



STONEHENGE **INTER**

ANNUAL REPORT 2018





**“To be No 1,
in project management
and construction management.”**



Contents

Vision Mission	3
Financial Highlights	4
Message from the Chairman of the Board	6
Message from the Chief Executive Officer	8
Organization Chart	10
Board of Directors	12
General Information	28
Business Characteristics	30
Risk Factors	41
Management Structure	47
Corporate Governance	57
Social Responsibility	79
Internal Control and Risk Management	83
Related Party Transactions	85
Analysis and Explanation from the Management	104
Report of the Chairman of the Audit Committee	121
Report of the Board of Directors'	123
Responsibilities for Financial Statements	
Independent Auditor's Report	125
The Financial Statements	130



Vision

Becoming a fully integrated construction management and consulting company and the best architectural and engineering design service provider in Thailand



Mission

The organization's mission is as follows



To provide services with international professional standards by understanding and recognizing the needs of customers which also giving the priority of project's budget control in order to maintain the maximum benefit of customers.



To manage the project by experienced and field expertise personnel in order to ensure the success of the project according to the customer's plan.



To ensure a good corporate governance in terms of fairness, transparency, accountability and competitiveness to guarantee the quality of service in all projects.

Financial Highlights

		Consolidated financial statements For the year ended		
		31 Dec 2016	31 Dec 2017	31 Dec 2018
Operating Results				
Revenue from services	million Bath	472.80	494.56	631.39
Total revenue	million Bath	475.67	498.34	635.10
Service cost	million Bath	308.10	330.67	431.39
Gross Profit	million Bath	164.70	163.89	200.00
Net Profit	million Bath	55.92	57.51	73.03
Net profit attributable to owners	million Bath	58.36	57.39	73.03
Operating Results				
Cash and cash equivalents	million Bath	79.81	45.91	443.90
Total assets	million Bath	252.65	265.17	716.82
Total liabilities	million Bath	105.49	108.26	144.63
Issued and paid-up capital	million Bath	100.00	100.00	134.00
Equity attributable to owners of the Company	million Bath	147.28	156.91	572.19
Total shareholders' Equity	million Bath	147.16	156.91	572.19
Par value per share	Bath	100.00	100.00	0.50

Key Financial Ratios

Key Financial Ratios		Consolidated financial statements For the year ended		
		31 Dec 2016	31 Dec 2017	31 Dec 2018
Current Ratio	Times	3.09	4.65	6.98
Quick ratio	Times	2.43	2.70	5.60
Operating Cash Flow Ratio	Times	1.14	0.21	1.00
Accounts Receivable Turnover	Times	6.57	6.19	6.95
Average Collection Period	Days	54.82	58.20	51.78
Accounts Payable Turnover	Times	35.11	31.60	37.87
Payment Period	Days	10.25	11.39	9.51
Cash Cycle	Days	44.57	46.81	42.27
Profitability ratio				
Gross Profit Margin	%	34.84	33.14	31.68
EBIT Margin	%	14.92	14.32	13.33
Cash Ratio Margin	%	96.04	15.96	84.88
Net Profit Margin	%	11.76	11.54	11.50
Return on Equity	%	43.41	37.82	20.03
Efficiency ratio				
Return on Asset	%	23.93	22.24	14.88
Return on Fixed Asset	%	273.15	341.54	577.48
Total Asset Turnover	%	2.04	1.93	1.29
Financial policy ratio				
Debt to Equity Ratio	Times	0.72	0.69	0.25
Interest Coverage Ratio	Times	35.10	49.83	83.77
Cash Basis	Times	0.81	1.78	1.12
Dividend Payout Ratio	%	160.94	57.38	95.85

Chairman's Message

Dear Shareholders of Stonehenge Inter Public Company Limited



In 2018 it was the year that the Thai economy continued to recover. The Office of National Economic and Social Development Council anticipated the Thai economy in 2018 to expand by 4.2-4.7 per cent; as a result from many factors concerning the export and manufacturing sector expansion in many industries, continued expansion trend of private investment, more support granted by government projects. Government spending and investment that is likely to accelerate as the disbursement, the progress of government investment projects, as well as a clear recovery of private investment including the progress of investment in important infrastructure resulted in the overall real estate market conditions to improve from purchasing power and housing demand that began to recover according to the economic conditions especially projects along the BTS line. However, real estate operators have still faced challenges from intense competition both from the opening of new projects of the former major operators and new entrepreneurs as well as strict credit consideration and an upward interest rate trend that may reduce the ability of consumers and real estate entrepreneurs, which may affect investment in the construction of various projects. The company has prepared a continuous support plan for 2-3 years. Nevertheless, the company will introduce new construction management techniques including

construction methods that will reduce cost, time and manpower and present them to the companies, both existing and new traders, owning the projects to be in line with economic conditions and competition in real estate and large construction businesses.

So in the year 2018, the company implemented strategies to support the needs of real estate operators by focusing on the development of the knowledge and skills of the professional engineering team and architects, developing the potential and expertise of the teams and bringing in the modern technology to help the work of the real estate entrepreneurs regularly. The company also adjusted the strategy of providing consulting services for construction management and control including architectural and engineering design services, interior decoration and the preservation of ancient sites in order to be able to satisfy various types of demands such as mixed-use development, office buildings, shopping centers, educational institutions, multi-purpose buildings, nursing homes, as well as to serve more government sectors.

In 2018, it was also a year of readiness to bring the company into a listed company in the stock market. With the company's objectives, it is to bring the business of Construction Management services and Architectural Design, Engineering Design, Interior Design, historical conservation and to step up to become a leading

international company that creates stability and sustainability. The company first opened the trading on the Stock Exchange of Thailand on 19 December 2018.

Looking forward to the year 2019 it will be a challenging year for the real estate business both in terms of rising interest rate direction, economic and political overview. The company, therefore, focuses on increasing the potential for providing consulting services for construction management and control in order to respond to a variety of demands. Yet, the company must strictly comply with the professional ethics and focus on quality work policy in accordance with the international standards by taking into account the purpose of the work as the mainstay which consists of quality, time and budget.

On behalf of the Chairman of the Board of Directors of Stonehenge Inter Public Company Limited, I would like to thank the customers, business partners, and shareholders who have always trusted and supported the company's operations. The company by the board of directors, executive committee and all employees are ready to continue to develop the business with a dedication to conducting business carefully adhering to good governance principles for long-term returns to all concerned parties in a sustainable manner. In addition, the company has determined that social responsibility is an important goal in business operations. Safety precautions and the impact of environmental problems caused by building and large project construction on people and communities are the vital concern of each project. The company is also determined to support business activities and public interest activities that will benefit society, the environment and all stakeholders.



Mr. Jumpol Sumpaopol
Chairman of the Board



Message from the Chief Executive Officer

Dear Shareholders of Stonehenge Inter Public Company Limited



2018 was a year with significant change of STI in which the Company completed its registration to become a listed company in the Stock Exchange of Thailand and started its security trading on mid of December 2018. For over 3 years, the Company has aimed to enter its business and source funding in the Stock Exchange of Thailand in order to improve its businesses, including construction consultancy and management services and architectural and engineering design, to achieve international standards.

Overall Thai economy in 2018 was a period of continuous expansion. This was same for real estate business situation in which the demand for high-rise residential had positive growth from area within central Bangkok and along railway lines and partly from foreigner's demand in Sukhumvit and Ratchada area. Furthermore, some real estate developers in Bangkok have started developing projects that generated regular income such as apartment projects, mixed use projects, or commercial projects instead of developing only residential projects in order to better utilize benefits from high-priced land (Source: Business Outlook Report of the Bank of Thailand). The previous business results of the Company also archived targeted growth rate continuously every year. Even though the Company's businesses are related to real estate development and construction which involve various government controlling regulations such as city planning law and environmental impact assessment report (EIA), STI's

businesses are still considered to have very low risk and fluctuation. This is because majority of the Company's customers are real estate developers listed in SET in which each of their project has plan and development period of 2-3 years. Consequently, the services offered by STI will take period of 2-3 years as well which affects its revenue recognition and its preparation plan for various situations that may be impacted from the fluctuation of real estate and construction businesses. Over the past period, STI has achieved revenue growth with average gross margin of 34.18% and average net profit of 11.63%.

Furthermore, STI has evaluated situation, prepared, and established approach to offer more variety of services such as condominium project, apartment, hotel, resort, mixed-use project, office building, department store, educational institute, multi-purpose building, and hospital, and expanded into neighboring countries in ASEAN region which have rapid expansion of construction projects. In addition, STI also has individuals with top level of expertise and experience in conservation of ancient sites which generate additional revenue to the Company.

For overall 2018 business results, the Company generated revenue of 635.10 in which the major revenue contribution still come from construction consultancy and management services. Its revenue grew from the same period of last year by 27.67% with net profit of 73.03 million baht, an increase of 27.00%

As our businesses are Construction Management services and Architectural Design, Engineering Design, Interior Design, historical conservation. STI encourages utilization or development of new innovation and technology to improve its service standards into internationally professional standards and focuses on offering services in the form of organization that is independent to individuals. Consequently, all employees must develop their knowledge, skills, and expertise to improve service quality to customers with similar level of standards. Our company focuses on creating satisfaction and confidence of our customer services as the heart of our business. STI sees the importance of development and management of its employees who are the most important resources. As a result, the Company established training centers to improve quality of its employees by providing training to employees of each department regularly all year long via training of management team who possess real working experience ready to offer from generation to generation as well as emphasizing all employees to strictly comply with professional ethics.

The Company gives importance to human resource investment which is an important factor to drive its businesses to achieve its goals continuously and sustainably, including business goals and responsibility of the Company to society, environment, and all stakeholders. In this regard, the Company establishes plan to recruit individuals with skills and plan to retain quality employee with the Company, as well as supporting activities for development of work competency of its employees and influence them to have commitment and feeling of co-ownership in the business. In 2018, the Company continuously organized training activities to improve working efficiency and professional skills of its employees and also supported activities that built positive relationship between executives and employees within the organization and community service activities.

Furthermore, the Company plans to invest in improvement of its information technology system and new software development to support work in order to prepare for future growth, offer efficient services, provide

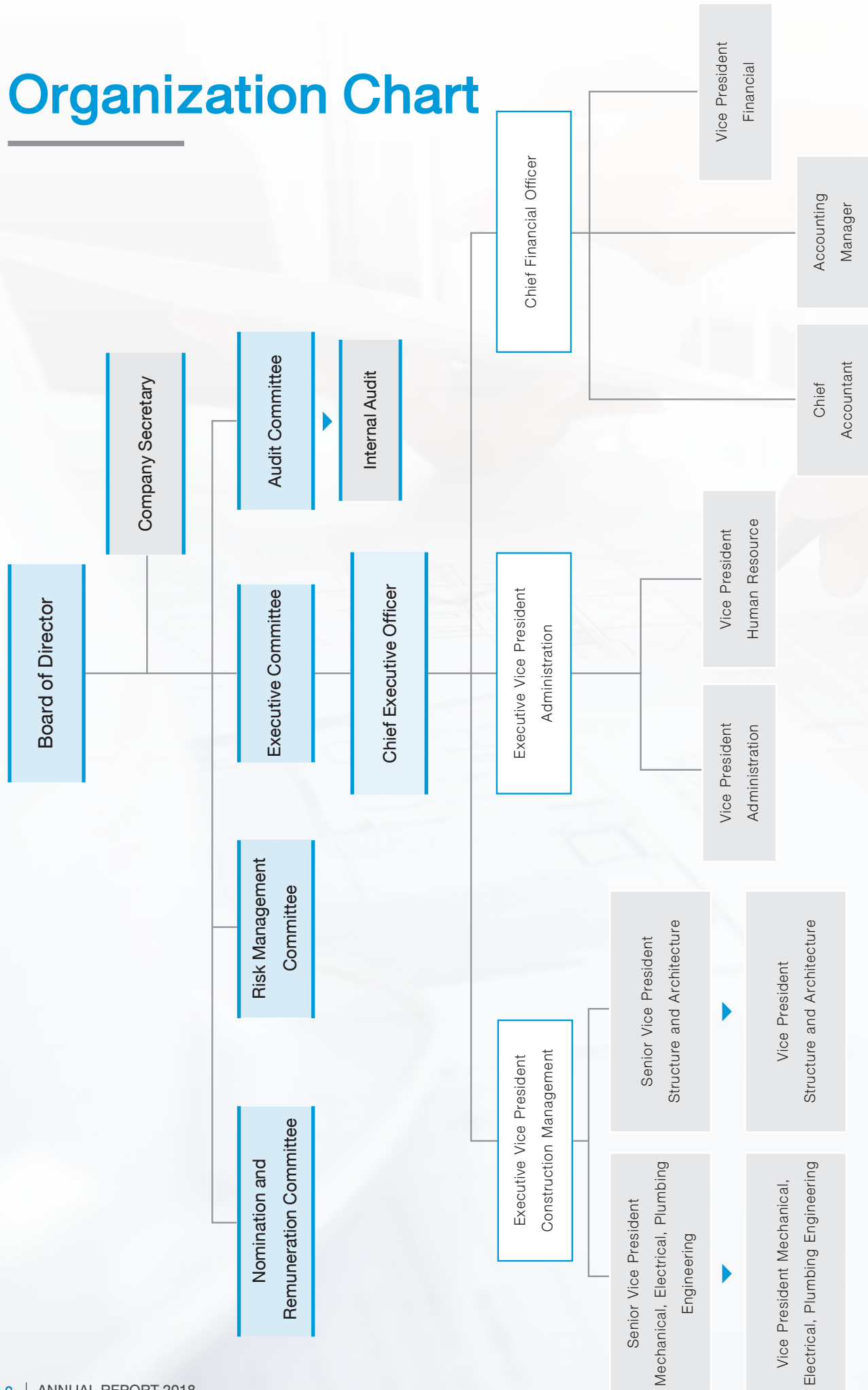
clear key success indicators of service in each project, and create convenience and speed for project inspection and delivery to customer. This can be seen from various projects that the Company provided Construction Management services and architectural and engineering design which had been able to proceed on time and within budget specified by customers. In addition, over the past period, STI has utilized social media network to build its brand to become well known within public. STI brand is now more widely recognized which represents the continuous increase of its brand reputation to the point that developers who are looking for construction consultant and management service provider will think of STI.

The success of the Company today and in the future will not be possible without positive and continuous support of all related parties, including customers, shareholders, executives, and employees. As the Chief Executive Officer, I would like to give my appreciation to all related individuals for the continuous support that helped the Company to achieve its success over the past period. Lastly, I would like to give my promise that I will dedicate to generate constant revenue growth, improve service quality level to meet international standards, maintain confidence and highest customer satisfaction by improving efficiency of internal management through applying new information technology in each line of work to increase quality, effectiveness, and speed of customer service, as well as develop competency and capability of employees constantly in order to increase their professional skills to be in line with STI standards and global professional standards, and focus on service quality in order to become the best provider Construction Management services and Architectural Design, Engineering Design, Interior Design, historical conservation in the country (BEST).



Mr. Somkiat Silawatanawong
Chief Executive Officer

Organization Chart





Board of Directors

Mr. Jumpol Sumpaopol

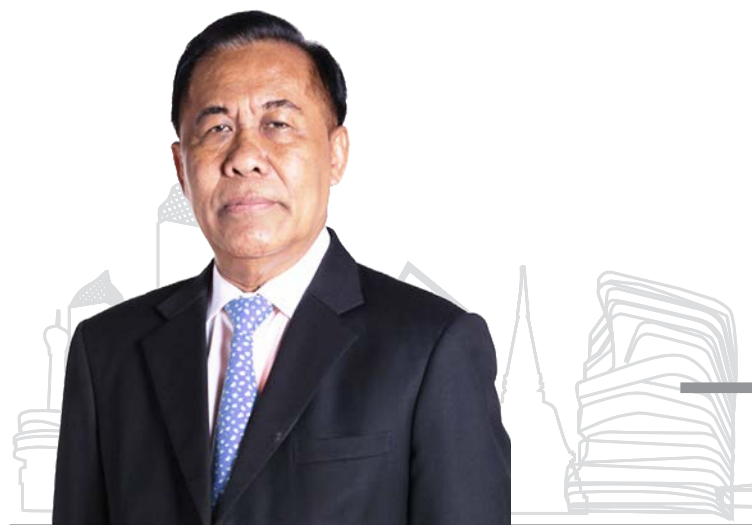
Age : 65 Years

Nationality : Thai

Position : Chairman / Independent Director /
Chairman of Nomination and Remuneration
Committee

First Appointment Date : February 17, 2017

Tenure : 1 years 10 months



Education

- Bachelor of sciences Industrial Education and Technology, Civil Engineering. King Mongkut's University of Technology Thonburi
- Bachelor of Engineering, Civil Engineering. King Mongkut's University of Technology Thonburi
- Certificate of Public and Private Management Program, National Institute of Development Administration

Training in Thai Institute of Directors Association (IOD)

- Directors Certification Program (DCP 136/2012)

% of Shares Held in STI Included Holding by Spouse and Minor Children

- None

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- None

Experience in Other listed Companies

- None

Experience in Non-listed Companies

- 2013 - 2016 Deputy Governor of Bangkok, Bangkok Metropolitan Administration
- 2011 - 2013 Deputy Permanent Secretary for Bangkok, Bangkok Metropolitan Administration
- 2009 - 2011 Director General Public Works Department, Bangkok Metropolitan Administration.

Meeting Attendance in Fiscal Year 2018

The Board of Directors	6/8
The Nomination and Remuneration Committee	2/2



Assistant Professor Dr. Sarayut Nathaphan

Age : 47 Years

Nationality : Thai

Position : Independent Director and Chairman of
The Audit Committee

First Appointment Date : August 17, 2017

Tenure : 1 year 4 months

Education

- Doctor of Philosophy (Finance), Thammasat University
- Master of Science (Finance) University of Denver, USA
- Bachelor of Faculty of Business Administration (Finance), Thammasat University

Training in Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP 184/2014)
- Director Accreditation Program (DAP 92/2011)

Other Training Courses

- Disruptive Innovation (DI 2017), Harvard Business School, USA
- Leadership Succession Program (LSP), Institute of Research and Development for Public Enterprises (IRDP7/2016)
- Strategy & Innovation for Business Asia for Management, College of Management, Mahidol University with MIT (Massachusetts Institute of Technology) SIBA5/2015

% of Shares Held in STI Included Holding by Spouse and Minor Children

- None

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non - Listed Companies

- 2018 - Present Risk Management Sub-Committee Digital Government Development Agency (Public Organization)
- 2016 - Present Director Bmg Advisory and Consultant Co., Ltd.
- 2015 - 2018 Deputy Dean, Academic Affairs and Research and Development Mahidol University International College
- 2014 - Present Risk Management Sub-Committee Electronic Government Agency (Public Organization)

Experience in other listed Companies

- None

Experience in Non-listed Companies

- 2011-2014 Independent Director/ Member of Audit Committee AUSIRIS Future Co., Ltd.
- 2010-2014 Head of Finance Department, Faculty of Commerce and Accountancy Thammasat University

Meeting Attendance in Fiscal Year 2018

The Board of Directors 8/8

The Audit Committee 8/8

Thanes Weerasiri (Ph.D)

Age : 59 Years

Nationality : Thai

Position : Independent Director,
Member of The Audit Committee,
Member of The Nomination and
Remuneration Committee

First Appointment Date : February 27, 2017

Tenure : 1 years 10 months



Education

- Doctor of philosophy (Environmental Engineering),
Khon Kaen University
- Master of Engineering (Geotechnical Engineering),
King Mongkut's University of Technology Thonburi
- Bachelor of Engineering (Civil Engineering),
Khon Kaen University

Training in Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 153/2018

% of Shares Held in STI Included Holding by Spouse and Minor Children

- None

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- None

Experience in Other listed Companies

- None

Position in Non-Listed Companies

- 2017 - 2019 President The Engineering Institute
of Thailand Under H.M.
The King's Patronage
- 2009 - Present Lecturer Thammasat
University
- 2008 - Present Director
Finesse Soil Testing Co., Ltd.

Experience in other listed Companies

- None

Experience in Non-listed Companies

- 2011 - May 31, 2018 Consultant Phetchaburi Medical Co., Ltd.

Meeting Attendance in Fiscal Year 2018

The Board of Directors	4/8
The Audit Committee	3/8
The Nomination and Remuneration Committee	1/2



Miss Chawaluck Sivayathorn

Age : 41 Years

Nationality : Thai

Position : Independent Director and Member of
The Audit Committee

First Appointment Date : February 27, 2017

Tenure : 1 years 10 months

Education

- LL.M. in International Business Law,
University of Manchester, The United Kingdom
- Master of Science in Business Management,
Strathclyde University, The United Kingdom
- Bachelor of Law, Chulalongkorn University

Training in Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP 150/2018)

% of Shares Held in STI Included Holding by Spouse and Minor Children

- None

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- None

Experience in Other listed Companies

- None

Position in Non - Listed Companies

- 2005 - Present Partner
Thanathip & Partners
Legal Counsellors Limited

Experience in other listed Companies

- None

Experience in Non-listed Companies

- None

Meeting Attendance in Fiscal Year 2018

The Board of Directors 7/8

The Audit Committee 8/8

Mr. Pairuch Laoprasert

Age : 55 Years

Nationality : Thai

Position : Director / Executive Director /
Chairman of The Executive Board

First Appointment Date : October 13, 2004

Tenure : 14 years 2 months



Education

- Master of Business Administration, The University of Queensland, Australia
- Bachelor of Faculty of Engineering, Civil Engineering, King Mongkut's University of Technology Thonburi

Training in Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP 134/2017)

% of Shares Held in STI Included Holding by Spouse and Minor Children

- 11.61% (31,115,500 shares)

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- 1992 - Present Director/Chief Executive Officer
Stonehenge Co., Ltd.
- 2012 - 2018 Director
S.A. Auto Co., Ltd.

Experience in other listed Companies

- None

Experience in Non-listed Companies

- 2012 - 2559 Director
CAMC Motor (Thailand) Co., Ltd.
- 2012 - 2559 Director
S.M. Motor Sales Co., Ltd.
- 2012 - 2559 Director
Rich Auto Part Co., Ltd.
- 2012 - 2559 Director
A.K.S.A. Co., Ltd.
- 2012 - 2559 Director
A.K. Gas Co., Ltd.
- 2012 - 2559 Director
Amnuaysup Development Co., Ltd.

Meeting Attendance in Fiscal Year 2018

The Board of Directors 7/8

The Executive Board 12/12



Mr. Somkiat Silawatanawong

Age : 54 Years

Nationality : Thai

Position : Executive Director / Chief Executive Officer
Director of Nomination and
Remuneration Committee

First Appointment Date : October 13, 2004

Tenure : 14 years 2 months

Education

- Master of Business Administration (Finance), National Institute of Development Administration
- Bachelor of Faculty of Law, Thammasat University
- Bachelor of Faculty of Engineering, Civil Engineering, King Mongkut's University of Technology Thonburi

Training in Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP 134/2017)
- Directors Certification Program (DCP 264/2018)

Other Training Courses

- Capital Market Leader Program (CMA 26/2018), Capital Market Academy

% of Shares Held in STI Included Holding by Spouse and Minor Children

- 14.93% (40,000,000 shares)

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- 2012 - Present Executive Director
Stonehenge Co., Ltd.
- 2012 - Present Director
S.A. Auto Co., Ltd.

Experience in other listed Companies

- None

Experience in Non-listed Companies

- 2012-2016 Director
CAMC Motor (Thailand) Co., Ltd.
- 2012-2016 Director
S.M. Motor Sales Co., Ltd.
- 2012-2016 Director
Rich Auto Part Co., Ltd.
- 2012-2016 Director
A.K.S.A. Co., Ltd.
- 2012-2016 Director
A.K. Gas Co., Ltd.
- 2012-2016 Director
Amnuaysup Development Co., Ltd.

Meeting Attendance in Fiscal Year 2018

The Board of Directors	7/8
The Executive Board	11/12
The Nomination and Remuneration Committee	2/2

Mr. Somchit Peumpremsuk

Age : 54 Years

Nationality : Thai

Position : Director / Executive Director /

Chairman of Risk Management Committee

First Appointment Date : October 13, 2004

Tenure : 14 years 2 months



Education

- Bachelor of Faculty of Engineering, Civil Engineering, King Mongkut's University of Technology Thonburi

Training in Thai Institute of Directors Association (IOD)

- Directors Certification Program (DCP 237/2017)

% of Shares Held in STI Included Holding by Spouse and Minor Children

- 11.19% (30,000,000 shares)

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- 2012 - Present Executive Vice President
Stonehenge Co., Ltd.
- 2017 - 2019 Vice President #3
The Engineering Institute of
Thailand
- 2012 - Present Director
S.A. Auto Co., Ltd.

Experience in other listed Companies

- None

Experience in Non-listed Companies

- 2012 - 2559 Director
Camc Motor (Thailand) Co., Ltd.
- 2012 - 2559 Director
S.M. Motor Sales Co., Ltd.
- 2012 - 2559 Director
Rich Auto Part Co.,Ltd.
- 2012 - 2559 Director
A.K.S.A. Co., Ltd.
- 2012 - 2559 Director
A.K. Gas Co., Ltd.
- 2012 - 2559 Director
Amnuaysup Development Co., Ltd.

Meeting Attendance in Fiscal Year 2018

The Board of Directors	8/8
The Executive Board	12/12
The Risk Management Committee	3/3



Mr. Issarin Suwatano

Age : 47 Years

Nationality : Thai

Position : Director/ Executive Director /
Executive Vice President

Member of Risk Management Committee

First Appointment Date : October 13, 2004

Tenure : 14 years 2 months

Education

- Master of Faculty of Business Administration, National University of San Diego, California, USA
- Bachelor of Faculty of Business Administration, Rangsit University

Training in Thai Institute of Directors Association (IOD)

- Directors Certification Program (DCP 237/2017)

% of Shares Held in STI Included Holding by Spouse and Minor Children

- 4.48% (12,000,000 shares)

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- 2012 - Present Executive Director
Godang 19 Co., Ltd.
- 2012 - Present Executive Director
S.A. Auto Co., Ltd.
- 2012 - Present Executive Director
CAMC Motor (Thailand) Co., Ltd.

- 2012 - Present Executive Director
S.M. Motor Sales Co., Ltd.
- 2012 - Present Executive Director
Rich Auto Part Co., Ltd.
- 2012 - Present Executive Director
A.K.S.A. Co., Ltd.
- 2012 - Present Executive Director
A.K. Gas Co., Ltd.
- 2012 - Present Executive Director
Amnuaysup Development Co., Ltd.

Experience in other listed Companies

- None

Experience in Non-listed Companies

- None

Meeting Attendance in Fiscal Year 2018

The Board of Directors	8/8
The Executive Board	12/12
The Risk Management Committee	3/3

Mr. Kittisak Suphakawat

Age : 48 Years

Nationality : Thai

Position : Director / Executive Director /
Executive Vice President /
Member of Risk Management Committee

First Appointment Date : August 11, 2016

Tenure : 2 years 4 months



Education

- Master of Public Administration Program,
National Institute of Development Administration
- Bachelor of Faculty of Engineering, Civil
Engineering, Southeast Asia University

Training in Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP 134/2017)
- Director Certification Program (DCP 263/2018)

% of Shares Held in STI Included Holding by Spouse and Minor Children

2.99% (8,020,000 shares)

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- None

Position in Non-Listed Companies

- 2012 - Present Executive Director
Stonehenge Co., Ltd.

Experience in other listed Companies

- None

Experience in Non-listed Companies

- None

Meeting Attendance in Fiscal Year 2018

The Board of Directors	8/8
The Executive Board	12/12
The Risk Management Committee	3/3



Mr. Worawat Srisa-an

Age : 47 Years

Nationality : Thai

Position : Director / Executive Director /
Member of Nomination and
Remuneration Committee

First Appointment Date : August 11, 2016

Tenure : 2 years 4 months

Education

- Master of Urban Planning, Columbia University, New York, USA
- Bachelor of Architecture, Illinois Institute of Technology, Chicago, USA

Training in Thai Institute of Directors Association (IOD)

- Financial Statement for Directors (FSD 28/2015)
- Successful Formulation and Executive of Strategy (SFE 20/2014)
- Directors Certification Program (DCP 178/2013)

Other Training Courses

- Capital Market Leader Program (CMA 17/2013), Capital Market Academy

% of Shares Held in STI Included Holding by Spouse and Minor Children

- None

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed Companies

- 2013 - Present Director / President / Member of the Board of Executive Directors, Member of Corporate

Governance Committee,
Chairman of Risk
Management Committee
Univentures Public Co., Ltd.

Position in Non-Listed Companies

- Dec 2018 - Present Director
Collective Co., Ltd.
- Nov 2017 - Present Director
AheadAll Co., Ltd.
- July 2017 - Present Director
LRK Development Co., Ltd.
- Jan 2017 - Present Director
Connexion Co., Ltd.
- 2016 - Present Director
Univentures Capital Co., Ltd.
- 2003 - Present Director
Lertrattakarn Co., Ltd.
- 2003 - Present Director
ESCO Venture Co., Ltd
- 2003 - Present Director and Chairman of the Board of Executive Director
GRAND UNITY Development Co., Ltd.
- 2003 - Present Director
Grand U Living Co., Ltd.
- 2003 - Present Director
Univentures Consulting Co., Ltd.
- 2003 - Present Director
Univentures Asset Management Co., Ltd.

- 2003 - Present Director
Forward System Co., Ltd.
- 2003 - Present Director
Thai-Lysaght Co., Ltd.

Meeting Attendance in Fiscal Year 2018

The Board of Directors	8/8
The Executive Board	12/12
The Nomination and Remuneration Committee	2/2

Experience in other listed Companies

- None

Experience in Non-listed Companies

- 2012 - 2018 Director
Thanthavaorn (2012) Co., Ltd.
- 2013 - 2018 Director
Panachai Panichayakarn Co., Ltd.
- 2013 - 2018 Director
Yodying Intertrade Co., Ltd.
- 2013 - 2016 Director
Excellent Energy International Co., Ltd.



Mr. Bundit Muangsornkeaw

Age : 49 Years

Nationality : Thai

Position : Director/ Executive Director

First Appointment Date : August 11, 2016

Tenure : 2 years 4 months

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Business Administration (Accounting & Finance), University of the Thai Chamber of Commerce

Training in Thai Institute of Directors Association (IOD)

- Risk Management Program for Corporate Leaders (RCL 13/2018)
- Directors Certification Program (DCP 252/2018)

Other Training Courses

- CFO Getting Together 2018, organized by the SET
- Strategic CFO 2nd, organized by the SET
- Chief Financial Officer Certification Program Federation of Accounting Professions (FAP)
- Orientation Course, CFO 3rd Edition Federation of Accounting Professions (FAP)

% of Shares Held in STI Included Holding by Spouse and Minor Children

- None

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in Other Listed Companies

- 2015 - Present Executive Vice President
Financial Budgeting
and Accounting
Univentures Public Co., Ltd.

Position in Non-Listed Companies

- Dec 2018 - Present Director
Collective Co., Ltd.
- Nov 2017 - Present Director
AheadAll Co., Ltd.
- July 2017 - Present Director
LRK Development Co., Ltd.
- Jan 2017 - Present Director
Connexion Co., Ltd.
- Jan 2017 - Present Director
Sense Property Management Co., Ltd.
- 2016 - Present Director
Univentures Capital Co., Ltd.
- 2016 - Present Director
Lertrattakarn Co., Ltd.
- 2016 - Present Director
ESCO Venture Co., Ltd
- 2016 - Present Director and Chairman of the
Board of Executive Director
GRAND UNITY Development Co., Ltd.

- 2016 - Present Director
Grand U Living Co., Ltd.
- 2016 - Present Director
Univentures Consulting Co., Ltd.
- 2016 - Present Director
Univentures Asset
Management Co., Ltd.
- 2016 - Present Director Forward
System Co., Ltd.
- 2016 - Present Director
Thai-Lysaght Co., Ltd.
- 2016 - Present Director
Thai-Zinc Oxide Co., Ltd

Experience in other listed Companies

- July 2003 - Dec 2014 Accounting and Finance
Department Manager
Bumrungrad Hospital Public Co., Ltd.

Experience in Non-listed Companies

- None

Meeting Attendance in Fiscal Year 2018

The Board of Directors	7/8
The Executive Board	12/12



Mr. Khumpol Poonsonee

Age : 47 Years

Nationality : Thai

Position : Director / Executive Committee

First Appointment Date : August 11, 2016

Tenure : 2 years 4 months

Education

- MBA, University of Newcastle upon Tyne, The United Kingdom
- Bachelor of Science (Agricultural Economics), Kasetsart University

Training in Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP 55/2015)
- Risk Management Committee Program (RMP 4/2014)
- Directors Accreditation Program (DAP 87/2011)
- Directors Certification Program (DCP 185/2014)

Other Training Courses

- Capital Market Academy (CMA 24/2017)

% of Shares Held in STI Included Holding by Spouse and Minor Children

- None

Family Relations among Executives

- None

Legal Record in the Past 10 Years

- None

Working Experience during the Past 5 Years

Position in other listed companies

- 2017 - Present Director / Executive Committee
Amarin Printing and Publishing Plc.
- 2015 - Present Executive Vice President -
Investment and Business

Development

Univentures Plc.

- 2013 - Present Executive Committee
Golden Land Property Development Plc.

Position in Non-Listed Companies

- 2018 - Present Director
A-Time Media Co., Ltd.
- 2018 - Present Director
GMM TV Co., Ltd.
- 2018 - Present Director
GMM Studios International Co., Ltd.
- 2018 - Present Executive Committee
GMM Channel Holding Co., Ltd.
- 2018 - Present Executive Committee
T Space Digital Co., Ltd.
- 2018 - Present Director
Pay Solution Co., Ltd.
- 2018 - Present Executive Committee
Tarad Dot Com Group Co., Ltd.
- 2018 - Present Director /
Vice Chairman of Executive
Committee
Amarin Book Center Co., Ltd.
- 2018 - Present Vice Chairman of the Board of
Director /Vice Chairman of
Executive Committee
Amarin Television Co., Ltd.
- 2018 - Present Director
Change 2561 Co., Ltd.

- 2018 - Present Director
NY Property Development Co., Ltd.
- 2018 - Present Director
GMM Media Plc.
- 2017 - Present Director
Amarin Television Co., Ltd.
- 2017 - Present Director
Univentures Capital Co., Ltd.
- 2017 - Present Director
Ahead All Co., Ltd.
- 2017 - Present Director /
Executive Committee
Amarin Omniverse Co., Ltd.
- 2017 - Present Director
Bhakdivattana Co., Ltd.
- 2017 - Present Director
Siridamrongdham Co., Ltd.
- 2017 - Present Director
LRK Development Co., Ltd.
- 2016 - Present Director
Vadhanabhakdi Co., Ltd.
- 2016 - Present Director
Univentures Consulting Co., Ltd.
- 2016 - Present Director
Lertrattakarn Co., Ltd.
- 2013 - Present Director
Golden Land Residence Co., Ltd.
- 2013 - Present Director
Golden Habitation Co., Ltd.
- 2013 - Present Director
Golden Land (Mayfair) Co., Ltd.
- 2013 - Present Director
Golden Land Polo Ltd.
- 2013 - Present Director
Golden Property Services Co., Ltd.
- 2013 - Present Director
Grand Mayfair Co., Ltd.
- 2013 - Present Director
Grand Paradise Property Co., Ltd.
- 2013 - Present Director
MSGSL Property Co., Ltd.

- 2013 - Present Director
Narayana Pavilion Co., Ltd.
- 2013 - Present Director
North Sathorn Realty Co., Ltd.
- 2013 - Present Director
Ritz Village Co., Ltd.
- 2013 - Present Director
Sathorn Supsin Co., Ltd.
- 2013 - Present Director
Sathorn Thong Co., Ltd.
- 2013 - Present Director
United Homes Co., Ltd.
- 2013 - Present Director
Walker Homes Co., Ltd.
- 2002 - Present Director
Cathay Asset Management Co., Ltd.

Experience in other listed Companies

- 2013 - Nov. 2015 Risk Management Committee /
Company Secretary / Secretary
of Executive Committee /
Secretary of Risk Management
Committee / Executive Vice
President - Business Development
Golden Land Property Development Plc.
- 2008 - 2012 Senior Vice President -
Business Development
Univentures Plc.

Experience in Non-listed Companies

- 2013 - Feb 25, 2019 Director
Bann Chang Estate Co., Ltd.
- July 2018 - Jan.2019 Director
Tarad Dot Com Group Co., Ltd.
- Apr. 2018 - Dec.2018 Director
Siribhakdidham Co., Ltd.
- Feb 2018 - Aug 2018 Director
T Space Digital Co., Ltd.
- 2013 - 2018 Director
SeaQuest Explorer Co., Ltd.
- 2014 - 2015 Director
North Sathorn Hotel Co., Ltd.

