



Annual Report 2019

Infrasets Public Company Limited

Get to know

the business of Infraset Public Company Limited

Infraset Public Company Limited, an integrated IT infrastructure provider, conducts business within the scope of Information Technology and Telecommunications Industries with competency in offering Data Center and Information Technology Infrastructure, Telecommunications Infrastructure as well as providing Maintenance and Service.

1. Data Center & Information Technology Infrastructure
2. Telecommunication Infrastructure
3. Maintenance and Service



Vision

"To be one of three experts
in the business area of telecommunications
and computing infrastructure within 5 years"



Mission

Responding to customer's needs through the highest quality of service,
Providing appropriate returns to shareholders as well as creating a long-term and sustainable shareholder wealth,
Enhancing the professional development and creating good quality of life for employees,
Dedicating an appropriate and reliable task to meet the expectation of all stakeholders for the Stakeholder,
Committing to conduct business under good corporate governance.



2019



Core Value



INTegrity



NON-STOP SERVICE



FAST



RESPONSIBILITY



AGREEMENT



SUCCESS



EDUcATION



TEAM SPIRIT

A nighttime photograph of a city skyline, featuring several tall skyscrapers with illuminated windows. In the foreground, a road or bridge is visible with long, horizontal light trails from moving vehicles, creating a sense of motion. The sky is a deep blue.

FOR BETTER SOLUTIONS

Always beneath customer business success
is the heart of everything we go.

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Financial Highlights

Financial Highlights

	2019	2018	2017
Total Assets (THB mil)	1,044.63	606.73	387.55
Total Liabilities (THB mil)	264.32	247.51	197.85
Total Shareholder's Equity (THB mil)	780.31	359.22	189.7
Total Revenues (THB mil)	1,219.97	1,007.13	530.29
Total Expense (THB mil)	1,072.58	887.24	449.5
Net Profits (THB mil)	120.12	94.56	63.91
Earning per Share (Baht)	0.27	0.27	0.64
Total Number of Employee (persons)	136	99	69
Total Number of Shares (shares)	450,400,000	345,827,398	100,000,000

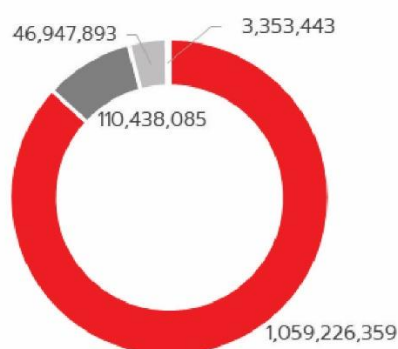
as of 31 December 2019 (Weighted average ordinary shares)

Financial Ratios

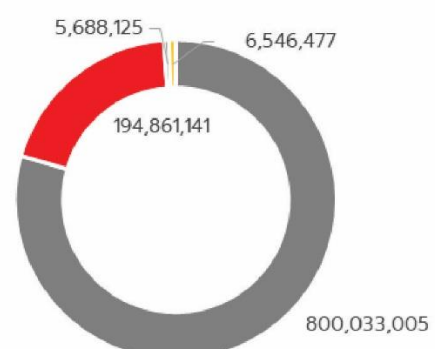
	2019	2018	2017
Liquidity Ratio (Times)	4.25	2.46	1.58
Gross Profit Margin (%)	17.49	17.43	19.38
Net Profit Margin (%)	9.85	9.39	12.05
Debt to Equity Ratio (Times)	0.34	0.69	1.04
Dividend Yield (%)	66.29	158.64	139.25

Revenue Comparisons (Unit: THB)

Y2019



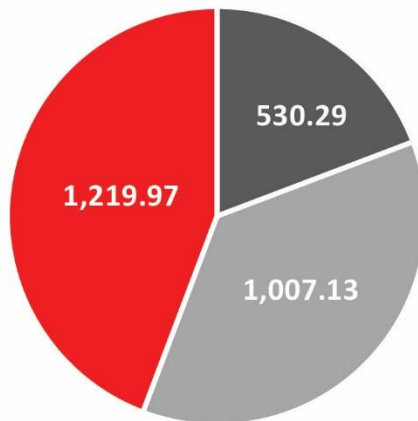
Y2018





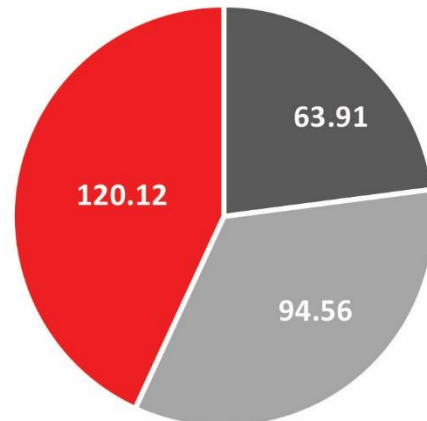
Summary of Financial Information

Total Revenue (Unit: THB mil)



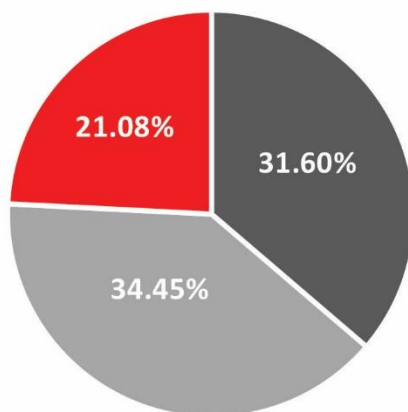
■ 2017 ■ 2018 ■ 2019

Net Profit (Unit: THB mil)



