (Note 12)		316	-	-
Amortisation		(2,229)	(106)	(75)
Net book value at end of year		<u>13,248</u>	<u>398</u>	<u>199</u>

16. Short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Thousand Baht)	
		Consolidated/Separate financial statements	Separate financial statements
		<u>2019</u>	<u>2018</u>
Trust receipt payable	4.00 - 5.24	22,549	-
Short-term loans from financial institutions	3.50 - 3.75	102,564	-
Total		<u>125,113</u>	<u>-</u>

A short-term loan facilities of the Company and its subsidiary are secured by fixed deposit of the Company and its subsidiary.

17. Trade and other payables

	(Unit: Thousand Baht)		
	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Trade payables - unrelated parties	383,794	380,257	233,972
Other payables	479	479	1,507
Retention payable	1,816	1,816	484
Accrued expenses	14,527	13,660	14,155
Total trade and other payables	<u>400,616</u>	<u>396,212</u>	<u>250,118</u>

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Provision for long-term employee benefits at beginning of year	6,036	6,036	5,060
Increased from acquisition of subsidiary (Note 12)	509	-	-
Included in profit or loss:			
Current service cost	2,573	2,402	2,043
Interest cost	173	158	97
Past service cost	292	292	-

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Demographic assumptions changes	-	-	(125)
Financial assumptions changes	-	-	9
Experience adjustments	-	-	(1,048)
Provision for long-term employee benefits at end of year	<u>9,583</u>	<u>8,888</u>	<u>6,036</u>

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 was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 0.29 million (Separate financial statement: Baht 0.29 million) as a result. The Company and its subsidiary reflect the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The Company and its subsidiary expects not to pay of long-term employee benefits during the next year (2018: Nil).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 10.65 - 10.93 years (Separate financial statements: 10.65 years, 2018: 10.65 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Discount rate	3%	3%	3%
Salary increase rate	3%	3%	3%
Turnover rate	0% - 12%	7% - 12%	7% - 12%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(860)	982	(753)	857
Salary increase rate	1,081	(960)	938	(836)
Turnover rate	(917)	253	(803)	204

(Unit: Thousand Baht)

	As at 31 December 2018	
	Separate	
	financial statements	
	Increase 1%	Decrease 1%
Discount rate	(533)	606
Salary increase rate	596	(534)
Turnover rate	(568)	149

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

20. Revenue from contracts with customers

Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated		Separate
	financial statements		financial
	2019	2019	statements
Type of goods or service:			2018
Sale from supply and maintenance	247,872	245,013	399,533
Sale from turnkey business	947,833	891,410	616,013
Service-type warranties	3,019	3,019	-
Total revenue from contracts with customers	1,198,724	1,139,442	1,015,546

	(Unit: Thousand Baht)		
	Consolidated		Separate
	financial statements		financial
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Timing of revenue recognition:			
Revenue recognised at a point in time	177,695	176,729	263,631
Revenue recognised over time	1,021,029	962,713	751,915
Total revenue from contracts with customers	<u>1,198,724</u>	<u>1,139,442</u>	<u>1,015,546</u>

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)		
	Consolidated		Separate
	financial		financial
	statements		statements
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Salaries and wages and other employee benefits	90,071	81,769	77,301
Depreciation and amortisation expenses	4,582	2,326	1,987
Project delayed and warranty (reversal)	(4,276)	(3,028)	1,993
Entertainment fee	6,080	5,647	5,864
Purchase goods	602,448	584,516	378,827
Subcontractor	479,982	453,658	311,218
Changes in inventories of finished goods and work in progress	(104,512)	(104,597)	92,781

22. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)		
	Consolidated		Separate
	financial		financial
	statements		statements
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Current income tax:			
Current income tax charge	24,501	23,911	23,903
Deferred tax:			
Relating to origination and reversal of temporary differences	(409)	(186)	(822)
Income tax expense reported in the statement of comprehensive income	<u>24,092</u>	<u>23,725</u>	<u>23,081</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain	-	-	233
Total	-	-	233