- 2007 - 2013 Director / Managing Director
Univentures Consulting Co., Ltd.
- 2002 - 2013 Investment Committee
Kinnaree Property Fund

Meeting Attendance in Fiscal Year 2018

The Board of Directors	8/8
The Executive Board	11/12



General Information

Company Name	Stonehenge Inter Public Company Limited
Stock Quote	STI
Type of Business	(1) Construction Management (2) Architectural and Engineering design, Interior design and Historical Conservation
Become Public Company	May 7, 2018
Company Registration	0107561000153
Registered Capital	134,000,000 Baht
Paid-up Capital	134,000,000 Baht
Registered Shares	268,000,000 ordinary shares
Par Value	Baht 0.50 per share

Address and Location of STI and Subsidiaries

Stonehenge Inter Public Company Limited

163 Soi Chokchai Ruamitr (Ratchada 19), Din Daeng Subdistrict, Din Daeng District, Bangkok 10400

Tel : 66 2690 7462

Fax : 66 2690 7463

Website : www.sti.co.th

Stonehenge Co., Ltd

163 Soi Chokchai Ruamitr (Ratchada 19), Din Daeng Subdistrict, Din Daeng District, Bangkok 10400

Tel : 66 2690 7460

Fax : 66 2690 7461

Website : www.stonehenge.co.th



Other Reference Persons

Registrar

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building,
93 Ratchadaphisek Road, Din Daeng, Din Daeng,
Bangkok 10400

Tel : 66 2009 9381

Fax : 66 2009 9001 ext 9381

Auditor

Miss Vilaivan Pholprasert License No. 8420

Miss Napaporn Sathitthammaporn License No. 7494

Mrs.Sasithorn Pongadisak License No. 8802

KPMG Phoomchai Audit Limited

48th Floor, Empire Tower, 195 South Sathorn Road,
Yannawa, Sathorn, Bangkok 10120

Tel : 66 2677 2000

Fax : 66 2677 2222

Finance Advisor

Jay Capital Advisory Limited

11th Floor, Ocean Tower 1, 170/30 Sukhumvit 16,
New Ratchadapisek Road, Klongtoey, Bangkok 10110

Tel : 66 2661 8803-5

Fax : 66 2661 8813

Legal Advisor

Thep Law Office

11th Floor, EXIM Building, 1193 Phaholyothin Road,
Phayathai, Phayathai, Bangkok 10400

Tel : 66 2278 1679-84

Fax : 66 2271 2367

Internal Audit Manager

DIA Audit Co., Ltd.

958 Soi Onnut, Saunlaung, Saunlaung, Bangkok 10250

Tel : 66 2332 9806-9

Fax : 66 2311 5567

Business Characteristics

Company History

Stonehenge Inter Public Company Limited (The Company or STI) was founded by shareholders and executives who are experienced engineers with best expertise in the engineering industry with the objective of providing construction Project Management and construction management, inspection and certification for handover the completion of project to customers. In addition, the services of the Company also include architectural and engineering design, interior design, and historic preservation operated by Stonehenge Company Limited (STH), a subsidiary of the Company. The Company is committed to providing services to customers efficiently with quality of work that meets international professional standards under conditions of time frame and budget of the construction project according to the customer's plan in order to create the highest satisfaction of customer which employs services of the Company.



Key Changes and Developments

1992 : Stonehenge Company Limited (STH) was founded with registered capital of THB 1.00 million to provide services of architectural and engineering design, interior design, historic preservation, as well as construction management.

2004 : Stonehenge Inter Public Company Limited (STI or the Company) was founded with registered capital of THB 1.00 million to provide construction management services.

2016 : STI Group reorganized its organizational structure in order to increase management efficiency and prepare itself for registration into the Stock Exchange of Thailand. STI invested in ordinary shares of STH by 100% and increased registered capital from THB 5.00 million to THB 100.00 million. In addition, there was a merge of companies that operated engineering

consultancy services and/or companies that operated related or supporting businesses to become business units under STI Group.

2016 : August

- Univenture Capital Company Limited ("UVCAP"), a subsidiary of Univenture Public Company Limited ("UV") acquired 350,000 shares or 35.00% of issued and paid-up shares of STI.

2017 : The Company received certification of ISO 9001 : 2015 quality standards related to Consultant and Pre-Construction Management from TÜV NORD Institution which is an institution that issues certification of system quality standards for both domestic and international related to quality, safety, health, environment, and social responsibility.

2018 : April

- The Company's shareholders had a resolution to change the Company's par value from THB 100.00 per share to THB 0.50 per share which resulted in the change of number of STI shares from 1,000,000 shares to 200,000,000 shares. There was a resolution to increase registered capital from THB 100.00 million to THB 134.00 million by issuing new ordinary shares for capital increase of 68,000,000 shares at par value of THB 0.50 per share. In addition, there was a resolution to transform the Company into a public company by initial public offering in which the Company proceeded with registration with the Ministry of Commerce to transform into a public company, changed the par value of its share, and issued new ordinary shares for capital increase on May 7, 2018.

2018 : July

- The Company filed the application for an offer for sale of shares and draft prospectus to the Office of the Securities and Exchange Commission (SEC) on July 19, 2018.

2018 : December

- The application for an offer for sale of shares and draft prospectus was effective on December 4, 2018.
- The Company had its initial public offering (IPO) for its ordinary shares of 68 million shares with par value of THB 0.50 per share and selling price of THB 6.30 per share. KTB Securities (Thailand) Public Company Limited was responsible as the underwriter of the Company's newly issued ordinary shares on December 6-7 and 11, 2018.
- The Company organized 1st Trading Day event at the Stock Exchange of Thailand Building and entered to trade securities on SET on December 19, 2018.

Shareholding Structure

STI Group currently comprises of the Company and a subsidiary with details as follows:

Company Name	Shareholding%	Business Characteristics
Stonehenge Inter Public Company Limited Registered Capital of THB 134.00 million	-	Construction Management services
Stonehenge Company Limited Registered Capital of THB 5.00 million 99.99%	99.99%	• Architectural Design, Engineering Design, Interior Design, historical conservation services • Construction Management services

Shareholding Structure of STI Group



Products and Services Characteristics

Main businesses of STI Group can be separated into 2 types as follows:

(1) Consulting and Project Management

STI Group provides full services of consulting and project management which include construction preparation, management, and inspection to complete the project under prescribed conditions of time frame and project budget. STI Group is considered as a major operator in the business. The work of STI Group over the past period were medium and large construction projects that are generally known such as

- **Condominium projects, including**

- (1) PARK 24
- (2) De LAPIS Charan 81
- (3) Jin Wellbeing County
- (4) KnightsBridge Prime Sathorn
- (5) The Address Condominium Project
- (6) The Room Condominium Project
- (7) The Tree Condominium
- (8) Life Condominium
- (9) The Capital Condominium
- (10) Baan Klang Mueng Project
- (11) Swan Lake Khao Yai Condominium

- **Department store projects, including**

- (1) The Emquartier Department Store
- (2) Terminal 21 (Korat) Department Store
- (3) Empire Tower Renovation Project
- (4) Bluport Resort Mall Huahin
- (5) The Walk Ratchapruek and Kaset Nawamin

- **Hotels and resorts, including**

- (1) Holiday Inn Huahin
- (2) Marrior Hotel Huahin
- (3) Jazzotel Bangkok
- (4) Indigo Hotel Bangkok
- (5) Grande Centre Point Thonglor
- (6) Banyan Tree Krabi
- (7) Baan Lamsai Beach Resort
- (8) Baan Thai Resort
- (9) Intercontinental Phuket
- (10) Holiday Inn Phuket

- **Educational buildings, including**

- (1) Vidyasirimedhi Institute of Science and Technology (VISTEC) Rayong
- (2) Observatory within VISTEC and Reforestation Institute
- (3) Kamnoetvidya Science Academy Rayong



- (4) Crown Prince Maha Vajiralongkorn 48 Convention hall at Mahachulalongkornrajavidyalaya University

- **Office buildings, including**

- (1) Vanissa Building
- (2) Bhira Tower Bangkok
- (3) TIPCO Tower 2
- (4) UOB New Head Office Bangkok
- (5) Pearl Bangkok

- **Mixed-use Development projects, including**

- (1) One Bangkok
- (2) The Park

(2) Architectural, Engineering, Interior design, and Historic Conservation services These businesses are operated by STH which is a subsidiary of the Company. STH provides design services on architecture, interior, historical conservation, structural and civil design, and building engineering system such as electrical and communication system, information technology system, sanitary system, fire protection system, air conditioning and ventilation systems, etc. Furthermore, STH also has expertise and experience in historical conservation and provides full services including survey, design, and management of construction. STH is considered one of the well known operators in the business. For work on architectural, engineering, interior design, and historic conservation of STH in the past period, there were medium and large construction projects that were well known in architectural and engineering industry such as

- **Architectural design, including**

- (1) Thana Astrorial Charan Sanit Wong
- (2) Silom Center Department Store and Office
- (3) Dharma practice building, Wat Thep Sirin Tharawat
- (4) Centennial Building, Somdej Phra Yanasawon, Patriarch of the Kingdom of Thailand, Bowon Niwet Ratchaworawihan Temple
- (5) 150-year-old building, Wat Makut Kasattriyaram Ratchaworawihan
- (6) TOA Coating Offices and Factories in Myanmar and Cambodia

- **Engineering design, including**

- (1) Condominium The Niche Taksin
- (2) Condominium The Address Asoke
- (3) Condominium RHYTHM Sathorn
- (4) IBIS Hotel
- (5) Condominium Life Asoke
- (6) Condominium Noble B19
- (7) Parking Building of Cosmo Bazaar Department Store
- (8) Rosewood Luang Prabang Hotel

- **Historical conservation, including**

- (1) Wang Burapha Subway Station (Blue Line)
- (2) Krom Phra Naresorwarit Palace (Maliwan Palace)
- (3) Chalermprakiat Building, Ratchapradit Sathit Mahasima Temple
- (4) Pagoda of Bowon Niwet Ratchaworawihan Temple
- (5) Phu Khao Thong Pagoda, Ayutthaya
- (6) Don Chedi Monument
- (7) Manutsayanak Building, Bowon Niwet Ratchaworawihan Temple
- (8) Library Building of Mahamakut Buddhist University
- (9) Slope stability increase of the soil at Wat Phrathat Doi Suthep
- (10) Rajaphatikaram Temple
- (11) Wat Phitchaya Yatikaram
- (12) Saladaeng Radio Station and Antenna



Revenue Structure

Revenue structure from providing services of STI Group during 2016 – 2018 are as follows:

Structure of service revenue by business unit of STI Group
For the year ending December 31, 2016 – 2018

Revenue	Operated by	Consolidated financial statements for the year ending					
		Dec 31, 2016		Dec 31, 2017		Dec 31, 2018	
		THB million	%	THB million	%	THB million	%
Revenue from construction consultancy and management business	STI/STH	386.73	81.80	400.84	81.05	551.02	87.27
Revenue from architectural and engineering design business	STH	86.07	18.20	93.72	18.95	80.37	12.73
Total revenue from services		472.80	100.00	494.56	100.00	631.39	100.00

Competition Policy and Strategy

Business policy and competition strategy of STI Group are as follows:

(1) Service standards and quality control to provide highest satisfaction to employer

STI Group has policy to control service standards and quality to ensure that the services are in line with agreement under main consideration for the highest benefits to employer. For construction management services, STI Group will assign at least one project director to take responsibility of the project together with staff who have related expertise on the task in order to manage and control project construction to complete according to the employer's goal in terms of time, cost, and quality.

(2) Experience and expertise of the group of engineering executives

The executives of STI Group are engineers with expertise and experience of this business for over 30 years. They took part in many successful and well known mega construction projects such as the Emquartier Department Store, UBC 3 Building, Pearl Bangkok Office Building, Terminal 21 (Korat), etc. They have ability to manage, suggest, control, and inspect work efficiency of project manager and overall service quality in order to ensure that each project is completed according to agreement with employer and ensure that the services have quality in line with academic concept and standards of STI Group.

(3) Readiness and capability of employees

The current engineers and employees in each business unit of STI Group are individuals with knowledge and experience in construction management business and architectural and engineering design business who have received excessive internal training of STI Group. In addition STI Group gives importance to selecting individuals with suitable qualifications for each project and will assign individuals for each project to be sufficient for the project size in order for its employees to perform

their work with efficiency and drive the construction or design project to success in every aspects to create satisfaction for employer.

(4) Continuous efficiency development of management system, technology, and employee quality

STI Group gives importance to the continuous development of management system, technology, and employee quality to improve efficiency and quality of services and increase opportunity for STI Group to be obtain project from targeted employer group. This is an important approach to maintain competitive capability of STI Group as one of the business leaders. Furthermore, STI Group organizes training courses for employees and develops its computer software to support construction management business which is the main business. It organizes internal training to new employees prior to the start of their work, as well as providing training during actual operations. Individuals with expertise and experience in each department will provide their knowledge and skills to other individuals which results in increase of working skills and knowledge for employees of STI Group.

(5) Setting competitive prices and selecting appropriate project and employer

STI Group has policy to set their service prices to cover all estimated costs and expenses in which such prices must provide appropriate level of profit rate according to the type of work and can be competitive with prices of other operators in the business. STI Group also gives importance to selection of construction project for price proposal or bidding. It will consider reputation, credibility, and financial status of employer, as well as readiness of its employees to accept such project in order to mitigate risks of possible problems in the case that STI Group cannot realize revenue or deliver completed tasks according to plan.

(6) Well known reputation and portfolio

Over the past period, STI Group was responsible for the construction management of successful and quality mega construction projects well known to general public in various types, and provided

architectural or engineering design services to major real estate projects, school buildings, and multi-purpose buildings of Rajabhat University in various regions, as well as STH work on historical conservation of important historic sites that have been recognized by the service providers of architecture and engineering, such as Saranrom Palace and Don Chedi Monument at Suphanburi Province, National Museum of Ban Chiang at Udon Thani Province, Krom Phra Naresorwarit Palace (Maliwan Palace), Wang Burapha Subway Station (Blue Line), etc. Consequently, STI Group's portfolio is well known and generally accepted. On June 18, 2009, STH also received 2008 Royal Award for Outstanding Art and Architecture Conservation (Corporate) from Her Royal Highness Princess Maha Chakri Sirindhorn.

Targeted Employer

Employers of STI Group can be separated into two main groups as follows:

1. Private Employer

Private employer includes real estate developers of various types, including low-rise and high-rise residential building, office building, hotel, department store, exhibition center, factory and service center, which are project owners that employ STI Group for the project. Private employer also includes construction contractor that employs external companies with specific expertise to be responsible for part of the large construction project that it receives right from project owner to take responsibility of all project design and construction. Most of these private employers are well known companies with good financial status. They will select contractor



via 2 methods: (1) Price bidding in which they will select contractor that offers prices and/or conditions that are the most appropriate and beneficial to the employer, as well as considering qualifications, experience, expertise, and readiness of the contractor, and (2) Select STI Group specifically in which such employment usually involves employers with good relationship and continuous employment of STI Group. STI Group had revenue proportion from providing services to private employers in 2017 and 2018 of 85.78% and 82.57 of total revenue services, respectively, excluding other revenue apart from normal service fees in each period.

2. Public Employer

Public employer includes government agency and state enterprise in which most of the services that public employer employs STI Group to provide are architectural design and historical conservation which STH has expertise and experience. Public employer will select contractor mostly through price bidding by selecting contractor with the best qualifications and offered prices. In addition, in 2017 and 2018, STI Group had revenue proportion from public employer of 9.45% and 14.79 of total revenue services, respectively, excluding other revenue apart from normal service fees in each period. The proportion of revenue from public employer in 2018 increased in comparison to 2017 due to the employment to be engineering consultant for various government projects in 2018 such as construction project of multi-purpose buildings and infrastructure construction, etc.



Structure of service revenue by employer group for the year 2017 and 2018

Revenue proportion* by employer group (%)	2018	2019
Private employer	85.78	82.57
Public employer	9.45	14.79
Religious institution	2.37	1.32
Other employer **	2.39	1.32

Remark * Excluding other revenue apart from normal service fees

** Other employer includes association and individual

Channels for Services and Provision

Executives of STI Group, including Chief Executive Officer, Executive Vice President, Senior Vice President, Vice President System Engineering Division, and Structure and Architecture Division, are responsible for following information, movement, and/or new project investment plans of employers, both private and public, which disclose information via media or communication channels. This is for preparation in the case that STI Group wishes to participate in price bidding and/or price offering for such projects. In addition, they will regularly contact existing employers of both private and public in order to maintain good relationship which helps increase opportunity for STI Group to receive projects from new employers via reference of existing employers apart from opportunity to continuously receive projects from existing employers. Nevertheless, STI Group may sometimes receive contact directly from employers, including existing employers and new employers who receive suggestion from the existing employers, who believe in quality of services from the previous construction projects that STI Group designed and/or managed.

In addition, over the past period, as the executives participated as lecturers for training of construction management skills and architectural and engineering design to educational institutions, government agencies, private companies, and other companies related to engineering industry, this was an approach that helped support good corporate image

and advertised reputation and work of STI Group to be well known and memorable, especially to targeted employers of STI Group.

1. Recruitment

As employees are important factor for the quality and success of service, STI Group therefore gives importance to recruiting employees. Each year, STI Group will study its current manpower and plan its future manpower for each department to be sufficient and to possess qualifications suitable for the ongoing projects and new projects that STI Group expects to receive in the near future. In this regard, executives of each department and/or project directors are responsible for evaluating sufficiency of manpower under their supervision to be in line with amount of work and future project plan. When an executive of each department and/or a project director are assigned to take responsibility of a project, a document will be submitted to request manpower which specifies position, number, qualifications, and period of work in order to gain approval from executives with approval authority on such matter. Then, the request for manpower shall be further submitted to Human Resource Department to allocate manpower from current employees of STI Group and/or recruit new employees as regular employees or contract employees.

2. Sub-Contract

There are some projects with service scope requiring specific expertise such as the study and survey of soil and terrain conditions of the location of

construction project, the study of trends in the amount of passengers and airport cargos and the analysis of the future number of passengers during rush hour to use as supporting data for the design of passenger terminals, parking areas, and airport facilities, etc. In the case that STI Group has limitation on employees with expertise or experience specifically for such project, or STI Group has insufficient employees for construction management or architectural design or engineering design during such period, STI Group will employ external individuals with expertise and work characteristics that align with service quality standards of STI Group to join its work temporarily for some projects or for some process of services. In this regard, for the consideration on employment of external individuals to work with STI Group, it will select legal entity or individual with knowledge, expertise, experience, and acceptable quality work of engineering consultancy, who has list on sub-contractor list which the executives of STI Group together consolidated as data base for consideration of employing external individuals to work with STI Group during necessary period. The project manager of project that employs external individuals (who will be employee of STI Group) will manage and monitor the external individuals to ensure they can perform the work assigned by STI Group and complete with quality as agreed. For the consideration of suitability of outsourcing rate, STI Group will compare to current compensation rate of its employees in which the value of such outsourcing shall not exceed budget prescribed by STI Group for such project.

Industrial Situation and Competition

The establishment of free labour movement of skill workers of professional workers in specific fields (including architectural and engineering fields) between ASEAN members under ASEAN Framework Agreement on Service on 2016 has determined ASEAN countries to offer certification of professional labor qualifications in order for skill workers or professional workers in specific fields to request for professional license within ASEAN countries. For architectural and engineering professions, the aforementioned agreement provides opportunity for architects and engineers with

qualifications passing criteria to register as ASEAN Architect and ASEAN Chartered Professional Engineer (ACPE) with agencies prescribed by each country (Thai agencies responsible on such matter are Architect Council of Thailand and Council of Engineers). This has resulted in the increase of market value and business opportunities of STI Group as this provides opportunity for Thai architects and engineers to work in ASEAN countries with more freedom. In addition, as the registration criteria and the request for certification as ASEAN Engineer prescribe foreign ASEAN Engineers to work with local engineers of each country without the ability to undertake their engineering profession by themselves, this may provide opportunity for Thai companies that operate engineering consultancy services to recruit engineers from other ASEAN member countries to join their work and create exchange of knowledge and experience in terms of techniques, technologies, and management methods which will help stimulate professional development among Thai engineering profession, as well as increasing competitive capability for Thai operators that have plan to expand their businesses to take engineering consultancy projects in other ASEAN member countries with expanding trend of real estate business, infrastructure projects, and transportation system, such as Vietnam and Myanmar, etc. For Easter Economic Corridor Project (EEC), STI Group still have low participation with the project because the project is mainly related to infrastructure construction which is not the main project of the Company, despite the Company's competency and readiness for the project, because STI Group's main targeted employers are major real estate developers which mostly have projects in Bangkok area and nearby provinces. However, STI Group has accepted one project from EEC Project of Chon Buri Province. In this regard, the information from the executives of STI Group indicates that the current engineering consultancy companies with service scope (construction management and consultancy, architectural and engineering design) and employer group similar to those of STI Group are as follows:

List of other companies operating similar businesses

Unit : THB

No.	Company	Authorized Capital	Assets	Revenue
1	TEAM Consulting Engineering and Management Public Company Limited	340,000,000	1,033,396,321	1,120,539,234
2	Project Planning Services Public Company Limited	215,999,890	402,211,747	365,479,875
3	Projects Asia Company Limited	10,000,000	155,040,729	186,983,809
4	Arunchaiseri Consulting Engineers Company Limited	30,000,000	419,059,512	159,594,162
5	A Built Management Company Limited	5,000,000	122,394,280	134,736,336
6	A E ASIA Company Limited	5,000,000	60,889,904	133,816,777
7	EEC Engineering Network Company Limited	40,000,000	323,888,036	133,666,164
8	CEL Engineers Company Limited	10,000,000	59,583,875	87,142,171

Source: Information from BOL as at February 9, 2019

However, due to the experience and expertise in the business of over 30 years of the executives, the workforce readiness, the reputation and portfolio on construction management and architectural and engineering services well known for quality over the previous period, as well as the policy of STI Group to commit to competing with service quality under service fees appropriate for scope of work of employer rather than price competition, this results in the main employer group of STI Group to be project owner of major real estate projects with continuous real estate construction that gives importance to quality of construction work that must complete within set time period and budget. The Company also has good relationship with the main employer group, does not cease from developing its service quality to meet standards, regularly keeps up with new construction technologies, continuously improves its employee quality, and applies information technology to increase its work efficiency. These aforementioned factors therefore provide confidence that STI Group has the capability to compete with other companies operating similar businesses in which STI Group has the readiness and capability to develop and adjust its business direction to timely align with competitive situation or changes of surrounding factors.

Furthermore, STI Group also operates as engineering consultant in historical conservation project which has only a few competitors that can manage and provide design in such project as the historical conservation work requires experience, expertise, and specific precision, and some of the work are under responsibility of government agencies such as Fine Arts Department, Faculty of Archeology, Silpakorn University, etc.

Environmental Impact

Because the businesses of STI Group are construction consultancy and management and architectural and engineering design services, they do not directly cause environmental impact.

Future Projects

After the Company's initial public offering and registration in SET, the Company has plan to use capital received from the issuance of new ordinary shares in the amount of THB 428.30 million to increase competitive capability to prepare for expansion of construction industry, real estate industry, and increasing future projects. The Company has goal to increase work efficiency which will lead to better business results of revenue, profits, and investment returns of the Company's shareholders to grow continuously and create sustainable business stability.

In this regard, the investment plan of STI Group depends on various factors, including economic situation, society, politics, and related regulations. The details of future projects can be summarized as follows:

1. Investment in Training Center to provide knowledge and skills for employees in order to increase competency to operate business (processing time of within 2020)

STI Group has investment plan in the amount of THB 40.00 million to prepare for the increase of number of employees and the continuous increase of work amount. This will be for the establishment of knowledge training center on engineering consultancy of various types for its employees and/or representatives of external agencies, students of educational institutions. It will use spaces of nearby buildings to develop such training center which can contain 80-100 people in which the training courses will be together developed by the executives of STI Group who possess experience and expertise in the business and the educational institutions that provide engineering courses such as King Mongkut's University of Technology Thonburi and Engineering Institute of Thailand. The quality service performed with expertise and experience of employees in every department of STI Group will be an important factor that helps support its construction management business, and architectural, engineering and conservation design which will improve level of competency and service quality of STI Group.

2. Investment in computer system equipment, designing program, work management program, and finance-accounting program to prepare for business expansion (processing time of within 2020)

STI Group has plan to use the capital received from this issuance of new ordinary shares in the amount of THB 30.00 million for investment in high quality computers and designing programs in order to prepare for increasing employees and work. The details of programs are as follows:

2.1 Architectural design program

Autocad Architecture, Revit Architecture, 3ds Max

2.2 Structural engineering design program

Autocad Structural, Revit Structure, STAAD.Pro, Autodesk Robot Structural Analysis

For the architecture and engineering programs, it has the objective of developing system for designing architectural and engineering work in which the programs will be used for analysis and design of building structure by creating building simulation or building information modelling in 3D instead of 2D drawing, and reproduce construction material, as well as creating efficient report of assembly results.

2.3 Accounting, finance, and human resource program

The investment in program connecting human resource management program and accounting and finance program is for the increase of efficiency in calculation, preparation of costs, forecast of profit or loss in each project, and monitoring of operational results in real-time.

2.4 Work management program

The investment in construction inspection program is for reporting inspection results to executives and related individuals via efficient automation and data processing in order to increase work capability, especially in the area of work management such as BIM 360 program, etc.

3. Investment in information technology system to increase management efficiency (processing time of within 2021)

STI Group has plan to use the capital received from this issuance of new ordinary shares in the amount of THB 20.00 million to invest in development of information technology system in order to increase work efficiency, including data storage system, data back-up system, and improve internal utility system to support mobile working, and develop application for engineers, consultants, and architects in offsite to work with flexibility, agility, and accuracy.

Risk Factors

1. Business Risks

1.1 Risk from Revenue Fluctuation

Each auction of a project or each unit has different steps, rules, and time frames including some other surrounding factors such as economic conditions, political situations, tourism business conditions, the amount of residual housing in the market, and so on, which could have an impact to investment in each new real estate project. As a result, the Group could not determine the opportunity to win the tender including the period to start the work and the number of construction projects in the industry. The changes might occur from the demands of project owners and surrounding factors as mentioned above. Therefore, in each period, the revenue, operating results, cash flow of the Group might fluctuate depending on the workload on hand, the commission value of the projects, progress or completion of the task to collect the service fees according to the agreed contract and continuity in obtaining new project work.

However, the Group has guidelines for risk management in such matters. When considering accepting additional project work, to diversify risks, the Group had to consider its capacity based on the readiness to take other project work, the amount and schedule of work currently undertaken, availability of personnel, including work type, project size, and the period of new project operation. Besides, there is also a risk diversification by providing service as an engineering consultant in various types of projects, for example, condominium, mixed-use development, office buildings, shopping centers, educational institutions, multipurpose buildings including the projects of historic site preservation that requires specific expertise in providing services.

1.2 Risks from Business Competitors and the Entry of New Entrepreneurs

Consulting engineer business is not a business that has many restrictions on entering the market of new entrepreneurs, nor does a company rely on a large

amount of capital. Besides, during the past years, the development of real estate projects and large-scale construction projects of the government sector continued to expand, which resulted in more new operators. While the current operators have expanded the scope of engineering services to be a more utterly full scale, there was an impact from the result of liberalization of the movement of skilled or professional workers in specific fields between ASEAN Member Countries under the regional agreement framework. From 2016 onwards, these issues resulted in the stated business to face intense competition due to the increase in the number of entrepreneurs in the market and the use of price competition strategies affecting the profit margin and the continuity of revenue from the new work of the Group.

However, the Group has extensive experience, knowledge and expertise of the management in business for more than 30 years, together with the readiness of personnel, the full scale of consulting engineer services; therefore, the work quality of the Group is well-accepted over these past years. Most of the projects the Group had were sizeable real estate projects well-known by the general public. Also with the policy of the Group, it focuses on the competition with the quality of service under the reasonable service fee that is suitable for the scope of the project owner rather than concentrating on price competition. As a result, the major employers that choose to use the services of the Group will be the owners of medium and large-sized real estate projects. They stressed the importance of the quality of construction work that must be completed according to the timeframe and under the stipulated budget. In addition, the Group has built the good relationship with some of the major employers who have been providing and receiving consulting engineer services continuously.

1.3 Risk from Relying on Limited Industries

The major employers of the Group are primary in real estate and construction industries as well as in a

limited circle particularly those real estate development business operators from a small to large scale, who stressed the importance of construction work quality. Hence, if there is a change of employment shifted to another consulting engineer firm, the cancellation of the project contract caused may affect the company. When real estate and construction industries slowed down, it may also affect the revenue of the Group as well.

However, the Group is aware of such risks. To reduce the risk, the Group has determined the risk management guidelines from relying on certain industries by diversifying the group of employers other than consulting services and construction project management into the work of architecture and engineering; so that the Group could render the variety and suitability of its services, such as maintenance work, historical site preservation which is the work that requires experience and expertise. The Group has been trusted by various project owners to act as the construction project manager and/or to design a new project, as well as being introduced to the new group of employers. The Group also expanded its market to serve the general public which has enabled the Group to establish a good reputation until now.

1.4 Risk from Relying on the Group of Employers who are Connected Parties

All employers of the Group are well-known companies with a strong financial position as well as having the potential to continuously invest in new real estate projects at a variety of construction project locations in Bangkok, greater Bangkok and other provinces. These sites were in economic cities and/or major tourist cities. However, the Group provides services to connected parties which are considered as normal business transactions. In 2017 and 2018, the Group's revenues were from services rendered to the related parties totaling 105.40 million Baht and 215.03 million Baht, respectively, which accounted for 21.31 per cent and 34.06 per cent of revenue from the services accordingly.

The Group recognized such risks and determined guidelines for considering the appropriateness of entering into related normal business transactions. The Group proves the fairness of the price and

conditions of the project service contract with the employer as a connected party ("RPT Project"), which requires the management to compare the gross margin expected to be received from the service in the RPT project with the estimated gross margin while considering accepting work for projects that have similar characteristics and complexity of the services provided to the outsiders. In the case of a project that the Group has never provided services before and there are no other projects that can be compared, the management will compare with the minimum gross margin set out in the professional service charge rules of the Group to prove the fairness of the price. In addition, the management must check the conditions of the draft contract for services whether there are no normal trade conditions or not. For example, the conditions that will result the Group to have a risk that will widen the scope of the Group's service larger than initially defined and resulting in more costs than projected before beginning to significantly accept work. The Group will not receive additional service fees from the expanded scope of such additional work, etc. In order to consider the fairness of service conditions in the RPT project as it must have both fair price and conditions, therefore it will be considered as a normal business transaction.

1.5 Risk from Errors in Project Cost Estimates

The Group has its guidelines in recognizing revenue from provided services for each project based on a percentage of completion, which is calculated as the ratio between the actual cost compared to budget cost until the end of the project. By estimating the mentioned cost, there may be deviations from actual service costs, which is caused by many factors that cannot be estimated and not under the control of the Group as follows.

- **Factors that affect the service provision as a consultant for construction management and control.** Project delays result in the need to deploy more personnel or expertise which affect the Group to have additional staff to perform tasks or substituting personnel, who has higher ability and salary cost, to work in



such projects in order to accelerate the work to be completed on schedule. As a result, the actual service cost is higher than estimated.

- Factors affecting service provision as a construction management consultant and control - extension of service time according to the wishes of the employer or from the delay of the construction project.** Even though the Group will receive compensation for the extended scope of work and the length of service, the service in the period of extension may have a lower gross margin compared to the gross margin of the main work contract due to the increase in staff salaries each year. As a result, the gross margin of the entire project is lower than initially estimated.
- Factors that affect the service of architectural design and / or engineering - design modification by the employer.** In some cases, the employer may wish to have a modified design form from the original. Such amendments result in significant changes in the design; therefore, the Group will have the right to claim additional service fees in accordance with the

conditions specified in the agreement. However, it results in the changes in the estimated cost of services until the end of the project.

However, the Group is aware of such risks. By studying the project schemes to estimate costs before starting the project, the Group has a method for calculating the cost carefully as a system and adjusting the budget plan to be in accordance with the estimated cost of the project in progress to reduce the impact of aberration. In addition, the Group has scheduled meetings for all pending projects on a monthly basis, which is a joint meeting between the project administrators, account managers, and those involved so as to closely monitor the budget plan during the operation. Whenever there are events that affect the expected cost in the future, the project administrators and related parties will immediately adjust the cost estimate in order to have the current update of the estimate the cost of every project.

1.6 Risks from Force Majeure that may Affect the Success of the Work

During the service as a consultant to manage and control each construction project, force majeure or

events that cannot be predicted in advance may arise or that are beyond the control of the company such as fire, flood, accident, power outage, theft etc., which may affect the continuity and success of the construction project significantly.

The Group is aware of the risks in such matters. By each project, the Group will assign a project director and a project manager with knowledge and expertise to closely supervise the staff on duties of all departments, schedule a weekly meeting with on-duty project managers as well as conduct a monthly meeting of project progress reports. Also, the training for all employees of related departments is organized in order to train them to be knowledgeable, able to perform work efficiently according to professional procedures and standards, able to act in accordance with the guidelines to deal with the situation in a timely manner whenever there is an event that causes damage to the project. This method could be one way to help control the risks and impacts that may occur at the organization's acceptable level.

1.7 Risk from Project Delays

As the operation of one construction project may hire a separate party responsible for each part of the work, and there are many people involved who will affect the success of the project. If the responsible person or one of the related parties cannot perform various tasks under the scope of their work to be completed according to the quality and duration specified, it would affect the start of the next step, such as the delay delivery of materials and equipment, or the contractor or the installer of the system cannot complete the construction or system installation on time. The delay of the project may cause the Group as the management and control of the project may have to pay the fine to the employer (in the case of conditions agreed in the contract). The Group is also unable to charge the service fee from the employer as expected, which may affect personnel management to perform their work for new projects of the Group,

The Group has established guidelines to reduce risks in such matters by assigning the project director

to regularly inspect construction projects under their own responsibility. The project director could provide useful suggestions and push forward the project to be implemented smoothly and completed according to the time set for each step. While each project manager must closely monitor and coordinate with all relevant parties through weekly internal team meetings of each project, attend meetings with executives to report progress and obstacles of each project. In addition, in the event that the project is delayed due to the main reasons from the employer, the Group will be able to charge service fees for the service during the extended period of time from the employer (specify conditions in the contract).

1.8 Risk from Non-compliance with the Contract, Default of Payment and/or Termination of Contract of Employer

If an employer does not comply with or violate the conditions of the contract, this risk causes the Group to consider possibly requesting to cancel the contract. In the case that an employer wishes to cancel the contract to hire the Group before the deadline due to whatever reasons; so, the risk of failure to comply with the contract of the employer in case of late payment may affect the financial liquidity of the Group. In the case of canceling the contract before the deadline, this risk may affect the operating results and financial position of the Group because it would lose the opportunity to recognize revenue from receiving such projects as planned.

The Group has the policy to consider accepting employers. It determines the criteria for screening the employers through studying of their history and reputation of their business including financial status, operating results, funding sources for project investment to assess the potential and ability of payment for each employer. In the contract with the employers, the Group has to specify conditions for the Group's rights to cancel the contract with the employer immediately in the case that the employer does not comply or violates the important contract conditions including the right to claim damages arising from the termination of the contract resulting from the fault of the employer.

1.9 Risk from Changes in Government Policies Related to the Construction Industry and Architecture

Therefore, the Group may be exposed to the risk of workloads of condominium projects in the future due to changes in government policies related to residences that may occur, such as housing credit supervision policy. Currently the Bank of Thailand (“BOT”) is drafting the policy which is expected to come into effect in 2019 and may result in a reduction in the purchase of housing loans for investment and speculation of households.

The Group has diversified risks by considering selecting projects that are diverse, other than condominium development projects such as office buildings, hotels and shopping centers. The Group has expanded the customer base to the more government sector employers, as a result, the Group has distributed projects that provide services to the infrastructure types and multi-purpose buildings. The above-mentioned projects are the types of projects that will not at all be affected by the change in the policy on supervision of housing loans in the future.

2. Personnel risk

2.1 Risk from Relying on Key Executives

Business operations of the Group in recent years, under the management and job management of, for example, 1. Mr. Somkiat Silawatanawong; 2. Mr. Pairuch Laoprasert, 3. Mr. Somchit Peumpremsuk and 4. Mr. Kittisak Suphakawat, all of whom are engineers with expertise and shareholders and executives who are business people with experience and expertise in management, namely 5. Mr. Issarin Suwatano, who has experience and is trusted in such businesses. The executives have a good rapport with the employers, who own real estate and construction projects. So if there is a change in the management of the Group in the future for whatever reason, the change may affect the business operations of the Group.