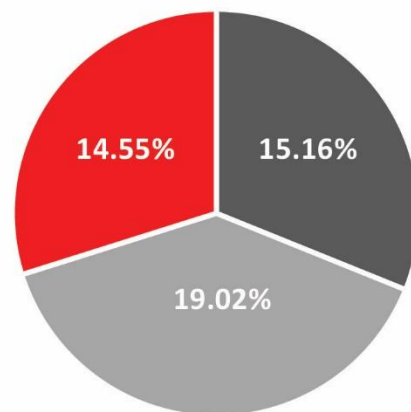
■ 2017 ■ 2018 ■ 2019

Return on Equity



■ 2017 ■ 2018 ■ 2019

Return on Asset



■ 2017 ■ 2018 ■ 2019

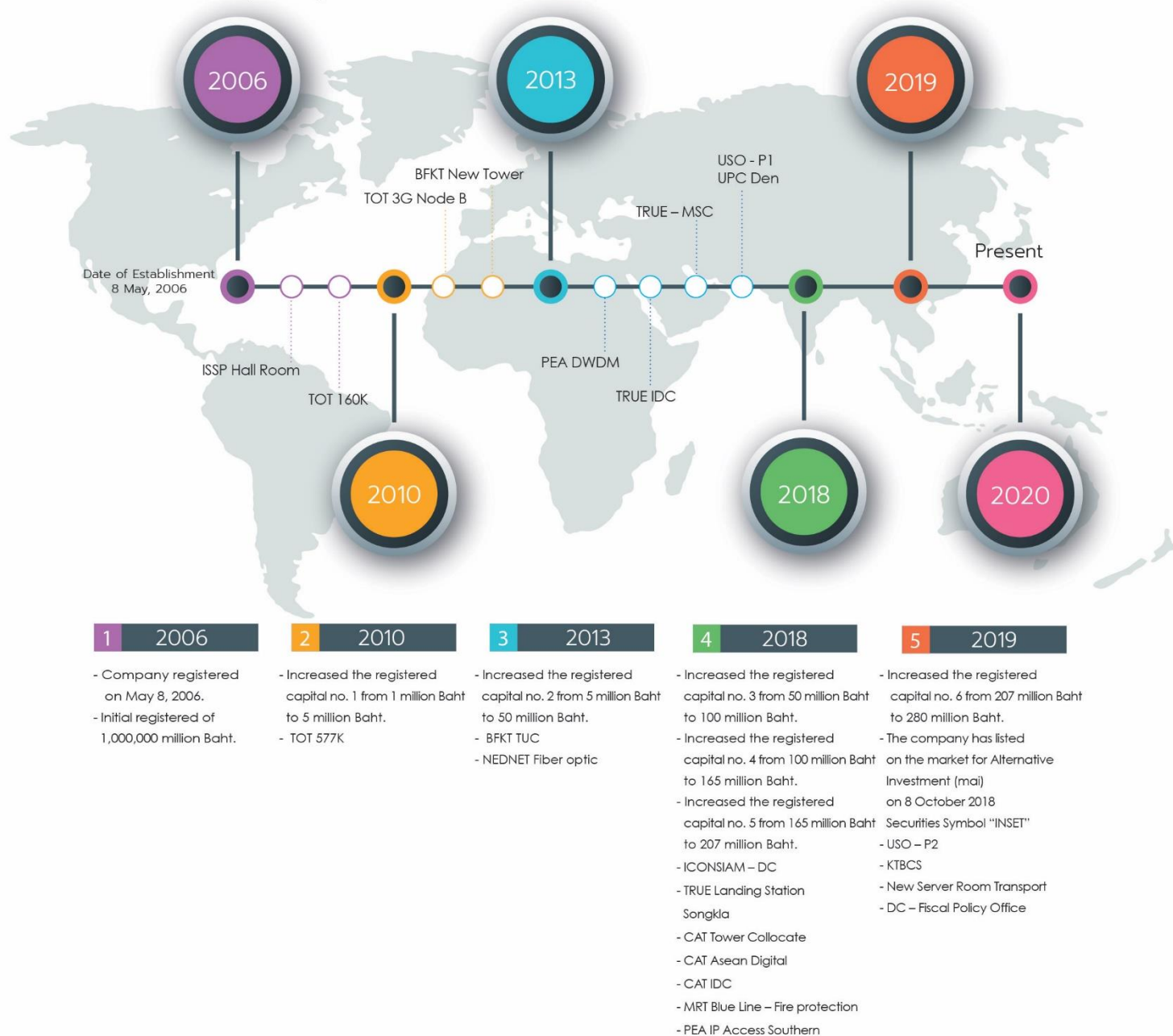


Significant Business Development

INFRASET PUBLIC COMPANY LIMITED (INSET) was established in May 2006 by the group of experts in data center and design for the Telecommunication & Data Center. INSET is a specialist in construction and system implementation for the Telecommunication & Data Center's infrastructure to keep up with technological change by providing a full range of service including design and construction in accordance with international standards in order to meet the highest satisfaction of customers. Creating credibility by our management team and professional after-sales service is the originating of "INFRASTRUCTURE SETUP".

Infrasets Public Company Limited's goal is to make customers succeed and get the most benefits by combining technical agility and constant adaptation to respond to the rapid change of technology in managing various tasks.