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Accounting profit before tax	118,378	116,764	107,861
Applicable tax rate	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	23,676	23,352	21,572
Effects of:			
Non-deductible expenses	526	481	1,624
Additional expense deductions allowed	(110)	(108)	(115)
Total	416	373	1,509
Income tax expense reported in the statement of comprehensive income	24,092	23,725	23,081

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets			
Provision for long-term employee benefits	1,917	1,778	1,207
Provision for project delayed and warranty	779	497	1,103
Accumulated amortisation of intangible assets	18	18	17
Others	19	-	-

(Unit: Thousand Baht)			
	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Deferred tax liability			
Effects to changes in accounting policies			
due to the adoption of TFRS15	(358)	(358)	-
Customer relationships	(2,456)	-	-
Customer backlog	(55)	-	-
Total deferred tax assets (liabilities) - net	<u>(136)</u>	<u>1,935</u>	<u>2,327</u>

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2019</u>
Basic earnings per share			
Profit for the year (Thousand Baht)	93,674	93,038	84,781
Weighted average number of ordinary shares			
(Thousand shares)	450,000	450,000	450,000
Profit attributable to equity holders of the Company			
(Baht/share)	0.21	0.21	0.19

24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Group's Board of directors.

The Company and its subsidiary is principally engaged in the system integration in telecommunication business. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year 2019, the Company have revenue from 3 major customers in amount of Baht 923 million, arising from sales and services in the system integration in telecommunication business segments (2018: Baht 871 million derived from 4 major customers, arising from sales and services in the system integration in telecommunication business segment).

25. Provident fund

The Company, its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiary contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the rules of the provident fund of the Company and its subsidiary. During the year 2019, the Company and its subsidiary contributed Baht 2.9 million to the fund (Separate financial statement: Baht 2.6 million, 2018: Baht 2.4 million).

26. Employee Joint Investment Program

On 22 February 2018, the Board of Directors' Meeting passed a resolution approving Employee Joint Investment Program. The scheme is for a term of 3 years beginning from 1 August 2018 to 31 July 2021. Details of contributions are as follows:

- Employees contribute 5 percent of their basic monthly salary
- Year 1, the Company additionally contributes 50 percent of employees' contribution
- Year 2, the Company additionally contributes 100 percent of employees' contribution
- Year 3, the Company additionally contributes 150 percent of employees' contribution

Employee Joint Investment Program is managed by Phillip Securities (Thailand) Public Company Limited. The contribution for the year 2019 made by the Company amounting to approximately Baht 1.8 million (2018: Baht 0.5 million).

27. Dividends

Dividends	Approved by	Dividend per share (Baht)	Total dividends (Thousand Baht)
Final dividends for 2017	Annual General Meeting of the shareholders in 26 April 2018	0.09*	40,500
Interim dividends for 2018	Board of Directors' meeting on 6 November 2018	0.05*	22,500
Total dividends for 2018		1.14	63,000
Final dividends for 2018	Annual General Meeting of the shareholders in 24 April 2019	0.09*	40,500
Interim dividends for 2019	Board of Directors' meeting on 13 November 2019	0.05*	22,500
Total dividends for 2019		1.14	63,000

(Note * The Company paid dividends by 449,996,900 shares and 449,998,000 shares for 2018 and by 449,998,000 shares and 450,000,000 shares for 2019 as specified by Thailand Securities Depository Company Limited.)

28. Commitments and contingent liabilities**28.1 Operating lease and service agreement commitments**

The Company and its subsidiary have entered into several lease agreements and service agreement in respect of building, office building space, office equipment and motor vehicles. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments required under these non-cancellable operating leases and service agreement contracts were as follows.

(Unit: Million Baht)

	As at 31 December		
	Consolidated financial statements	Separate financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Payable:			
In up to 1 year	2	1	3
In over 1 and up to 4 years	1	-	1

28.2 Obligations relating to undelivered and unrendered contracts

The Company and its subsidiary have contracts related to for selling goods and rendering services that are undelivered and unrendered to their customers of approximately Baht 1,199 million (Separate financial statement: Baht 1,087 million, 2018: Baht 1,456 million).