At present, the company has an organizational structure that clearly separates the duties and responsibilities of each department in order to decentralize the authority and responsibility for management to the

subordinate management appropriately. The appropriate decentralization of authority to the Executive Committee and the Board of Directors allows the approval of items that will affect the Group to pass the process of consideration, questioning and making decisions by the group of people. Such a process will help reduce dependency on key executives and encourage the entry of such transactions to be as efficient, transparent and beneficial to the company as possible.

2.2 Risk from Shortage of Experienced Personnel with Expertise

In providing consulting engineer services of the Group for real estate project owners or construction companies that expect to achieve the project results in terms of quality, duration and cost as planned, the Group needs to rely on a team consisting of many personnel with knowledge, expertise and experience in performing duties for mutual responsibility and driving the project to be successful. These teams are construction control department, architectural design department, engineering design department, and the central office administrative department. Therefore, if the company has to lose such personnel at present and/or unable to recruit qualified personnel sufficiently for the amount of the workload of the Group in each period,



this shortage will affect the business operation and the competitiveness of the Group.

For the year 2018, the Group has engineers, who served as the project director, project manager, engineers including supervisors and key professional personnel, totaling 523 people, which is sufficient for the current work-in-progress operations of the company. The executives and personnel in important positions are employees who have been working with the company for a long time. In addition, in order to reduce risks and impacts that may occur to the Group due to the loss of engineers, architects and/or professional personnel with knowledge, expertise and experience, the company has given importance to retaining such personnel to continue working the long run. The Group has offered various types of compensation and welfare appropriately and at a level that is competitive with other companies that operate businesses similar to the Group such as overtime, professional fees, bonuses, provident funds, scholarships for children, etc.

2.3 Risk from Errors in the Performance of Personnel of the Company

In providing services as a management and control consultant, if the personnel of the Group gave false advice based on the professional engineering principles, it might damage to the construction work or the staff performed negligent or defective duties until causing significant damage to the success of any project, for example, quality of work, completion of the project, budget, including cases of errors or accident involving construction. If an engineering design work of the Group might have a calculation error, it resulted in the damage to the safety of various persons, loss of life, or causing environmental impacts, pollution to surrounding communities such as air and noise pollution, subsidence of areas or buildings surrounding the construction project, etc., during construction or later from the completed construction project. As a result, the Group might be demanded by the project owner to be jointly responsible or involved in compensation for damages incurred or may be sued by the affected person in order to hold responsibility for the incident both civil and criminal cases. In the case that the Group was sentenced to

be co-responsible to pay damages in large amounts, it may affect the financial status and performance of the Group significantly as well as affecting the image and the credibility of the Group to the public and the group of employers. Therefore, the employers consider these important factors to choose to hire a consultant engineer service company.

However, the company has a policy and guidelines to reduce the chance of errors from its services at the lowest level if possible. By determining the quality of service and safety control within the construction project and surrounding communities, it is important that the personnel of the Group must be aware of and always pay attention to performing duties. In each project, the Group will assign project managers with knowledge, expertise, and experience to supervise the performance of every department's staff closely. The meetings are set up among project managers who are on duty every week and also the meetings for reporting the project progress are arranged monthly. This close supervision helps to prevent the risk of personnel of the Group to make mistakes against the professional engineering principles or planned work. Besides, the Group has prepared a work manual in each section which covers all vital processes and procedures as a guideline for the personnel to strictly follow. The guideline helps control the risk that may arise from errors in the operations of the personnel of the Group and reduce the impact that may occur on individuals or external communities that are caused by the construction of projects. The Group acts as the management and controller of the projects coupled with the training of personnel usually provided to allow all personnel at all levels to gain knowledge and enable them to perform according to the standards set by the Group. However, if there is force majeure from the performance of personnel or the services of the Group causing damage to or loss of property or life of the party, the company has provided professional liability insurance (Professional Indemnity Insurance) for protection of such events that will help reduce the expenses of the Group when there is damage caused by operational failure by any employee of the Group.

Shareholders and Management Structure

1. Securities and Shareholders information

1.1 Registered capital and Paid-up capital

As of December 31 2018, the Company has a registered capital of THB 134 million with a registered paid-up capital of THB 134 million, consisting of THB 268 million existing common shares, with par value of THB 0.50 each.

1.2 Major shareholders

List of the top 10 major shareholders including the number of share and the percentage of total share as of book-closing date December 28 2018.

Shareholders	Number of shares	%
Univentures Capital Co., Ltd.	72,834,800	27.18
Mr. Somkiat Silawatanawong	40,000,000	14.93
Mr. Pairuch Laoprasert	31,115,500	11.61
Mr. Somchit Peumpremsuk	30,000,000	11.19
Mr. Issarin Suwatano	12,000,000	4.48
Mr. Kittisak Suphakawat	8,000,000	2.99
Mr. Rangsan Phatcharakitti	6,100,000	2.28
Mr. Terdsakul Vividworn	4,100,000	1.53
Miss Pianguethai ketpichai	1,200,000	0.45
Mr. Prasit Intakanong	1,000,000	0.37
Other shareholders	61,649,700	23.00
Total	268,000,000	100.00

1.3 Dividend payment policy

The Company and its subsidiaries have the policy to pay dividends to shareholders with criteria and conditions of payment as follows:

- In the absence of unforeseen circumstances, the Company has a policy to pay dividend no less than 50 percent of net profit after corporate income tax and legal reserves. This dividend policy is subjected to change depending on economic conditions, liquidity, investment plans and legal conditions. The Company will consider the necessity and

appropriateness of other factors in the future. The payment of dividends will not have a significant impact on the Company's normal operations. Resolution of Board of Directors on dividend payment must be submitted to the shareholders' meeting for approval. The Board of Directors has the authority to pay an interim dividend if it deems appropriate and will not affect the business operations. The Board of Directors is required to report the dividend payments to the shareholders at its next shareholders' meeting.

- The subsidiary company has a policy to pay dividends each year at a rate of not less than 50 percent of the net income after tax and after deduction of all reserves as required by law. Dividend payment will depend on appropriateness, investment plan, liquidity and financial condition of the subsidiary.

2. Management structure

The management structures of the Company consist of Board of Directors and 4 sub-committees; Audit Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee. As of December 31 2018, the Company has a list of Board of Directors and various sub-committees as follows:

Board of Directors

As of December 31 2018, Board of Directors consists of 12 members as follows:

	Name - Last name	Position
1	Mr. Jumpol Sumpaopol	Chairman of the Board of Director / Independent Director
2	Mr. Pairuch Laoprasert	Vice Chairman of the Board of Directors /Chairman of the Executive Committee
3	Mr. Somkiat Silawatanawong	Vice Chairman of the Board of Directors /Chief Executive Officer
4	Mr. Somchit Peumpremsuk	Executive Director
5	Mr. Issarin Suwatano	Executive Director
6	Mr. Kittisak Suphakawat	Executive Director
7	Mr. Worawat Srisa-an	Executive Director
8	Mr. Bundit Muangsornkeaw	Executive Director
9	Mr. Khumpol Poonsonee	Executive Director
10	Asst. Prof. Dr. Sarayut Nathaphan	Independent Director/Chairman of the Audit Committee
11	Asst. Prof. Dr. Thanes Weerasiri	Independent Director/Chairman of the Audit Committee
12	Miss Chawaluck Sivayathorn	Independent Director/Chairman of the Audit Committee

Mrs. Nongnuch Phumhol served as secretary of Board of Directors and Company secretary.

Authorized Directors of the Company

Authorized Directors consist of Mr. Somkiat Silawatanawong or Mr. Somchit Peumpremsuk or Mr. Pairuch Laoprasert jointly sign with Mr. Worawat Srisa-an or Mr. Bundit Muangsornkeaw or Mr. Khumpol Poonsonee with the Company's seal affixed.

Audit Committee

As of December 31 2018, Audit Committee consists of 3 members as follows:

	Name - Last name	Position
1	Asst. Prof. Dr. Sarayut Nathaphan	Chairman of the Audit Committee
2	Asst. Prof. Dr. Thanes Weerasiri	Audit Committee member
3	Miss Chawaluck Sivayathorn	Audit Committee member

Mrs. Nongnuch Phumhol served as secretary of Audit Committee.

Asst. Prof. Dr. Sarayut Nathaphan holds a position in the Audit Committee, who has knowledge and experience in accounting, will be responsible for reviewing the reliability and accuracy of financial statements.

Executive Committee

As of December 31 2018, Executive Committee consists of 8 members as follows:

	Name - Last name	Position
1	Mr. Pairuch Laoprasert	Chairman of the Executive Committee
2	Mr. Somkiat Silawatanawong	Chief Executive Officer
3	Mr. Somchit Peumpresuk	Executive Director
4	Mr. Issarin Suwatano	Executive Director
5	Mr. Kittisak Suphakawat	Executive Director
6	Mr. Worawat Srisa-an	Executive Director
7	Mr. Bundit Muangsornkeaw	Executive Director
8	Mr. Khumpol Poonsonee	Executive Director

Mrs. Nongnuch Phumhol served as secretary of Executive Committee.

Nomination and Remuneration Committee

As of December 31 2018, Nomination and Remuneration Committee consists of 4 members as follows:

	Name - Last name	Position
1	Mr. Jumpol Sumpaopol	Chairman of the Nomination and Remuneration Committee
2	Asst. Prof. Dr. Thanes Weerasiri	Nomination and Remuneration Committee member
3	Mr. Somkiat Silawatanawong	Nomination and Remuneration Committee member
4	Mr. Worawat Srisa-an	Nomination and Remuneration Committee member

Mr. Somchit Peumpresuk served as secretary of Nomination and Remuneration Committee.

Risk Management Committee

As of December 31 2018, Risk Management Committee consists of 3 members as follows:

	Name - Last name	Position
1	Mr. Somchit Peumpresuk	Chairman of the Risk Management Committee
2	Mr. Kittisak Suphakawat	Risk Management Committee member
3	Mr. Issarin Suwatano	Risk Management Committee member

Mrs. Suwanna Sangthong served as secretary of Risk Management Committee.

Attendance at board meetings in 2018 as follows:

	Name - Last name	Number of meeting attendance / Total number of meetings (times)				
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
1	Mr. Jumpol Sumpaopol	6/8	-	2/2	-	-
2	Mr. Pairuch Laoprasert	7/8	-	-	-	12/12
3	Mr. Somkiat Silawatanawong	7/8	-	2/2	-	11/12
4	Mr. Somchit Peumpremsuk	8/8	-	-	3/3	12/12
5	Mr. Issarin Suwatano	8/8	-	-	3/3	12/12
6	Mr. Kittisak Suphakawat	8/8	-	-	3/3	12/12
7	Mr. Worawat Srisa-an	8/8	-	2/2	-	12/12
8	Mr. Bundit Muangsornkeaw	7/8	-	-	-	12/12
9	Mr. Khumpol Poonsonee	8/8	-	-	-	11/12
10	Asst. Prof. Dr. Sarayut Nathaphan	8/8	8/8	-	-	-
11	Asst. Prof. Dr. Thanet Weerasiri	4/8	3/8	1/2	-	-
12	Miss Chawaluck Sivayathorn	7/8	8/8	-	-	-

Management Team

As of December 31 2018, Management team consists of 12 members as follows:

	Name - Last name	Position
1	Mr. Somkiat Silawatanawong	Chief Executive Officer
2	Mr. Kittisak Suphakawat	Executive Vice President of Construction Management Department
3	Mr. Issarin Suwatano	Executive Vice President of Administration Department
4	Mr. Vichian Daopalangphrom	Senior Vice President of Structure and Architecture Department
5	Mr. Sitthikorn Kamolwanon	Senior Vice President of Structure and Architecture Department
6	Mr. Rangsan Phatcharakitti	Senior Vice President of Structure and Architecture Department
7	Mr. Thana Ratananakin	Senior Vice President of Structure and Architecture Department
8	Mr. Terdsakul Vividworn	Senior Vice President of Mechanical, Electrical, Plumbing Engineering
9	Mr. Yingyong Kanghae	Chief Financial Officer
10	Mrs. Suwanna Sangthong	Vice President Financial
11	Mr. Tawatchai Pangchat	Accounting Manager
12	Miss Wanida Chusree	Chief Accountant

Company Secretary

Mrs. Nongnuch Phumphol was appointed as company secretary on September 13 2017, with the scope of duties and responsibilities as follows:

1. Preparing and keeping the following documents:
 - 1.1) register of directors;
 - 1.2) notice calling director meeting, a minute of meeting of the board of directors and an annual report of the Company;
 - 1.3) notice calling shareholder meeting and a minute of shareholders' meeting;
2. Keeping a report on interest filed by a director or an executive.

3. Submit a copy of the report on interest under Section 89/14 to the Chairman and the Chairman of Audit Committee within seven business days from the date on which the Company has received such report. The Company shall arrange a system for safekeeping of documents and evidence in relation to disclosure of information and monitor safekeeping of such documents or evidence for its accuracy and completion as well as availability for inspection for the period of ten years from the date of producing such documents or information.

4. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

Remuneration to Directors and Management Team

1. Fixed remuneration

• Board of Directors

At the annual general meeting of the Company in 2017 and 2018, remuneration for each committee of the Company as follows:

Unit : THB / person

Position	Directors' remuneration			
	2017		2018	
	Monthly compensation	Meeting allowance	Monthly compensation	Meeting allowance
Board of Directors				
- Chairman	20,000	25,000	20,000	25,000
- Director	10,000	20,000	10,000	20,000
Audit Committee				
- Chairman	-	15,000	-	15,000
- Director	-	10,000	-	10,000
Nomination and Remuneration Committee				
- Chairman	-	15,000	-	15,000
- Director	-	10,000	-	10,000

Position	Directors' remuneration			
	2017		2018	
	Monthly compensation	Meeting allowance	Monthly compensation	Meeting allowance
Management committee	-	-	-	-
Risk Management committee	-	-	-	-

Directors' remuneration in 2017 - 2018 as follows:

	List of Directors	Remuneration (THB)					
		Directors		Audit Committee		Nomination and Remuneration Committee	
		2017	2018	2017	2018	2017	2018
1	Mr. Jumpol Sumpaopol	330,000	390,000	-	-	45,000	30,000
2	Mr. Pairuch Laoprasert	190,000	260,000	-	-	-	-
3	Mr. Somkiat Silawatanawong	210,000	260,000	-	-	30,000	20,000
4	Mr. Somchit Peumpresuk	210,000	280,000	-	-	-	-
5	Mr. Issarin Suwatano	210,000	280,000	-	-	-	-
6	Mr. Kittisak Suphakawat	210,000	280,000	-	-	-	-
7	Mr. Worawat Srisa-an	210,000	280,000	-	-	30,000	20,000
8	Mr. Bundit Muangsornkeaw	210,000	260,000	-	-	-	-
9	Mr. Khumpol Poonsonee	150,000	280,000	-	-	-	-
10	Asst. Prof. Dr. Thanes Weerasiri	150,000	200,000	20,000	30,000	10,000	10,000
11	Miss Chawaluck Sivayathorn	190,000	260,000	20,000	80,000	-	-
12	Asst. Prof. Dr. Sarayut Nathaphan	110,000	280,000	45,000	120,000	-	-
13	Mr. Santi Pongjareanpit*	60,000	-	15,000	-	-	-
Total		2,440,000	3,310,000	100,000	230,000	115,000	80,000

Remark: * Mr.Santi Pongjareanpit has resigned his position as Independent Director and Chairman of the Audit Committee, effective 31 July 2017.

- **Management Team**

In 2017 - 2018, the Company has paid remuneration to Management Team as follows:

Remuneration	2017		2018	
	Number of persons	Compensation (Million THB)	Number of persons	Compensation (Million THB)
Remuneration to Executives including Salary, Welfares* and Other benefits **	13	26.43	12	28.55

Remarks * Welfares provided by the Company are Social Security fund and Provident fund. Provident fund was established on 1 January 2013.

** Other benefits such as Transportation fares, Living accommodation and mobile phone bill payment

2. Other Remuneration

-None-

Personnel

As of 31 December, 2018, the Company and its subsidiaries consist of full-time employees during the past 2 years, separated by companies, as follows:

Company	Number of employees	
	2017	2018
Stonehenge Inter Public Company Limited (STI)	374	434
Stonehenge Co.,Ltd. (STH)	188	225
Total	562	659

The Company has a policy of hiring and managing personnel suitable with the workload they being assigned to and expected to occur in the future. The number of employees in the Company is separated by department and working experiences as follows

Number of employees separated by department

Stonehenge Inter Public Company

Department	Number of employees	
	2017	2018
Executives * / Executive Officers	13	14
Construction Management Department	438	512
Architectural Design Department	34	36
Engineering Design Department	24	25
Office Administration Department	53	72
Total	562	659

Remark * The Executives in accordance with the notification of the SEC

1. Employee Remuneration

Employee remuneration in 2016 - 2018 as follows:

Employee Remuneration (Million THB)	2016	2017	2018
Remuneration to Employees including Salary, Welfares* and Other benefits **	309.23	347.28	413.54

Remarks * Welfares provided by the Company are Social Security fund and Provident fund. The Company established Provident fund on 1 January 2013. STH, a subsidiary of the Company, established Provident fund on 15 November 2015.

** Other benefits such as Transportation fares, Living accommodation and mobile phone bill payment.

2. Other remuneration

-None-

Labour Dispute

No labour dispute with the employees of the Company or any of its subsidiaries exists during 2016 - 2018.

Human Resource Development

One of the key success factors contributing to the Company's present prosperity and continued growth is our focus on strengthening the HR function. By committing to The Principles of Good Corporate Governance stipulated by the Stock Exchange of Thailand, the Company has elevated its corporate governance to international standards. We employ ethical and capable individuals and consider them our Company's most valuable assets. With the aim of ensuring a work environment that enables fairness, transparency, accountability and employee happiness, we have developed an approach that helps us define and execute an effective Human Resource Strategy as follows:

1. Restructure the Company's Organizational Systems and improves optimal performance

1.1 Plan and reconstruct the Company's organizational structure so that it creates an environment that achieves synergies, allows employees to effectively work together, build trust, develop productive relationships and measure results.

1.2 Create guidelines identifying the best ways to attract, retain, promote, evaluate and manage human resources.

1.3 Develop organizational chart, job analysis and descriptions.

1.4 Design performance appraisal systems for each unit.

1.5 Initiate Succession planning.

2. Develop Human Resource Training programs.

2.1 Create grade-based training programs to foster human resources capable of global group management. Skills acquired include business skills and business mindset.

2.1 Create a human resource development program for every employment position.

2.3 Create Professional training programs with the purpose of increasing specialist knowledge in related fields.

2.4 Create training Programs that focus on strengthening corporate culture, team work as well as adhering to the ethics and moral code of the Company.

2.5 Create training programs that foster the exchange of industry knowledge such as Interindustry exchange training which aims to build human networks.

2.6 Directors and executives attend exclusive global group management courses to develop deeper understanding of the duties and responsibilities as a director of a listed company. Courses such as the Institute of Directors (IOD), Director Accreditation



Program (DAP), Director Certification Program (DCP), Advanced Audit Committee Program (AACP) and Company Secretary (CS).

3. Upgrade Human Resource Information Systems (HRIS)

3.1 Promote and support the use of operational level HRIS. It provides the manager with up-to-date, real-time information. This reduces reliance on paper and increase efficiency.

3.2 HRIS improves Employee database system.

3.3 HRIS eases activities such as time and labour management. Technology would allow HR officers to track punctuality and attendance in real time.

3.4 Educating employees on how to use employee interface on HRIS in order to get them familiarized with the software. They would process the basic skills necessary in the event of updating the software in the future.

4. Occupational health, safety and work environment initiatives.

4.1 Implement several promotion measures to motivate and retain company talent. Employees rewarded



with career growth according to merit. Offer incentives, special remuneration, welfare, safety, occupational health and good working environment as required by law and support activities that help build good relations between executives and employees of all levels.

4.1.1 Analyze and select the correct motivational incentives to increase employee productivity

4.1.2 Detect and fix occupational safety and health hazards in the work place environment.

4.1.3 Publicly praise employees who use intellect and integrity to create positive value for the Company.

4.1.4 Improve to Company welfare system by including special benefits.

4.1.5 Improve communication channels for use in human resource management.

4.1.6 Promote labour relations

5. Recruitment and selection process

5.1 Selecting workers with knowledge, ability and experience that are relevant to the field.

5.2 The Company will handle the employee placement process based on relevant criteria. To be qualified for the position, employees must have skills and qualifications required for the job description.

6. Employee retention

6.1 Using key performance indicator (KPIs) to evaluate the performance of each department.

6.2 Create individual development plans for employee of all levels, under the succession plan policy, to provide opportunities for employees to advance their career.

6.3 Put information system to use in employee management and continuously develop to reduce process of work, workloads and documents.

6.4 Determine a fair base pay for each position by considering the duties and responsibilities of each position, economic conditions, living conditions, market wage at that time and benchmark with the competitors in the same field.

6.5 Organize activities between executives and employees or between employees to bring harmony.

6.6 Listen to opinions and concerns of employees and response to suggestions and complaints urgently.



Corporate Governance

1. Corporate Governance Policy

The Company is aware of the importance of good corporate governance and believes that good corporate governance will be beneficial for business operations of STI Group by creating management system that is efficient, transparent, and accountable, which is an important approach to build confidence and credibility for shareholders, investors, stakeholders, and all related parties. In this regard, the Company has applied Corporate Governance Code for Listed Companies 2017 issued by Securities and Exchange Committee (SEC) to be guideline for prescribing corporate governance policy of the Company as practice guidelines for its operations.

In 2018, the Company registered with Ministry of Commerce to transform itself into a public company on May 7, 2018 and entered into trading on the Stock Exchange of Thailand (SET) on December 19, 2018. However, even though it was in process of transformation to become a registered company on SET, the Company still made procedures related to corporate governance to be in line with Corporate Governance Code for Listed Companies as follows:

- Reviewed Charters of the Board of Directors and Sub-Committees approved from the resolution of the meeting of the Board of Directors on October 12, 2017. Because Charters of the Board of Directors and Sub-Committees are

still appropriate and in line with Corporate Governance Code for Listed Companies, the meeting of the Board of Directors No. 2/2018 on March 27, 2018 had a resolution to review each Charter while maintaining their current scope of responsibilities. The Company has disclosed all Charters of the Board of Directors on its website for further details at <https://www.sti.co.th>, under category of Investor Relations and sub-category of Board Charter.

Nevertheless, in 2019, the Company will review all Charters to be up-to-date and in line with Corporate Governance Code.

- Reviewed and announced 7 company policies to align with Corporate Governance Code for Listed Companies in which these policies were approved from the resolution of Board meeting No. 2/2018 on March 27, 2018. They consisted of:

1. Corporate Governance Policy
2. Connected Transaction Policy
3. Policy on the Use of Internal Information
4. Anti-Corruption Policy
5. Risk Management Policy
6. Whistleblower Policy
7. Code of Conduct and Business Practices

The Company has disclosed these 7 policies on its website at <https://www.sti.co.th>, under category

of Investor Relations and sub-category of Corporate Governance, Code of Conduct, and Company Policy, to be information for shareholders, investors, stakeholders, and all related individuals. It has also disclosed such information on its intranet and attached announcements on its new bulletin board to communicate to the Board of Directors, executives, and employees for their acknowledgement on the importance of good corporate governance and their adherence as practice guidelines for their operations which will lead to sustainable growth and development of the Company. In 2018, the Company proceeded and operated according to 5 sections of good corporate governance policy as follows:

Section 1 Rights of Shareholders

As shareholders have the right of ownership of the Company by controlling the Company via appointment of the Board of Directors to perform their duties and have the rights to make decisions related to important changes of the Company. Consequently, the Company gives importance and encourages shareholders to exercise their rights, as well as not conducting any actions that violate or deprive rights of shareholders, which consist of

1. Fundamental rights of shareholders such as the right to purchase, sale, or transfer shares, and the right to receive profit sharing from the business, **2. Right to receive significant information** by receiving sufficient information of the business, and **3. Right to participate in shareholder's meeting** by attending the meeting to exercise their rights to appoint or remove directors, appoint auditor, and to exercise votes on matters impacting the Company such as dividend allocation, formulation or amendment of Articles of Association and Memorandum, capital increase or decrease, and approval of special transaction, etc.

In this regard, the Company prescribes policies and guidelines in matters that support and facilitate exercising rights of shareholders as follows:

(1) Shareholder's Meeting

- The Company shall organize an annual ordinary general meeting of shareholders within four months of the last day of the fiscal year of the Company. The Company has policy to encourage all shareholders to attend the

meeting of shareholders in which the Company shall provide facilitation for shareholders to exercise their rights to attend the meeting and vote and shall not conduct any actions that restrict opportunity to attend meeting of shareholders such as organizing meeting to vote for resolution that does not have too complicated method or high expenses, arranging meeting location that is convenient for transportation of shareholders, etc. In the case that there is urgent necessity to propose special agenda related to matters that impact benefits of shareholders or conditions, regulations, or enforced laws which must urgently receive approval from shareholders, the Company shall call for extraordinary meeting of shareholders in such case.

- The Company shall send the notices of meeting invitation to shareholders together with supporting documents 7 days prior to the meeting date or as the period specified by laws or legal notifications. It shall publish the meeting date in newspaper for 3 days consecutively and at least 3 days prior to the meeting date.
- The Company shall disclose important information related to the meeting of shareholders via the Company's website prior to the meeting. In addition, the Company shall arrange channels for shareholders to submit their opinions, suggestions, and enquiries prior to the meeting date to the Company via email cs@sti.co.th.

(2) Procedures on Meeting Date

- The Company encourages the Board of Directors, executives, and related individuals, as well as auditor, to attend the meeting of shareholders altogether.
- The Company shall provide opportunity to all shareholders equally. Before proceeding with the meeting, the Company shall inform the meeting on voting rules and method for counting votes in the meeting. After information is provided according to the meeting agenda, the Chairman of the meeting shall allocate

appropriate time for shareholders to share their opinions and make enquiries to the Company in which there will be related directors and executives attending the meeting to respond to such enquiries and listen to opinions and suggestions from shareholders. Furthermore, if there are multiple meeting agenda such as appointment of directors, the Company shall organize resolution voting for each agenda.

- For meeting agenda to elect for directors, the Company shall provide opportunity for shareholders to vote for director one by one. The shareholders have the right to select representatives who they view as having suitable qualifications to take the role of directors to maintain their benefits in order to create diversity and become the real representative of shareholders.
- In important meeting agenda such as entering into connected transaction, sale or acquisition of assets, etc., the Company shall arrange voting ballots for transparency and accountability in the case of later dispute.
- The Company encourages an independent individual to participate as vote counter in the meeting of shareholders in which the results shall be disclosed in the meeting and recorded in the minutes of meeting.

(3) Preparation of Minutes of Meeting and Disclosure of Meeting Resolution

- The Company shall disclose resolution of each agenda on website of SET on the same day of the meeting day or within 9.00am of the next business day. It shall send meeting minutes to SET within 14 days and disclose such meeting minutes on the Company's website.
- After the meeting, the Company shall prepare correct and complete minutes of meeting with specification on method and process for voting, questions and answers, and voting results of each agenda including approval votes, opposing votes, and withhold from voting, as well as record of name list of directors who attend the meeting and directors who are absent from the meeting.

In 2018, the Company organized 2018 Annual General Shareholder's Meeting (prior to its transformation to become a public company) on April 26, 2018 and the Extraordinary Shareholder's Meeting No. 1/2018 on May 30, 2018 in which there were shareholders who attended the meeting themselves and their proxies in total of 8 persons with combined total shares of 200,000,000 shares or 100% of all shares. There were 8 directors attending the meetings from total 12 directors or 66.67% in which Chief Executive Officer, directors, financial consultant, legal consultant, and top executives of accounting and finance attended the meetings.

Prior to the start of the meeting, the Company Secretary notified to the meeting on the method and procedures of the meeting, including method for voting and vote counting on each agenda, as well as submitting meeting invitation and supporting documents via registered mail to all shareholders 7 days in advance before the meeting date and announcing the meeting date of the Extraordinary Shareholder's Meeting in daily newspaper at least 3 days before the meeting date.

Section 2 Equitable Treatment of Shareholders

The Company is aware of the importance of equitable treatment to all shareholders, including executive shareholders and non-executive shareholders. The Company has policies and/or guidelines on this matter as follows:

(1) Providing Information of Meeting of Shareholders

- The Company shall prepare meeting invitation in both Thai and English.
- The Company shall proceed with the meeting in respect to agenda specified in the meeting invitation and shall not unnecessarily add agenda that was not informed in advance, especially important agenda that the shareholders require time to study information before making decision, in order to provide fairness to shareholders who did not attend the meeting.

(2) Protection of Rights of Minor Shareholders

- The Company provides opportunity for minor shareholders to propose additional meeting agenda and propose nomination of individual

for director. The minor shareholders shall propose additional meeting agenda and the name of nominated individual to the Board of Directors prior to the meeting date under regulations specified by the Company as follows:

Proposing Additional Meeting Agenda

The shareholders shall specify purpose and details of the proposed subject together with information useful for consideration. However, the Company reserves the right to refuse matters of the following cases to become agenda of shareholders' meeting, such as

- Matters related to general business operations of the Company with no reasonable suspicion of abnormality of such matters or matters that are not beneficial to business operations of the Company
- Matters that are out of the Company's authority to proceed
- Matters that are specified by laws to be considered in the meeting of shareholders in which the Company prescribes as agenda for meeting every time
- Matters that are against laws, notifications, rules, and regulations of government agency or regulatory authority of the Company, or matters that are against purpose, regulations, resolution of the meeting of shareholders, and Corporate Governance of the Company.
- Matters that shareholders provide insufficient or incorrect information in the case that the Company requests additional information and cannot contact the shareholders who propose such matters.
- Matters that shareholders already proposed to the meeting of shareholders for consideration in the past 12 months period and received resolution with votes that were lower than 10% of total votes in which information of such matters do not significantly change, or matters that the Company already proceeded, or matters that are repetitive to those already proposed by the minor shareholders.

This also involves the case that shareholders do not comply with regulations in which the Company shall inform such matters to shareholders via communication channels of SET and the Company's website.

In this regard, independent directors take responsibility in consideration of proposed subjects that will become agenda of the general meeting of shareholders and propose to the Board of Directors for consideration and conclusion to further include as meeting agenda. The opinions of the Board of Directors are considered final.

Nomination of Individual for Role of Director

The Company prescribes qualifications of shareholders to propose the aforementioned meeting agenda according to Securities and Exchange Act, Article 89/28 which prescribes that a shareholder or multiple shareholders who hold shares and have combined total voting rights of no less than 5% of total voting rights of the Company will prepare document to propose a matter for the Board of Directors to include as an agenda in shareholder's meeting which must specifies as a matter for acknowledgement, for approval, or for consideration, depending on the case, with details of the proposed matter. In addition, they must also have the right to nominate an individual to be elected as director and must comply with guidelines of the Capital Market Supervisory Board.

Individuals who are nominated for consideration of director role must possess complete qualifications according to Public Limited Company Act, Securities and Exchange Act, regulations of SEC, Capital Market Supervisory Board, SET, and regulations of the Company, as well as possessing other qualifications specified by the Company, such as being individuals with knowledge, skills, expertise, and experience that are beneficial to business operations of the Company, good work history, independency, ability to perform director role with honesty and morality, and can regularly attend the meeting of the Board of Directors, etc.

In this regard, the Nomination and Remuneration Committee takes responsibility to consider name list of individuals who will be nominated as Board directors and

present to the Board of Directors to consider whether or not to propose such individuals to the meeting of shareholders. The opinions of the Board of Directors are considered final.

- The Company has policy not to add meeting agenda in the meeting of shareholders without informing shareholders in advance, especially for meeting agenda that requires time for shareholders to study information before making decisions in order for the shareholders to have opportunity to study information supporting the meeting agenda before, unless it is necessary. In addition, it shall not restrict the right to attend meeting of shareholders who attend the meeting after the Company already proceeded with meeting according to the specific time, etc.
- The Company gives importance to disclosure of information related to the Company correctly, completely, and timely for all shareholders equally through website of SET and the Company's website.

(3) Protection of Internal Information Usage

- The Company has strict management of internal information usage to prevent exploitation of internal information for self or other individual (Abusive Self-Dealing) in order to create fairness for all stakeholders. The Company prescribes guidelines to maintain internal information of the Company and guidelines for protection of internal information usage for personal benefits in written forms and notifies everyone in the organization to comply.
- The Company restricts directors, executives, and employees working in departments that receive internal information to trade securities of the Company by themselves, their spouses, their underage children, for both indirect and direct trading (such as through private funds) within 1 month before disclosure of the Company's financial statements to the public and within at least 24 hours after the disclosure of such financial statements if the information has been disclosed in reasonable level, or within

at least 48 hours if the information has not been extensively disclosed. The Company prescribes penalty for directors, executives, and employees who use the Company's internal information to seek benefits or disclose that result in damages to the Company.

- The Company shall provide information related to duties of directors and executives on reporting their shareholding of the Company, as well as penalty according to Securities and Exchange Act B.E. 1992 (including revision) and regulations of SET. The Company prescribes directors and executives to report their shareholding of the Company, including holding by themselves, their spouses, and their underage children, to SEC within 30 days from the date of their position appointment. In addition, in the case that directors or executives of the Company change their shareholding of the Company, it shall be notified to the Company and reported such change to SEC within 3 business days from the date of purchase, sale, or transfer.

(4) Interests of Directors

- The Company prescribes its directors and executives to disclose interests of themselves and related individuals in order for the Board of Directors to consider the Company's transaction that may have conflict of interest and can make decision for the overall benefits of the Company. Furthermore, the Company has policy to restrict directors who have interests in particular agenda to participate in the meeting to consider such agenda.

The Company has prepared policy on internal information usage since 2017 from the approval of the Board Meeting No. 5/2017 on October 12, 2017 to align with Corporate Governance Code for Listed Company 2017, Rule 6.3, Article 6.3.1 Re: Supervision of Data Security which covers determination of policy and practice on confidentiality, maintaining of credibility, information readiness, as well as management of information that may impact share price.

In 2018, the Board of Directors reviewed and officially announced policy on internal information usage from the approval of the Board Meeting No. 2/2018 on March 27, 2018 and disclosed such policy on the Company's website at <https://www.sti.co.th>, its intranet, as well as announcing on new bulletin of the Company to provide information for shareholders, investors, stakeholders, all related parties, as well as for the Board of directors, executives, and employees to acknowledge and comply.

Section 3 Roles of Stakeholders

3.1 Shareholders

The Board of Directors determines to be a good role model of shareholders to operate business on the basis of honesty and ethics in order to develop the business for growth and stability with consideration of creating sustainable long-term returns for shareholders under the guideline for treatment to shareholders as follows:

- Performs duties within the framework of law and regulations of the Company with honesty, transparency, and operates with caution and discretion for the highest benefits for shareholders
- Manages the Company's business to grow with stability by utilizing knowledge, skills, and experience, as well making decisions for the overall benefits of shareholders
- Provides respect to the right of shareholders by reporting status and business results of the Company and other information to all shareholders equally, regularly, timely, and accurately, with supporting information that is reasonable and in line with guidelines of SEC and SET.

3.2 Employees

The Board of Directors is aware that all employees are important resources and success factors of the Company. The Company therefore adheres to the principle of equal and fair treatment to employees and is ready to accept opinions and recommendations from all level of employees equally by providing channels for employees to inform and complain on any actions

that are against the Company's Code of Conduct that involves incident or situation impacting work or decision of employee. This is in according to the Whistleblower Policy that was approved and official announced for practice from the resolution of the Board Meeting No. 2/2018 on March 27, 2018 which is disclosed on the Company's website at <https://www.sti.co.th> under category of Investor Relations, and sub-category of Company Policy. The practice guidelines regarding employees are as follows:

- The Company has policy to fairly determine remuneration, welfare, and other benefits including monthly salary, bonus, provident fund, etc. to employees. It shall prescribe them in conjunction with responsibilities, work performance, and business performance of the Company in each period in which the Company shall evaluate employee work performance according to specified guidelines with fairness.
- The Company has duty to take care of work environment of employees to be sanitary, supportive for efficient work, and safe for lives and assets of employees.
- The Company gives importance to the development and transfer of knowledge and skills of its employees by providing opportunity to all employees extensively and regularly. There was continuous training and development for employees in both internal and external in order to improve their work efficiency and for them to apply the knowledge received to improving their work. In 2018, the Company organized 15 internal training courses for employees and 2 offsite business study visits.
- The Company has duty to maintain personal information of employees in which it shall not disclose personal information of employees such as monthly salary and medical history to external individuals, unless the Company has duty to disclose such information according to regulations and/or laws.
- The Company has duty to strictly comply with

laws and regulations related to labor laws and employee welfare.