Currently, Infrasets Public Company Limited has proven a variety of design and construction projects with widely acceptance and has provided 7x24 Hrs. maintenance and service for the Telecommunication & Data Center system and consulting services for customers who wish to build or setup Telecommunication & Data Center. INSET has adapted and increased the range of services to respond the world's demands, which continually change.





Significant Events in the year 2019



- Mr. Sakbaworn Pukkanasut, Managing Director has joined forum at the seminar "Solutions for Success IPO" under the activity summary of the SMEs readiness preparation project to enter to the Market for Alternative Investment (mai) for the fiscal year 2019 organized by the Department of Industrial Promotion (DIP) at Sukree Kaewcharoen Conference Hall, 3rd Floor, the Stock Exchange of Thailand, held on Tuesday 13 August 2019

Such project activity is one way to enhance the business to leap forward from small enterprises to medium enterprises or upgrade from medium enterprises to large enterprises, which has created strength and sustainability for SMEs to support the competition and business opportunities. DIP Has continuously pushed SMEs to the mai. There are 10 entrepreneurs who passed the selection process in the project, with 1 company that has transformed from a limited company to a public company and another 3 are in the process of being listed on the mai within the year 2020. The rest is targeted to be listed in the stock exchange within the year 2021 - 2022



- Infraset Public Company Limited (INSET) has been traded on the Market for Alternative Investment (mai) on October 8, 2019 at Sukree Kaewcharoen Conference Hall, 3rd Floor, Building B, the Stock Exchange of Thailand. The trading has evoked lively investor interest with the INSET stock opened at Baht 2.94 per share, accounted for 9.29% increases from the offering price of Baht 2.69 per share



Significant Events in the year 2019



Mr. Sakboworn Pukkanasut , Managing Director of Infraset Public Company Limited or INSET has been presented with the Gold Award in the category of Service Excellence from General Prayuth Chan-o-cha, Prime Minister of Thailand in the awards presentation ceremony-Thailand Corporate Excellence Awards 2019 and SMEs Excellence Awards 2019 bestowed upon the organizations in recognition of excellent management in various fields , taking place at Crystal Hall, The Athenee Hotel, a Luxury Collection Hotel, Bangkok on November 28 , 2019. The award presentation ceremony was organized by Thailand Management Association in corporation with Sasin Graduate Institute of Business Administration of Chulalongkorn University.

- Mr. Sakboworn Pukkanasut, Managing Director has joined forum to share knowledge and experiences regarding the preparation prior to listing the company on the Stock Exchange and a major change after the introduction of the company listed on the Stock Exchange at the seminar-"the SME route to Thai capital market" organized by the Department of Industrial Promotion (DIP) in corporation with the Securities and Exchange Commission (SEC) taking place at meeting room number 1601, 16th floor, Office Building on December 19, 2019. The seminar has been organized with the consideration of supporting and educating enterprises falling in the Small and Medium Industries sector governed and promoted by the Department of Industrial Promotion in alleviating difficulties and increasing the ways businesses can raise funds through various financial instruments since the Small and Medium Enterprises (SMEs) contributions are significant to the sustainable growth of SMEs as well they play an important role in preparing foundations required for national development.





Message from the Chairman of the Board of Directors and the Managing Director



Mr. Kampanart Lohacharoenvanich
Chairman of the Board



Mr. Sakboworn Pukkanasut
Managing Director



Message from the Chairman of the Board of Directors and the Managing Director

In the year 2019, the Company has registered the securities trading with the Stock Exchange of Thailand. It is the first step in driving the business of the Company to grow up in accordance to our business plan. Under corporate governance which enhances the trust from our investors, the Board of Directors, as the leaders of business being responsible for business operations has deemed that the corporate governance is one of important factors to improve the organizational effectiveness, which relates to the relationship between the Board of Directors, the management and other stakeholders. This shall contribute to an effective management and the transparent disclosure of information as well as an effective internal audit. It also promotes the standardized performance in order to increase competitive advantages and add value to our business which will certainly create satisfaction for all stakeholders.

At present, the rapid changes in society, economy and technology require organizations to adjust to be able to maintain their competitive advantage. Internet of Things (IoT) is an essential devices to enable physical objects connecting to internet. The IoT also allows the massive storage of data which has never been done in the past. This shall create Digital Transformation process which is the key factor in driving the digital economy in Thailand. According to NBCT, it is predicted that the IoT will play an important role in Thailand's economy; therefore, the Company must prepare to support the development of IoT in many parts. As stated in our vision, mission and core values, our Company is still committed to develop our people to have expertise and capability to keep pace with the continuous changing technology to fulfill customer satisfaction and maximize customer benefits.

The change to the digital age or Thailand 4.0 is considered as a business opportunity for the Company in developing effective technology system for customers to reduce costs and to assist in managing information accurately and completely. This also includes the use of modern technology to help work more efficiently. The Company has created readiness in all aspects to be able to respond to the needs of customers in the Digital Transformation era, which is expected to increase in the near future.

Lastly, on behalf of the Board of Directors, executives and all employees, we would like to express our sincere gratitude and appreciation to shareholders, business alliance including partners, customers, financial institutions and all stakeholders for your trust and support in our business. This provide us an achievement and good performance throughout the past period. The Company is still dedicated to be a part of enhancing and innovating telecommunications infrastructure in order to promote the economy in parallel with the social development of Thailand under good governance and environmentally-friendly business practices by utilizing resources efficiently to maximize and sustain benefit of our shareholders and stakeholders.