28.3 Guarantees

28.3.1 The outstanding bank guarantees issued by bank on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business. The details of the bank guarantees are as follows:

(Unit: Million Baht)

	As at 31 December		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Guarantee of contractual performance	271	262	130
Guarantee of advance payment bond	80	80	64
Guarantee of bidding	63	63	-
Total	<u>414</u>	<u>405</u>	<u>194</u>

As at 31 December 2019, the above credit facilities on bank guarantees are secured by fixed deposit of the Company and its subsidiary (2018: secured by fixed deposit of the Company).

28.3.2 As at 31 December 2019, the Company has outstanding letters of credit of USD 0.04 million and Baht 22.41 million (2018: USD 1.14 million and Baht 25.02 million).

29. Financial instruments

29.1 Financial risk management

The Company and its subsidiary are financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted bank deposits, trade and other payables and liabilities under hire purchase agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade and other receivable. The Company and its subsidiary manages the risk by adopting appropriate credit control policies and procedures and most customers are government agencies or companies in which the government is a major shareholder. Therefore, the Company and its subsidiary do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary are exposure to interest rate risk relates primarily to its cash at banks, current investments and liabilities under hire purchase agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidate financial statements							
As at 31 December 2019							
Fixed interest rates							Effective interest rate (% per annum.)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial assets</u>							
Cash and cash equivalent	284.7	-	-	-	-	284.7	0.1 - 0.9
Current investments	0.7	-	-	-	-	0.7	0.6 - 0.9
Trade and other receivables	-	-	-	-	258.4	258.4	-
Deposits at bank with restrictions	104.9	-	-	-	-	104.9	0.1 - 0.9
	390.3	-	-	-	258.4	648.7	
<u>Financial liabilities</u>							
Short term loans from financial institutions	125.1	-	-	-	-	125.1	3.5 - 5.2
Trade and other payables	-	-	-	-	400.6	400.6	-
Liabilities under hire purchase agreements	0.5	0.5	-	-	-	1.0	6.0 - 6.3
	125.6	0.5	-	-	400.6	526.7	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2019							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum.)
<u>Financial assets</u>							
Cash and cash equivalent	282.0	-	-	-	-	282.0	0.1 - 0.9
Current investments	0.5	-	-	-	-	0.5	0.7 - 0.9
Trade and other receivables	-	-	-	-	248.5	248.5	-
Deposits at bank with restrictions	95.6	-	-	-	-	95.6	0.1 - 0.9
	378.1	-	-	-	248.5	626.6	
<u>Financial liabilities</u>							
Short term loans from financial institutions	125.1	-	-	-	-	125.1	3.5 - 5.2
Trade and other payables	-	-	-	-	396.2	396.2	-
Liabilities under hire purchase agreements	0.5	0.5	-	-	-	1.0	6.0 - 6.3
	125.6	0.5	-	-	396.2	522.3	

(Unit: Million Baht)

As at 31 December 2018							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
	(% per annum.)						
<u>Financial assets</u>							
Cash and cash equivalent	350.3	-	-	-	-	350.3	0.1 - 0.9
Current investments	37.5	-	-	-	-	37.5	0.9
Trade and other receivables	-	-	-	-	144.8	144.8	-
Deposits at bank with restrictions	67.2	-	-	-	-	67.2	0.1 - 0.9
	455.0	-	-	-	144.8	599.8	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	250.1	250.1	-
Liabilities under hire purchase agreement	0.4	1.0	-	-	-	1.4	6.0 - 6.3
	0.4	1.0	-	-	250.1	251.5	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers it appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2019, the balances of financial liabilities denominated in foreign currencies (2018: Nil) are summarised below.