3.3 Trade Partners

- The Company gives importance to building and maintaining good and sustainable relationship with trade partners in which it has policy to operate businesses with honesty on the basis of mutually fair returns to both sides. In addition, the Company shall strictly comply with contracts and/or conditions agreed with trade partners.
- The Company has policy to treat every trade partners equally and fairly.
- The Company has prohibition on requesting and/or accepting any dishonest assets or benefits from trade partners.
- The Company has policy to focus on operating business with trade partners that operate business fairly with awareness of social responsibility.

3.4 Customers

- The Company has policy to focus on creating customer satisfaction and confidence with service quality and standards at international level under appropriate and fair prices to customers.
- The Company has policy to manage its services quality to be in line with standards, regulations, related laws, as well as providing efficient services that align with customer demand. The Company has the duty to provide information related to its services to customers correctly, completely, and sufficiently for decision of customers in which it shall not intentionally conceal information and/or provide information in ways that may cause customers to misunderstand its services.
- The Company has the duty to maintain confidentiality of its customers and shall not use such information for its benefits or benefits of related individuals in wrongful way. It shall not disclose customer information without their consent or approval from authoritative figure of the Company, unless such information is

necessary to disclose for related external individuals for legal procedures.

- The Company shall arrange channels for customer to provide opinions or complaints related to its products and services according to its Whistleblower Policy.

3.5 Competitors

- The Company has policy to support free and fair trade competition in which it shall treat its business competitors under the framework of good and fair competition.
- The Company shall not conduct any actions to damage reputation of business competitors by making negative accusations without proven and validated facts.
- The Company shall not conduct any actions that violate intellectual property and copyright of others and/or business competitors.

3.6 Creditors

- The Company has duty to strictly comply with regulations and/or conditions in agreed contracts. In the case that the Company has force majeure that results in its inability to comply with any of the regulation and/or condition in the contract and/or has reason to default on debt payment, the Company will not conceal such facts and will quickly inform creditors to together consider reasonable solutions.
- The Company aims to manage its capital to have appropriate structure that can support its business operations to proceed with stability which is one approach to create confidence for creditors.
- The Company aims to maintain good relationship with creditors by trusting one another.

3.7 Community and Society

- The Company has policy to operate its businesses with social and community responsibility in which it gives importance to correctly complying with laws and/or standards related to security, stability, sanitation, and environment. Furthermore, the Company

encourages providing of knowledge and training for its employees to foster conscience of responsibilities to community, society, and environment, as well as providing support on activities beneficial to development of quality of life in society and community such as religious support, educational support, and cultural support, etc.

- The Company has policy not to conduct any actions that will damage reputation of the country and not to cooperate or support individuals or organizations that operate illegal businesses or are threats to society and national security.

3.8 Government Agencies

- The Company has duty to strictly comply with regulations and laws related to its business operations.
- The Company has policy to conduct transaction with officers and government agencies with transparency. It opposes bribery for government officers in various forms to provide convenience or benefits to the Company.

Furthermore, stakeholders can make enquiries on information of the Company or send complaints to the Audit Committee of the Company. They can file complaints via mail to the Secretary Department according to the Company's address or via email CS@sti.co.th. In this regard, information on the complaints shall be kept confidential in which the Audit Committee will proceed with information validation, propose for solutions, and further report to the Board of Directors.

Section 4 Information Disclosure and Transparency

The Company gives importance to disclosing of significant information related to the Company, including financial information and non-financial information, correctly, completely, timely, and transparently, via trustworthy channels that all stakeholders can access to such information conveniently and equally. In this regard, the Company will disclose important information related to the Company via communication channels of SET, Annual Registration Statement (Form 56-1), Annual Report, and the Company's website as main channels.

The Company will always update information on its website to be up-to-date.

Furthermore, the Company also established additional communication channel of Investor Relations Department to be center for responding to enquiries and disclosing the Company's information correctly, completely, timely, and equally for all stakeholders, especially for significant information that will impact financial status, business results, or share price of the Company, in order for stakeholders to use such information for their investment decisions efficiently. In this regard, shareholders, investors, financial analysts, media, general public, and other related individuals can contact Investor Relations Department of the Company at phone number 0-2690-7462 ext. 126, fax number 0-2690-7463, or email IR@sti.co.th. In 2018, the Company had channels for communication through media and activities for the benefits of accessing and following of its news and information as follows:

- The Company's website and SET website
- Joining SET Opportunity Day organized by SET for 2018 performance cycle on March 29, 2019
- Regular disclosure of information to employees via electronic media such as intranet and email

Section 5 Responsibilities of the Board of Directors

(1) Board Composition

- The Board of Directors consists of directors who possess variety of knowledge, competence, and experience in business and other subjects that are beneficial to the work of the Board of Directors and business operations of the Company. The Board of Directors has important role in managing the business for the highest benefits of the Company and shareholders, determining overall policies of the Company, managing of important matters of the Company, and governing and examining business operations of the Company to align with prescribed plan correctly, efficiently, and transparently with consideration of vision, mission, Corporate Governance, and Code of Conduct.
- As at December 31, 2018, the Board of Directors consisted of 12 people, including 5 executive

directors (41.67% of total 12 directors), 3 non-executive directors (25.00% of total 12 directors), and 4 non-executive directors with qualifications of being independent directors (33.33% of total 12 directors). This is in line with criteria of SEC in which a registered company must have independent directors of at least 1 out of 3 of total directors in order to maintain balance in voting and review management of executives to keep highest benefits to the Company and overall shareholders. The independent directors must not have prohibited characteristics according to related notifications of SEC and SET.

- The Board of Directors is representative of overall shareholders and not representative of a particular group of shareholders.
- The Board of Directors has policy for number of directors who are not independent directors to be at fair proportion to investment of controlling shareholders in the Company.
- The nomination of directors shall be in accordance with regulations of the Company and related laws in which such nomination must be transparent and there shall be correct and sufficient information of education and work experience of nominated individuals for the benefit of consideration by the Board of Directors and shareholders.
- The Company's Article of Association prescribes that at the annual general meeting of shareholders, one-third of the Directors, or if their number is not multiple of three, then the number nearest to one-third, must retire from the office. In this regard, a retiring Director is eligible for re-election.
- Directors have term of office according to the Company's Articles of Association. Directors who are vacant from office are eligible for re-election with no limitation of re-elected times. On qualifications for the position of independent directors, the Board of Directors prescribes policy in which if an independent director has been in office for 9 years or 3 consecutive

terms, the Board of Directors shall review the independency of such director every year.

- The Board of Directors clearly divides authority and responsibility between prescribing governance policy and daily management in which the Chairman of the Board of Directors and Chief Executive Officer are not the same individual. The Board of Directors is responsible for prescribing policies and governing operations of executives to be in line with approved policies and goals. The Company also clearly separates duties and responsibilities between the Board of Directors and executives with balance of power. The Company prescribes policy for taking director position in other companies in which the Company's director shall not operate business or become a director of other company that operates similar business and competes directly with the Company's business. The director must comply with the Company's prescribed Corporate Governance Policy.
- The Board of Directors is responsible for appointing the Company Secretary who must have appropriate qualifications and experience to perform such role. The Company Secretary has duties and responsibilities according to Securities and Exchange Act. The Board of Directors shall support the Company Secretary to continuously receive training and knowledge development on matters related or beneficial to increase the performance of the Company Secretary.

(2) Roles, Duties, and Responsibilities of the Board of Directors

(2.1) Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible for considering and providing approval on important matters related business such as vision, mission, strategy, financial goals, risks, business plan, budget, as well as governing the management to operate according to prescribed policies

and plans with efficiency and effectiveness under laws, regulations, and Code of Conduct. The Board of Directors shall use its judgment and discretion in making decisions and shall perform its duties with responsibility and honesty for long-term benefits of the Company. Furthermore, the Board of Directors is responsible for financial statements of the Company by assigning the Audit Committee to review financial reports and ensure preparation of financial reports correctly according to generally accepted accounting standards, as well as ensuring disclosure of the Company's significant information transparently and sufficiently. The Board of Directors is responsible for the Company's financial statements and reports on the Board responsibility to financial reports as shown in Annual Report.

(2.2) Corporate Governance Policy

The Board of Directors shall ensure prescription of Corporate Governance Policy in written form and communicate such policy to everyone in the organization for their correct acknowledgement and understanding in order for them to perform their work or duties in line with such prescribed policy appropriately. The Board of Directors shall review Corporate Governance Policy and evaluate compliance of such policy every year. The Company discloses its Corporate Governance Policy on its website at <https://www.sti.co.th>.

(2.3) Code of Conduct

The Company commits to operate its businesses with transparency, fairness, and responsibility to all stakeholders. The Company has policy to prescribe Code of Conduct in written form to communicate to directors, executives, and all levels of employees for their acknowledgement, understanding, and applying such Code of Conduct as practice guidelines for performing their duties, in both management and operational levels. The Board of Directors will strictly monitor to

ensure compliance with Code of Conduct. The Company discloses its Code of Conduct on its website at <https://www.sti.co.th>.

(2.4) Conflict of Interest

The Board of Directors prescribes clear policy and guideline for considering entering into transaction that may create conflicts to the Company in order to maintain benefits of the Company and its overall shareholders as priority. The Company has policy to restrict directors, executives, employees, and other related individuals such as spouses, children, relatives, etc. to seek personal interests that conflict with the Company's benefits. They shall also avoid actions that create conflict of interest. Furthermore, related individuals or individuals who have interests or relation to the transaction have duty to inform the Company regarding their relationship or involvement with such transaction in which such individuals shall not participate with the considerations, decision, or approval of such transaction. The Company will consider transaction with conflict of interest cautiously,

In this regard, connected transaction and transaction with conflict of interest shall require cautious consideration from the Audit Committee prior to further presenting to the Board of Directors. For entering into the transaction, the Company shall comply with regulations of SET and SEC strictly which means that it will prescribe prices and conditions for entering into transaction with individuals who may have conflict of interest in manner equivalent to entering into transaction with external individuals. Furthermore, the Board of Directors shall ensure compliance with prescribed procedures on such matter and disclose information of the transaction that may have conflict of interest within financial statements, Annual Report, and Annual Registration Statement completely and correctly.

(2.5) Internal Control System

The Board of Directors gives importance to internal control system by prescribing duty and authority of executives and employees in each level clearly in written form. It also arranges control on utilization and maintaining of the Company's assets efficiently by prescribing operators and individuals who take care of monitoring, controlling, and evaluating of internal control system to be different individuals or departments in order to create proper check and balance. In this regard, the Audit Committee is responsible for reviewing sufficiency and efficiency of internal control system arranged by the management, as well as reviewing and improving internal control system in various aspects such as operation, financial reporting, compliance with rules, regulations and related policies, operational supervision, risk management, etc. to be efficient always in order to ensure that such internal control system is operating with efficiency. In this regard, it prescribes internal audit to report results of examination of internal control system directly to the Audit Committee to allow examination to full operate. The Company shall disclose results of examination and opinions of the Audit Committee on sufficiency of internal control system within Annual Report.

(2.6) Risk Management Policy

The Board of Directors prescribes risk management policy to cover the whole organization and assigns the management to comply with such policy and report risk level information to the Board of Directors regularly or instantly in the case that an abnormal transaction or emergency is found or there's significant change of risk level. Furthermore, the Board of Directors prescribes review of system or evaluation of risk management capability at least once a year and discloses such information together with opinions of the Audit Committee on sufficiency of risk

management within Annual Report.

- (2.7) The Board of Directors has policy to prescribe channels for whistleblower or stakeholder to inform complaint or information beneficial or related to the Company via the Company's website or submit to the independent director or the audit committee member of the Company. After it receives such information, the Company shall proceed with investigation according to its prescribed procedures, as well as reporting to the Board of Directors.

(3) Board Meetings

- (3.1) The Company shall organize Board meeting of at least every quarter and may organize an additional meeting one month prior to the date of the annual ordinary meeting of shareholders. The Company shall set clear meeting schedule in advance for the whole year in order for directors to attend the meeting altogether every time and may organize additional extraordinary meeting as necessary. The Company considers that it is the responsibility of all directors to attend the meeting by no less than 75% of total Board meetings organized in each year. In 2018 (from January 1, 2018 - December 31, 2018), the Board of Directors had meetings in total of 8 meeting.
- (3.2) The Chairman of the Board of Directors and Chief Executive Officer shall together consider and approve matters that will become agendas in Board meeting. All directors have opportunities to propose matters that are beneficial to the Company as meeting agendas. Furthermore, the meeting shall always have the agenda for acknowledgement and/or consideration to monitor and control business results of the Company every time.
- (3.3) The Secretary of the Board of Directors is responsible for submitting meeting invitation together with meeting agenda and supporting documents to directors in advance by no less than 7 days prior to the meeting date

in order for the Board of Directors to receive sufficient information for considering each proposal in advance and has time to study and analyze information before attending the meeting in order to perform their duties efficiently. The Company Secretary shall attend the meeting to record minutes of meeting and submit minutes of meeting to the Chairman of the Board for his consideration and validated signature to further propose in the next meeting. The Company Secretary shall also maintain information or documents related to the meeting systematically to provide convenience for search and reference and to ready them for any examination of the Board of Directors and/or related individuals.

- (3.4) The Chairman of the Board of Directors shall act as the Chairman of the meeting or if the Chairman of the Board cannot attend the meeting then the directors presented at the meeting shall elect a director to act as the Chairman of the meeting. The Chairman of the meeting is responsible for managing and allocating time for each agenda to be sufficient for presenting, enquiries, and consideration on information in which all directors can make enquiries and provide independent opinions on important matters on the basis of fair interests of the Company, shareholders, and all related parties.
- (3.5) For a meeting agenda to consider significant matter that will cause impact to the Company, the Board of Directors has the right to access necessary information from the management, the Company Secretary, or other assigned executive. Furthermore, the Board of Directors may request additional opinions of consultant or external professional as reasonable and necessary, which will be on the Company's expenses.
- (3.6) The Board of Directors encourages top level executives or related management to attend Board meeting as necessary and appropriate

in order to present important information related to or beneficial to meeting agenda, as well as to allow top level executives or related management to acknowledge policies directly and further apply efficiently. Vice versa, this is for the Board of Directors to have opportunity to meet with top level executives for further consideration of future succession plan.

- (3.7) The Company shall organize the meeting of the Executive Committee for at least once a month to create agility on business operations and continuity on monitoring of changes in various aspects of the Company. The Executive Committee shall inform approved matters to the next Board meeting in order for the Board of Directors to be aware and able to timely manage operations of the management.

(4) Self-Evaluation of the Board of Directors

The Board of Directors and Sub-Committees shall conduct self-assessment at least once per year in order for the Board of Directors to evaluate results, issues, and together develop efficiency and effectiveness on performance of the Board of Directors further. The Company shall disclose guidelines, procedures, and overall assessment results of the Board of Directors within Annual Report.

(5) Remuneration of Directors and Executives

- (5.1) The remuneration of directors shall align with the knowledge, skills, experience, duties, responsibilities, and expected benefits from each director. In this regard, the Board of Directors prescribes clear policies and guidelines on remuneration of directors and proposes for approval in every annual general shareholder meeting by considering guidelines of transparency and accountability in comparison to companies with similar business and size, as well as appropriate level of compensation that is sufficient to influence or retain quality directors.
- (5.2) The remuneration of Chief Executive Officer shall align with the guidelines and policies

prescribed by the Board of Directors according to proposal of the Remuneration and Nomination Committee, and shall be for the highest benefits of the Company. Remuneration in the forms of monthly salary, bonus, and other compensation shall be in proper amount in which the level of remuneration shall be in line with duties, responsibilities, and work results, as well as being competitive rate with that of similar business and size in order to influence or retain quality executive.

In this regard, the Remuneration and Nomination Committee is responsible for work assessment of Chief Executive Officer to apply for considering remuneration of Chief Executive Officer each year by using remuneration criteria agreed with Chief Executive Officer concretely together with work performance results to drive the business to achieve set goals or plans. The Board of Directors shall consider and approve such assessment in which the Chairman of the Board shall inform results of consideration to Chief Executive Officer.

(6) Development of Directors and Executives

(6.1) The Board of Directors shall encourage and support directors, audit committee members, executives, and the Company Secretary to receive additional training related to business management system of the Company in order to increase work performance. Furthermore, it is responsible for preparing documents and information related to business characteristics and/or other information beneficial to the duty of directors to new directors, as well as orientation for new directors in order to provide sufficient information for performing their work within their scope of responsibilities.

The Company has arranged for all directors to become members of Thai Institute of Directors (IOD) in order to receive information and join training courses beneficial to performing their duty as directors of a registered company.

The Company shall regularly inform training schedule to directors in advance in which all of its directors had already passes training courses related to duties of director of IOD as shown in Annual Report. In 2018, the Board of Directors participated in additional training courses related or beneficial to performing duties of directors as follows:

- Asst. Prof. Dr. Thanee Weerasiri: Participated in Director Accreditation Program (DAP) 153/2018
- Miss Chawaluck Sivayathorn: Participated in Director Accreditation Program (DAP) 150/2018
- Mr. Somkiat Silawatanawong: Participated in Directors Certification Program (DCP) 264/2018 and Capital Market Leader Program (CMA 26/2018), Capital Market Academy
- Mr. Kittisak Suphakawat: Participated in Directors Certification Program (DCP) 263/2018
- Mr. Bundit Muangornkeaw: Participated in Directors Certification Program (DCP) 252/2018 and Risk Management Program for Corporate Leaders (RCL) 11/2018

(6.2) The Board of Directors prescribes Chief Executive Officer, managing director of subsidiary, and top level executives to prepare plan for development and/or succession for successor in order to create readiness for the Company to continue its businesses in the case that they cannot perform their duties, regardless of the cause. Furthermore, the Board of Directors prescribes managing director to report tasks performed during the year to develop executives and report succession plan every year.

2. Sub-Committees

The Company has 3 Sub-Committees, including

(1) The Audit Committee, which is in according to regulations of SEC and SET

(2) The Executive Committee, which manages business of the Company in various aspects to be in line with policies prescribed by the Board of Directors

(3) The Remuneration and Nomination Committee, which prescribes guideline and policy for nomination and determination of remuneration of directors and sub-committees

(4) The Risk Management Committee, which evaluates and analyzes business risk of the Company, as well as considering approach to mitigate or control risks and report such procedures to the Audit Committee for review and/or the Board of Directors for further approval or acknowledgement.

The Audit Committee consists of

	First Name – Last Name	Position	Director Type / Knowledge
1	Asst. Prof. Dr. Sarayut Nathaphan	Chairman of the Audit Committee	Independent Director / Possess Financial & Accounting Knowledge
2	Asst. Prof. Dr. Thanee Weerasiri	Audit Committee Member	Independent Director / Possess Engineering Knowledge
3	Miss Chawaluck Sivayathorn	Audit Committee Member	Independent Director / Possess Legal Knowledge

Mrs. Nongnuch Phumthol is the Secretary of the Audit Committee.

The Executive Committee consists of

	First Name – Last Name	Position	Director Type
1	Mr. Pairuch Laoprasert	Chairman of the Executive Committee	Executive Director
2	Mr. Somkiat Silawatanawong	Chief Executive Officer	Executive Director
3	Mr. Somchit Peumpremsuk	Director	Executive Director
4	Mr. Issarin Suwatano	Director	Executive Director
5	Mr. Kittisak Suphakawat	Director	Executive Director
6	Mr. Worawat Srisa-an	Director	Non-Executive Director
7	Mr. Bundit Muangsornkeaw	Director	Non-Executive Director
8	Mr. Khumpol Poonsonnee	Director	Non-Executive Director

Mrs. Nongnuch Phumthol is the Secretary of the Executive Committee.

The Remuneration and Nomination Committee consists of

	First Name – Last Name	Position	Director Type
1	Mr. Jumpol Sumpaopol	Chairman of the Remuneration and Nomination Committee	Independent Director
2	Asst. Prof. Dr. Sarayut Nathaphan	the Remuneration and Nomination Committee Member	Independent Director
3	Mr. Somkiat Silawatanawong	the Remuneration and Nomination Committee Member	Executive Director
4	Mr. Worawat Srisa-an	the Remuneration and Nomination Committee Member	Non-Executive Director

Mr. Somchit Peumpremsuk is the Secretary of the Remuneration and Nomination Committee.

The Risk Management Committee consists of

	First Name – Last Name	Position in the Risk Management Committee	Position in the Management
1	Mr. Somchit Peumpremsuk	Chairman of the Risk Management Committee	Deputy Chief Executive Officer of Stonehenge Company Limited
2	Mr. Kittisak Suphakawat	Risk Management Committee Member	Deputy Chief Executive Officer
3	Mr. Issarin Suwatano	Risk Management Committee Member	Deputy Chief Executive Officer

Mrs. Suwanna Sangthong is the Secretary of the Risk Management Committee.

Scope of Responsibilities of the Sub-Committees

These information can be viewed in the Annual Registration Statement (Form 56-1) and in the Company's website at <https://www.sti.co.th> under category of Investor Relations and sub-category of Charter of the Board of Directors.

Authorization of Credit Limits

The meeting of the Board of Directors No. 6/2017 on November 13, 2017 had a resolution to approve authorization level within corporate index of STI Group in order to prescribe scope of authority of the management related to financial and other area. Such approval authority regulation was reviewed again in the meeting of the Board of Directors No. 2/2018 on March 27, 2018 and the meeting of the Board of Directors No. 4/2018 on August 27, 2018 had a resolution to amend the approval authority regulation to more flexible with more thorough and cautious inspection process.

In this regard, in the case that there is a connected transaction and/or there is revenue from sale or acquisition of assets of the Company or subsidiary, the Board of Directors and executives of the Company have duty to comply with related regulations of SEC and SET. In addition, person with approval authority cannot approve any transaction in which such person may have conflict interest (according to the definition in the notification of SEC or the Capital Market Advisory Board), interests, or may receive benefits in any manners,

or may have any conflict of interest with the Company or subsidiary.

3. Guidelines for Nomination of Directors and Top Executives

The Remuneration and Nomination Committee is responsible for nominating directors with policies and guidelines for the nomination of directors and executives as follows:

(1) The Board of Directors

Qualifications of a Board Director

- 1) A Board Director must be an individual with knowledge, skills, and experience beneficial for operating the business. He or She must possess honesty and ethics to operate business and has sufficient time to fully dedicate knowledge and skills to perform duty to the Company.
- 2) A Board Director must possess all qualifications and must not possess any prohibited characteristics according to Public Company Limited Act B.E. 1992 (including revision) ("Public Company Limited Act"), Securities and Exchange Act B.E. 1992 (including revision) ("Securities and Exchange Act"), as well as notifications, regulations, and/or related rules. He or She must not have characteristics that indicate the lack of suitability to be trusted for managing a business with public shareholders

according to the regulations of SEC and/or the Capital Market Advisory Board. He or She must be an individual whose name is recorded in the Database of directors and executives of securities issuing companies according to the Notification of the Capital Market Advisory Board Re: Rules for Listing Names of Persons on Database of Directors and Executives of Securities Issuing Companies.

- 3) A Board Director cannot operate business with similar characteristic that competes with the business of the Company, or become a partner or a director in other legal entity with similar characteristic that competes with the business of the Company, regardless of whether this is for his/her own benefit or benefit of other individuals, unless this is notified in the shareholder's meeting prior to the resolution for appointment. In this regard, a Board Director can take the role of a director in other company in which such position must not obstruct with his/her performance as the director of the Company and must be in line with the guidelines of SEC and SET.
- 4) A Board Director must notify the Company without delay if he or she has interests in the contract of the Company, directly and indirectly, or if he or she has increasing or decreasing shares of the Company.

Qualifications of an Independent Director

An Independent Director must not take the role of an executive and must be independent from the management and shareholders with controlling authority. He or she must not have business relationship with the Company in a manner that limits his/her independent opinion and must possess qualifications according to the Notification of the Capital Market Advisory Board, which are:

- 1) He or she must hold shares not exceeding 1% of total shares with voting rights of the Company, subsidiary, joint venture, major shareholder, or individual with controlling

authority of the Company. In this regard, this also includes shareholding of individuals related to such independent director.

- 2) Not being or have been a director who is involved with administration, employees, staff, or has acted as an advisor who received a regular salary, or acted as an authoritative figure of the company, whether it be the parent company, subsidiary company, associated company, same-level subsidiary, or major shareholder. Unless they have been terminated for not less than 2 years before the date of appointment as an independent director. However, such prohibited characteristics do not include the case that the independent director used to be a government official or governmental advisors with major shareholders or company leaders.
- 3) Is not someone with a blood relationship or legally registered in connection to - in the manner of parents, siblings, or offspring of other directors, executives, major shareholders, authority figures, the person who will be become a director, executives, or any other subsidiaries.
- 4) Does not or never had a business relationship with the Company, parent company, subsidiary company, associate company, major shareholder or authority figures in a manner that may interfere with independent judgment - including not being or having been a significant shareholder that had a business relationship with the Company, parent company, subsidiary company, associate company, or major shareholder, or company leader unless they have been terminated for not less than 2 years before the date of appointment as an independent director. Business relations under paragraph one, including making commercial transactions that are normally reserved for business operations, renting real estate, giving or receiving financial assistance by accepting or giving loans, guaranteeing assets Including

other similar circumstances will result in the Company or the counterparty being obligated to pay off debt to the other party. From 3% of the net tangible assets of the Company or from 20 million baht or more, depending on which amount is lower, the calculation of such indebtedness shall be in accordance with the method of calculating the value of connected transactions in accordance with the Notification of the Capital Market Supervisory Board. But in considering such debt, all debts incurred 1 year before the establishment of a business relationship must be taken into consideration.

- 5) Not being or having been an auditor of the Company, parent company, subsidiary company, associate company, major shareholder, company leader, a juristic person or managing partner of the audit office. Unless the person has been terminated for not less than 2 years before being appointed as an independent director.
- 6) Not being or having been a professional service provider, which includes providing services as a legal advisor or financial advisor that has received service fees upward of 2 million baht per year from the Company, its parent company, subsidiary, associated company, or major shareholder. Unless that person has been terminated for not less than 2 years before being appointed as an independent director.
- 7) Not being a director that has been appointed as a representative of the Company's director, major shareholder or other shareholders who are related to major shareholders.
- 8) Not operating in a business that has the same condition and is a significant competition with the Company or subsidiary. Not being a significant partner in the partnership or a director who is involved in the management of employees and, consultants that receive a regular salary. Furthermore, individuals that

hold more than one percent of the total voting rights of other companies that operates a business of the same condition and is in significant competition with the business of the Company or subsidiary is prohibited.

- 9) There is no other characteristic that makes it impossible to give independent opinions about the Company's operation.
- 10) The Audit Committee must be an independent director of the Company. According to the qualifications prescribed by the Securities and Exchange Commission (SEC).
- 11) After being appointed as an independent director with the characteristics according to Article 1 - 9, independent directors may be assigned by the Board of Directors. To make decisions in the operation of the Company, subsidiaries, associated companies, same-level subsidiaries, conflicting juristic persons, major shareholders or company leaders - where they reach an agreement by making a collective decision.

Director's Recruitment and Appointment Process

The Nomination and Remuneration Committee has a duty to recruit directors with the following process:

- 1) Considering and selecting suitable candidates with knowledge, experience, and capabilities that are beneficial to the business. Qualities that are in accordance with the rules and regulations set by the Company, the Securities and Exchange Act, SEC office and the SET - as well as coinciding with the current business direction.
- 2) Check that the qualified person can fully devote their time to the Company.
- 3) Proceed to approach the person who meets the criteria and to ensure that such persons are willing to take the position of director, if they were to be appointed by the board of directors or company shareholders.
- 4) List the educational and professional history

of potential candidate, as well as obtain their photos while providing a reason behind their selection as preparation to present to the Board of Directors and / or company shareholders.

However, in the year 2019, the Company will allow minor shareholders to nominate individuals to become directors, as long as everything is in accordance to corporate governance principles and other criteria set by the company.

(2) Recruitment of Executives according to the SEC

- 1) The executive must be a person with knowledge, ability and experience that will benefit the business of the Company with integrity, honesty, business ethics and sufficient time to devote knowledge and perform to the best of their abilities.
- 2) Executives must be fully qualified and must not have prohibited characteristics under the law, Securities and Exchange Act or any other laws related to the business of the company. Furthermore, they must have suitable and trustworthy characteristics needed to manage the business.
- 3) The management must notify the Company without delay if there is a stake in the contract whether it was made directly or indirectly that might affect shares of the Company or the shares of affiliated companies.

Executive's Recruiting and Appointing Process According to the SEC

Human Resources Department will recruit and select qualified people with skills, experience and understanding of the business, to ensure that they are willing to take up the management position if appointed by an authority figure.

4. Supervision of Subsidiaries' Operations

The Company has a policy to invest in other related businesses to benefit the main company. Where the investment must have potential in generating profits for the Company in the long run by controlling and supervising the management of subsidiaries. In order

to continuously and sustainably maintain the benefits of the investments, as well as creating additional value and confidence for the Company stakeholders. The Company has therefore established a policy to control and supervise subsidiaries and associated companies that the Company has invested in:

(1) The Company has established the management structure of subsidiaries and associated companies to control and manage the operations of subsidiaries and associates as follows:

Nominating persons to be directors and executives of subsidiaries and associates

- (1.1) For subsidiaries, the Company will send persons approved by the Board of Directors to participate as directors and executives. According to the shareholding ratio, in order to supervise and set the management policy as if it were a unit of the Company, the subsidiary company must hire an auditor of the same company as the auditor of the Company. The auditors prepare financial statements in accordance with financial reporting standards for public interest entities, the Company must have the right to appoint the managing director or equivalent as well as the chief financial officer. The number of people to join as a director in the subsidiary company must be in accordance with the shareholding proportion of the Company in the subsidiary company or according to mutual agreement. To invest in an associate company, sending agents to join as a director of an associated company, the Company will send the person approved by the Board of Directors to join as a director in the associated company. According to the shareholding ratio Which such person must have appropriate qualifications and experience in managing the business of that associated company.

Scope of the duties and responsibilities of directors and executives in subsidiaries and associate companies

- (1.2) Scope of the duties and responsibilities of

directors and executives in subsidiaries and associate companies

- Closely monitor the operations of the subsidiaries and associated companies closely to meet the goals set by the Company
- Perform duties established by the Board of Directors, subsidiaries and associates, as well as company shareholders
- Considering and voting in the Board of Directors' meetings of subsidiaries and associates in matters relating to general operations according to the normal business of that subsidiary and associated companies. As the directors and executives of the subsidiaries and associated companies deem appropriate - for the maximum benefit of the subsidiaries, associates and the Company, except for considering and voting in the following matters - the actions must be approved by the Board of Directors and / or the shareholders' meeting of the Company depending on the case before proceeding.

1. Transaction of subsidiaries according to the announcement of the connected transaction and the announcement of the acquisition and disposal

2. Transactions that may have a significant impact on the financial status and operating results of the subsidiaries, including:

- Sale or transfer of business - either completely or partially - of the subsidiaries that are significant to other individuals
- The purchase or acceptance of business transfers of other companies to the subsidiaries
- Liquidation of the subsidiary
- Transfer or waive benefit claims that are significant to the damage of the subsidiary
- Borrowing, lending, guaranteeing, creating contingent obligations, or providing financial assistance to other companies that significantly affect the financial position of the subsidiary
- Amendment of the subsidiary's regulations
- Capital increase, share allocation, capital increase, reduction of registered capital of

subsidiaries, as well as any other actions that result in both direct and indirect shareholding of the Company in the subsidiary, regardless of any reduction of the 10 percent of the paid-up capital of that subsidiary, or any decrease until it reaches less than 50 percent of the paid-up capital of that subsidiary.

(2) The directors and executives of subsidiaries, including related persons of such directors and executives has a duty to inform the Board of Directors of the subsidiary about the relationship and transactions with subsidiaries in a manner that may cause conflicts of interest. They must avoid making transactions that may cause conflicts of interest with such subsidiaries, the Board of Directors of the subsidiary has a duty to inform such matters to the Company. Directors and executives of the subsidiaries must not participate in approving matters in which they have interests or have conflicts of interest.

(3) Allowing the subsidiary to prepare a business plan and annual profit and loss estimate in order for the Company to be included as a budget to propose to the board to approve the budget of the consolidated financial statements. As for investment projects and manpower plans with other operators, monthly subsidiary performance reports must be submitted when requested. In the event that the Company detects any significant issues, it may notify the subsidiary and / or submit documents for consideration of the Company.

By the policy of controlling and supervising the subsidiaries and associates of the group approved by the Board of Directors Meeting No. 1/2018 on May 14, 2018, effective from May 15, 2018 onwards.

5. Supervision of internal information

The Company has a policy to supervise the use of internal information. In order to prevent directors, executives and employees who know internal information related to the Company and subsidiaries looking for personal benefit by publishing such policies on the Company website www.sti.co.th and the Company's intranet for directors, executives and employees to be informed and treated by the following summary:

- The Company prohibits directors executives and employees that receive internal information from disclosing financial information to the public. The directors, executives, and management of all levels are prohibited from directly or indirectly trading sensitive information between themselves, spouses, or underage children within 1 month before publicizing the Company's financial statements. For 24 hours after the initial disclosure, or 48 hours of widespread publication of the financial information, the Company requires the directors and executives to report their security holdings to the SEC within 30 days from the date of being appointed to the position. Including when the director or executive of the Company has changed the holding of the Company's security protocols. They must notify the Company and report the change of holding of such security protocols to the SEC office within 3 working days from the date of purchase, sale, transfer or acceptance of transfer in accordance with Section 59 of the Securities and Exchange Act BE 1992 (including additional amendments) and for public distribution.

In the year 2018, there were changes in securities holdings of directors and executives as summarized below:

- The Company has imposed disciplinary actions for company directors, executives and employees that disclose internal information in the pursuit of personal benefit or causing any harm to the Company. The Company will consider implementing a punishment according to the offence committed, this ranges from a verbal warning to a written warning as well as probation or even termination of employment.
- Directors, executives employees, former directors, and all staff members that have resigned are prohibited from disclosing internal information that the former employee came across while working for the Company - even if the disclosure of such information does not cause any damage to the Company itself or the Company's partners - disclosing of internal information under any circumstance is prohibited.



The board of directors' and executives' holdings in the STI
Information on changes in shareholding of directors and executives
of the Company in the year 2018 are as follows:

Board of Directors

Order	Name	Position	Number of shares held		Number of shares	Ratio
			On December 12 th , 2018	On December 31 st , 2018	Changesa	Share-holding
1	Mr. Jumpol Sumpaopol Spouse and underage children:	Chairman of the Board of Directors	- -	- -	- -	- -
2	Asst. Prof.Dr. Sarayut Nathaphan Spouse and underage children:	Chairman of the Audit Committee	- -	- -	- -	- -
3	Asst. Prof. Dr. Thanes Weerasiri Spouse and underage children:	Audit Committee member	- -	- -	- -	- -
4	Miss Chawaluck Sivayathorn Spouse and underage children:	Audit Committee member	- -	- -	- -	- -
5	Mr. Pairuch Laoprasert Spouse and underage children:	Chairman of the Executive Committee	30,000,000 -	31,115,000 -	1,115,000 -	11.61% -
6	Mr. Somkiat Silawatanawong Spouse and underage children:	Chief Executive Officer	40,000,000 -	40,000,000 -	- -	14.93% -
7	Mr. Somchit Peumpresuk Spouse and underage children:	Executive Director	30,000,000 -	30,000,000 -	- -	11.19% -
8	Mr. Issarin Suwatano Spouse and underage children:	Executive Director	12,000,000 -	12,000,000 -	- -	4.48% -
9	Mr. Kittisak Suphakawat Spouse and underage children:	Executive Director	8,000,000 -	8,000,000 20,000	- 20,000	2.99% -
10	Mr. Worawat Srisa-an Spouse and underage children:	Executive Director	- -	- -	- -	- -
11	Mr. Khumpol Poonsonee Spouse and underage children:	Executive Director	- -	- -	- -	- -
12	Mr. Bundit Muangsornkeaw Spouse and underage children:	Executive Director	- -	- -	- -	- -

Remark : as of book-closing date December 28, 2018

Order	Name	Position	Number of shares held		Number of shares	Ratio
			On December 12 th , 2018	On December 31 st , 2018	Changesa	Share-holding
Managers						
1	Mr. Rangsak Phatcharakitti Spouse and underage children:	Senior Vice President	6,100,000 -	6,100,000 -	- -	2.28% -
2	Mr. Terdsakul Vividworn Spouse and underage children:	Senior Vice President	4,100,000 -	4,100,000 -	- -	1.53% -
3	Mr. Vichian Daopalangphrom Spouse and underage children:	Senior Vice President	- -	20,000 -	20,000	0.01% -
4	Mr. Sitthikorn Kamolwanon Spouse and underage children:	Senior Vice President	100,000 -	100,000 -	-	0.04% -
5	Mr. Thana Ratananakin Spouse and underage children:	Senior Vice President	100,000 -	150,000 -	50,000 -	0.06% -

Remark : as of back-closing date December 28, 2018

6. Audit Fee

(1) Audit Fee

The Company and its subsidiaries paid the audit fee to KPMG Phoomchai Audit Limited for the fiscal year. That ended in December 31, 2017 and December 31, 2018, totaling 3.65 million baht (2017) and 3.50 million baht (2018) respectively. As for the remuneration from auditing for the fiscal year ending December 31, 2017 - 2018, in the amount of 2.55 million and 2.30 million baht, respectively, and the audit fee for subsidiaries for the accounting period Ended December 31, 2017 - 2018 in the amount totaled 1.10 million baht (2017) and 1.20 million baht (2018) respectively.