(Mr. Kampanart Lohacharoenvanich)
Chairman of the Board

(Mr. Sakboworn Pukkanasut)
Managing Director

Company Structure



Board of Directors and Management Members



Name / Surname	Position
1. Mr. Kampanart Lohacharoenvanich	Chairman of the Board, Independent Director, Audit Committee
2. Mr. Saran Supaksaran	Independent Director, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee
3. Miss Lalita Hongratanawong	Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee
4. Mr. Sakboworn Pukkanasut	Director, Managing Director, Member of the Nomination and Remuneration Committee, Executive Chairman
5. Mr. Metha Chotiapisitkul	Director, Deputy Managing Director - Project Management/ General Management, Executive Committee
6. Mr. Akarawatt Akarasuwannachai	Director, Deputy Managing Director - Project Management and Service, Executive Committee
7. Mr. Vichien Jearkjirm	Director
8. Mr. Kasem Techaiya	Director



Profile: Board of Directors and Management Numbers



01

Mr. Kampanart Lohacharoenvanich

Age 69 Years

- **Position**
Chairman of the Board, Independent Director, Audit Committee
- **Educational Background**
 - Master of Science in Economics, Kansas State University, U.S.A.
 - Bachelor of Economics, Thammasat University
- **Training Record**
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 17/2002
- **% Shareholding** (as of 31 December 2019)
0.27 % of paid up capital
- **Personal Relationship with the Management**
- None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2018 – Present : Chairman of the Board, Independent Director, Audit Committee, Infrasat PCL.
 - 2018 – Present : Chairman of the Audit Committee, Independent Director, Nirvana Daii PCL.
 - 2016 – Present : Independent Director, Audit Committee, Trinity Watthana PCL.
 - 2011 – 2018 : Director (Finance and Investment), National Savings Fund
 - 2009 – 2016 : Director, Securities and Exchange Commission (SEC)



02

Mr. Saran Supaksaran

Age 46 Years

- **Position**
Chairman of the Audit Committee, Independent Director, Member of the Nomination and Remuneration Committee
- **Educational Background**
 - Master of Science in Financial Science, Chulalongkorn University
 - Bachelor of Accountancy (Accounting), Thammasat University
- **Training Record**
Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) 25/2017
- Director Accreditation Program (DAP) 114/2015
- **% Shareholding** (as of 31 December 2019)
0.49 % of paid up capital
- **Personal Relationship with the Management**
- None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2018 – Present: Chairman of the Audit Committee, Independent Director, Member of the Nomination and Remuneration Committee, Infrasat PCL.
 - 2018 – Present: Audit Committee, Sabai Technology PCL.
 - 2015 – Present: Audit Committee, Ratchaphruek Hospital PCL.
 - 2015 – 2019: Director, Bunchikij P&S Consolation Co., Ltd.
 - 2014 – Present: Audit Committee, Rajthanee Hospital



03

Miss Lalita Hongratanawong

Age 42 Years

- **Position**
Chairman of the Nomination and Remuneration Committee, Independent Director, Audit Committee
- **Educational Background**
 - Doctor of Philosophy in Management Science, Illinois Institute of Technology, USA
 - Master of Science in Finance, Illinois Institute of Technology, USA
 - Master of Science in Information Technology in Business, Chulalongkorn University
 - Bachelor of Accounting, Chulalongkorn University
- **Training Record**
 - Thai Institute of Directors Association (IOD)
 - Director Certification Program (DCP) 233/2017
 - Director Accreditation Program (DAP) 130/2016
- **% Shareholding** (as of 31 December 2019)
0.27 % of paid up capital
- **Personal Relationship with the Management**
-None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2019 – Present: Independent Director, Audit Committee, Synmunkong Insurance PCL.
 - 2018 – Present: Chairman of the Nomination and Remuneration Committee, Independent Director, Audit Committee, Infrasets PCL.
 - 2018 – Present: Director, JSP Pharmaceutical Manufactory PCL.
 - 2012 – Present: Faculty Teacher at School of Business, University of The Thai Chamber of Commerce



04

Mr. Sakboworn Pukkanasut

Age 45 Years

- **Position**
Director, Managing Director, Member of the Nomination and Remuneration Committee, Executive Chairman
- **Educational Background**
 - Bachelor of Engineering, University of the Thai Chamber of Commerce
- **Training Record**
 - Thai Institute of Directors Association (IOD)
 - Director Accreditation Program (DAP) 144/2018
 - Director Accreditation Program (DAP) 254/2018
 - Financial Statements for Directors (FSD) 35/2018
 - Executive Programme Capital Market academy (CMA 29)
 - Director Accreditation Program (DAP) 130/2016
- **% Shareholding** (as of 31 December 2019)
38.01 % of paid up capital
- **Personal Relationship with the Management**
-None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2006 –Present: Director, Managing Director, Member of the Nomination and Remuneration Committee, Infrasets PCL



05

Mr. Metha Chotiapisitkul

Age 41 Years

- **Position**
Director,
Deputy Managing Director – Project Management
General Management, Executive Committee
- **Educational Background**
 - Master of Economics, Kasetsart University
 - Master of Business Administration, Kasetsart University
 - Bachelor of Engineering (Electrical and Electronics Engineering), Mahanakorn University of Technology
- **Training Record**
Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP) 151/2018
- **% Shareholding** (as of 31 December 2019)
3.83 % of paid up capital
- **Personal Relationship with the Management**
-None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**

2018 – Present:	Director, Deputy Managing Director, Project-Management/ General Management, Executive Committee, Infrasat PCL.
2015 – 2017:	Assistant Managing Director, Infrasat Co., Ltd
2008 – 2014:	Project Manager, Infrasat Co., Ltd.