Foreign currency	Financial liabilities	Average exchange rate
	<u>2019</u>	<u>2019</u>
	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.5	30.33

29.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary are financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

30. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio were 1.15:1 and the Company's was 1.14:1 (2018: 0.65:1).

31. Event after the reporting period

On 19 February 2020, the Board of Director's Meeting of the Company passed the resolutions to propose the Annual General Meeting of the Company's shareholders for the approval of the appropriation of Baht 4.7 million of the 2019 annual profit to the statutory reserve and the payment of a dividend in respect of the operating results of 2019 of Baht 0.10 per share, which is an addition of an interim dividend payment of Baht 0.05 per share.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2020.



Management Discussion and Analysis

Executive Summary

The year 2019 could be regarded as a year with high business competition due to the overall economic environment has shown a stagnant development though with certain investment from government and state enterprises. However, Information and Communication Networks Public Company Limited and its subsidiaries (“the Company”) reported a positive growth in our business performance in comparison to previous year based on the order backlog of the projects implementing and being able to recognize the revenue in 2019 and other new projects concluded in 2019, for instance, High-Speed Internet Provision in Remote Areas (Zone C), Group 5 in the North Eastern Area 3. Supply and Installation of Fiber Figure-8 Corrugated Steel Type Armour G.652D 24 Cores, Supply and Installation of Digital Radio Communication Systems with Supporting Equipment in the GorForGor Area 2 as well as supply contracts and maintenance contracts for the after sales service portion leading to the business performance which is in line with the budget. Additionally, in 2019 ICN has acquired the shares of Expert Engineering and Communication Co., Ltd (“EEC”) at the portion of 51% on 2nd January 2019 with consideration for future business opportunity in order to reinforce the business expansion of the Company. EEC operates in the form of system integrator, supplier of spare parts and consultant for system integration in relevant spectrums, for instance, water resources management, telemetry system, real time water quality monitoring system, etc.

The Company performance for the year 2019 reflected a continuous growth compared to the same period of the year 2018. The Company reported its total revenue of 1,201.27 million THB, increased by 183.32 million THB or 18.01% compared to the year 2018 mainly from the aforementioned projects. Sales revenue of the year 2019 was at the amount of 1,198.72 million THB equivalent to 99.79% of total revenue, compared to sales revenue in 2018 for the same period was reported at 1,015.55 million THB equivalent to 99.76%. In term of cost of sales and SG&A expenses for the year 2019, it was equivalent to 1,082.89 million THB or 90.15 % of total revenue compared to last year at the amount of 910.09 Million THB or 89.40%. Net profit showed growth in 2019 in comparison to the previous year at 93.67 million THB or 7.80% of total revenue excluding the portion from non-controlling interests of the subsidiary. In comparison to the year 2018, net profit was reported at 85.71 million THB or 8.42 of total revenue.

Considering the performance in the 4th quarter of 2019, the Company reported its total revenue at 470.03 million THB categorized into sale revenue at 469.59 million THB and other revenue at 0.44 million THB compared to total revenue of 286.52 million THB in the same period of 2018. It showed an increase from last year as well as a significant increase in comparison to the reported sales in each quarter of the year 2019 and this is because of the revenue recognition of awarded contracts as planned and from the delay projects during the first half of 2019 which were concluded in the later stage of the year. Its cost of sales and expenses were at 421.72 Million THB or 89.72% of total revenue in Q4/2019 and at 257.65 million THB or 89.92% of total revenue in Q4/2018. Lastly, net profit was equivalent to 38.47 million THB or 8.18 % of total revenue in Q4/2019 showing growth when compared with the same period of last year equivalent to 22.43 million THB or 7.83% of total revenue. The overall performance in Q4/2019 has increased in overall compared to the same period last year.

For the year 2020 the Company remains to conduct the business in corresponding to the changing technology in the digital era for our customers in government, state enterprises and private sectors as well as strengthening the maintenance portion.