(2) Non - audit Fee

- None -

7. Compliance with corporate governance principles in other matters

As the principles of good corporate governance for listed companies, the 2017 edition, Code 3, it sets out to strengthen the effectiveness of the Board of Directors. Article 3.5.5 states that each director should attend not less than 75 percent of that year. All board meetings that were held during that year, due to Asst. Prof. Dr. Thanes Weerasiri, the mission of the Engineering Institute of Thailand under the royal patronage for Thammasat University, as well as being an important contributor to helping the 13 wild boar teams from the events in Luang Tham - Khun Nam Nang Non, Chiang Rai province, which resulted in the attendance of the 2018 Board of Directors meeting at a ratio of less than 75 percent of the total number of meetings (4 times from a total of 8 meetings). In the meeting that Asst. Prof. Dr. Thanes Weerasiri was on a mission and was unable to attend the meeting, the Company will send the documents for the meeting and request comments related to the meeting agenda.

Social Responsibility



Overview

The Company and its subsidiary are aware of the importance of operating business with responsibility to society, community, and environment, which is an important factor that helps its business operations to be accepted and supported by all related parties and resulted in long-term sustainable and stable growth of STI Group's businesses. As a result, the Company has guidelines to operate businesses under the framework of good corporate governance with honesty, transparency, accountability, and also regularly provides importance and consideration to benefits and/or impacts from its business operations that may occur to economy, environment, and all related stakeholders, including shareholders, investors, employees, customers, trade partners, community, society, and agencies. In addition, the Company shall support and ensure that the work performed by directors, executives, and employees of STI Group are in the same direction according to the prescribed guidelines of social responsibility.

Social and Environmental Activities

STI Group continuously supports and/or establishes projects and/or activities for social and environ-

mental benefits with cooperation between its executives and employees as follows:

(1) Religious and Cultural Activities, such as

- Donation for restoration of temples such as a sermon hall in the monastery of Wat Khruemit Santitham, Sai Yok District, Kanchanaburi
- Design of cloister, sermon hall in a monastery, and Dharma practice hall for Chulalongkorn Rajabhat University, Wang Noi District, Ayudhdhaya, and Wat Bundanjai, Wang Noi District, Ayudhdhaya, and Wat Bo Rai, Trad
- Participation in making merit for the royal kathin robes at Wat Chong Kham, Mae Hong Son.
- Participation in making merit for off-season offering of robes and other needs at Wat Phra Phutthabat Bua Kham, Udon Thani
- Sponsorship for 2018 activities of International Council on Monuments and Sites

(2) Educational and Youth Activities, such as

- Sent executives or representatives of STI Group as guest speakers to provide engineering knowledge and experience in various aspects such as building inspection, building extension, stake to students, members of Council of

Engineering, and officers of public and private sectors, such as King Mongkut's University of Technology Thonburi, Sriprathum University, Engineering Institute of Thailand, Council of Engineering, and Department of Disaster Prevention and Mitigation, Ministry of Interior, etc.

- Participated in the project for preparation for "engineering profession" with the Foundation for the Development of King Mongkut's University of Technology Thonburi, which is an organization under network of Council of Engineering, together with Department of Civil Engineering, King Mongkut's University of Technology Thonburi, and King Mongkut's University of Technology Thonburi Alumni Association. The project was established to provide preparation for 4th year students of King Mongkut's University of Technology Thonburi before entering into profession in order for them to have opportunities to study guidelines for selection of engineering career and opportunities to start

their career in professions that correctly suit with their skills and need which will result in future success of their engineering profession

- Provided scholarship and signed memorandum for the academic cooperation agreement with Rajamangala University of Technology Rattanakosin with the objective of supporting cooperative activities of students, graduate courses, training courses, scholarship, study visits, research fundings, and project for increasing knowledge of teachers on consultancy skills for construction management and control according to the framework and guidelines of the academic cooperation agreement. The Company provided scholarship to well-performed students who lacked sufficient funds in amount of THB 200,000 on Tuesday, November 20, 2018 at Meeting Room 1, 2nd Floor, Office of the President, Rajamangala University of Technology Rattanakosin, Salaya Area



Providing of scholarship and signing of memorandum for the academic cooperation agreement with Rajamangala University of Technology Rattanakosin

- Participated in making merit for off-season offering of robes and other needs for education at Banglane Wittaya School, Nakhon Pathom
- Provided funding for Male Basketball Club, Charuwattana Nukul School
- Provided scholarship for Ruam Phon Kon Jai Boon Project, Khon Kaen University
- Provided funding for organizing academic meeting of ASEAN Federation of Engineering Organization

(3) Community and Quality of Life, such as

- Sent executives or representatives of STI Group as volunteer engineer of various engineering associations, such as the Engineering Institute of Thailand, to proceed with activities beneficial to public, such as
- Volunteer engineer of the Engineering Institute of Thailand for building inspection and providing recommendation for building restoration design when there are disaster incidents, such as the earthquake incident at Chiang Rai and the flood at Sakon Nakhon and Surat Thani.
- Volunteer engineer in “Clinic Chang” activity of the Engineering Institute of Thailand which provides advices to citizen with engineering issues without any expenses

“Clinic Chang” activity of the >>
Engineering Institute of Thailand





Speaker for answering to engineering enquiries of general public in Clinic Chang FM 105 MHZ radio show

Seeding and nursing of newly planted trees with Wang Chan Reforestation, Rayong

- Speaker for answering to engineering enquiries of general public in radio show of the Engineering Institute of Thailand which is organized with Radio Thailand. Clinic Chang on FM 105 is live on station FM 105 MHZ every Saturday and Sunday at 05.00 - 06.00 am

- On May 23, 2018, the Company organized activity with Wang Chan Reforestation, Rayong, in which the activity involved seeding and nursing of newly planted trees for rare forest propagation.
- Provided funding for Red Cross Charity Lottery, Nonthaburi
- Provided funding for Thai Red Cross lottery and Alumni Association of King Mongkut's University of Technology Thonburi

Internal Control and Risk Management

1. The opinion of the Board of Directors regarding the internal control system of the Group

The Group has given importance to the establishment of a good internal control system which is one factor that helps support the effective business operation. The Group provided an adequate and effective internal control system covering the operations of the Group in all aspects and in accordance with the law, related regulations and regulations. Also, the Group provided a mechanism for monitoring and balance that is effective enough to protect the assets of the Group, not to be misused and used to prevent fraud that may occur. Clear approval authority and written procedures and the scope of duties and responsibilities of the executives and employees of each department were determined in order to inspect and balance with each other. The Group had an internal auditor which was an independent agency from outside, for example, DIA Audit Company Limited (“DIA” or “Independent internal auditor”) acted to monitor the operations of various departments of the Group in accordance with the policies and regulations laid down. This independent internal auditor reported the audit results directly to the Audit Committee. In addition, KPMG Phoomchai Audit Company Limited, which was a certified public accountant of the Company and its subsidiaries, considered Internal control of the Group and subsidiaries in relation to the preparation and presentation of financial statements to ensure the

appropriateness and reliability of financial reporting. If additional observations were found for the internal control system, the Audit Committee would notify the Company with suggestions as information for further improvement.

The Meeting of the Board of Directors Company No. 1/2561 (after conversion) was held on May 14, 2018, to assess the adequacy of the internal control system of the Group according to the assessment form of the Office of SEC. The evaluation of internal control system was undertaken encompassing 5 aspects as below:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication System
- 5) Monitoring Activities System





Board of Directors had the opinion that the internal control system of the company group was sufficient and appropriate by which all parts complied effectively with generally accepted accounting standards, SEC Office's announcement and SET regulations in reporting quarterly financial statements, annual financial statements of the company consistently. The process of preparing and disclosing the information in the financial statements was accurate, complete, sufficient and in a timely manner. The internal control system was sufficient and appropriate including the corrections made in line with the changing situation effectively. Such process and system could ensure the operations of the Group to achieve the set objectives and be in accordance with the related laws and regulations. Hence, any significant problems or defects that could cause damage to the operations of the Group were not found. Also, the system of internal control over transactions with major shareholders, directors, executives involved with such a person, was then adequate. The committee has no opinion different from the opinion of the Board of Directors.

2. Head of Internal Audit of the Group

The Audit Committee Meeting of the Company No. 1/2018 (before transformation) held on 28 February



2018 approved the appointment of DIA to perform internal audits of the Group. DIA assigned Mr. Apinan Sripramoj, head of the inspection team, internal audit division of listed company and preparation company listed on the stock exchange market. He would be the main responsible person to perform the duties of the internal auditor of the Group. The Audit Committee considered the qualifications of DIA and Mr. Aphinant Sripramoj and considered he was appropriate for such duties as an independent, experienced in performing internal audit work and was trained in courses related to the performance of internal audit. The appointment and removal of internal auditors of the Group must be approved by the Audit Committee only.

In the year 2018, the DIA examined the internal control of the Group to present to the Audit Committee for acknowledgement in every quarter.

Related Party Transactions

The Company recognizes the importance of conducting business with transparency and taking into account all stakeholders' interests. The Company has, therefore, clearly defined the policies and procedures for related transactions, which are used as a guideline for entering into connected transactions. So, the Company could ensure that all connected transactions are transparent, undertaken without any conflict of interest, and approved by the management of the Board of Directors or the shareholders' meeting, which are also disclosed correctly and completely in order to maximize

the benefits of the company and shareholders as well as the normal business transactions.

Undertaking transactions with related parties that occurred during the past years is a normal business transaction with the conditions of the related transactions in accordance with the guidelines determined to be under the normal trading conditions as well as the market price (Arm's Length Basis), with the same operations as those performed with third parties with the same or similar nature.

Information of related party transactions in the fiscal year 2018, 1 January 2018 - 31 December 2018, with the following details:

1. Connected transactions which are normal business

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
1. GRAND UNITY Development Co., Ltd.	Having common directors	<u>Revenue from services</u> - Construction Management income - Engineering design income - Trade accounts receivable - The value of the work under the contract that has not yet been collected from the customer - The amount collected from customers that is higher than the value of the work under the contract.	11.99 7.45 1.19 2.01 0.10	19.59 6.43 5.66 1.51 5.90	<u>Necessity and appropriateness</u> The Group has provided services to Grand Unity Development Company Limited for a total of 18 projects. The contracts of services for all 18 projects are under normal business conditions and when compared to similar projects that provide services to other people, it was found that there was a similar gross margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group, which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
2. LRK Development Co., Ltd.	Having common directors	<u>Revenue from services</u> - Construction Management income - Engineering design income - The value of the work under the contract that has not yet been collected from the customer	1.23 1.88 3.12	9.01 (0.38) -	<u>Necessity and appropriateness</u> The Group has provided services for 2 projects. The service agreement has normal business conditions. When compared to projects that are similar to those provided to other people, it was found that there was a similar gross margin <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group, which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
3. Andaman Resort Asset Company Limited (formerly known as Banyan Tree Krabi Resort and Spa Company Limited)	Having the largest shareholder in the highest ranking company as a relative of shareholders in the highest-ranking company as Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction Management income - Trade accounts receivable - The value of the work under the contract that has not yet been collected from the customer - The amount collected from customers that is higher than the value of the work under the contract.	2.51 1.01 1.18 -	9.78 1.91 - 0.15	<u>Necessity and appropriateness</u> The Banyan Tree Krabi (Tub Kaek) Project Service Agreement has normal business conditions when compared to similar projects that provide services to other people. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis)
4. Chau Enterprises Co., Ltd.	Having the largest shareholder in the highest ranking company as a relative of shareholders in the highest- ranking company as Univentures Capital Co., Ltd.	<u>Revenue from services</u> Engineering design income	0.40	-	<u>Necessity and appropriateness</u> The Group has provided services to Chow Enterprise Co., Ltd. in the engineering design project of Emporio 38 with normal business contract terms. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has a fair contract condition and have a gross profit margin estimated while considering the work that is higher than the minimum gross margin set.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
5. One Bangkok Holding Co., Ltd.	Having the largest shareholder in the highest ranking company as a relative of shareholders in the highest ranking company as Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction Management income - Trade accounts receivable - The value of the work under the contract that has not yet been collected from the customer	37.59 3.00 6.53	- - -	<u>Necessity and appropriateness</u> - The Group has provided 2 services for construction management with normal business conditions. When compared to projects that are similar to those provided to other people, it was found that there was a similar gross margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
6. ASM Management Company Limited	Have common directors of the parent company of Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction Management income - Engineering design income - Trade accounts receivable - The amount collected from customers that is higher than the value of the work under the contract.	2.58 0.36 - -	5.21 - 0.53 0.30	<u>Necessity and appropriateness</u> The Group has provided services with 3 service contracts with normal business contract terms and had a similar gross profit margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
7. Thanniran Co., Ltd.	Having the largest shareholder in the highest ranking company as a relative to shareholders of Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction Management income - Trade accounts receivable - The value of the work under the contract that has not yet been collected from the customer.	4.95 1.19 0.53	5.67 - -	<u>Necessity and appropriateness</u> The Group has provided services with 2 service contracts with normal business conditions. <u>Opinion of the Audit Committee</u> - Such transaction is a normal business transaction of the Group which has a fair contract condition and had a gross profit margin estimated while considering the work that is higher than the minimum gross margin set.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
8. R.D. Pathana Co., Ltd.	Having the largest shareholder in the highest ranking company as a relative of shareholders in the highest-ranking company as Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Architectural design income - Engineering design income - Trade accounts receivable - Value of work under contract that has not yet been collected from customers	0.84 0.12 0.83 0.18	0.81 0.18 - -	<u>Necessity and appropriateness</u> The Group has provided Project Service to R.D. Pathana Co., Ltd. with contract conditions that are normal business. It was that there was a similar gross margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
9. Tor Yod Market AEC Co., Ltd.	Having the large shareholder in the highest ranking company, as a relative of shareholders in the highest-ranking company as Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction Management income - The value of the work under the contract that has not yet been collected from the customer	13.79 1.31	4.42 -	<u>Necessity and appropriateness</u> The Group has provided services as a construction management with contract conditions of a normal business. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has a fair contract condition and has a gross profit margin estimated while considering the work that is higher than the minimum gross margin set.
10. TCC Hotel Asset Management Co., Ltd.	Having the largest shareholder in the highest ranking company, as a relative of shareholders in the highest-ranking company as Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction Management income - Trade accounts receivable - The amount collected from customers that is higher than the value of the work under the contract.	- - -	4.08 1.73 0.20	<u>Necessity and appropriateness</u> In the year 2018, the Group provided services as a construction management for the Imperial Boathouse Beach Resort project with contract conditions of a normal business. When compared to that projects that are similar to those provided to other people, it was found that there was a similar gross margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
11. Fraser Property Holding (Thailand) Co., Ltd.	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Revenue from services</u> Construction Management income	-	0.35	<u>Necessity and appropriateness</u> In the year 2018, the Group provided the office building renovation project on the 22nd floor of the Park Ventures Building with the contract conditions of a normal business. When compared to projects that are similar to those provided to other people, it was found that there was a similar gross margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
12. Siri- vadanabhakdi Foundation	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction - Trade accounts receivable Management income	1.03 0.60	0.60 0.10	<u>Necessity and appropriateness</u> The Group has provided services to the Sirivadhanabhakdi Foundation with the contract conditions of a normal business. When compared to projects that are similar to those provided to other people, it was found that there was a similar gross margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
13. Bangkok Art Biennale Management Co.,Ltd.	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Revenue from services</u> Construction Management income	-	1.59	<u>Necessity and appropriateness</u> The Group has provided services as a construction management with contract conditions of a normal business. There is a gross profit margin that the management estimates while considering the work that is higher than the minimum gross margin set out in the professional service charge regulation. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has a fair contract condition. There is a gross profit margin estimated while considering the work that is higher than the minimum gross margin set.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
14. TCC Asset (Thailand) Co., Ltd.	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction - Management income	0.79	-	<u>Necessity and appropriateness</u> The Group has provided services with normal business conditions. When compared to projects that are similar to those provided to other people, it was found that there was a similar gross margin <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
15. One Bangkok Co., Ltd. (formerly named as Kasem Subvadhana Company Limited)	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction - Management income - Architectural design income - Engineering design income - Trade accounts receivable - The value of the work under the contract that has not yet been collected from the customer - Other creditors - The amount collected from customers that is higher than the value of the work under the contract.	3.35 1.97 1.04 0.66 1.01 - 0.16	133.87 0.88 0.51 13.93 28.51 1.54 -	<u>Necessity and appropriateness</u> The Group has provided a total of 9 projects by a service contract with normal business contract terms and has obtained a similar gross profit margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis). For the projects or segments that cannot be compared, there is a gross margin projected at the time of accepting the job, higher than the minimum gross margin set.
16. Kasem Subsiri Co., Ltd.	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Revenue from services</u> - Construction - Management income - Engineering design income - Trade accounts receivable	5.50 0.20 0.89	9.82 - 1.77	<u>Necessity and appropriateness</u> The Group has provided services to the Company. Kasem Sapsiri Co., Ltd. by service contract with normal business contract terms. When compared to projects that are similar to those provided to other people, it was found that there was a similar gross margin.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
		The amount collected from customers that is higher than the value of the work under the contract.	1.04	1.16	<u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
17. The Street Retail Development Co., Ltd.	Being a subsidiary of TCC Asset (Thailand) Co., Ltd.	<u>Revenue from services</u> - Construction Management income - Architectural design income - Engineering design income - Trade accounts receivable - The value of the work under the contract that has not yet been collected from the customer. - The amount collected from customers that is higher than the value of the work under the contract.	2.05 0.75 0.82 0.13 0.31 0.09	2.05 - 0.57 1.23 - -	<u>Necessity and appropriateness</u> The Group has provided 6 projects which has normal business conditions. When compared to projects that are similar to those provided to other people, there is a similar gross profit margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group. Which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).
18. Inter Horeca Co., Ltd.	Being a subsidiary of TCC Asset (Thailand) Co., Ltd.	<u>Revenue from services</u> Construction Management income	0.20	-	<u>Necessity and appropriateness</u> The Group provides services for construction management with contract conditions of a normal business. When compared to similar projects that provide services to other people, it was found that there was a similar gross margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
19. S.A.Auto Co., Ltd.	Being a joint venture with shareholders and directors	<u>Revenue from services</u> • Architectural design income	2.00	-	<u>Necessity and appropriateness</u> The Group has provided services in a total of 2 projects with contract conditions of a normal business and has obtained a similar gross profit margin. <u>Opinion of the Audit Committee</u> Such transaction is a normal business transaction of the Group which has fair price and conditions comparable to other persons who are not connected persons (Arm's length basis).

2) Other related transactions which are normal business

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
1. Mr. Somkiat Silawattana- wong	Being a shareholder; Being a director and executive of the company	<u>Advance payment payable</u> • Other payables	0.01	0.16	<u>Necessity and appropriateness</u> It was the expense that is paid for the business of the Group. <u>Opinion of the Audit Committee</u> Such advances are normal business transactions of the Group and are important for the benefit of the Group.
2. Mr. Pairuch Laoprasert	Being a shareholder; Being a director and executive of the company	<u>Advance payment payable</u> • Other payables	-	0.01	<u>Necessity and appropriateness</u> It was the expense that is paid for the business of the Group. <u>Opinion of the Audit Committee</u> Such advances are normal business transactions of the Group and are important for the benefit of the Group.
3. Mr. Somchit Peumpresuk	Being a shareholder; Being a director and executive of the company	<u>Advance payment payable</u> • Other payables	0.01	0.11	<u>Necessity and appropriateness</u> It was the expense that is paid for the business of the Group. <u>Opinion of the Audit Committee</u> Such advances are normal business transactions of the Group and are important for the benefit of the Group.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
4. Mr. Kittisak Suphakawat	Being a shareholder; Being a director and executive of the company	<u>Advance payment payable</u> • Other payables	0.08	0.10	<u>Necessity and appropriateness</u> It was the expense that is paid for the business of the Group. <u>Opinion of the Audit Committee</u> Such advances are normal business transactions of the Group and are important for the benefit of the Group.
5. Mr. Issarin Suwatano	Being a shareholder; Being a director and executive of the company	<u>Advance payment payable</u> • Other payables	-	0.45	<u>Necessity and appropriateness</u> It was the expense that is paid for the business of the Group. <u>Opinion of the Audit Committee</u> Such advances are normal business transactions of the Group and are important for the benefit of the Group.
6. Mr. Terdsakul Vividworn	Being a shareholder; Being a director and executive of the company	<u>Advance payment payable</u> • Other payables	-	-	<u>Necessity and appropriateness</u> It was the expense that is paid for the business of the Group. <u>Opinion of the Audit Committee</u> Such advances are normal business transactions of the Group and are important for the benefit of the Group.

3) Related transactions which are normal supportive transactions

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
Property Rental					
1. T.C.C. Technology Co., Ltd.	Having common directors with the parent company of Univentures Capital Company Limited	<u>Information technology equipment rental and service</u> • Administrative expenses • Other payables	0.19 0.06	1,12 0.14	<u>Necessity and appropriateness</u> The Group has entered into agreements with TCC Technology Company Limited (Lessor) for the rental of computer equipment and information technology services to the Group. The Group has already compared the suitability of the offer to other services and concluded that the service offer of TCC Technology Limited is appropriate and consistent with the nature of the service and the business of the Group. The equipment

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
					rental fee is based on the standard rate of TCC Technology Company Limited. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has reasonable rental and service rates under normal trading conditions.
2. S.A. Auto Co., Ltd.	A business having shareholders and common directors	<u>Office space rental</u> - Administrative expenses - Other payables	0.74 -	0.74 -	<u>Necessity and appropriateness</u> The Company has entered into an annual lease agreement for certain areas on the first floor, an area of approximately 120 square meters, building No. 123 Soi Chokchai Ruammit (Ratchada 19), Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok. The rental rate is under the same rental terms when comparing with the 2nd floor tenant in the said building that allows other parties to rent and has similar rental rates to the main office building of the company leased from other persons. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has a reasonable rental rate under normal trading conditions.
3. Southeast Capital Company Limited	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Liabilities under finance lease agreements from leasing of vehicles</u> - Financial costs - Finance lease liabilities	0.05 1.11	0.04 0.83	<u>Necessity and appropriateness</u> The Company has entered into a contract for the Honda Accord for the year 2016 for 1 vehicle from the Southeast Capital Company Limited for a period of 60 months with conditions in a normal business agreement. The rental rates of vehicles are similar to the standard rates of Southeast Capital Company Limited. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has a reasonable rental rate under normal trading conditions.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
Insurance Services					
4. Southeast Life Insurance Public Company Limited	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Accident insurance for employees</u> • Administrative expenses • Other receivables	0.38 0.50	0.60 -	<u>Necessity and appropriateness</u> The Group has made accident insurance for the employees with the Southeast Life Insurance Public Company Limited on an annual basis, which, when compared to the offer of services from other persons at the same coverage rate, it was found that the South East Life Insurance Public Company Limited has a lower insurance premium rates. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has a reasonable insurance premium rate under the appropriate conditions. It is a normal trading.
5. Southeast Insurance Public Company Limited	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Professional insurance</u> • Administrative expenses • Other receivables	0.11 0.35	0.48 0.40	<u>Necessity and appropriateness</u> The Group has made Professional Indemnity Insurance with the Southeast Insurance Public Company Limited on a yearly basis. When compared to the offer of services from other people in the same amount of liability, the rates are similar and more suitable coverage conditions. <u>Opinion of the Audit Committee</u> Such transaction is a normal business sup- port transaction of the Group which has a reasonable insurance premium rate under appropriate conditions. It is a normal trading.
6. Southeast Insurance Public Company Limited	Having common directors with the parent company of Univentures Capital Co., Ltd.	<u>Director and Executive Liability Insurance</u> • Administrative expenses • Other receivables	0.02 0.12	0.20 0.21	<u>Necessity and appropriateness</u> The company has insured the director and officer liability with the South East Insurance Public Company Limited on a yearly basis. When compared to the offer of services from other people in the same liability amount, the Southeast Insurance Public Company Limited has similar insurance premium rates under more appropriate coverage conditions. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has a reasonable insurance premium rate under appropriate conditions. It is a normal trading.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
7. Southeast Insurance Public Company Limited	Having common directors with the parent company of Univentures Capital Company Limited	<u>Vehicle Insurance</u> • Administrative expenses • Other receivables	0.02 0.00	0.03 0.01	<u>Necessity and appropriateness</u> The company has insurance for 1 IZUSU MU-X car and 1 Toyota Camry car with the Southeast Insurance Public Company Limited on a yearly basis. When compared to the offer of services from other people in the coverage offer, it was found that Southeast Insurance Public Company Limited has lower insurance premium rates. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has a reasonable insurance premium rate under the appropriate conditions. It is a normal trading.
8. Southeast Insurance Public Company Limited	Having common directors with the parent company of Univentures Capital Company Limited	<u>Office building insurance</u> • Administrative expenses	0.01	0.01	<u>Necessity and appropriateness</u> The Company has insured the office building no. 163 and No. 123 with the Southeast Insurance Public Company Limited on an annual basis which has normal business conditions. This premium rate was according to the standard rate of the Southeast Insurance Public Company Limited. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has a reasonable insurance premium rate under the appropriate conditions. It is a normal trading.
Other Expenses					
9. GODANG 19 CO., LTD.	A business having shareholders and common directors	<u>New Year's Party Event 2017</u> • Administrative expenses • Other creditors	0.49 0.04	2.58 0.48	<u>Necessity and appropriateness</u> Year 2017 and 2018, the Group hired Warehouse 9 Company Limited to organize the New Year party for company employees including being the organizer of booking places and artists for the New Year's party as well. For the place and artist fees, it was found that the service offerings of Warehouse 19 Company Limited were at similar rates. <u>Opinion of the Audit Committee</u> Such transaction is a normal supportive transaction of the Group which has a reasonable service rate.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
10. GODANG 19 CO., LTD.	A business having shareholders and common directors	<u>The cost of making a video presentation of the company</u> • Administrative expenses • Other receivables	- 0.26	0.33 -	<u>Necessity and appropriateness</u> In 2018, the company hired Warehouse 19 Company Limited to create a video to present the company to interested investors. The service fee was 0.33 million baht (excluding VAT) and the Group has paid a deposit for video production to Warehouse 19 Company Limited in the amount of 0.26 million baht (in 2017), which accounts for 80.00 percent of all service fees. <u>Opinion of the Audit Committee</u> Such transaction is a normal business support transaction of the Group which has a reasonable service rate.

4) Connected transactions that are not normal business and will not occur in the future.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended	Year Ended	
			31 Dec 2017	31 Dec 2018	
List of preparations for the Group in listing on the Stock Exchange of Thailand					
1. Univentures Capital Co., Ltd.	Being a major shareholder and having common directors	<u>Consulting costs</u> • Administrative expenses	0.77	-	<u>Necessity and appropriateness</u> In the year 2017, the Company entered into a contract to hire UVCAP for consulting on management, accounting, finance and human resource management for a period of 3 months from February 2017 to April 2017. <u>Opinion of the Audit Committee</u> Such transaction is reasonable because it is a consultation from UVCAP which is already a subsidiary of UV. It is listed on the Stock Exchange of Thailand which helps the Group to adjust the organization structure for listing on the Stock Exchange of Thailand more efficiently.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
2. Integrated Design Office Co., Ltd.	A business having shareholders and common directors	<u>Investment in assets</u> • Purchase of equipment	0.13	-	<u>Necessity and appropriateness</u> In 2017, the subsidiary purchased office equipment from the Integrated Design Company Limited to restructure the business group. The purchase price is close to the book value of the invested assets. In 2018, Integrative Design Company Limited Office dissolved and completed the liquidation. <u>Opinion of the Audit Committee</u> Such transaction is an investment in assets in order to structure the Group and eliminates conflicts of interest including the price of assets that are close to the book value of such assets. Therefore, it is considered to be an appropriate and fair transaction.
3. Stonehenge Holding Co., Ltd.	A business having shareholders and common directors	<u>Investment in assets</u> • Purchase of equipment	0.14	-	<u>Necessity and appropriateness</u> In 2017, the company purchased office supplies from Stonehenge Holdings Co., Ltd. to restructure the business group. The purchase price is close to the book value of the invested assets. In 2018, Stonehenge Holding Company Limited dissolved the business and completed the liquidation. <u>Opinion of the Audit Committee</u> Such transaction is an investment in assets in order to structure the group of companies and eliminates conflicts of interest including the price of assets that are close to the book value of such assets. Therefore, it is considered to be an appropriate and fair transaction.
4. Stonehenge North East Co., Ltd.	A business having shareholders and common directors	<u>Investment in assets</u> • Purchase of equipment	0.09	-	<u>Necessity and appropriateness</u> In 2017, the company purchased office supplies from Stonehenge North East Co., Ltd. to restructure the business group. The purchase price is close to the book value of the invested assets. In 2017, Stonehenge North East Company Limited registered the liquidation and completed the liquidation. <u>Opinion of the Audit Committee</u> Such transaction is an investment in assets in order to structure the group of companies and eliminates conflicts of interest including the

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
					price of assets that are close to the book value of such assets. Therefore, it is considered to be an appropriate and fair transaction.
5. Stonehenge North Co., Ltd.	A business having shareholders and common directors	<u>Investment in assets</u> Purchase of equipment	0.09		<u>Necessity and appropriateness</u> In 2017, the company purchased office supplies from Stone Hedge North Co., Ltd. to restructure the business group. The purchase price is close to the book value of the invested assets. In 2018, Stonehenge North Co., Ltd. dissolved the business and completed the liquidation. <u>Opinion of the Audit Committee</u> Such transaction is an investment in assets in order to structure the group of companies and eliminates conflicts of interest including the price of assets that are close to the book value of such assets. Therefore, it is considered to be an appropriate and fair transaction.
Transactions that provide assistance to the Company					
6. Mr. Pairuch Laoprasert	Being a shareholder; Being a director and executive of the company	<u>Loans from connected persons</u> - Other income - Short-term loans - Remaining at the beginning of the period - Repayment during the period	0.48	3.50 (3.50)	<u>Necessity and appropriateness</u> As of January 1, 2017, Stonehenge Asset Company Limited ("STA") (which, as of March 31, 2018, has a status of a subsidiary of the Company) has outstanding loan with Mr. Pairuch Laoprasert in the amount of 3.50 Million Baht, which is a loan with no interest rate. In 2017, Mr. Pairuch Laoprasert reduced the loan amount to STA by Baht 0.48 million. It is recorded that the reduction of the said amount to other income and STA paid the remaining balance of loan amounting to Baht 3.02 million in 2017. At present, STA has registered the dissolution with the Ministry of Commerce and the account is completed. <u>Opinion of the Audit Committee</u> The reduction of the loan amount by Mr. Pairat Laoprasert is considered beneficial to the Group. The payment of STA loans allows STA to register and dissolve the company more successfully; therefore, it is considered to be an appropriate item.

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
7. Group of shareholders and group executives		<u>lawsuit compensation</u>			<u>Necessity and appropriateness</u> In the year 2017, the Company was sentenced by the Court of First Instance to pay the case at the amount of 1.69 million Baht. In 2018, the Company was appealed by the Court of Appeal to pay the case at the amount of 4.42 million Baht, which increased from the original amount of 2.73 million Baht. It was from the service in one project in 2013. At present, the case is in the process of filing a petition. The group of shareholders and executives of the group of companies has an agreement with UVCAP which has the requirement that if the group is sued and sentenced to pay for the case that occurred before the investment by UVCAP (2016), the group of shareholders and executives of the Group agrees to be responsible and compensate for the said case. In 2017, the Group recorded such compensation as other income and other receivables in the amount of 1.69 million Baht on the date that the Company was sentenced by the Court of First Instance to pay for the case (2017). In the first quarter of 2018, the group of shareholders and executives of the Group paid compensation to the Company in order to guarantee for damages resulting from the judgment of the said Court of First Instance. In 2018, the Group recorded such compensation as other income and other receivables in the amount of 2.73 million Baht on the date that the Company was appealed by the Court of Appeal to pay for the case (2018). In addition, the Company has a memorandum of agreement with the group of shareholders and the group management. It requires the company to sue the case until it ends. If the court has reached the final judgment and the company is as the winner of the case, the company agrees to pay compensation to the existing
		• Other income • Other receivables	1.69 1.69	2.73 2.73	

Individuals / juristic persons that may have conflicts	Relationship	Transaction Type	Transaction Size (Million Baht)		Necessity and appropriateness of related transactions / Opinion of the Audit Committee
			Year Ended 31 Dec 2017	Year Ended 31 Dec 2018	
					<u>Opinion of the Audit Committee</u> Receiving compensation from the group of shareholders and the management group of the Group. Such transaction is considered beneficial to the Company. In the event that the company is a losing party, it is responsible for the payment of litigation cases. Even if the company is the winner of the case, the company will return compensation in the same amount as received from the group of shareholders and the management of the group only. Therefore, it is considered appropriate.

1.1 Measures or procedures for approving related transactions

The Group has guidelines for checking and identifying connected persons with related transactions with the Group to ensure that there are approval, inspection and disclosure of related transactions completely. The Group has organized a data file of connected persons who have already had transactions with it to be able to identify the relationship immediately when having transactions with that company again. Also, when the Group has to bid in the new project, it will have to check the list of directors and shareholders of the employer every time. In the case that the employer is a company whose shareholders are another company, the Group has to check the information of the directors and shareholders of that company until it can identify the person who is the authority or the ultimate shareholder of all employers. So, the Group has to realize whether such employer is considered a connected person or not.

In this regard, the Board of Directors' Meeting No. 1/2018 on May 14, 2018 resolved to approve the principles of trade mechanics with general trading conditions in doing business between companies and their subsidiaries with directors, executives or related persons. There is a trade agreement in the same manner

that an ordinary person should do with a general contractor in the same situation, and the company will prepare for a transaction summary report for the Audit Committee every quarter.

The company gives importance to considering various items, which are transparent and beneficial to the Company. Therefore, the Company therefore gives importance to the protection of transactions that may be a conflict of interest, a connected transaction or related transactions with the following important principles:

1. The directors and executives of the company must notify the company regarding the relationship or connected transaction in a business that may cause conflicts of interest.
2. The company must avoid making transactions that are related to directors, executives or related persons that may cause conflicts of interest with the company. If the transaction is necessary, the company has to propose the connected transactions to the Audit Committee for they could consider and give opinions before proposing to the Board of Directors for their approval and/or the shareholders' meeting of the company (as the case may be). The transaction to be made must be in accordance with the criteria for connected transactions that SET,

Capital Market Supervisory Board, and Securities and Exchange Commission ("the office of SEC") prescribe and follow the principles of good corporate governance.

3. Directors, executives or related persons will conduct transactions with the company or its subsidiary companies only when such transactions are approved by the Board of Directors and/or the shareholders' meeting of the company (as the case may be) in accordance with the criteria for connected transactions based on SET, Capital Market Supervisory Board, and the Office of the Securities and Exchange Commission. Except only when such a transaction will fall in to any of the following characteristics:

- (A) Transactions that are normal business or normal business support transactions with trade agreements in the same manner that ordinary people should do with general counter parties in the same situation, with commercial bargaining power without influence in the status of being a director, an executive or a related person, as the case may be, and it is a trade agreement or business support.
- (B) Borrowing money according to the regulations for staff and employees
- (C) Transactions that the other party of the company or both parties have a status as
 - (1) A subsidiary that is a shareholder, not less than 90 per cent of all paid-up shares of the subsidiary or
 - (2) A subsidiary of which its directors, executives or related persons holding shares or having a vested interest, whether directly or indirectly, not exceeding the amount of the rate or having the characteristics as specified by the Capital Market Supervisory Board.
- (D) Transactions in categories or with value not exceeding the amount prescribed by the Capital Market Supervisory Board

4. Executives and employees must comply strictly with the company's regulation as well as its business ethics for the company to be reliable and trusted by all stakeholders. The company has to disseminate information in order to create understanding among employees throughout the company.