06

Mr. Akarawatt Akarasuwannachai

Age 40 Years

- **Position**
Director,
Deputy Managing Director - Project Management and
Service, Executive Committee
- **Educational Background**
 - Bachelor of Engineering (Electrical Engineering)
Rajamangala University of Technology Krungthep
- **Training Record**
Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP) 153/2018
- **% Shareholding** (as of 31 December 2019)
0.27 % of paid up capital
- **Personal Relationship with the Management**
-None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**

2018 – Present:	Director, Deputy Managing Director - Project Management and Service, Executive Committee Infrasat Co., Ltd.
2011 – 2017:	Project Manager, Infrasat Co., Ltd.



07

Mr. Vichien Jearkjirm

Age 67 Years

- **Position**
Director
- **Educational Background**
 - Master Degree in Finance, Indiana University, U.S.A.
 - Bachelor Degree in Economics, Thammasat University
- **Training Record**
 - Thai Institute of Directors Association (IOD)
 - Director Certification Program (DCP) 13/2000
- **% Shareholding** (as of 31 December 2019)
0.27 % of paid up capital
- **Personal Relationship with the Management**
- None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2018 – Present: Director
Infraset PCL.
 - 2017 – Present: Chairman of the Board
Ileaze Inovation Co., Ltd.
 - 2015 – Present: Chairman of the Board
Beyond Green Co., Ltd.
 - 1998 – Present: Chairman of the Board
Narakit Warehouse Co., Ltd.
 - 1989 – Present: Director
BOT Lease (Thailand) Co., Ltd.



08

Mr. Kasem Techaiya

Age 44 Years

- **Position**
Director
- **Educational Background**
 - EMBA, (Executive Master of Business Administration)
University of the Thai Chamber of Commerce
 - Bachelor of Business Administration
University of the Thai Chamber of Commerce
- **Training Record**
 - Thai Institute of Directors Association (IOD)
 - Director Accreditation Program (DAP) 152/2018
- **% Shareholding** (as of 31 December 2019)
0.27 % of paid up capital
- **Personal Relationship with the Management**
- Is the brother of Miss Warangkhan Techaiya
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2019 – Present: Director, Infraset PCL.
 - 2017 – Present: Director, KS Advisory Co. Ltd.
 - 2016 – Present: Director, BDV Estate Co., Ltd.
 - 2015 – Present: Senior Executive Vice President
Phillip (Thailand) PCL.
 - 2012– 2015: Managing Director, AEC PCL.
 - 2011 – 2012: Senior Executive Vice President
Country Group PCL.
 - 2010 – 2011: Executive Vice President
Finansia Syrus Securities PCL.
 - 2008 –2010: Executive Vice President
Globlex Securities Co., Ltd.
 - 2008 –2010: Senior Vice President
Krungsri securities PCL.
 - 2007–2008: Senior Vice President
Kiatnakin Securities Co., Ltd.
 - 2002–2007: Vice President
Trinity Securities Co., Ltd.



09

Mr. Suraphon Siriwatsophon

Age 43 Years

- **Position**
Deputy Managing Director - Sales and Marketing,
Executive Committee.
- **Educational Background**
 - Master of Business Administration,
with a Concentration in Marketing, Kasetsart University.
 - Bachelor of Engineering Program in Mechanical
Engineering, Kasetsart University.
- **Training Record**
-
- **% Shareholding** (as of 31 December 2019)
0.02 % of paid up capital
- **Personal Relationship with the Management**
- None -
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2018 – Present: Deputy Managing Director of Sales
and Marketing,
Executive Committee,
Infrasnet PCL.
 - 2011 – 2015: VP of Sales and Marketing,
Unitrio Technology Co., Ltd.



10

Miss Warangkana Techaiya

Age 41 Years

- **Position**
Deputy Managing Director - Finance and
Accounting Department,
Executive Committee, Company Secretary
- **Educational Background**
 - Master of Business Administration,
Monash University.
 - Bachelor of Accountancy (Major Accounting),
Chulalongkorn University.
- **Training Record**
 - Thai Institute of Directors Association (IOD)
 - Director Accreditation Program (DAP) 153/2018
Stock Exchange of Thailand (SET)
 - Strategic CFO in Capital Markets Program 5/2017
- **% Shareholding** (as of 31 December 2019)
0.13 % of paid up capital
- **Personal Relationship with the Management**
- Is the sister of Mr. Kasem Techaiya
- **Illegal record the in past**
- None -
- **Work Experience over the Past 5 Years (Listed Company)**
 - 2018 – Present: Deputy Managing Director -
Finance and Accounting,
Executive Committee,
Company Secretary,
Infrasnet PCL .
 - 2015 – 2018: Vice President
(Accounting and Finance),
Demeter Corporation PCL
 - 2011 - 2015: Assistant Finance Manager
UPS Parcel Delivery Service Co., Ltd .