1. Business Performance Analysis

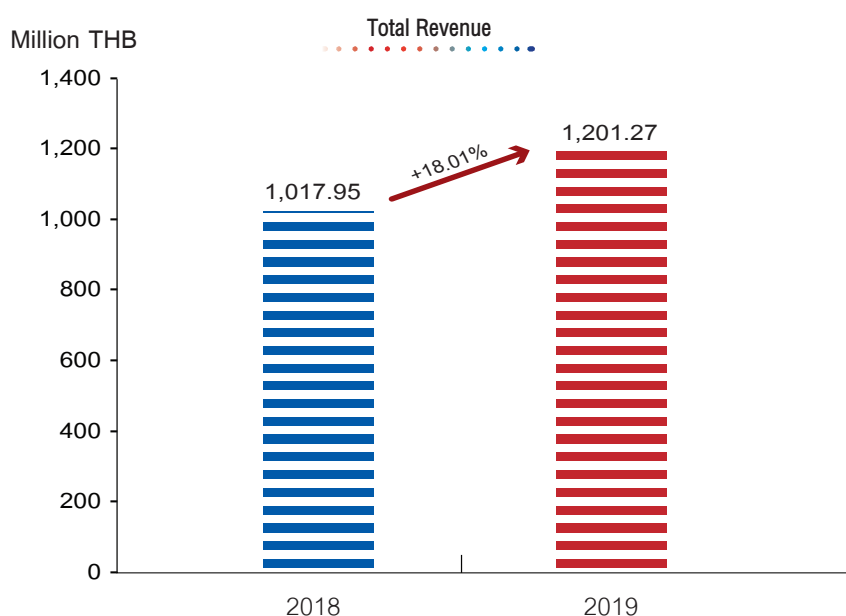
1.1 Revenue

For the year 2018 and of 2019 the Company reported its total revenue of 1,017.95 million THB and 1,201.27 million THB respectively with the growth of 18.01%. Major revenue was recognized from the projects, for instance, High-Speed Internet Service Project in Remote Area (Zone C) and Communication System for Distribution Management System (DMS), DWDM project and Digital Radio Communication Systems and Supply and Installation of Fiber Figure-8 Corrugated Steel Type Armour G.652D 24 Cores, etc.

Type	Separate		Consolidated	
	2018		2019	
	MB	%	MB	%
1. Sales Revenue	1,015.55	99.76	1,198.72	99.79
2. Other Revenue*	2.40	0.24	2.55	0.21
Total	1,017.95	100.00	1,201.27	100.00

Remarks *Other Revenue comprises of interest income, etc.

Total revenue can be categorized into sales revenue and other revenue, whereby in 2018 and 2019, sales revenue was accounted for 99.76% and 99.79% of total revenue and other revenue was equivalent to 0.24% and 0.21% respectively.