By approving the related transactions of the company, those who may have a conflict of interest or have an interest in the transaction will not be able to participate or vote in the approval of the transaction. The company will comply with the Notification of the Board of the Stock Exchange of Thailand regarding disclosure of information and operations of the company In the connected transaction, 2003, Chapter 5. The method of proceeding for a connected transaction is to follow the law on securities and exchange, regulations, notifications, orders or requirements of the SEC, the Capital Market Supervisory Board and the Stock Exchange of Thailand, whatever involved in the matter. The company has to comply with the regulations relating to the disclosure of connected transactions of the company and its subsidiaries according to the accounting standards set by Federation of Accounting Professions under the royal patronage. The company will disclose related party transactions in the notes to the financial statements that have been audited or reviewed by the Company's auditor, annual report, and the annual registration statement of the company (Form 56-1).

In addition, for entering into related party transactions that are similar to normal business operations, the policy on entering into related party transactions requires the management of the company to have the authority to approve the entering into such transaction. However, in order to protect the interests of the Group including transparency in the control and supervision of related transactions, the company has considered and approved the guidelines to prove the fairness of entering into transactions that are normal business. It is to prove whether the connected transactions that the company or the subsidiary will agree to do are normal business with fair prices and conditions or not. The details of the guidelines are summarized as follows:

A normal business transaction means providing services to or the purchase of products / services from persons who are related or related to the company, related to the main business operations of the group, namely, management and construction supervision consultants, providing design services for architecture and engineering, interior decoration, the conservation of ancient sites, etc. Also, the transaction is made under the fair price and conditions in the same manner that the ordinary person should do with a general contractor in the same situation with the bargaining power of trade without any influence on his status as an executive director or a related person (Arm's Length Basis), for example;

- Trading under the price and conditions that the company or the subsidiary has received or provided to the general public or
- Trading under the price and conditions that the connected person gives to the general public or
- Trading under the price and conditions that the company shows that the business operator in the same manner as the company to the general public, etc.

If the services are provided to or the products / services are purchased from persons who are related or related to the company, related to the main business operation of the Group under the fair prices and conditions, it will be considered as a normal business transaction. The management has the authority to approve such a transaction. The management must compare the gross margin, that is expected to receive from the project services involving management and control consultant of the construction or architectural and engineering design services, interior decoration, and preservation of ancient sites which is a related party transaction ("RPT Project"), with the estimated gross margin for the projects with similar characteristics and complexities to third parties. If it is the project that the Group has never provided services before and there are no other projects that can be compared with, the Group has to consider the RPT project whether it has a higher gross margin than the minimum charge set out in the regulations of the

professional service fees of the Group or not. It is to prove the fairness of the price in service projects under RPT. In addition, the management executives need to check the terms of the service contract draft whether there is a condition that is not a normal trade or not; so, they can consider the fairness of the terms and conditions of the RPT projects. However, if the management considers such a RPT project that it has a price and / or conditions of contract that are unfair or not normal, the Group has to collect relevant information including reasons and necessities and propose to the Audit Committee to consider the appropriateness for approving the transaction.

Given the guideline for proving the fairness of entering into related transactions that is a normal business transaction, it will help support business operations with connected persons to be transparent, proven with fair conditions and prices. It can be compared to conducting business with other people in order to protect the interests of shareholders from transferring benefits to connected persons with the Group.

1.2 Policy and trend of future related party transactions

The Group expects that related party transactions arising from normal business operations of the Group will continue in the future as necessary and appropriate, such as providing advisory services for construction management and control, architectural design, engineering design, and insurance with a company that is a connected person to the group of companies, etc. The entering into such transactions will be in accordance with the nature of trading with commercial terms. There are clear guidelines for proving the fairness of entering into related transactions as a normal business under a fair and reasonable price and terms. The company has to put importance on its interests and those of its subsidiaries as well as requires the Audit Committee to inspect in compliance with the criteria of the Company and its subsidiaries. Such guidelines ensure that the Company complies with the policy on entering into related party transactions and follow guidelines for proving the fairness of entering into related transactions that are normal business transactions correctly and completely.

Analysis and Explanation from the Management



1. Analysis and Explanation from the Management Performance Analysis

Revenue from services

In the year 2017-2018, STI Group has service income of 494.56 million Baht and 631.39 Million Baht respectively, which can be classified as

- 1) revenue from the construction management
- 2) revenue from the business of architecture and engineering design

according to the type of business of the STI group. The details of revenue from services classified by the segment of STI group in the year 2017-2018 are as follows:

Income structure from services classified by segment of STI group
For the year ended 31 December 2017-2018

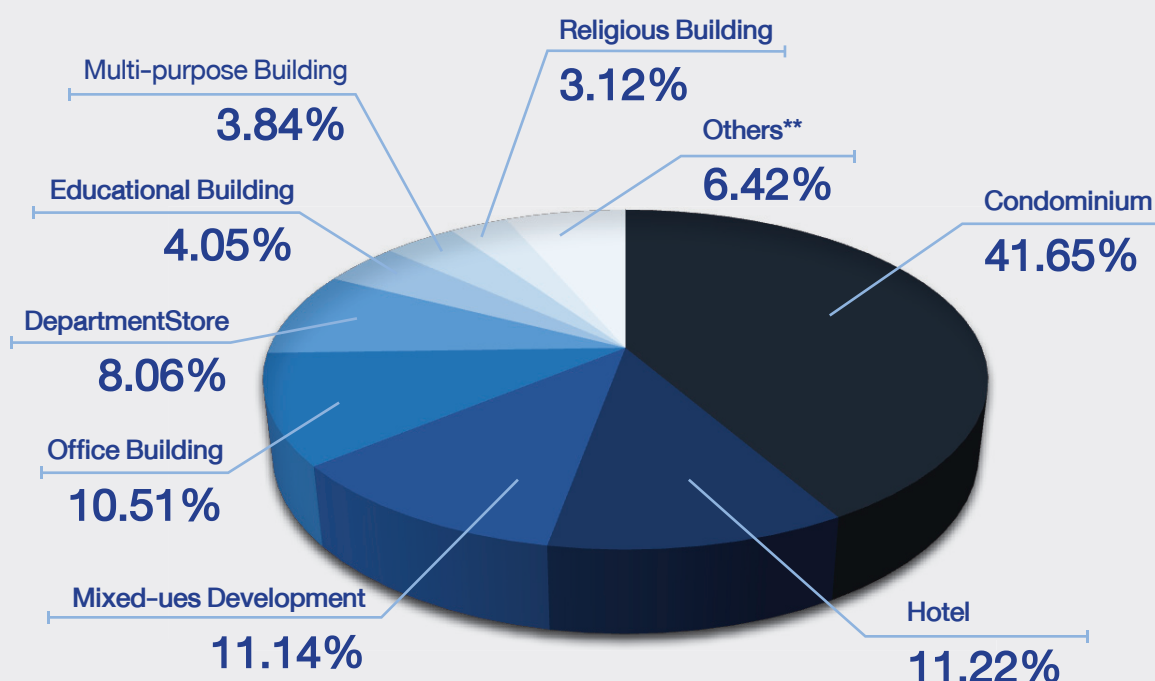
Details	Conducted By	Consolidated financial statements			
		31 Dec 2017		31 Dec 2018	
		Million Baht	per cent	Million Baht	per cent
Revenue from the business of construction management	STI/STH	400.84	81.05	551.02	87.27
Revenue from the business of architectural and engineering design	STH	93.72	18.95	80.37	12.73
Total revenue from services		494.56	100.00	631.39	100.00

In the year 2017-2018, STI Group has the revenue from the business of construction management in the amount of 400.84 million baht and 551.02 million baht respectively. The revenue from the business of architectural and engineering design of the STI group in the year 2017-2018 was at the amount of 93.72 million Baht and 80.37 million Baht, respectively. The STI group has the main revenue from the construction management

business, which in the year 2017-2018 the revenue proportion of such business was 81.05 per cent to 87.27 per cent of the total service revenue.

The STI group is the service provider as a construction management for various projects. The details of the revenue proportion from construction management businesses classified by the project types of the STI group are as follows:

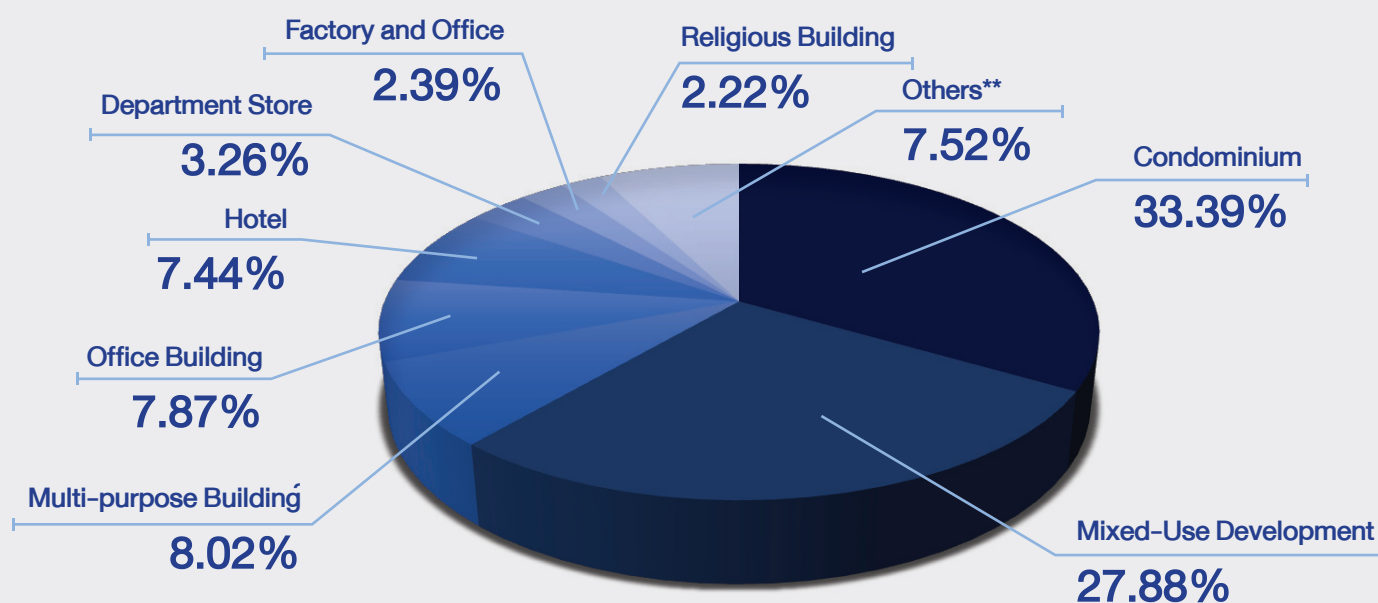
**Revenue Proportion* from the Construction Management Businesses
of STI Group Classified by Project Types for 2017**



Note * Not including revenue other than normal service charges

** Others, such projects as market buildings, golf courses and hospitals etc.

**Revenue Proportion* from the Construction Management Businesses
of STI Group Classified by Project Types for 2018**



Note * Not including income other than normal service charges

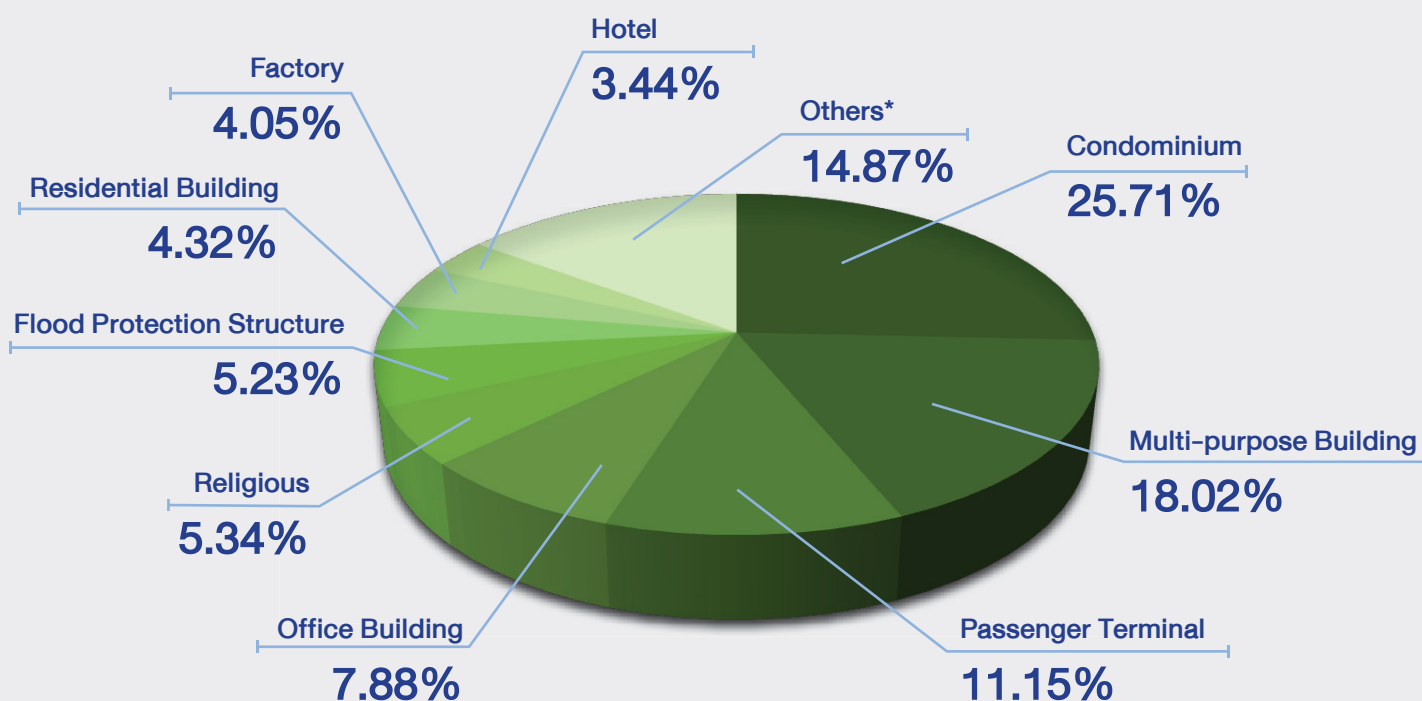
** Others, such projects as educational projects, golf courses and infrastructure etc.

The consulting and managing the construction business of the STI Group has a large proportion of revenue from the real estate development projects both horizontal and high-rise condominiums. In 2017 and 2018, its revenue was at 41.65 per cent while 33.39 per cent was the revenue from the construction management business which did not include the income other than normal service fees each year respectively. The current condominium projects have continued to grow in Bangkok and its vicinity as the expansion of such public transport as a sky train. In addition, STI Group had the revenue from real estate development projects as mixed-use development in 2017 and in 2018, accounting for 11.14 per cent and 27.88 per cent of the revenue from the construction management businesses that excluded the revenue other than normal service fees each year respectively. The project type of mixed-use development in an eclectic style with various types of real estate development, such as accommodation, shopping centers, office buildings

included in the same area, which will boost the real estate to have more value than the real estate development with only one type. The mixed-use development projects have captured the interest of real estate developers and currently continued to expand. In addition, the Group is also a service provider for other various types of projects such as office buildings, multipurpose building, hotels, shopping centers and religious buildings.

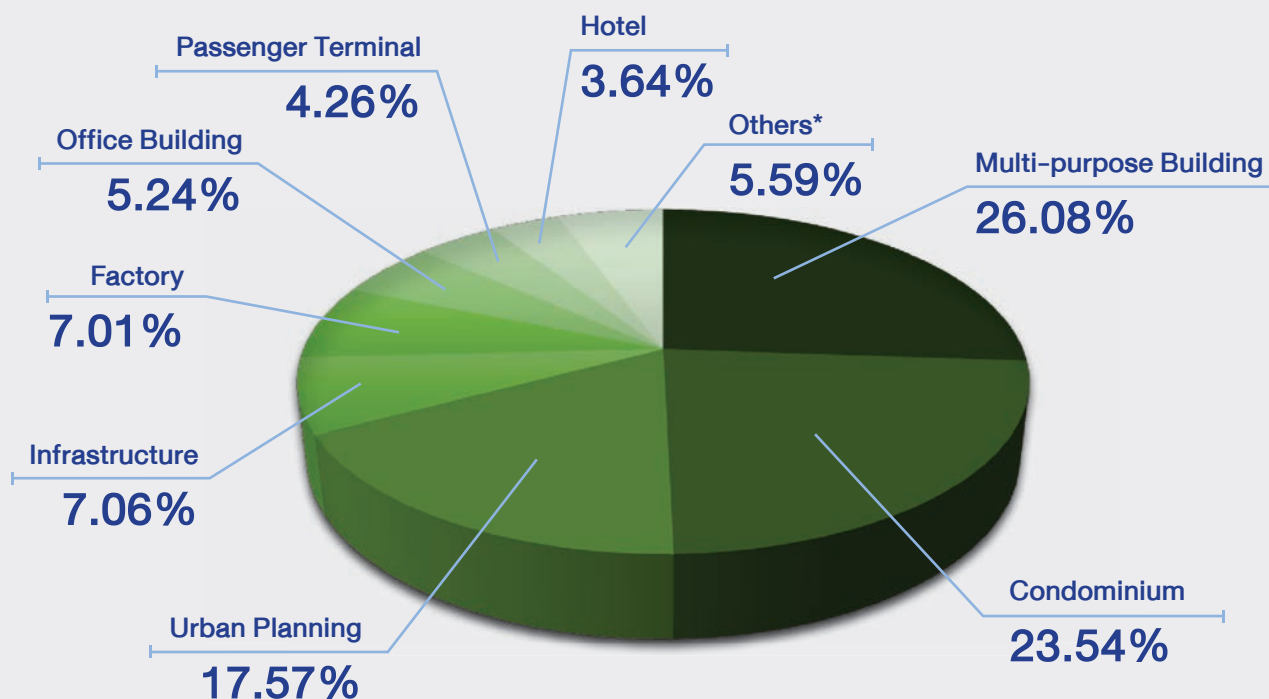
For the architectural and engineering design business of the STI group, the proportion of the main revenue was from condominium projects as same as the business of management and construction management consultancy. There was a distribution of the revenue from more diverse projects compared to the construction management businesses with details of revenue proportion from architectural and engineering design businesses, which were classified by project type of STI group for 2017 and 2018 as follows:

Revenue Proportion from Architectural and Engineering Design Business of the STI group Classified by Project Types for 2017



Note *Others, such projects as the landscape improvement, bridge, hospitals and shopping centers

Revenue Proportion from Architectural and Engineering Design Businesses of the STI Group Classified by Project Types for the year 2018



Note *Others, such as religious buildings, Shopping Center, and public utilities or construction projects, etc.

The architectural and engineering design businesses of the STI group has a proportion of revenue from condominium development projects in 2017 and 2018, representing 25.71 per cent while 23.54 per cent of the revenue from the architectural and engineering design businesses each year respectively. The proportion of revenue from the multipurpose building projects in 2017 and 2018 were 18.02 per cent while 26.08 per cent of the revenue from the architectural and engineering design business each year respectively. The revenue proportion derives from various types of

projects such as office buildings, factories and religious buildings including the infrastructure design work on the construction of dams and drainage systems for a government sector. Also, in 2017, STI Group's revenue proportion was from the urban planning design project, accounting for 17.57 per cent of the revenue from the architectural and engineering design businesses in that period as the Group was hired as a designer of urban plans in the project of the Eastern Economic Corridor development for Chonburi Province in 2018.

The details of the revenue structure classified by employers of STI Group in the year 2017 and the year 2018 as follows:

**Revenue Structure from the Services of the STI Group
Classified by the Employers For the year 2017 and 2018**

Revenue Proportion Classified by Employers (Percent)	2017	2018
Private Sector	85.78	82.57
Public Sector	9.45	14.79
Religious Sector	2.37	1.32
Other Employers **	2.39	1.32

Note * Not including income other than normal service charges

** Other employers include associations and individuals.

The STI group has a large proportion of revenue from the private sector. In 2017 and 2018, the STI group has a proportion of revenue from private sector employers at 85.78 per cent while 82.57 per cent of the revenue from services that did not include revenues other than normal service fees in each period, respectively. The employers were from the companies listed on the SET and those that are not listed on the stock market, as follows:

- Univentures Public Company Limited Group
- Everland Group Public Company Limited
- Ananda Development Public Company Limited Group
- Land and Houses Group Public Company Limited
- Origin Property Group Public Company Limited
- Pruksa Real Estate Group Public Company Limited
- PTT Group Public Company Limited
- TCC Assets Group (Thailand) Company Limited
- Proud Residence Group Company Limited
- The Elysian Development.
- Metropolis Properties Company Limited
- Bouygues-Thai Limited
- One Bangkok Company Limited
- Kasem Subvadhana Company Limited
- Grand Unity Development Company Limited

Including those employers from government sectors are as below:

- Department of Public Works and Town Planning
- Pak Kret Municipality Office
- Airport Department
- Bank of Thailand
- Office of the Permanent Secretary for Culture

Also in the year 2017 and year 2018, the STI Group's revenue proportion was the public sector accounting for 9.45 per cent while 14.79 per cent of the revenue from services excluding the revenue other than normal service charges in each period, respectively. The revenue proportion from the government sector in 2018 has increased compared to the year 2017; resulting from being hired as a consultant engineer for many government projects in 2018. The examples of such projects were multi-purpose building and infrastructure construction.

STI Group for the year 2018, its revenue from services increased by 136.83 Million Baht or equivalent to 27.67 per cent when compared to the same period of 2017. The main reason was that there was an increase in the revenue of construction management businesses, at 150.18 Million Baht. There was also an increase in a number of the service projects provided in 2018 when compared to those of the previous year, for example, One Bangkok project, The Parq project, and multipurpose building projects, etc. At the same time, the revenue from architectural and engineering design reduced by 13.35 Million Baht due to the decrease in the number of projects in 2018.

Other Revenue

STI group has other revenue in the year 2017-2018 at the amount of 3.78 Million Baht and 3.71 Million Baht, respectively, or equivalent to 0.76 per cent and 0.58 per cent of the total revenue each year respectively.

Cost of Services and Gross Profit

STI group has the cost of services in the year 2017-2018 at the amount of 330.67 Million Baht and 431.39 Million Baht respectively, which can be classified as: (1) costs related to employees, (2) the cost of subcontractors and (3) costs related to the provision of other services.

The details of the service cost classified by types of STI group in year 2017-2018 are as follows:

Cost structure of STI services For the year ended 31 December 2017 - 2018

Details	Consolidated financial statements For the year ended			
	31 December 2017		31 December 2018	
	Million Baht	Per cent	Million Baht	Per cent
Costs related to employees	294.67	89.11	344.25	79.80
Cost of sub-contractors	34.55	10.45	80.01	18.55
Costs related to the provision of other services*	1.45	0.44	7.13	1.65
Total cost of the services	330.67	100.00	431.39	100.00

Note *Costs related to other services, such as blueprints, copy fee, material cost etc.

The major cost of services of the STI group is the cost associated with employees. The STI group has costs associated with employees in the year 2017-2018, at the amount of 294.67 Million Baht and 344.25 million Baht respectively. These costs accounted for 89.11 per cent and 79.80 per cent of service costs each year, respectively. The costs associated with STI employees in the year 2018 increased by 49.58 Million Baht, representing an increase of 16.83 per cent compared to that of the previous year. The increase in the cost associated with the employees in each year is mainly due to the rise in the number of employees to support higher workloads and the staff salary increment that raises each year.

Besides, in accepting specific projects with the scope of services to require specialized expertise or if

the STI group has a shortage of personnel for a short-term service, the STI group will hire a sub-contractor who is a third party to provide the service of a construction management, architectural and engineering design or other related work. In providing the services in the scope of work that requires specialized expertise or to compensate for short-term personnel shortages, the STI group has subcontractor costs in the year 2016-2017 at the amount of 34.55 Million Baht and 80.01 Million Baht respectively.

Also, the STI group's service costs can be classified by the business types of the STI group as (1) the cost of services in the construction management businesses and (2) the cost of services in architectural and engineering design businesses.

The details of revenue, cost and gross profit from each service business are as follows:

Revenue, Cost and Gross Profit from the Services of the STI Group
for the year Ended 31 December 2017 - 2018

Details	Consolidated financial statements For the year ended			
	31 December 2017		31 December 2018	
	Million Baht	per cent	Million Baht	per cent
Consulting and Project Management Businesses				
Revenue from services	400.84	100.00	551.02	100.00
Service cost	274.03	68.36	376.94	68.41
gross profit	126.81	31.64	174.08	31.59
Architectural and Engineering Design Businesses				
Revenue from services	93.72	100.00	80.37	100.00
Service cost	56.64	60.44	54.45	67.75
gross profit	37.08	39.56	25.92	32.25
Total				
Revenue from services	494.56	100.00	631.39	100.00
Service cost	330.67	66.86	431.39	68.32
gross profit	163.89	33.14	200.00	31.68

The STI group has gross profit from the business of construction management in the year 2017-2018, in the amount of 126.81 Million Baht and 174.08 Million Baht respectively or equivalent to 31.64 and 31.59 per cent of the gross profit margin of each year respectively.

At the same time, the STI group has gross profit from the architectural and engineering design businesses in the year 2017-2018, at 37.08 Million Baht and 25.92 million Baht, respectively, or equivalent to a gross profit margin of 39.56 per cent and 32.25 per cent each year respectively.

In addition, the STI group has a gross profit margin from the business of construction management and control consultancy in 2018, slightly decreasing

from 31.64 per cent in 2017 to 31.59 per cent in 2018. It was mainly due to the rise of subcontractor cost in the 2nd quarter and 3rd quarter of 2018. As a foreign consultant is hired as a subcontractor, who has particular expertise in a special case for one project construction, the scope and costs of hiring such subcontractor ended in the third quarter of 2018. The architectural design and engineering businesses of the STI Group, had a gross margin decreased in 2018 from 39.56 per cent in 2017 down to 32.25 per cent in 2018. When comparing to the same period of the previous year, there was a decrease in the number of design projects with a high margin of the STI Group in the first half of the year 2018.

Administrative expenses

The STI Group has administrative expenses of 115.84 Million Baht respectively. The details of the 2017-2018 at the amount of 93.06 Million Baht and administrative expenses of each year are as follows:

The Structure of Administrative Expenses of the STI Group for the year ended 31 December 2017 – 2018

Details of Expenses	Consolidated financial statements for the year ended			
	31 December 2017		31 December 2018	
	Million Baht	per cent	Million Baht	per cent
Employee-related expenses ^{/1}	52.61	56.53	69.29	59.82
Depreciation and amortization	7.78	8.36	7.66	6.60
Professional fees	7.00	7.52	8.15	7.04
Rental and service fees	6.77	7.27	6.98	6.03
Loss from provisioning the liabilities legal litigation	1.69	1.82	2.73	2.36
Bad debts and doubtful accounts	0.34	0.37	0.94	0.81
Others ^{/2}	16.87	18.13	20.08	17.34
Total Administrative Expenses	93.06	100.00	115.84	100.00

Note ^{*} The expenses related to the employees of the Group in 2017 are financial information that has been deducted from the provident fund income and other income according to the classification in the consolidated financial statements for the year ended 31 December 2018 of the Group so that it could be comparable.

^{**} Other administrative expenses are such as central utility fees, Insurance premiums, repair fees, public donations, cost plus return, advertising, travel expenses and so on.

The major administrative expenses of the STI Group were related to employees. In 2017-2018, the STI Group had 52.61 Million Baht and 69.29 Million Baht, which accounted for 56.53 per cent and 59.82 per cent of the total administrative costs, respectively.

In the year 2018, the administrative expenses of the STI Group increased 22.77 Million Baht or an increase of 24.47 per cent compared to that of 2017. The main reason for such an increase in these expenses was primarily due to an increase in expenses related to employees, at the amount of 16.68 Million Baht. It

resulted from the Increase in the number of administrative and central office employees to adjust the management structure to be ready for listing on the Stock Exchange of Thailand and from the employee salary increment that increased each year.

Financial cost

The financial costs of the STI group in 2017-2018 accounted for 1.65 Million Baht and 1.14 Million Baht respectively. The costs could be classified into two main types, namely (1) interest expenses from loans (2) Interest expenses from installments of the financial leases.

The details of financial costs in each period are as follows:

Financial Cost Structure of the STI Group for the year ended 31 December 2017 - 2018

Details of the Expenses	Consolidated financial statements for the year ended			
	31 December 2017		31 December 2018	
	Million Baht	per cent	Million Baht	per cent
Interest expenses from loans	0.65	39.39	0.36	31.35
Interest expenses from financial leases	1.00	60.61	0.78	68.65
Total Financial Cost	1.65	100.00	1.14	100.00

The interest expenses from loans vary according to the changes in loans of the STI Group from financial institutions. The expenses consisted of overdrafts and long-term loans from financial institutions.

In the year 2018, the STI Group already paid for the outstanding long-term loans, all of which were loans for investment in land in Chiang Mai and closed the long-term loans with the financial institution. As a result, as on 31 December 2018, the STI Group did not have long-term loans from the financial institution remaining in the statement of the financial position.

The interest expenses from financial leases will vary according to the finance lease liabilities of STI Group consisting of the lease liabilities and hire-purchase assets of the STI Group. The interest expenses from the financial lease of the STI group in the year 2017-2018 decreased by 0.22 Million Baht or accounting for 22.00 per cent compared to the previous year. Such decrease was mainly due to the gradual repayment of the finance lease liabilities under the financial lease agreement of the STI group.

Net profit and net profit margin

The net profit of the STI Group in the year 2017-2018 were 57.51 Million Baht and 73.03 Million Baht, representing a net margin of 11.54 per cent and 11.50 per cent respectively. The STI can maintain a similar profit margin of each year.

In 2018, the net profit increased by 15.52 Million Baht or an increase of 26.99 per cent compared to the year 2017, which was primarily due to the increase in construction management and control businesses. Compared to the previous year, there was also an increase in the number of projects serviced in 2018; for example, One Bangkok project and The Parq project and multipurpose building project etc.

2. Analysis of Financial Status

Asset

The STI Group has total assets as of December 31, 2017 and 2018, at the amount of 265.17 Million Baht and 716.82 Million Baht respectively, which consisted of the current assets of 216.85 Million Baht and 671.28 Million Baht accordingly. Such amount accounted for 81.78 per cent and 93.65 per cent of the total assets each year respectively and with non-current assets of 48.32 Million Baht and 45.54 Million baht respectively or equivalent to 18.22 per cent and 6.35 per cent of the total assets each year respectively. The details of each vital item are as follows:

Cash and Cash Equivalents

The STI Group had cash and cash equivalents as of December 31, 2017, and 2018, at the amount of 45.91 million Baht and 443.90 Million Baht respectively,

representing a 17.31 per cent and 61.93 per cent of cash and cash equivalents can be determined by the total assets in each year, accordingly. The change in summary table of the cash flow statement as below:

**the Summary Table of Cash Flow Statement of the STI Group
for the year ended 31 December 2017 and 2018**

(Unit: Million Baht)	Consolidated financial statements for the year ending date	
	31 December 2017	31 December 2018
Net cash received from operating activities	11.30	71.44
Net cash derived from (used in) investment activities	4.09	(1.83)
Net cash derived from (used in) financing activities	(49.29)	328.28
Net increase (decrease) in cash and cash equivalents	(33.90)	397.99
Cash and cash equivalents at the beginning of the year	79.81	45.91
Cash and cash equivalents at the end of the year	45.91	443.90

As of December 31, 2018, the STI Group had an increase in cash and cash equivalents of 397.99 Million Baht. Such an increase represented an increase of 866.89 per cent when compared with cash and cash equivalents as at 31 December 2017. It was mainly due to the net cash that was derived from operating activities in 2018 in the amount of 71.44 Million Baht from the net profit from operations of 73.03 Million Baht. Also, the STI group had cash derived from financing activities in 2018 in the amount of 328.38 million Baht which was mainly due to the proceeds from sales of new shares to the public at the amount of 411.06 million Baht. The STI is to pay a dividend to shareholders of STI Group at 70.00 Million Baht and make a payment of long-term loans from financial institutions in the amount of 8.42 million baht in 2018.

Accounts Receivable

The STI had accounts receivable as of 31 December 2017 and 2018 at the amount of 79.84 million Baht and 94.42 million Baht respectively, which accounted for 30.11 per cent and 13.17 per cent of total assets in each year, accordingly. The accounts receivable of the STI group as of December 31, 2017-2018, increased by 14.58 million Baht or 18.26 per cent compared to the previous year. The increase in accounts receivable in each year is mainly caused by the increase in the amount of work and revenue from the services of the STI group. In addition, the details of the accounts receivable structure of the STI group are as follows.

Accounts Receivable Structure of the STI Group as of 31 December 2017 - 2018

Details	Consolidated Financial Statements as of			
	31 December 2017		31 December 2018	
	Million Baht	per cent	Million Baht	per cent
Not yet due	32.84	39.54	52.18	52.93
Beyond the due date				
Less than 3 months	30.82	37.11	30.76	31.20
3 - 6 months	10.71	12.89	5.91	6.00
6 - 12 months	2.90	3.49	2.46	2.50
More than 12 months	5.79	6.97	7.27	7.37
Total accounts receivable before deducting allowance for doubtful debts	83.06	100.00	98.58	100.00
(Less) Allowance for doubtful debt	(3.22)	(3.88)	(4.16)	(4.22)
Net Total of Accounts Receivable	79.84	96.12	94.42	95.78

Most of the overdue accounts receivable for less than 3 months of the STI Group are caused by the delayed process of the service payment from the employer, which resulted in the overdue after the repayment term. The main reasons for those accounts receivable overdue from 3 months to 6 months were (1) the disbursement process of the service fees from the employer may be delayed and (2) delays occurred in project delivering of the contractor which resulted in the employer to delay the service fee payment until the contractor could deliver the project completely. However, the STI Group had the number of overdue accounts receivable decreased steadily each year as of 31 December 2018. The overdue accounts receivable of the STI Group reduced by 3.83 Million Baht or 7.63 per cent compared to the previous year. The reduction of the overdue accounts receivable resulted from the internal control system of the STI Group in a more effective debt tracking.

Accrued Revenue (The Value the Work-in-Progress under the Contract that has Not Yet been Collected from the Customers.)

The STI group considered the revenue recognition from services based on the percentage of completion of each project by considering the proportion between the actual service cost and the estimated service cost expected to be used in the service until the end of the project. As a result, the income from the service may not be equal to the service fee charged by the employer. In case, the Company has revenues recognized from services upon the percentage of completion in the higher amount when compared with the service fees charged by that employer. This difference will be recorded as the value of work under the contract that has not yet been collected from the customers in the financial statements.

By 31 December 2017-2018, The STI Group had the value of work under the contract that has not

yet been collected from the customers of 82.09 Million Baht and 115.01 Million baht respectively, representing 30.96 per cent and 16.04 per cent of total assets in each year accordingly. As of 31 December 2018, the STI Group had the additional value of work under the contract that has not yet been collected from the customers at the amount of 32.92 Million Baht, representing an increase of 40.10 per cent when compared to the previous year.

The value of work in process under the contract that has not yet been collected from the customers will vary according to the difference between the service revenue recognized over the service fee charged to the employer in each period, most of which are caused by the following situations:

- Providing services as a construction management during a particular stage required a high proportion of the personnel. As a result, the cost of service and revenue recognized that was based on the percentage of completion were in a higher proportion when compared to the other periods of the project. Most of the service projects as a construction management and control consultant will have the schedule of the service fee payment from the employer at the same rate throughout the service period, which resulted in revenue from the services during this period to be higher than the amount compared to the service fee charged by the employer.
- The Group has provided services to employers and has the revenue recognized as a percentage of completion but not yet the due date that the Group can collect money from the employers

on the closing date of the financial statement. As a result, the revenue from the service fees was higher when compared to the service fees charged by the employers. As such, it was considered the main reason why the STI Group had the value of work under the contract that has not yet been collected from the customers as of 31 December 2017 and 2018.

Work-in-Process

Cost of services in the projects that the Group received the confirmation of hiring the Company and was in the process of preparing that contract would be recorded as work-in-progress shown in the financial statement of the STI Group. Such cost would be recognized as the cost together with the revenue from services in the income statement. When the STI Group received an employment contract from the project, the costs that were incurred before receiving the contract, were mostly employee costs for the draft design used for bidding in architectural design and engineering projects of the STI Group. As of 31 December 2018, the STI Group had work-in-progress projects at the amount of 4.93 Million Baht or 0.69 per cent of the total assets.