1. Policy and -Business Overview

1.1 Overview of the Company's business operations

Infrasat Public Company Limited ("The Company") was founded by Mr. Sakbaworn Pukkanasut who has extensive experience and expertise in the business concerning data center construction. Prior to this date, Mr. Pukkanasut has foreseen the potential and the economic growth that the information technology and telecommunication business would bring to Thailand, on May 8, 2006 he then established the Infrasat Company Limited in contemplation of operating data center construction business with competency in offering services related to the information technology and telecommunications business. With a registered capital of Baht 1 million as well as the trust, confidence and support of clients, both government agencies and private companies, placed in our abilities, we then have constructed more data centers, fundamental telecommunications infrastructure and telecommunication network consecutively, as of December 31, 2019, the Company has registered capital of Baht 280 million paid in full. The three main business of the Company are as follows:

1. Business concerning construction of data center and information technology system (IT Infrastructure)

The Company offers turnkey services that can leverage business performance, the Company's data centers are the best-in-class IT infrastructure services with over 13 years of experience that comes with Customer Services team: specialized engineers who are well-trained in the latest technologies, their varying areas of expertise relating to the survey, design, construction and installation of not only system and equipment within the data center but also the information technology considering the needs and expectations of various client groups whether the domestic mobile phone service provider, the listed companies in the stock market and other companies in the telecommunications industry as well as the government agencies etc. Examples of our distinguished accomplishment are as follows:

- The construction project on submarine cable landing station along with the power building of Symphony Communication Public Company Limited located in Rayong Province.
- The construction project on Mobile Switching Center (MSC) -TYB (Thanyaburi) located in Pathum Thani Province.
- The project on establishing Internet Data Center of the True IDC at True Tower 2.
- The project on providing mobile phone signal and high speed internet service in remote areas, Village in the border area (Zone C +), The National Broadcasting and Telecommunications Commission (Office of The National Broadcasting and Telecommunications Commission: NBCT) (establishing schools and community internet centers namely the Universal Service Obligation : USO as required by law to promote the use of computer, internet, work typing, printing and others among community people, as well as to be learning centers for children in the northern and northeastern areas (USO Phase 1 Project)).
- The project on providing high speed internet in remote areas (Zone C) of the Office of the National Broadcasting and Telecommunications Commission, Northern Region 1 and Central Region 2 (USO Phase 2 Project).
- The project on establishing the Computer Operation Center for ICONSIAM Department Store.
- The project on establishing the CAT IDC data center.
- DC Power System Installation Project in North, Central, East, and Northeast (CAT ASEAN Digital Hub)
- The project on establishing submarine cable landing station, TRUE Landing Station, Songkhla Province



2. Business concerning the Infrastructure and Telecommunication Network

With the extensive experience in operating the business for over 13 years, it cannot be argued that the Company would certainly have business alliances who are well-known companies in the telecommunications industry operating their businesses as main contractor or suppliers of equipment related to telecommunications infrastructure and networks such as Wire and Wireless Company Limited (W&W), Forth Corporation Public Company Limited (FORTH), Advance Information Technology Public Company Limited (AIT), Samart Corporation Public Company Limited (SAMART) etc. Therefore, the Company then has the business opportunity to continuously serve as a sub-contractor for the constructing and installing basic infrastructure and telecommunication networks, with the Company being the service provider offering a total project solution consisting of survey, design, construction of telecommunication towers. And installing communication cables and equipment related to telecommunications. The samples of our accomplishment are as follows:

- The construction project on telecommunications network tower of True Universal Convergence Company Limited (TUC) in Bangkok area.
- The construction and renovation project on cellular mobile base stations of CAT Telecom Public Company Limited (CAT).
- The installation project on Optical Fiber Cable of MEA's.
- The installation project on Optical Fiber Cable of True Corporation Public Company Limited.
- The installation project on Optical Fiber Cable of Ministry of Education (NEdNet).
- The project on electric wire grounding of Nirvana Daii Public Company Limited (NVD).
- The installation project on Optical Fiber Cable of ICONSIAM.
- The installation project on CAT Collocate Tower in national park areas nationwide

3. Business concerning Maintenance and service

In addition to the aforementioned businesses, the Company also provides maintenance services for any projects in connection with data center, information technology infrastructure and telecommunication infrastructure by means of providing services to project owners or working as a sub-contractor. It can be noted that the afore-mentioned businesses has contributed to the Company in generating income consecutively. Attempting to describe the type of our maintenance program, we believe it would be more clearly to state that according to the "24/7 Program", our maintenance services are purposefully designed to provide both Preventive Maintenance and Continuous Maintenance with our team being able to promptly support both the existing clients whose projects have been delivered as upon the client services agreement that the Company will to carry out ongoing maintenance stated therein and the new clients as upon request that they need the Company to offer the maintenance service. The samples of our past and present accomplishment are as follows:

- Maintenance service for data communication systems employing dense wavelength division multiplexing (DWDM) technology and IP Core Network technology of the Provincial Electricity Authority (PEA).
- Maintenance service for the equipment installed in Data Center of the CAT Telecom Public Company Limited.
- Maintenance service for the support system of the M.R.T Chaloem Ratchamongkhon Line system Including the extensions to Tao Pun Station (MRT Blue Line).
- Maintenance service for the project on providing mobile phone signal and high speed internet service in remote areas, Village in the border area (Zone C +), The National Broadcasting and Telecommunications Commission (Office of The National Broadcasting and Telecommunications Commission: NBCT) (establishing schools and community internet centers namely the Universal Service Obligation : USO as required by law to promote the use of computer, internet, work typing, printing and others among community people, as well as to be learning centers for children in the northern and northeastern areas (USO Phase 1 Project)



1.2 Vision, Objectives and Goals

1) Vision

We are committed to be one of three experts in the business area of telecommunications infrastructure and information technology within 5 years.