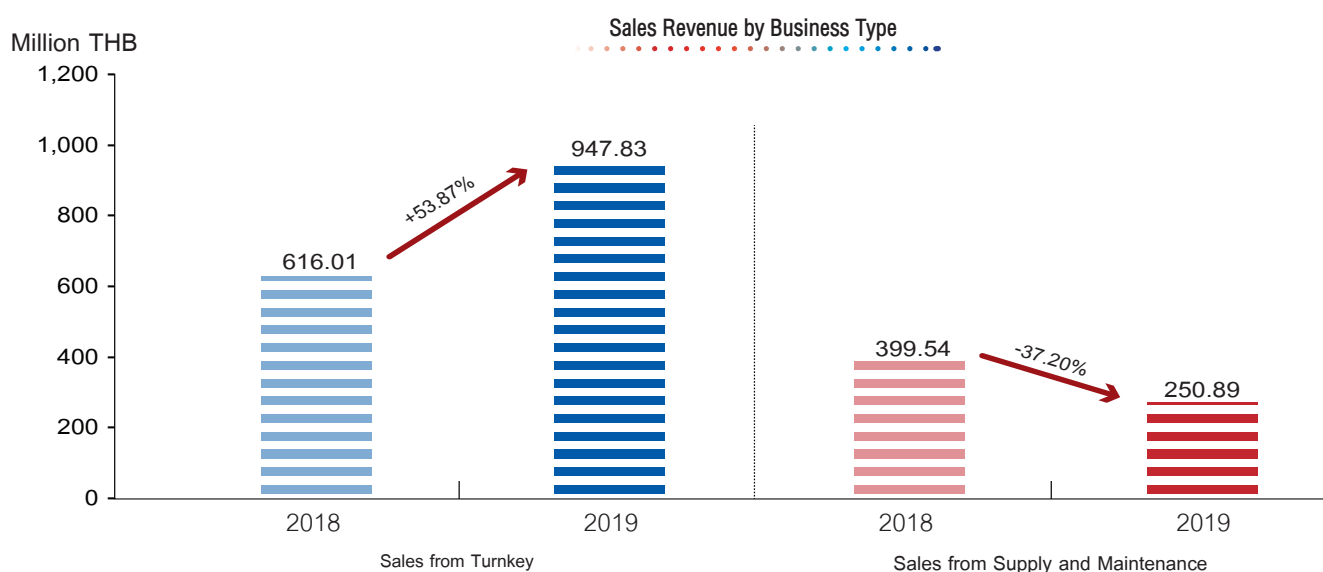


Sales Revenue

Sales revenue in 2019 consisted of turnkey business including telecommunication system and construction and electrical system, supply and maintenance.

Type	Separate		Consolidated	
	2018		2019	
	MB	%	MB	%
Sales Revenue				
Sales Revenue from Turnkey Business	616.01	60.66	947.83	79.07
- Sales Revenue from Telecommunication System	615.96	60.65	932.58	77.80
- Sales Revenue from Construction and Electrical System	0.05	0.01	15.25	1.27
Sales Revenue from Supply and Maintenance	399.54	39.34	250.89	20.93
- Sales Revenue from Supply of Telecommunication System	210.87	20.76	115.78	9.66
- Sales Revenue from Maintenance of Telecommunication System	188.67	18.58	135.11	11.27
Total Sales Revenue	1,015.55	100.00	1,198.72	100.00

In 2019, sales revenue from turnkey business and supply and maintenance were reported at 947.83 million THB and 250.89 million THB or proportionately at 79.07% and 20.93% of total sales revenue respectively. Sales revenue from turnkey business showed an increase by 53.87% compared to the same period of last year because major projects, awarded around the end of last year, were at the early phase and the revenue recognition could be realized as per its progress particularly from the bigger sized project. In term of revenue from supply and maintenance, it showed a decline by 37.20% because of the delay bidding from the customer side.



Other Revenue

In 2018 and 2019, the Company reported its other revenue at 2.40 million THB and 2.55 million THB respectively, equivalent to 0.24% and 0.21% of total revenue and the major item was interest income.

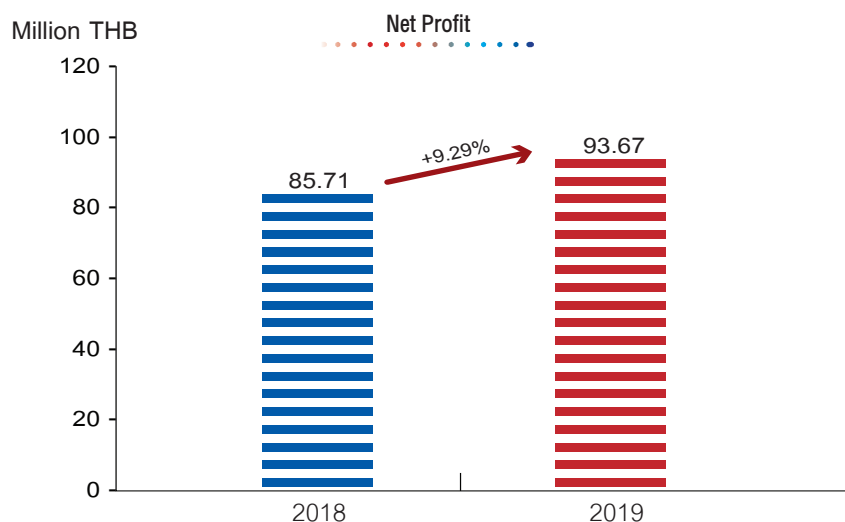
1.2 Cost of Sales and Expenses

Major costs of the Company composed of cost of sales, selling expense, administrative expense and interest expense. In 2018 and 2019, the Company showed its cost of sales and expense at 910.09 million THB and 1,082.89 million THB respectively, proportionately at 89.40% and 90.15% of total revenue.