Investment Property

The STI Group had investment properties as of 31 December 2017-2018 at the total number of 20.66 Million Baht and 20.66 Million Baht respectively, representing a 7.79 per cent and 2.88 per cent of the total assets in each year, accordingly. The value of the investment properties as at of December 2017-2018 as below:

Investment Properties of the STI Group
as of 31 December 2017 – 2018

Capital Price (Unit: Million Baht)	Consolidated financial statements as of	
	31 December 2017	31 December 2018
Land area 6-0-92.1 rai in Khon Kaen	4.59	4.59
Land area 5-0-10 rai in Chiang Mai	18.28	18.28
(Less) Impairment loss of investment property	(2.20)	(2.20)
Net total of Investment properties	20.66	20.66

In the year 2016 the STI Group recorded the impairment loss of investment properties in the amount of 2.20 Million Baht for the vacant land in Chiang Mai. From the difference between book value and fair value of the mentioned land, it was referred from the asset valuation report under the objective to acquire the market value of the property. The report showed that the land value as of 29 March 2017 and 9 January 2019 was at 16.08 Million Baht.

Buildings and Equipment, and Intangible Assets

As of 31 December 2017-2018, the STI Group had buildings and equipment, and intangible assets at the amount of 16.63 Million Baht and 11.33 Million Baht respectively, constituting 6.27 per cent and 1.58 per cent of the total assets in each period, accordingly. The STI Group had a low fixed asset investment because the service business of being a consultant engineer requires personnel to be the main factor in providing such services and the need to invest in low fixed assets.

However, the STI Group focused on deploying technology in services and management of its Group. As it foresaw that technology would be a critical factor in uplifting the efficiency and quality of services to increase the opportunity for

the STI Group to be selected as a service provider for potential employers. The vital mean to maintain its competitiveness of the STI Group as one of the leaders of such businesses in the future, computer technology and new information technology were deployed. For example, there was the development of computer programs of the STI Group and portable personal computers were used to record data and prepare a report of the inspection of the contractor's work. Such programs and devices could facilitate linkage of information and pictures of employees from each construction project to the central office in real time, which could help to increase the efficiency of staff performance for greater flexibility and better quality.

Debts

As of 31 December 2017-2018, The STI Group had the debts totaling 108.26 Million Baht and 144.63 Million Baht respectively, consisting of the current liabilities of 47.15 Million Baht and 96.18. Million Baht accordingly or equivalent to 17.78 per cent and 13.42 per cent of total liabilities and shareholders' equity each year. The STI Group had non-current liabilities of 61.11 Million Baht and 48.45 Million Baht, representing 23.05 per cent and 6.76 per cent of the debt and equity to shareholders in each year, respectively. The details of each item were as follows.

Accounts Payable

As of December 31, 2017-2018, STI group has accounts payable in the amount of 11.51 Million Baht and 11.27 Million Baht respectively, or 4.34 per cent and 1.57 per cent of the total liabilities and shareholders' equity each year accordingly. The accounts payable of the STI Group encompassed mainly the cost of hiring sub-contractors to perform tasks related to providing the services that were not due each period.

As of 31 December 2018 the STI Group had accounts payable decreased at the amount of 0.24 Million Baht, representing 2.09 per cent, compared to that of 31 December 2017. The change in accounts payable was primarily due to the increase or the reduction of the cost of hiring sub-contractors that had yet to be paid at the end of each year.

Other Payables

As of 31 December 2017-2018, the STI Group had other creditors with the amount of 12.17 Million Baht and 28.28 Million Baht respectively, representing 4.59 per cent, and 3.95 per cent of the liabilities and shareholders' equity in each year, accordingly. The other creditors of STI Group composed of the accrued expenses related to employees, accrued professional fees, and the revenue department creditors of the STI Group that are not due for payment in each year.

On 31 December 2017, the STI Group had more payables at the amount of 16.11 Million Baht or an increase of 132.37 per cent when compared to other payables as of 31 December 2017. The primary reason was the expenses of the proposal in offering new shares outstanding and expenses related to the increasing accrued expenses related to employees for the year 2018.

The Amount Billed to Customers Higher than that of the Work-in-Progress under the Contract

The STI group considered the revenue recognition from services based on the percentage of completion of each project by considering the proportion between the actual service cost and the estimated

service cost expected to be used in the service until the end of the project. As a result, the income from the service may not be equal to the service fee charged by the employer. In case, the Company has revenues recognized from services upon the percentage of completion in the higher amount; the difference would be recorded as the amount collected from customers at the higher value than the value of the work under the contract.

By 31 December 2017-2018, the STI Group had the amount charged to the customers higher than that of the work-in-progress under the contract at the amount of 7.07 Million Baht and 27.70 Million Baht, respectively, representing 2.67 per cent and 3.87 per cent of the debts and shareholders' equity included in each year, accordingly. As of 31 December 2017, the STI Group had the value charged to the customers higher than that of the work-in-progress under the contract at the amount of 20.63 Million Baht, which was accounted for an increase of 291.80 per cent, when compared as of 31 December 2017.

The higher amount collected from customers than the value of the work under the contract will vary according to the difference between the service charged to the customers that is higher than the revenue from the service in each period. The main reason is from the services as a construction management when requiring a low proportion of personnel. As a result, the cost of services and income that can be recognized according to the percentage of completion in a low proportion compared with other periods of the project. While the project provides services as a construction management most of which have the same schedule of the service fee payment from the employer at the same rate throughout the service period. As a result, the amount of service fees collected from employers is higher when compared to the revenue from the services during that period.

Other Current Liabilities

The Group has other current liabilities as at 31 December 2017-2018, at the amount of 10.93 Million Baht and 21.81 Million Baht respectively or equivalent to 4.12 per cent and 3.04 per cent of the total liabilities and shareholders' equity of each year accordingly. The main items of other liabilities consisted of withholding tax and suspense output tax.

Long-term Loans from Financial Institutions

As of 31 December 2017, the STI Group has long-term loans from financial institutions totaling 8.42 Million Baht or 3.18 per cent of the total liabilities and shareholders' equity.

In the year 2018, the STI Group paid for the outstanding long-term loans, all of which were loans for investment in the land of Chiang Mai, and closed this long-term loan with the financial institution already. As a result, as of the date of 31 December 2018, the STI Group did not have a long-term loan from a financial institution remaining in the financial statements.

Finance Lease Liabilities

On 31 December 2017-2018, The STI Group had the lease financing liabilities of 11.72 Million Baht and 8.62 Million Baht respectively or 4.42 per cent and 1.20 per cent of the debts and shareholders' equity in each period accordingly. The financial lease of the STI group came from the lease and hire purchase of vehicles, with an approximate rental period of 4 - 5 years on a contract basis and will due in different periods up to the year 2021.

On 31 December 2018, the STI Group had liabilities under finance lease agreements in the amount of 3.10 Million Baht or equivalent to 26.45 per cent compared to that of the previous year. The decrease in liabilities under financial lease of the STI group was mainly caused by the payment of finance lease liabilities.

Provisions for Employee Benefits

The STI Group recorded a retirement benefit program for employees according to their rights and length of service as a provision for employee benefits. This was calculated based on the actuary as of 31

December 2017-2018. The STI Group had the employee benefit obligations of 45.17 Million Baht and 46.95 Million Baht respectively, representing 17.03 per cent and 6.55 per cent of the total liabilities and shareholders' equity in each period respectively.

By as of 31 December 2018, the STI Group had provisions for employee benefits Increased by 1.78 Million Baht or representing an increase of 3.94 per cent compared to the previous year. The increase in provisions for employee benefits was based on the accumulation of employee benefit expenses in each year. From the estimates based on actuarial principles in estimating employee benefits, it included assumptions on the number and age of employees, employee resignation rate and discount rate from the assessment report of the employee benefit value.

Shareholders' Equity

As of 31 December 2017-2018, the STI Group had shareholders' equity of 156.91 Million Baht and 572.19 Million Baht respectively. The details of the increase in shareholders' equity were as follows:

As of 31 December 2018, the STI Group had the shareholders' equity increased by 415.28 Million Baht or an increase of 264.66 per cent when compared to that of 31 December 2017. The increase was mainly due to increasing paid-up capital of STI in 2018, amounting to 34.00 Million Baht, the premium on ordinary shares of 377.06 Million Baht and net operating profit of 73.03 Million Baht while paying dividends to shareholders totaling 70.00 Million Baht in the year 2018.

Issued and Paid-up Capital

At the STI's Annual General Meeting of Shareholders 2018 on April 26, 2018, the STI shareholders approved changes in the par value from 100 Baht per share to 0.50 baht. It resulted in the increased number of shares from 1,000,000 shares to 200,000,000 shares and had the resolution to increase the registered capital of 34.00 Million Baht by issuing new shares, totaling 68,000,000 shares with the par value of 0.50 baht for the initial public offering (IPO). The Meeting

also approved with the resolution to have STI converted into a public company. STI was already registered with the Ministry of Commerce, changed its par value, increased its registered capital for the initial public offering, and converted itself to be a public company. On 7 May 2018 and in December 2018, the company had the initial public offering of its 68 million newly issued shares. On 31 December 2018, the STI had a total registered capital of 134.00 Million Baht, which was composed of the 268 million common shares and the par value per share of 0.50 baht as well as issued and paid-up capital at the amount of 134.00 Million Baht.

Premium on Ordinary Shares

In December 2018, the company had the initial public offering of 68 million newly issued shares by selling new shares to those who reserved for a price of 6.30 Baht per share (0.50 Baht capital and the share premium of 5.80 Baht). The total amount received from the sale of shares was 428.40 Million Baht, divided into paid-up capital of 34 Million Baht and share premium of 394.40 Million Baht. The company registered the increase of paid-up capital with the Ministry of Commerce on the 13th December 2018. The shares of the company commenced trading in the Market for Alternative Investment (MAI) on 19th December 2018. The expenses directly related to the public offering of shares at the amount of 17.33 Million Baht showed the deduction from the share premium received from the offering of shares to new investors.

Surplus from Share-based Payment

In 2015, some STI shareholders sold STI shares to the management to boost the motivation in performing their duty and operating the STI business. The difference between the fair value and the transaction price has been recorded as the surplus from the share-based payment in the shareholders' equity of STI at the amount of 9.98 Million Baht. Also, the employee-related expenses by share-based payment were recorded at the same amount of administrative expenses in 2015.

Discount from the Business Combination under the Common Control

In 2016, STI took control over Stonehenge Company Limited ("STH") by acquiring 99.99 per cent of the ordinary shares of that company from the same group of shareholders, which was considered a Business Combination of Entities under Common Control. The STI Group recorded the discount from the business combination entities under common control on the shareholders' equity of STI as of 31 December 2016 at the amount of 2.87 Million Baht. The difference was between the investment in STH at the amount of 24.25 Million Baht and the book value of STH at the date of the purchase of shares at the amount of 21.38 Million Baht.

Return on Equity

The STI Group had a return on equity in 2017-2018 at 37.82 per cent and 20.03 per cent respectively. The STI Group had the return on equity decreased from the previous year, which was mainly due to the higher growth rate of the shareholders' equity of STI each year than the growth rate of the profitability of the STI Group.

Capital Structure

As of 31 December 2017-2018, The STI Group had the debt to equity ratio of 0.69 and 0.25, respectively. Besides, if considering the interest-bearing debt to equity ratio of the STI Group as of 31 December 2017-2018, the ratios were above 0.13 and 0.02, respectively.

The STI group had a decrease in a debt to equity ratio and the interest-bearing debt to equity ratio each year. The ratios were less than 1.00 because the STI group had to use debt to be a working capital for small business operations. During 2017-2018, the STI Group did not enter into a loan agreement from additional financial institutions. There was a payment of installments as determined in each year. In 2018, the STI Group paid for all outstanding long-term loans, which were loans for investment in land in Chiang Mai and closed the long-term loan with the financial institution

already. As a result, as at 31 December 2018, the STI Group had no long-term loans from financial institutions remaining in its financial statements.

Liquidity

As of 31 December 2017-2018, the STI Group had a quick ratio of 2.70 and 5.60, respectively. The STI Group had an increase in a liquidity ratio as of 31 December 2018, which could result from the increase in cash and cash equivalents.

In addition, if considering the cash cycle of the STI group as of 31 December 2017-2018, the STI group had an average collection period of 58.20 days and

51.78 days, respectively. While the periods of debt repayment to trade payable were 11.39 days and 9.51 days respectively or representing a cash cycle of 46.81 days and 42.27 days accordingly. The STI Group had a cash cycle decreased in 2018, which was mainly caused by the decrease in the average collection periods. If considering the age structure of the accounts receivable of the STI group found that overdue accounts receivable decreased resulting from the internal control system of the STI Group in a more effective debt tracking.

Report of the Chairman of the Audit Committee

The Board of Directors of Stonehenge Inter Public Company Limited (“Company”) appoints the Company’s Audit Committee, consisting of 3 independent directors who are highly knowledgeable with years of professional experience in accounting, finances, laws, business administration and engineering. The directors are well qualified to oversee the integrity of the Company’s financial reporting in compliance with regulatory requirements set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee is currently comprised of the following members: Assistant Professor Dr. Sarayut Nathaphan in his capacity as the Chairman of the Audit Committee, Assistant Professor Thanes Weerasiri as the Committee Member and Miss Chawaluck Sivayathorn as the Committee Member.

In 2018, the Audit Committee summoned a total of eight meetings for the purposes of reviewing the adequacy and effectiveness of the Company’s internal control systems, operational effectiveness, risk management, reliability of financial reporting and management, compliance with applicable laws and regulations, and the value protection of the Company and its subsidiaries’ properties and assets.

The Audit Committee has fulfilled its duties independently, acted strictly in compliance with the Charter of the Audit Committee and served other functions as assigned by the Board of Directors. In each Audit Committee meeting have been jointly participated by the management team, the internal auditor and the auditor. The material subjects discussed and considered could be summarized as follows:

1. Review the Company’s financial statements:

The Audit Committee reviewed the Company and its subsidiaries’ quarterly and annual financial statements for the year 2018 together with the management, internal audit and certified public accountant, and examined significant accounting policies, significant changes in the prior year, potential impact, unusual material transactions and comments from the external and internal auditors. The Audit Committee was of the opinion that the financial statements and operating results of the Company and its subsidiaries were correct, accurate, reliable and duly prepared in accordance with generally accepted accounting principles. In addition, the disclosure of information in the financial statements was adequate, and there were no transactions or events that may materially affect the financial statements.



2. Review and monitor the effectiveness of the Company's internal control and oversight of internal audit:

The Audit Committee considered and approved a 2018 audit plan submitted by an internal auditor, in which a risk assessment was conducted to determine priorities within the internal control system to ensure alignment with corporate goals and objectives. The Audit Committee provided constructive recommendations as to the functioning of an internal audit to achieve desired results according to agreed plans. In addition, the Audit Committee approved the appointment of internal audit executive and assessed the performance of the internal audit to encourage improvements in the audit function.

3. Review the Company's compliance with laws:

The Audit Committee reviewed the regulatory compliance to ensure the Company and its subsidiaries strictly adhered to applicable rules and regulations and operated the business legally in accordance with the Securities and Exchange Act, SEC and SET regulations. Thus far, there have been no indications pointing and/or misconduct or breach of relevant rule, regulations and laws.

4. Consider, nominate and appoint the Company's external auditor for the year 2018:

The Audit Committee considered and selected qualified candidates based on a level of independence, knowledge, skills, experience, credentials, and remuneration for conducting an audit of the Company and its subsidiaries, and submitted the nomination list to the Board of Directors for consideration and approval in its 2018 annual shareholder meeting. The meeting passed a resolution appointing Miss Vilaivan Pholprasert License No. 8420, Miss Napaporn Sathitthammaporn License No. 7494, Mrs.Sasithorn Pongadisak License No. 8802, from KPMG Phoomchai Audit Limited as an external auditor to express an opinion on the Company's financial statement for the year 2018

5. Review connected transactions or transactions that may lead to conflicts of interest:

The Audit Committee reviewed the connected transactions to ensure compliance with Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions and the SET regulations and laws dated B.E. 2546 governing the disclosure of information and conduct of listed companies in relation to connected transactions that may lead to

conflicts of interest. The Audit Committee was of the opinion that the connected transactions were under normal business conditions, lacked conflicts of interest and were conducted in a reasonable manner under the SET regulations, As such, there was full, accurate and adequate disclosure of information and no unusual transactions were identified.

6. Submit performance reports to the Board of Directors:

The Audit Committee prepared its performance reports and submitted them together with the results of an auditor's review of the Company's financial statements to the Board of Directors on a quarterly basis and compiled the Audit Committee report for disclosure in its 2018 annual report in conformity with the SET guidelines. In the prior year, the Committee did not identify or suspect any events or circumstances indicative of transaction or actions that may lead to a significant effect on the Company's financial position and performance.

In 2018, the Audit Committee has successfully fulfilled its responsibilities as set forth in the Audit Committee Charter, harnessed knowledge and skills to deliver positive results and possessed an adequate degree of independence in the oversight of the performance of the Company and its subsidiaries. The Audit Committee was of the opinion that the Company and its subsidiaries provided accurate and reliable financial statements in accordance with generally accepted accounting principles and ensured the adequate disclosure of information. In conducting connected transactions or transactions that may lead to conflicts of interest, the Company has enforced full compliance with the SET regulations and laws and ensured strict adherence to rules and procedures relating to the ethical conduct of business. Besides, the Company has adopted the adequate and effective risk management measures and good corporate practices as well as engaged qualified external and internal auditors with the highest level of independence and capabilities to enhance the appropriateness and effectiveness of auditing and internal control systems.



Assistant Professor Dr. Sarayut Nathaphan
Chairman of the Audit Committee

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Director is the responsible for the financial statements of Stonehenge Inter Public Company Limited and Stonehenge Company Limited (subsidiaries) including the financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors has provided and maintained the appropriate and efficient internal control system and risk management system to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board has appointed an Audit Committee consisting of independent directors to be responsible for reviewing the accounting policy financial reports, internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an external auditor, KPMG Poomchai Audit Limited. To conduct the audits and express and opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company has functioned at a satisfactory level and rendered creditability and reliability to the financial statements of Stonehenge Inter Public Company Limited and subsidiaries for the year ended 31 December 2018, The Board of Directors also believes that all these financial statements have



been prepared in accordance with generally accepted accounting principle and related regulations.

Jumpol Sumpaopol
Chairman



**Stonehenge Inter Public Company Limited
and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)**

**Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report**



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website kpmg.com/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ kpmg.com/th

Independent Auditor's Report

To the Shareholders of Stonehenge Inter Public Company Limited (Formerly Stonehenge Inter Company Limited)

Opinion

I have audited the consolidated and separate financial statements of Stonehenge Inter Public Company Limited and its subsidiaries (the "Group") and of Stonehenge Inter Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Vilw



Key Audit Matters

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

Revenue recognition for service contracts	
Refer to Notes 2(d) and 3(p) to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The Group's major revenue is rendering services for construction management, architectural and engineering design. Each service contract recognises revenue and contract margin by reference to the stage of completion which determined by proportion of costs incurred to the reporting date compared to the estimated final costs of the contract at completion. Due to uses of significant judgments and estimates by management over the estimated final cost of the contract at completion resulting to determining of the stage of completion at reporting date, this is the area that my audit is concentrated on.	My audit procedures included • Understanding the process for determining the stage of completion including the estimated final costs of the contract at completion by management and performing test of design and implementation and test operating effectiveness of the related controls; • Assessing the reasonableness of estimated costs and the stage of completion determined by management by comparing costs incurred, estimated cost and expected cost to complete the contract and testing the calculation; • Testing the details of actual costs incurred and revenue by sampling with supporting documents and contracts and also testing the document after reporting date. • Considering the adequacy of disclosures in accordance with the financial reporting standard.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made. *V. Liu*



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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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.

V:hw



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 consolidated and separate 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.

Vilaivan V.

(Vilaivan Pholprasert)
Certified Public Accountant
Registration No. 8420

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2019

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2018	2017	2018	2017
(in Baht)					
Current assets					
Cash and cash equivalents	5	443,903,683	45,912,900	440,192,178	33,453,407
Trade accounts receivable	4, 6	94,414,779	79,841,807	64,647,708	47,249,918
Other receivables	4	6,127,841	4,088,470	7,102,107	3,488,561
Unbilled contract work in progress	4, 7	115,011,499	82,094,819	47,476,023	37,611,146
Work in progress		4,933,045	-	3,237,185	-
Short-term loans	4, 8	231,882	322,805	41,047,000	17,099,500
Other current assets		6,655,741	4,599,582	5,599,542	4,370,058
Total current assets		671,278,470	216,860,383	609,301,743	143,272,590
Non-current assets					
Investments in subsidiaries	9	-	-	24,249,030	24,249,030
Investment properties	10	20,664,557	20,664,557	20,664,557	20,664,557
Building and equipment	11	8,565,848	14,096,025	6,088,756	10,049,977
Intangible assets		2,758,669	2,524,178	1,288,308	887,245
Deferred tax assets	12	11,813,397	9,932,640	8,075,949	6,530,950
Other non-current assets		1,736,417	1,100,401	595,980	541,580
Total non-current assets		45,538,888	48,317,801	60,962,580	62,923,339
Total assets		716,817,358	265,178,184	670,264,323	206,195,929

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2018	2017	2018	2017
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	4, 14	11,271,847	11,512,033	4,774,751	6,277,296
Other payables	4, 15	28,279,579	12,168,922	24,434,290	8,348,793
Excess of progress billings over contract work in progress	4, 7	27,700,478	7,068,073	26,886,715	6,810,612
Current portion of long-term loans from financial institution	13	-	1,095,448	-	1,095,448
Current portion of finance lease liabilities	4, 13	7,118,992	3,102,866	4,405,934	2,278,726
Income tax payable		-	1,270,848	-	-
Other current liabilities	16	21,805,854	10,930,319	18,195,601	6,779,110
Total current liabilities		96,176,750	47,148,509	78,697,291	31,589,985
Non-current liabilities					
Long-term loans from financial institution	13	-	7,324,555	-	7,324,555
Finance lease liabilities	4, 13	1,501,650	8,619,572	1,501,650	5,906,513
Provision for employee benefits	17	46,951,909	45,168,430	31,052,962	29,224,868
Total non-current liabilities		48,453,559	61,112,557	32,554,612	42,455,936
Total liabilities		144,630,309	108,261,066	111,251,903	74,045,921

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2018	2017	2018	2017
		<i>(in Baht)</i>			
Equity					
Share capital:	18				
Authorised share capital		134,000,000	100,000,000	134,000,000	100,000,000
Issued and paid-up share capital		134,000,000	100,000,000	134,000,000	100,000,000
Share premium:					
Share premium on ordinary shares	18	377,066,968	-	377,066,968	-
Surplus on share-based payments		9,975,903	9,975,903	9,975,903	9,975,903
Retained earnings					
Appropriated					
Legal reserve	19	8,950,000	4,060,000	8,950,000	4,060,000
Unappropriated		45,067,863	45,754,717	29,019,549	18,114,105
Discount on business combination under common control		(2,873,685)	(2,873,685)	-	-
Equity attributable to owner of the parent		572,187,049	156,916,935	559,012,420	132,150,008
Non-controlling interests		-	183	-	-
Total equity		572,187,049	156,917,118	559,012,420	132,150,008
Total liabilities and equity		716,817,358	265,178,184	670,264,323	206,195,929

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
Revenue					
Revenue from rendering of services	4	631,390,027	494,559,500	433,956,989	313,738,860
Other income	4	3,707,601	3,779,991	39,019,928	24,793,423
Total revenue		635,097,628	498,339,491	472,976,917	338,532,283
Expenses					
Cost of rendering of services	4	431,390,725	330,666,173	295,335,071	213,863,142
Administrative expenses	4, 21	115,833,612	93,060,341	81,393,851	66,215,975
Finance costs	4	1,140,391	1,653,665	892,907	1,310,086
Total expenses		548,364,728	425,380,179	377,621,829	281,389,203
Profit before tax expense		86,732,900	72,959,312	95,355,088	57,143,080
Tax expense	24	(13,699,573)	(15,452,049)	(10,120,633)	(8,656,694)
Profit for the year		73,033,327	57,507,263	85,234,455	48,486,386
Other comprehensive income					
Items that will not be reclassified to profit or loss					
(Gain) losses on remeasurements of defined benefit plans	17	1,462,273	(18,442,641)	701,236	(13,012,579)
Income tax relating to items that will not be reclassified	24	(292,454)	3,688,528	(140,247)	2,602,516
Other comprehensive income (expense) for the year, net of tax		1,169,819	(14,754,113)	560,989	(10,410,063)
Total comprehensive income for the year		74,203,146	42,753,150	85,795,444	38,076,323
Profit attributable to:					
Owners of parent		73,033,327	57,387,234	85,234,455	48,486,386
Non-controlling interests		-	120,029	-	-
Profit for the year		73,033,327	57,507,263	85,234,455	48,486,386
Total comprehensive income attributable to:					
Owners of parent		74,203,146	42,633,121	85,795,444	38,076,323
Non-controlling interests		-	120,029	-	-
Total comprehensive income for the year		74,203,146	42,753,150	85,795,444	38,076,323
Basic earnings per share (in Baht)	25	0.36	0.29	0.42	0.24

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of changes in equity

Consolidated financial statements								
Note	Issued and paid-up share capital	Surplus on share-based payments	Retained earnings		Discount on business combination under common control (in Baht)	Equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
			Legal reserve	Unappropriated				
Year ended 31 December 2017								
Balance at 1 January 2017	100,000,000	9,975,903	500,000	39,681,596	(2,873,685)	147,283,814	(119,846)	147,163,968
Transactions with owners, recorded directly in equity								
Distributions to owners of the parent								
26	-	-	-	(33,000,000)	-	(33,000,000)	-	(33,000,000)
	-	-	-	(33,000,000)	-	(33,000,000)	-	(33,000,000)
Comprehensive income for the year								
Profit	-	-	-	57,387,234	-	57,387,234	120,029	57,507,263
Other comprehensive income (expense)	-	-	-	(14,754,113)	-	(14,754,113)	-	(14,754,113)
Total comprehensive income for the year	-	-	-	42,633,121	-	42,633,121	120,029	42,753,150
19	-	-	3,560,000	(3,560,000)	-	-	-	-
Balance at 31 December 2017								
	100,000,000	9,975,903	4,060,000	45,754,717	(2,873,685)	156,916,935	183	156,917,118

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of changes in equity

Consolidated financial statements									
Note	Issued and paid-up share capital	Share premium on ordinary share	Surplus on share-based payments	Retained earnings		Discount on business combination under common control	Equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
				Legal reserve	Unappropriated (in Baht)				
Year ended 31 December 2018	100,000,000	-	9,975,903	4,060,000	45,754,717	(2,873,685)	156,916,935	183	156,917,118
Balance at 1 January 2018									
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
18	34,000,000	377,066,968	-	-	-	-	411,066,968	-	411,066,968
26	-	-	-	-	(70,000,000)	-	(70,000,000)	-	(70,000,000)
Total contributions by and distributions to owners of the parent	34,000,000	377,066,968	-	-	(70,000,000)	-	341,066,968	-	341,066,968
Changes in ownership interests in subsidiaries									
Dissolution of subsidiary									
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(183)	(183)
Comprehensive income for the year									
Profit	-	-	-	-	73,033,327	-	73,033,327	-	73,033,327
Other comprehensive income	-	-	-	-	1,169,819	-	1,169,819	-	1,169,819
Total comprehensive income for the year	-	-	-	-	74,203,146	-	74,203,146	-	74,203,146
Transfer to legal reserve									
19	-	-	-	4,890,000	(4,890,000)	-	-	-	-
Balance at 31 December 2018	134,000,000	377,066,968	9,975,903	8,950,000	45,067,863	(2,873,685)	572,187,049	-	572,187,049

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of changes in equity

	Note	Separate financial statements				Total shareholders' equity
		Issued and paid-up share capital	Surplus on share-based payments	Retained earnings Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2017						
Balance at 1 January 2017		100,000,000	9,975,903	500,000	16,597,782	127,073,685
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	26	-	-	-	(33,000,000)	(33,000,000)
<i>Total distributions to owners of the Company</i>		-	-	-	(33,000,000)	(33,000,000)
Comprehensive income for the year						
Profit		-	-	-	48,486,386	48,486,386
Other comprehensive income (expense)		-	-	-	(10,410,063)	(10,410,063)
Total comprehensive income for the year		-	-	-	38,076,323	38,076,323
Transfer to legal reserve	19	-	-	3,560,000	(3,560,000)	-
Balance at 31 December 2017		100,000,000	9,975,903	4,060,000	18,114,105	132,150,008

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of changes in equity

	Note	Separate financial statements (in Baht)					Total shareholders' equity
		Issued and paid-up share capital	Share premium on ordinary share	Surplus on share-based payments	Retained earnings Legal reserve	Unappropriated	
Year ended 31 December 2018							
Balance at 1 January 2018		100,000,000	-	9,975,903	4,060,000	18,114,105	132,150,008
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Issue of ordinary shares	18	34,000,000	377,066,968	-	-	-	411,066,968
Dividends to owners of the Company	26	-	-	-	-	(70,000,000)	(70,000,000)
Total contributions by and distributions to owners of the Company		34,000,000	377,066,968	-	-	(70,000,000)	341,066,968
Comprehensive income for the year							
Profit		-	-	-	-	85,234,455	85,234,455
Other comprehensive income		-	-	-	-	560,989	560,989
Total comprehensive income for the year		-	-	-	-	85,795,444	85,795,444
Transfer to legal reserve	19	-	-	-	4,890,000	(4,890,000)	-
Balance at 31 December 2018		134,000,000	377,066,968	9,975,903	8,950,000	29,019,549	559,012,420

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	73,033,327	57,507,263	85,234,455	48,486,386
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	13,699,573	15,452,049	10,120,633	8,656,694
Finance costs	1,140,391	1,653,665	892,907	1,310,086
Depreciation and amortisation	7,653,718	7,782,859	4,853,522	4,812,459
Unrealised loss on exchange	14,274	-	-	-
Bad and doubtful debts expenses	941,600	(660,000)	941,600	(660,000)
(Gain) loss on disposal of equipment	(29,630)	129,426	(29,630)	77,194
Interest income	(393,189)	(316,007)	(833,934)	(543,753)
Gain on dissolution of subsidiary	(183)	-	-	-
Dividend income	-	-	(29,998,800)	(16,999,320)
	<u>96,059,881</u>	<u>81,549,255</u>	<u>71,180,753</u>	<u>45,139,746</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(15,514,572)	(6,203,687)	(18,339,390)	(6,551,140)
Other receivables	(2,039,304)	524,634	(3,335,510)	198,702
Unbilled contract work in progress	(32,930,954)	(48,436,115)	(9,864,877)	(23,969,622)
Work in progress	(4,933,045)	-	(3,237,185)	-
Other current assets	(614,841)	104,036	(340,642)	382
Other non-current assets	(636,016)	1,602,269	(54,400)	1,246,902
Trade accounts payable	(240,186)	2,096,010	(1,502,545)	(643,716)
Other payables	16,118,130	(2,635,603)	16,109,766	(1,876,682)
Excess of progress billings over contract work in progress	20,632,405	(3,278,590)	20,076,103	(3,536,051)
Other current liabilities	10,875,535	(957,591)	11,416,491	(1,606,113)
Provisions for employee benefits	3,245,752	4,340,587	2,298,500	2,944,153
Net cash generated from operating	<u>90,022,785</u>	<u>28,705,205</u>	<u>84,407,064</u>	<u>11,346,561</u>
Taxes paid	<u>(18,584,950)</u>	<u>(17,401,778)</u>	<u>(12,694,721)</u>	<u>(9,594,529)</u>
Net cash from operating activities	<u>71,437,835</u>	<u>11,303,427</u>	<u>71,712,343</u>	<u>1,752,032</u>
<i>Cash flows from investing activities</i>				
Decrease in restricted deposits at financial institution	-	6,410,045	-	-
Proceeds from sale of equipment	116,240	3,552	116,240	3,552
Acquisition of equipment	(1,405,247)	(1,353,621)	(703,304)	(1,723,639)
Acquisition of intangible assets	(1,022,600)	(1,552,998)	(676,670)	(723,014)
Short-term loans to related party	-	-	(24,000,000)	(17,000,000)
Short-term loans	(585,500)	(516,000)	(100,000)	(76,000)
Proceeds from repayment of short-term loans	676,423	777,823	152,500	185,500
Dividend received	-	-	29,998,800	16,999,320
Interest received	393,122	316,007	786,728	498,994
Net cash from (used in) investing activities	<u>(1,827,562)</u>	<u>4,084,808</u>	<u>5,574,294</u>	<u>(1,835,287)</u>

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

Stonehenge Inter Public Company Limited and its subsidiaries
(Formerly Stonehenge Inter Company Limited)
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from financing activities</i>				
Proceeds from issue of shares	411,066,968	-	411,066,968	-
Decrease in bank overdrafts from financial institution	-	(6,002,518)	-	-
Repayment of long-term loans from financial institution	(8,420,003)	(2,031,300)	(8,420,003)	(1,778,204)
Repayment of short-term loans from related party	-	(3,497,000)	-	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(3,884,621)	(4,100,445)	(2,812,997)	(3,028,822)
Dividends paid to owners of the Company	(70,000,000)	(33,000,000)	(70,000,000)	(33,000,000)
Interest paid	(381,834)	(656,093)	(381,834)	(621,796)
<i>Net cash from (used in) financing activities</i>	<u>328,380,510</u>	<u>(49,287,356)</u>	<u>329,452,134</u>	<u>(38,428,822)</u>
Net increase (decrease) in cash and cash equivalents	397,990,783	(33,899,121)	406,738,771	(38,512,077)
Cash and cash equivalents at 1 January	45,912,900	79,812,021	33,453,407	71,965,484
Cash and cash equivalents at 31 December	<u>443,903,683</u>	<u>45,912,900</u>	<u>440,192,178</u>	<u>33,453,407</u>
Non-cash transactions				
Acquisition of equipment and intangible assets for which payment has not been made	16,795	16,720	-	12,056

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

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivable
7	Contract work in progress
8	Short-term loans
9	Investments in subsidiaries
10	Investment properties
11	Building and equipment
12	Deferred tax
13	Interest-bearing liabilities
14	Trade accounts payable
15	Other payables
16	Other current liabilities
17	Provision for employee benefits
18	Share capital
19	Legal reserve
20	Segments information
21	Administrative expenses
22	Employee benefit expenses
23	Expenses by nature
24	Income tax expense
25	Basic earnings per share
26	Dividends
27	Financial instruments
28	Commitments with non-related parties
29	Events after the reporting period
30	Thai Financial Reporting Standards (TFRS) not yet adopted
31	Reclassification of accounts

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 27 February 2019.

1 General information

Stonehenge Inter Public Company Limited (formerly Stonehenge Inter Company Limited), the “Company”, is incorporated in Thailand and has its registered office at 163 Soi Chockchairuammit (Ratchada 19), Kwaeng Dindaeng, Khet Dindaeng, Bangkok.

At the annual general meeting of the shareholders of the Company held on 26 April 2018, the shareholders approved a resolution changing the Company’s name from “Stonehenge Inter Company Limited” to “Stonehenge Inter Public Company Limited”. The Company registered the change of the Company’s name with the Ministry of Commerce on 7 May 2018.

The Company was listed on the Stock Exchange of Thailand in December 2018.

The major shareholders during the financial year were Univentures Capital Co., Ltd. (26% shareholding) which is incorporated in Thailand, Mr. Somkiat Silawatanawong (15% shareholding), Mr. Pairuch Laoprasert (11% shareholding) and Mr. Somchit Priampremsuk (11% shareholding).

The principal activities of the Company are project and construction management services. The principal activities of the Group are project and construction management services, architectural and engineering design.

Details of the Company’s subsidiaries as at 31 December 2018 and 2017 are given in note 9.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 30.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement basis</i>
Defined benefit liability	Present value of the defined benefit obligation as explained in note 3 (m)

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 3 (p)	Revenue recognition from service contract; and
Note 3 (m) and 17	Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 10	Investment properties
Note 27	Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”)

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Contract work in progress

Unbilled contract work in progress represents the gross unbilled amount expected to be collected from customers. Unbilled contract work in progress measured at cost incurred of contract work plus profits recognised to date (see note 3(p)) less progress billings and recognised losses. Cost of contract work includes all expenditure related directly to specific contracts and an allocation of fixed and variable costs incurred in the Group's contract activities based on normal operating capacity.

Revenue from rendering of services that is recognised for which contract billings are undue is presented as "Unbilled contract work in progress" under current assets in the statement of financial position. If progress billings exceed recognised revenue, then the difference is presented as "excess of progress billings over contract work in progress" under current liabilities in the statement of financial position.