2) Mission

The Company has continuously carried on its business to fulfill its commitment to offer the just and responsible business conduct toward every stakeholder and adherence to the long-standing principles observed and practiced since the Company's establishment. We are committed to key values, first, to be able to accurately interpret and then satisfy a client's needs with quality service, second, to maximize the sustainable benefits of all shareholders appropriately, third, to develop the business expertise, forth, to improve and enhance employees' quality of life, fifth, to pay close attention to the stakeholders and devote ourselves to the appropriate and reliable business practice, last in order but not of importance, to strive to conduct business in compliance with the principle of good corporate governance.

3) Business goals

The Company has a long-standing business goals outlined and carried on continuously since the Company's establishment. We target on long-term, sustainable business growth in term of the service income and the ability to generate profitability by establishing corporate reputation through the accomplished works and the quality services.

4) Strategy

The company still focuses on operating the business of design, implementation, and construction of data center, the Information technology system, basic telecommunication infrastructure and networks for the public and private sectors as well as the leading telecommunication operators as a main contractor and sub-contractor. We also increase our capability to work on a larger construction project by employing the business strategies described as follows:

4.1) Acquiring business alliance and potential business partner

The Company foresees the importance of having business alliance and potential business partner since it helps enhancing competitive ability by combining strengths to attribute the business and satisfy clients' needs. With years of experience and service accomplishments in the telecommunication and information technology industry, the Company has formed good and acceptable business alliance relationships continuously. In addition, the Company also has formed many long-term strategic alliances to cooperate in the services or other business objectives enabling the Company to enhance an efficient service capabilities to cover various size and scope of businesses in contemplation of keeping up with the constant changes in the telecommunications industry, satisfying the needs of clients and users remarkably, also acquiring the increasing number of trusted clients who require the Company's services.

4.2) Quickly delivering of excellent service exceeding customer expectations

The Company realize the significance and benefit assuming that it is in capable of completing the project prior to specified time therefore, the Company then has set up the procedures and systems for implementing any project moreover, regarding the afore-said strategy, the Company also values its business alliances running businesses in almost every area since their cooperation is one essential facilitating factor contributed to our capability to deliver the work more expeditious than expected whilst still maintaining the high level of service. In addition, the Company also provides incentives for engineers being in charge of the project and sets up either invoice approval approach or the fast solution-oriented and easy approach for the business alliances to collect their payments in exchange for the full and expeditious cooperation from all parties with the mission of completing the project quicker. These strategies help us avoid the inconvenience through to late penalty charges from the end customer also to be able to accept more projects. As a consequence, the customers certainly will convey their confidence and impression to the Company's project and will surely be repeat customers who have the power to drive our business to success.



4.3) Promoting the integrated professional services

It can't be argued that the accumulation of work experience certainly contributed to knowledge, expertise, and skills in working in different sectors and all areas. Additionally, the Company also consecutively improve the service capability in order to stay abreast of the latest technology trends. Besides, since our clients prefer the integrated professional services, we then propose the complete solutions, from engineering design, construction, installation, and customer services, likewise maintenance and assistance services in the event of operational disruption. In consideration of the customer needs, expectation and satisfaction, the Company then provides competitive and excellent service for a very reasonable price. In addition, the Company also keeps updating with innovations and latest technology developments with the intention of bringing about our expertise and skills to service in different sectors and all areas and fostering our competitive ability while trying to stay head in the world of business.

4.4) Accepting a service project offer in consideration of the limitation in ability

In accordance with our work experience having been accumulated many years, we are positive in stating that we are able to offer services as both the main contractor and sub-contractor nevertheless, the evaluation of project offer will be taken into our consideration prior to accepting that offer. Regarding of our business ability, this strategy would allow the Company to efficiently generate and manage consistent income and cash flow from operations. On the occasion that the spectacular large-scale projects have been offered, with the knowledge, expertise, and skills accumulated over the years, we would contemplate and then make a decision to work as a sub-contractor for the specific part of that project forasmuch as it would allow us, at short notice, to collect our expenses from the main contractor after completing our service on the specific project regardless of whether the entire project has been completed or not. As a result, the Company would be able to efficiently generate and manage consistent cash flow from operations. On the other hand, the Company would contemplate accepting to be the main contractor in appropriate scale project in order to generate consistent income and improve profit margin without affecting the cash flow statement of the Company to a considerable extent.

4.5) Improving customer acquisition strategy

The Company employs strategies to acquire new customers continuously in order to reduce dependency on a key customer and expand new business opportunities, it had been accomplished by employing long-term executive relationships with people across companies and industries and encouraging the sale team to build new business relationship accordingly. Suffice it to say that the Company has a broad practice guideline for acquiring customers not relating to just one particular business so we focus on procuring contracts with business entity in which the Company can apply knowledge, expertise, and skills in a new context so our goal of attracting and acquiring 3 new customers each year will be accomplished.



1. 3 Major changes and developments

The significant developments of the company during the past period are as follows:

Year 2006-2010

- In the year 2006, the Infrasnet Company Limited was established on May 8, 2006 with a registered capital of Baht 1 million.
- During the first period, the Company has provided services regarding data center construction and installation along with maintenance service and customer services for entrepreneurs who are looking to set up a small data center. In addition, the Company also has acquired contracts with us being a sub-contractor in providing information technology system implementation services such as computer system implementation, cables, as well as information technology equipment installation to a group of customers which are companies with small business office spaces as well as the customers being leading system integrator companies for stance, AIT, FORTH, LOXLEY Group, SAMART Group and CDG Group. According to our practice, the aforementioned SI companies will be the main contractor or major suppliers who bid on information technology system implementation project then sub-contract us to carry out part of the works on their behalf. During the initial period, even though the Company as a sub-contractor has been appointed only small and low-value projects however, unconcernedly, the company then focus on the amount of service procured and the opportunity to employ our expertise and skills instead.
- In the year 2010, the Company increased the registered capital from Baht 1 million to Baht 5 million to support business growth and expansion.