COS and Expenses	Separate		Consolidated	
	2018		2019	
	MB	%	MB	%
Cost of Sales	844.40	82.95	1,008.53	83.96
Selling Expense	23.25	2.28	32.57	2.71
Administrative Expense	42.43	4.17	41.79	3.48
Finance Cost	0.01	0.00	-	-
Total CoS and Expenses	910.09	89.40	1,082.89	90.15
Total Revenue	1,017.95	100.00	1,201.27	100.00

1.3 Net Profit

As a result of overall business performance, the Company reported its net profit for 2018 and 2019 at 85.71 million THB and 93.67 million THB based on the equity holder of the Company respectively, accounted for 8.42% and 7.80% of total revenue. For the year 2019, the net profit was increased compared to last year mainly because of the higher sales revenue.



2 Financial Status

2.1 Assets

At the end of 2018 and 2019, the Company reported its total assets of 854.18 million THB and 1,207.11 million THB respectively. The major asset items are cash and cash equivalents, account receivables, unbilled receivables and inventories at the end of 2018 proportionately at 41.01%, 16.95%, 20.77% and 6.55% of total assets respectively and at the yearend 2019 proportionately at 23.59 %, 21.40%, 27.02% and 13.30% of total assets. Total current assets were accounted for 90.83% for the yearend 2018 and 88.38% for the yearend 2019 to total assets. The increase of account receivables, unbilled receivables and inventories in 2019 were as per normal business transactions.

Since 2 January 2019, ICN has acquired the common shares of Expert Engineering and Communication Co., Ltd. by holding 51% of its total shares leading to the preparation of consolidated financial statements from this period onwards. At the end of 2019, the Company has arranged the purchase price allocation as per the accounting principle and financial reporting standards by computing and recording the fair value of purchased assets items leading to the goodwill of 14.40 million THB that occurred from the difference between the cash payment for purchase of investments and the fair value of identifiable net assets required of the subsidiary in the company's proportion.

2.2 Sources of Fund

Liabilities

The Company reported its total liabilities at 335.13 million THB at the end of 2018 and 634.00 million at the end of 2019 and the major items are trade and other payables, short-term loans from financial institutions and advance receipts from customers which are regarded as working capital for running the business. And trade and other payables could be depicted as per the table below:

Trade and Other Payables	At 31 Dec. 2018		At 31 Dec. 2019 (Consolidated)	
	MB	%	MB	%
Trade Payables	233.97	93.54	383.80	95.80
Other Payables	1.51	0.60	0.48	0.12
Trade Payables - Retention	0.48	0.20	1.81	0.45
Accrued Expenses	14.16	5.66	14.53	3.63
Total Trade and Other Payables	250.12	100.00	400.62	100.00

The major trade and other payables were trade payables, mostly for equipment, service and sub-contractor costs in projects.

Most of the liabilities were current liabilities with its proportion as at 2018 and at 2019 at 97.91% and 98.39% of total liabilities respectively

Shareholders' Equity

The shareholders' equity was in the amount of 519.05 million THB at the year end of 2018 and of 552.04 million THB at the year end of 2019 which has increased corresponding to the business result of which the legal reserve is accounted for at the total amount of 15.00 million THB and the rest of retained earnings was 156.98 million THB after deducting dividend payment amounting to 63.00 million THB.

Funding Structure

D/E ratio of the Company was at 0.65, and 1.15 at the end of 2018 and of 2019 respectively.



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