(f) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Disposal of investments

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

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

No depreciation is provided on investment properties - freehold land.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

(h) Building and equipment

Recognition and measurement

Owned assets

Building and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of building and equipment have different useful lives, they are accounted for as separate items (major components) of building and equipment.

Any gains and losses on disposal of an item of building and equipment are determined by comparing the proceeds from disposal with the carrying amount of building and equipment, and are recognised in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of building and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of building and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of building and equipment. The estimated useful lives are as follows:

Condominium	10	years
Leasehold improvement	5 and 10	years
Equipment	5	years
Office equipment	3 and 5	years
Vehicles	5	years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

(i) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	5	years
-------------------	---	-------

No amortisation is provided on computer software under implementation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

(n) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue from service contracts

Revenue from service contracts includes the initial amount agreed in the contract plus any variations in contract work regarding to the extent of working period or variations. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to the proportion of costs incurred to the reporting date compared to the estimated final costs of the contract at completion. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income is recognised in profit or loss as it accrues.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

(q) Finance costs

Finance costs comprise of interest expenses and similar costs are charged to profit or loss for the period in which they are incurred. Finance costs incurred for finance leases are recognised using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Stonehenge Inter Company Limited and its Subsidiaries (Formerly Stonehenge Inter Company Limited)

Notes to the financial statements

For the year ended 31 December 2018

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in note 9. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Univentures Capital Co., Ltd.	Thailand	Major shareholder (26% shareholding) and common directors
Stonehenge North Co., Ltd.	Thailand	Common major shareholders and directors
Stonehenge North East Co., Ltd.	Thailand	Common major shareholders and directors
Stonehenge Holding Co., Ltd.	Thailand	Common major shareholders and directors
S.A Auto Co., Ltd.	Thailand	Common major shareholders and directors
Godang 19 Co., Ltd.	Thailand	Common major shareholders and directors
Integrated Design Office Co., Ltd.	Thailand	Common major shareholders and directors
Grand Unity Development Co., Ltd.	Thailand	Common directors
L RK Development Co., Ltd.	Thailand	Common directors
One Bangkok Co., Ltd. (formerly Kasemsubvadhana Co., Ltd.)	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Kasemsubsiri Co., Ltd.	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
TCC Assets (Thailand) Co., Ltd.	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Sirivadhanabhakdi Foundation	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Name of entities	Country of incorporation / nationality	Nature of relationships
ASM Management Co., Ltd.	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
TCC Technology Co., Ltd.	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Frasers Property Holdings (Thailand) Co., Ltd.	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Southeast Life Insurance Public Company Limited	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Southeast Insurance Public Company Limited	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Southeast Capital Co., Ltd.	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Bangkok Art Biennale Management Co., Ltd.	Thailand	Common directors with parent company of Univentures Capital Co., Ltd.
Inter Horeca Company Limited	Thailand	Subsidiary of TCC Assets (Thailand) Co., Ltd.
One Bangkok Holding Co., Ltd.	Thailand	Subsidiary of TCC Assets (Thailand) Co., Ltd.
The Street Retail Development Co., Ltd.	Thailand	Subsidiary of TCC Assets (Thailand) Co., Ltd.
R.D. Pattana Company Limited	Thailand	Shareholders of the ultimate parent company are relatives of shareholders of the ultimate parent company of Univentures Capital Co., Ltd.
Thanniran Company Limited	Thailand	Shareholders of the ultimate parent company are relatives of shareholders of the ultimate parent company of Univentures Capital Co., Ltd.
Chau Enterprises Co., Ltd.	Thailand	Shareholders of the ultimate parent company are relatives of shareholders of the ultimate parent company of Univentures Capital Co., Ltd.
Tor Yod Market AEC Co., Ltd.	Thailand	Shareholders of the ultimate parent company are relatives of shareholders of the ultimate parent company of Univentures Capital Co., Ltd.
Andaman Resort Asset Co., Ltd. (formerly Banyan Tree Krabi Resorts and Spa Co., Ltd.)	Thailand	Shareholders of the ultimate parent company are relatives of shareholders of the ultimate parent company of Univentures Capital Co., Ltd.
TCCCL Andaman Resort Co., Ltd.	Thailand	Shareholders of the ultimate parent company are relatives of shareholders of the ultimate parent company of Univentures Capital Co., Ltd.
TCC Hotel Asset Management Co., Ltd.	Thailand	Shareholders of the ultimate parent company are relatives of shareholders of the ultimate parent company of Univentures Capital Co., Ltd.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Name of entities	Country of incorporation / nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from rendering of services	Contractually agreed price
Rental income and other income	Contractually agreed price
Interest income	Agreed rate
Dividend income	As declaration
Purchase of equipment	Carrying amount value plus margin
Sub-contract costs	Contractually agreed price
Consulting expense	Contractually agreed price
Other expenses	Contractually agreed price / agreed price
Interest expense	Contractually agreed rate

Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from rendering of services	-	-	6,764	4,651
Sub-contract costs	-	-	7,877	10,678
Rental income	-	-	1,589	1,589
Interest income	-	-	531	318
Dividend income	-	-	29,999	16,999
Other income	-	-	3,384	2,780
Purchase of equipment	-	-	-	1,037
Consulting expense	-	-	1,680	1,680
Other expenses	-	-	-	101
Other related parties				
Revenue from rendering of services	215,029	105,400	205,429	86,543
Purchase of equipment	-	451	-	319
Other expenses	6,087	2,718	5,251	2,481
Interest expense	39	50	39	50
Key management personnel				
Other income	2,732	2,163	2,732	1,685
Key management personnel compensation				
Short-term employee benefits	49,050	39,429	34,339	26,686
Post-employment benefits	1,208	670	869	411
Total key management personnel compensation	50,258	40,099	35,208	27,097

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Balances as at 31 December with related parties were as follows:

	Consolidated		Separate			
	financial statements		financial statements			
	2018	2017	2018	2017		
	(in thousand Baht)					
<i>Trade accounts receivable - related parties</i>						
Subsidiaries	-	-	3,754	2,020		
Other related parties	26,853	9,507	25,038	7,544		
Total	26,853	9,507	28,792	9,564		
<i>Other receivables - related parties</i>						
Subsidiaries	-	-	2,058	426		
Other related parties	615	1,241	527	1,104		
Key management personnel	2,732	1,685	2,732	1,685		
Total	3,347	2,926	5,317	3,215		
<i>Unbilled contract work in progress</i>						
<i>- related parties</i>						
Subsidiaries	-	-	1,112	1,839		
Other related parties	30,014	16,174	28,506	11,373		
Total	30,014	16,174	29,618	13,212		
<i>Short-term loans to related party</i>						
	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	2018	2017	2018	2017	2018	2017
	(% per annum)		(in thousand Baht)			
Subsidiaries	1.50	3.10	-	-	41,000	17,000
Total			-	-	41,000	17,000

Movements during the years ended 31 December of loans to related party were as follows:

	Consolidated		Separate	
<i>Short-term loans to related party</i>	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	17,000	-
Increase	-	-	24,000	17,000
At 31 December	<u>-</u>	<u>-</u>	<u>41,000</u>	<u>17,000</u>
Total short-term loans to related party				
At 1 January	-	-	17,000	-
Increase	-	-	24,000	17,000
At 31 December	<u>-</u>	<u>-</u>	<u>41,000</u>	<u>17,000</u>

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Trade accounts payable - related parties				
Subsidiaries	-	-	3,402	2,789
Total	-	-	3,402	2,789
Other payables - related parties				
Other related parties	2,154	102	2,096	67
Key management personnel	834	101	819	94
Total	2,988	203	2,915	161
Excess of progress billings over contract work in progress - related parties				
Other related parties	7,710	1,395	7,710	1,395
Total	7,710	1,395	7,710	1,395
Finance lease liabilities - related party				
Other related party	827	1,107	827	1,107
Total	827	1,107	827	1,107

Short-term loans from related party	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Key management personnel	-	-	-	-	-	-
Total			-	-	-	-

Movements during the years ended 31 December of loans from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term loans from related parties				
Key management personnel				
At 1 January	-	3,497	-	-
Decrease	-	(3,497)	-	-
At 31 December	-	-	-	-

Significant agreements with related parties

Service agreements

The Company and its subsidiary have several service agreements with related parties whereby the Company and its subsidiary agreed to provide project and construction management, architectural design and engineering services. In consideration thereof, the Company and its subsidiary shall receive service income at the rate as specified in such agreements.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Sub-contractor agreements

The Company has several sub-contractor agreements with Stonehenge Co., Ltd., which is a subsidiary whereby the subsidiary agreed to provide project and construction management services, architectural and engineering design service to the Company. In consideration thereof, the Company agreed to pay service fee at the rate as specified in the agreements.

Consulting agreement

On 1 January 2018, the Company entered into consulting agreement with Stonehenge Co., Ltd., which is a subsidiary whereby the subsidiary agrees to provide the consulting service regarding the architecture and structure design and construction management to the Company. In consideration thereof, the Company agreed to pay service fee at the rate as specified in the agreement that effect since 1 January 2018 to 31 December 2018. The Company is in the process of to renewing the agreement.

Computer equipment service agreements

The Company and its subsidiary entered into several computer equipment service agreements with T.C.C. Technology Co., Ltd., their related company. The agreements were for a period of 3 years and the agreements expire during 2020 to 2021. The Company and its subsidiary are committed to pay service fees at the rate as specified in the agreements.

Car rental agreement

The Company entered into car rental agreement with Southeast Capital Co., Ltd., their related company. The agreement was for a period of 5 years will expire in 2021. The Company is committed to pay rental fees at the rate as specified in the agreement.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	200	201	80	97
Cash at banks - current accounts	4,100	1,805	4,081	1,580
Cash at banks - savings accounts	33,922	43,897	30,359	31,776
Highly liquid short-term investments	35,682	10	35,672	-
Cashier cheque	370,000	-	370,000	-
Total	443,904	45,913	440,192	33,453

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	4	26,853	9,507	28,792	9,564
Other parties		71,722	73,553	37,238	38,126
Total		98,575	83,060	66,030	47,690
Less allowance for doubtful accounts		(4,160)	(3,218)	(1,382)	(440)
Net		94,415	79,842	64,648	47,250
(Reversal of) bad and doubtful debts expense for the year					
		942	(660)	942	(660)

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties					
Within credit term		23,733	8,479	24,209	9,036
Overdue:					
Less than 3 months		1,819	1,028	2,461	528
3 - 6 months		1,201	-	2,122	-
6 - 12 months		100	-	-	-
		26,853	9,507	28,792	9,564
Other parties					
Within credit term		28,447	24,361	16,417	12,093
Overdue:					
Less than 3 months		28,944	29,787	16,761	21,963
3 - 6 months		4,702	10,716	1,652	1,663
6 - 12 months		2,359	2,902	1,026	-
Over 12 months		7,270	5,787	1,382	2,407
		71,722	73,553	37,238	38,126
Less allowance for doubtful accounts		(4,160)	(3,218)	(1,382)	(440)
		67,562	70,335	35,856	37,686
Net		94,415	79,842	64,648	47,250

The normal credit term granted by the Group ranges from 15 days to 30 days.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

7 Contract work in progress

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Unbilled contract work in progress				
Cost and attributable profit	627,738	473,718	380,843	309,397
Less progress billings	(512,726)	(391,623)	(333,367)	(271,786)
Net	115,012	82,095	47,476	37,611
Excess of progress billings over contract work in progress				
Progress billings	197,249	96,658	189,049	93,239
Less cost and attributable profit	(169,549)	(89,590)	(162,162)	(86,428)
Net	27,700	7,068	26,887	6,811

8 Short-term loans

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		<i>(% per annum)</i>			
		<i>(in thousand Baht)</i>			
Related parties	4	1.50	3.10	-	-
Others		0, 12	0, 12	41,000	17,000
Total		232	323	47	100

9 Investments in subsidiaries

	Separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	24,249	24,249
Dissolution of subsidiary	(2,283)	-
Reversal of allowance for impairment	2,283	-
At 31 December	24,249	24,249

At the extraordinary meeting of the shareholders of Stonehenge Asset Co., Ltd., a subsidiary, held on 19 December 2016, the shareholders unanimously approved the dissolution of Stonehenge Asset Co., Ltd. Stonehenge Asset Co., Ltd. registered its dissolution with the Ministry of Commerce on 27 December 2016 and the liquidation was completed on 1 August 2018.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements												
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)						(in thousand Baht)					
<i>Direct subsidiary</i>												
Stonehenge Co., Ltd.	99.99	99.99	5,000	5,000	24,249	24,249	-	-	24,249	24,249	29,999	16,999
<i>Indirect subsidiary</i>												
Stonehenge Asset Co., Ltd.												
(34.79% of shares held through												
Stonehenge Co., Ltd.)	-	30.43	-	7,500	-	2,283	-	(2,283)	-	-	-	-
Total					24,249	26,532	-	(2,283)	24,249	24,249	29,999	16,999

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

10 Investments properties

Investment properties comprise of a number of pieces of land that is held for a currently undetermined future use.

The first portion of investment properties at cost of Baht 18.28 million and book value of Baht 16.08 million were appraised by an independent appraiser with the appraised value being Baht 16.08 million. The second portion of investment properties at cost and book value of Baht 4.58 million were appraised by an independent appraiser with the appraised value being Baht 17.45 million. Investment properties were appraised at market values on an existing use basis. The fair value measurement has been categorised as a Level 2 fair value.

As at 31 December 2017, the Company had pledged its land with financial institutions as collaterals for loans from financial institutions. Later, the Company has fully paid loans from financial institutions and redeemed the collaterals on 12 September 2018 (see notes 13).

Notes to the financial statements
For the year ended 31 December 2018

Consolidated financial statements

STONEHENGE INTER PUBLIC CO., LTD. | 161

**Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)**

Notes to the financial statements

For the year ended 31 December 2018

	Consolidated financial statements (in thousand Baht)				
	Condominium	Leasehold improvement	Equipment	Office equipment	Vehicles
					Total
<i>Net book value</i>					
At 1 January 2017					
Owned assets	324	1,425	161	2,268	5,619
Assets under finance leases	-	-	-	-	14,429
	324	1,425	161	2,268	20,048
At 31 December 2017 and 1 January 2018					
Owned assets	216	823	128	2,444	4,573
Assets under finance leases	-	-	-	-	9,523
	216	823	128	2,444	14,096
At 31 December 2018					
Owned assets	108	593	78	2,623	3,950
Assets under finance leases	-	-	-	-	4,616
	108	593	78	2,623	8,566

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

	Leasehold improvement	Equipment	Office equipment (in thousand Baht)	Vehicles	Total
Cost					
At 1 January 2017	818	868	3,477	22,659	27,822
Additions	981	40	714	-	1,735
Disposal	-	(600)	(1,359)	-	(1,959)
At 31 December 2017 and 1 January 2018	1,799	308	2,832	22,659	27,598
Additions	-	-	703	-	703
Disposal	-	-	(100)	-	(100)
At 31 December 2018	1,799	308	3,435	22,659	28,201
Depreciation					
At 1 January 2017	695	767	2,370	10,953	14,785
Additions	271	33	462	3,875	4,641
Disposal	-	(600)	(1,278)	-	(1,878)
At 31 December 2017 and 1 January 2018	966	200	1,554	14,828	17,548
Additions	196	40	529	3,812	4,577
Disposal	-	-	(13)	-	(13)
At 31 December 2018	1,162	240	2,070	18,640	22,112

**Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)**

Notes to the financial statements

For the year ended 31 December 2018

	Separate financial statements				
	Leasehold improvement	Equipment	Office equipment (in thousand Baht)	Vehicles	Total
<i>Net book value</i>					
At 1 January 2017					
Owned assets	123	101	1,107	970	2,301
Assets under finance leases	-	-	-	10,736	10,736
	123	101	1,107	11,706	13,037
At 31 December 2017 and 1 January 2018					
Owned assets	833	108	1,278	633	2,852
Assets under finance leases	-	-	-	7,198	7,198
	833	108	1,278	7,831	10,050
At 31 December 2018					
Owned assets	637	68	1,365	360	2,430
Assets under finance leases	-	-	-	3,659	3,659
	637	68	1,365	4,019	6,089

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

The gross amount of the Group's and the Company's fully depreciated building and equipment that was still in use as at 31 December 2018 amounted to Baht 6.5 million and Baht 5.5 million, respectively (2017: Baht 6.3 million and Baht 5.3 million, respectively).

At 31 December 2017, the Group had pledged its condominium with financial institution as collaterals for bank guarantee with financial institution. Then, the Company redeemed that collaterals on 28 December 2018 (see note 28).

12 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Total	11,880	10,870	(67)	(937)
Set off of tax	(67)	(937)	67	937
Net deferred tax assets	11,813	9,933	-	-

	Separate financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Total	8,143	7,468	(67)	(937)
Set off of tax	(67)	(937)	67	937
Net deferred tax assets	8,076	6,531	-	-

	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1 January 2018	Profit or loss	Other comprehensive income	At 31 December 2018
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Trade accounts receivable	643	189	-	832
Investment properties	441	-	-	441
Excess of progress billings over contract work in progress	294	(294)	-	-
Other current liabilities	458	759	-	1,217
Provision for employee benefits	9,034	648	(292)	9,390
Total	10,870	1,302	(292)	11,880
Deferred tax liabilities				
Unbilled contract work in progress	(937)	870	-	(67)
Total	(937)	870	-	(67)
Net	9,933	2,172	(292)	11,813

**Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018**

		Consolidated financial statements (Charged) / Credited to:		
	At 1 January 2017	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December 2017
Deferred tax assets				
Trade accounts receivable	775	(132)	-	643
Unbilled contract work in progress	105	(105)	-	-
Investment properties	441	-	-	441
Excess of progress billings over contract work in progress	1,470	(1,176)	-	294
Other current liabilities	-	458	-	458
Provision for employee benefits	4,477	868	3,689	9,034
Total	7,268	(87)	3,689	10,870
Deferred tax liabilities				
Unbilled contract work in progress	-	(937)	-	(937)
Total	-	(937)	-	(937)
Net	7,268	(1,024)	3,689	9,933
		Separate financial statements (Charged) / Credited to:		
	At 1 January 2018	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December 2018
Deferred tax assets				
Trade accounts receivable	88	188	-	276
Investment in subsidiaries	457	(457)	-	-
Investment properties	441	-	-	441
Excess of progress billings over contract work in progress	294	(294)	-	-
Other current liabilities	343	872	-	1,215
Provision for employee benefits	5,845	506	(140)	6,211
Total	7,468	815	(140)	8,143
Deferred tax liabilities				
Unbilled contract work in progress	(937)	870	-	(67)
Total	(937)	870	-	(67)
Net	6,531	1,685	(140)	8,076

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

	At 1 January 2017	Separate financial statements (Charged) / Credited to:		At 31 December 2017
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable	220	(132)	-	88
Unbilled contract work in progress	105	(105)	-	-
Investment in subsidiaries	457	-	-	457
Investment properties	441	-	-	441
Excess of progress billings over contract work in progress	1,470	(1,176)	-	294
Other current liabilities	-	343	-	343
Provision for employee benefits	2,653	589	2,603	5,845
Total	5,346	(481)	2,603	7,468
Deferred tax liabilities				
Unbilled contract work in progress	-	(937)	-	(937)
Total	-	(937)	-	(937)
Net	5,346	(1,418)	2,603	6,531

13 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Current				
Current portion of long-term loans from financial institutions				
- Secured	-	1,095	-	1,095
Short-term loans	-	1,095	-	1,095
Current portion of finance lease liabilities	7,119	3,103	4,406	2,279
Total short-term interest-bearing liabilities	7,119	4,198	4,406	3,374
Non-current				
Long-term loans from financial institutions				
- Secured	-	7,325	-	7,325
Long-term loans	-	7,325	-	7,325
Finance lease liabilities	1,502	8,620	1,502	5,907
Total long-term interest-bearing liabilities	1,502	15,945	1,502	13,232

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Within one year	-	1,095	-	1,095
After one year but within five years	-	7,325	-	7,325
Total	-	8,420	-	8,420

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Investment properties	-	16,080	-	16,080
Total	-	16,080	-	16,080

Long-term loans from financial institutions

On 12 June 2015, the Company entered into a loan agreement with a financial institution amounting to Baht 12.60 million with interest at the rate of MLR plus 0.5 per annum. Principal and interest is repayable in monthly installments of Baht 0.2 million each, over 7 years, beginning on 12 July 2015 until 12 June 2022. The Company has fully paid loans from financial institutions and redeemed the collaterals on 12 September 2018.

Long-term loans from financial institutions secured by mortgage of certain land (see notes 10).

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Within one year	7,589	(470)	7,119	3,886	(783)	3,103
After one year	1,537	(35)	1,502	9,126	(506)	8,620
Total	9,126	(505)	8,621	13,012	(1,289)	11,723

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

	Separate financial statements					
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	4,734	(328)	4,406	2,814	(535)	2,279
After one year	1,537	(35)	1,502	6,271	(364)	5,907
Total	6,271	(363)	5,908	9,085	(899)	8,186

The Group entered into various finance lease agreements to buy vehicles. These agreements range from 4 - 5 years and will expire in various periods up to September 2021.

14 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(in thousand Baht)			
Related parties	4	-	-	3,402	2,789
Other parties		11,272	11,512	1,373	3,488
Total		11,272	11,512	4,775	6,277

15 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(in thousand Baht)			
Related parties	4	2,988	203	2,915	161
Others parties					
Accrued transaction costs from issue of shares		13,884	-	13,884	-
Accrued overtime and welfare expenses		3,098	3,065	2,333	2,243
Value added tax payable		2,875	2,879	1,902	1,971
Accrued professional fee		1,957	1,385	1,415	1,018
Others		3,478	4,637	1,985	2,956
		25,292	11,966	21,519	8,188
Total		28,280	12,169	24,434	8,349

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

16 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Withholding tax payable	9,414	3,555	8,022	2,262
Undue output tax	6,231	5,057	4,025	2,771
Provision for legal case	4,416	1,685	4,417	1,685
Others	1,745	633	1,732	61
Total	21,806	10,930	18,196	6,779

17 Provision for employee benefits

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Statement of financial position				
obligations for:				
Post-employment benefits	46,952	45,168	31,053	29,225
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	6,889	4,340	4,835	2,944
Recognised in other comprehensive income:				
Actuarial (gains) losses recognised in the year	(1,462)	18,443	(701)	13,013
Cumulative actuarial losses recognised	23,095	24,557	16,469	17,170

Defined contribution plan

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	45,168	22,385	29,225	13,268
Include in profit or loss:				
Current service cost	5,768	2,986	4,109	1,947
Past service cost	-	564	-	564
Interest on obligation	1,121	790	726	433
	<u>6,889</u>	<u>4,340</u>	<u>4,835</u>	<u>2,944</u>
Included in other comprehensive income				
Actuarial (gain) loss	(1,462)	18,443	(701)	13,013
Other				
Benefit paid	(3,643)	-	(2,536)	-
Transfer of defined benefit obligation from subsidiary	-	-	230	-
	<u>(3,643)</u>	<u>-</u>	<u>(2,306)</u>	<u>-</u>
At 31 December	<u>46,952</u>	<u>45,168</u>	<u>31,053</u>	<u>29,225</u>

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognised during that period in the consolidated and the separate financial statements is estimated to increase by an amount of approximately Baht 10.20 million and Baht 5.41 million, respectively.

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Demographic assumptions	(1,157)	2,712	931	2,593
Financial assumptions	(6,500)	1,997	(4,453)	1,286
Experience adjustment	6,195	13,734	2,821	9,134
Total	<u>(1,462)</u>	<u>18,443</u>	<u>(701)</u>	<u>13,013</u>

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(%)		
Discount rate	2.59	2.46 - 2.48	2.59	2.46
Future salary growth	6.00	7.00	6.00	7.00
Turnover rate	1 - 36	1 - 26	1 - 27	1 - 26

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 19 - 20 years (2017: 21 years).

Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
		(in thousand Baht)		
At 31 December 2018				
Discount rate (0.5% movement)	(2,574)	2,802	(1,755)	1,925
Future salary growth (0.5% movement)	2,611	(2,421)	1,797	(1,660)
Turnover rate (10% movement)	(1,476)	1,647	(934)	1,047
At 31 December 2017				
Discount rate (0.5% movement)	(2,633)	2,886	(1,706)	1,874
Future salary growth (0.5% movement)	2,653	(2,454)	1,728	(1,595)
Turnover rate (10% movement)	(1,820)	1,967	(1,307)	1,409

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

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

18 Share capital

	Par value per share (in Baht)	2018		2017	
		Number	Amount	Number	Amount
		(thousand shares/in thousand Baht)			
<i>Authorised</i>					
At 1 January					
- ordinary shares	100	1,000	100,000	1,000	100,000
Reduction in par value					
- from Baht 100 to Baht 0.50	0.50	199,000	-	-	-
Issue of new shares	0.50	68,000	34,000	-	-
At 31 December					
- ordinary shares	100	-	-	1,000	100,000
- ordinary shares	0.50	268,000	134,000	-	-
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	100	1,000	100,000	1,000	100,000
Reduction in par value					
- from Baht 100 to Baht 0.50	0.50	199,000	-	-	-
Issue of new shares	0.50	68,000	34,000	-	-
At 31 December					
- ordinary shares	100	-	-	1,000	100,000
- ordinary shares	0.50	268,000	134,000	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Initial public offering

In December 2018, the Company made an initial public offering of 68 million ordinary shares. The new shares were sold to the subscribers at Baht 6.30 per share (Baht 0.50 paid in capital and Baht 5.80 share premium). Total cash received from selling share capital is Baht 428.40 million divided into paid-up share capital of Baht 34 million and premium on share of Baht 394.40 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 13 December 2018 and the shares of the Company initiated trading in the Market for Alternative Investment (MAI) on 19 December 2018. Directly attributable expenses of the initial public offering amounting to Baht 17.33 million were deducted from the premium on share capital received from new investors.

Changes in par value and additional authorised share capital

On 26 April 2018, the annual general meeting of shareholders approved on the followings:

1. Approval for reduction in par value of ordinary shares from Baht 100 to Baht 0.50, as a result, the number of share increase to 200,000,000 shares. The Company registered the changing of the par value of the Company's shares with the Ministry of Commerce on 7 May 2018.
2. Approval for authorised share capital increase amount of Baht 34,000,000 by issuance of new 68,000,000 ordinary shares at par value of Baht 0.50 per share. The Company registered the increased in share capital with the Ministry of Commerce on 7 May 2018. Total authorised share capital is Baht 134 million which the Company called for payment of such capital increase in December 2561.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

19 Legal reserve

Legal reserve is set up under the provision of the Civil and Commercial Code, which requires that a company shall allocate not less than 5% of its net profit to a reserve account ("legal reserve") upon each dividend distribution, until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

20 Segments information

The Group has 2 reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services, and are managed separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Project and construction management
- Segment 2 Architectural and engineering design

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Information about reportable segments

	Project and construction management		Architectural and engineering design		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>							
External revenue	551,024	400,839	80,366	93,721	-	-	631,390	494,560
Inter-segment revenue	-	-	6,067	3,900	(6,067)	(3,900)	-	-
Total revenue	551,024	400,839	86,433	97,621	(6,067)	(3,900)	631,390	494,560
Segment results	79,497	51,189	20,500	31,578	-	-	99,997	82,767
Unallocated revenues							3,708	3,780
Unallocated expenses							(16,972)	(13,587)
Tax expense							(13,700)	(15,452)
Profit for the year							73,033	57,508

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Geographical segment

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or asset located in, foreign countries.

Major customer

Revenues from one customer of the Group's 1 and 2 segments represents approximately Baht 135 million (2017: Baht 43 million) of the Group's total revenues.

21 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Employee benefit expenses	69,294	52,614	49,357	39,429
Professional fee	8,152	7,004	5,888	5,282
Rental and service expenses	6,978	6,767	5,164	5,189
Depreciation and amortisation	7,654	7,783	4,854	4,812
Loss from provision for legal case	2,732	1,685	2,732	1,685
Bad and doubtful debt expenses	942	340	942	-
Others	20,082	16,867	12,457	9,819
Total	115,834	93,060	81,394	66,216

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Wages and salaries	343,733	282,204	233,658	195,768
Defined contribution plans	7,446	6,195	4,977	4,450
Others	62,364	58,883	36,642	30,273
Total	413,543	347,282	275,277	230,491

The Group has established contributory provident funds for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

23 Expenses by nature

The financial statements include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Included in cost of rendering of services:</i>				
Employee benefit expenses	344,249	294,668	225,920	191,062
<i>Included in administrative expenses:</i>				
Employee benefit expenses	69,294	52,614	49,357	39,429
Depreciation and amortisation	7,654	7,783	4,854	4,812
Loss from provision for legal case	2,732	1,685	2,732	1,685
Bad and doubtful debt expenses	942	340	942	-

24 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		15,872	14,428	11,806	7,239
		<u>15,872</u>	<u>14,428</u>	<u>11,806</u>	<u>7,239</u>
Deferred tax expense					
Movements in temporary differences	12	(2,172)	1,024	(1,685)	1,418
Total income tax expense		<u>13,700</u>	<u>15,452</u>	<u>10,121</u>	<u>8,657</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Defined benefit plan actuarial gains (losses)	(1,462)	18,443	(701)	13,013
Tax (expense) benefit	292	(3,689)	140	(2,603)
Net of tax	<u>(1,170)</u>	<u>14,754</u>	<u>(561)</u>	<u>10,410</u>

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		86,733		72,959
Income tax using the Thai corporation tax rate	20	17,347	20	14,592
Expenses not deductible for tax purposes		1,166		1,141
Additional deductible expenses		(4,813)		(212)
Recognition of previously unrecognised tax losses		-		(69)
Total	16	13,700	21	15,452

	Separate financial statements			
	2018		2017	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		95,355		57,143
Income tax using the Thai corporation tax rate	20	19,071	20	11,428
Income not subject to tax		(6,000)		(3,400)
Expenses not deductible for tax purposes		783		748
Additional deductible expenses		(3,733)		(119)
Total	11	10,121	15	8,657

25 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(thousand shares / in thousand Baht)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	73,033	57,387	85,234	48,486
Number of ordinary shares outstanding at 1 January				
- Effect of reduction in par value	200,000	200,000	200,000	200,000
Effect of shares issued at 13 December 2561	3,540	-	3,540	-
Weighted average number of ordinary shares outstanding (basic)	203,540	200,000	203,540	200,000
Basic earnings per share (in Baht)	0.36	0.29	0.42	0.24

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

26 Dividends

At the annual general meeting of the shareholders of the Company held on 26 April 2018, the shareholders approved the appropriation of dividends from 2017 operating result of Baht 30 per share amounting to Baht 30 million. The interim dividends were paid in November 2017 at Baht 20 per share, amounting to Baht 20 million. Therefore, the additional dividend payment is Baht 10 per share, amounting to Baht 10 million. The dividend was paid to shareholders during 2018.

At the meeting of the Board of Directors of the Company held on 14 November 2018, the Board approved the appropriation of interim dividend of Baht 0.30 per share, amounting to Baht 60 million. The dividend was paid to shareholders during December 2018.

At the annual general meeting of the shareholders of the Company held on 28 April 2017, the shareholders approved the appropriation of dividend from 2016 operating result of Baht 13 per share, amounting to Baht 13 million. The dividend was paid to shareholders during 2017.

At the meeting of the Board of Directors of the Company held on 13 November 2017, the Board approved the appropriation of interim dividend of Baht 20 per share, amounting to Baht 20 million. The dividend was paid to shareholders during 2017.

At the annual general meeting of the shareholders of Stonehenge Co., Ltd. held on 26 April 2018, the shareholders approved the appropriation of dividend from 2017 operating result of Baht 200 per share, amounting to Baht 10 million. The dividend was paid to shareholders during 2018.

At the meeting of the Board of Directors of Stonehenge Co., Ltd. held on 31 October 2018, the Board approved the appropriation of interim dividend of Baht 400 per share, amounting to Baht 20 million. The dividend was paid to shareholders during 2018.

At the annual general meeting of the shareholders of Stonehenge Co., Ltd. held on 28 April 2017, the shareholders approved the appropriation of dividend from 2016 operating result of Baht 340 per share, amounting to Baht 17 million. The dividend was paid to shareholders during 2017.

27 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating. The Group is primarily exposed to interest rate risk from its borrowings (see note 13). The Group mitigates this risk by ensuring that the majority of its borrowings are close to the market rate.

The interest rates of loans receivable as at 31 December and the maturity periods or repricing were as follows:

Consolidated financial statements					
	Interest rate	Within 1	After 1 year	After 5	Total
	(% per annum)	year	but within 5 years	years	
			(in thousand Baht)		
2018					
Current					
Loans to other parties	0, 12	232	-	-	232
Total		232	-	-	232
2017					
Current					
Loans to other parties	0, 12	323	-	-	323
Total		323	-	-	323
Separate financial statements					
	Interest rate	Within 1	After 1 year	After 5	Total
	(% per annum)	year	but within 5 years	years	
2018					
Current					
Loans to other parties	-	47	-	-	47
Loans to related party	1.50	41,000	-	-	41,000
Total		41,047	-	-	41,047
2017					
Current					
Loans to other parties	-	100	-	-	100
Loans to related party	3.10	17,000	-	-	17,000
Total		17,100	-	-	17,100

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated financial statements					
	Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2017					
Current					
Loans from financial institutions	6.53	1,095	-	-	1,095
Non-current					
Loans from financial institutions	6.53	-	7,325	-	7,325
Total		1,095	7,325	-	8,420
Separate financial statements					
	Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2017					
Current					
Loans from financial institutions	6.53	1,095	-	-	1,095
Non-current					
Loans from financial institutions	6.53	-	7,325	-	7,325
Total		1,095	7,325	-	8,420

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

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

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

Carrying amount and fair values

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

The fair value of long-term loans is taken to approximate the carrying amount stated in the accounts because of interest on loans approximates to market rates.

28 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases and service</i>				
Within one year	5,034	5,924	2,694	4,548
After one year but within five years	3,701	3,857	1,741	2,320
Total	8,735	9,781	4,435	6,868

The Group entered into several operating lease agreements in respect of land, office building space and service contracts. The terms of the agreements are between 1 and 5 years.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Bank guarantees	9,053	11,493	39	1,559
Subcontract service	37,358	14,632	44,726	2,915

The Group had commitment to a financial institution for letter of guarantee in favour of bidding on government contracts (2017: guaranteed by the Group's condominium).

29 Events after the reporting period

At the Board of Directors' meeting of the Company held on 27 February 2019, the Board of Directors approved to propose the resolutions to the annual general shareholders meeting, a dividend payment from 2018 operating result and unappropriated retained earnings totaling Baht 86.80 million, of which Baht 0.30 per share for 200 million ordinary shares amounting to Baht 60 million was paid as an interim dividend in December 2018 as disclosed in note 26. Thus, the remaining dividend of Baht 0.10 per share for 268 million ordinary shares amounting to Baht 26.80 million will be paid to the shareholders entitled to receive dividends.

At the Board of Directors' meeting of Stonehenge Co., Ltd. held on 27 February 2019, the Board of Directors approved to propose the resolutions to the annual shareholder meeting to consider and approve the increasing in authorised share capital of Baht 35 million from Baht 5 million to Baht 40 million by issuance of new 350,000 ordinary shares at par value of Baht 100 per share and the

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

amendment to the Memorandum of Association of the Company to be in accordance with the increasing of such registered capital.

30 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

The Group has made a preliminary assessment of the potential impact of adopting and initially applying TFRS15 and expects that there will be no material impact on the consolidated and separate financial statements of the Company in the period of initial application.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

Stonehenge Inter Company Limited and its Subsidiaries
(Formerly Stonehenge Inter Company Limited)
Notes to the financial statements
For the year ended 31 December 2018

31 Reclassification of accounts

	2017					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
<i>Statement of financial position</i>						
Unbilled contract work in progress	81,490	605	82,095	37,576	35	37,611
Other current liabilities	(10,325)	(605)	(10,930)	(6,744)	(35)	(6,779)
		<u>-</u>			<u>-</u>	
<i>Statement of comprehensive income</i>						
Other income	(4,296)	516	(3,780)	(25,309)	516	(24,793)
Cost of rendering of services	333,135	(2,469)	330,666	213,863	-	213,863
Selling expenses	3,313	(3,313)	-	2,225	(2,225)	-
Administrative expenses	87,794	5,266	93,060	64,507	1,709	66,216
		<u>-</u>			<u>-</u>	

Certain accounts in the 2017 financial statements have been reclassified to conform to the presentation in the 2018 financial statements. The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.



Stonehenge Inter Public Co., Ltd

163 Soi Chokchai Ruammitr (Ratchada 19) Din Daeng Subdistrict, Din Daeng District, Bangkok 10400

Tel : 66-2690-7462, Fax : 66-2690-7463

Website : www.sti.co.th