Year 2554 - 2558

The Company began stepping into the telecommunications network and infrastructure industry and forming business alliances with large companies.

- As the Company initiated forming business alliances, it can be said that "FORTH "company was our first business alliance which had cooperated to undertake the infrastructure construction project, the the MSAN 160K (Multi - Service Access Node) project, of the Telephone Organization of Thailand (currently called "TOT"). Under the said project, we had undertaken the installation of MSAN equipment in order to connect Landline phone system (Landlines) to the internet for more than 1,000 points throughout Thailand. Thereafter, from our remarkable accomplishment, the Company had then procured one more project, the MSAN 577K expansion project.
- Subsequently, the Company has become a business alliance with W&W in which we had cooperated to undertake the cell tower construction and installation of antennas project under the TOT 3G project. Regardless of prior experience in this service, the Company nonetheless could foresee the favorable circumstance to grow and expand the business therefore the Company decided to develop its necessary capability that would enable it to comply with this service segment. Magnificently, the hard work and effort have paid off, the Company was able to construct the cell tower and install the antennas up to 570 from a total of 652 of the total project allowing the Company to earn trust and be recognized for the accomplishment and quality work of the Company. Afterward, to express that the W&W put its trust in the Company, the W&W then gave the company the opportunity to participate in the bidding also our service are required in many subsequent projects continuously until present.

From the distinguished accomplishment, the Company has gained more trust from many business alliances for instance the AIT Group and SAMART Group. The Company has continuously been offered the cell tower and signal cable construction project. Especially the project relating to the telecommunication network infrastructure that the W&W has procured from True Corporation Public Company Limited and its affiliates (TRUE Group). To this extent, the Company thus became renowned annually in the business world.

- In the year 2013, the Company increased the registered capital from Baht 5 million to Baht 50 million to support business growth and expansion.



Year 2016

- The Company has procured a project to construct a telecommunications exchange center in Bangkok and suburbs area of the TRUE Group worth over Baht 450 million. The Company has provided the integrated services for constructing building on the area over 10,000 square meters and all related systems such as electrical systems, surge protection systems, air conditioning system, backup electricity generator system, fire extinguishing system and CCTV system in the building, etc. The said construction project requires specialized knowledge and expertise to enable the Data Center to work efficiently and continuously.

Year 2017

- The Company has stepped to undertake a large-scale project being worth more than Baht 1,000 million for the first time which was the subcontracting work from the bidder for establishing fundamental telecommunications services for public in all areas, namely the Universal Service Obligation (USO Project (Phase 1) under the project of The National Broadcasting and Telecommunications Commission (Office of The National Broadcasting and Telecommunications Commission: NBCT) in order to promote the use of computer, internet, access to internet and mobile signals according to 20-year National Strategy. In the Phase 1 project, the TRUE group is the bidder for the project concerning Broadband Services in the upper northern region and the project providing mobile signal services in the lower northern and northeastern regions, with the W&W undertaking as the main contractor of the project in Phase 1. In the process of acquiring the project, the Company has cooperated with the AIT Group in favor of proposing quotation for price and service. The project that the Company has gotten hold of worth approximately Baht 1,160 million.

Year 2018

- The company increased the registered capital from Baht 50 million to Baht 207 million, whilst still has attentively engaged in the USO (Phase 1) project from the year 2017. Another detail worth mentioning is that we have obtained other projects consecutively such as the CAT Collocate Tower, the construction and renovation of mobile phone stations worth Baht 100 million, the construction of a computer operation center and telecommunication network project of the ICONSIAM worth more than Baht 50 million. Furthermore, the Company started developing and enhancing its knowledge, expertise and skills beneficial to offer services to new customers with the thought of increasing the efficiency of a service channel by maximizing services to the real estate operators and offering the services of designing and installing electrical systems and underground signal cables designed to evade environment and scenery problem within the housing development project. Currently, concerning the unique benefit of the underground cables, this method is nation-wide preferable to new development real estate projects.

Year 2019

- The Company has engaged in the USO project (Phase 2) and the maintenance service for the USO project (Phase 1) and has continued to expand new business opportunities. Remarkably, the Annual General Meeting of Shareholders of the Company has approved its conversion to a public company under the name "**Infrasnet Public Company Limited**" and approved the increasing of the registered capital from Baht 207 million to Baht 280 million as well as the issuing and offering of 146 million new ordinary shares with a par value Baht 0.50 baht per share for public offering (the IPO). Accordingly, the company was listed on the MAI Stock Exchange in contemplation of raising capital to fuel its expansion plans or to fund new projects together with to be able to undertake high-value projects in accordance with the vision for being one of three experts in the business area of telecommunications and computing infrastructure within 5 years.



1.4 Company Shareholding Structure

As of 31 December 2019, the Company does not have any investment in subsidiaries, associated companies or joint ventures.

2. Nature of Business

The Company operates as a construction service provider for entrepreneurs in the information technology and telecommunications industries. The Company's services comprise of 1) Data Center and Information Technology (IT) Infrastructure business, 2) Telecommunications Infrastructure business such as Installation of signal transmission towers, Installation and network systems and 3) maintenance and services concerning data center, information technology and telecommunication infrastructure.

This service can be extended from some main contract project allowing the Company to earn income continuously. The Company strongly believe that the services provided are able to respond to the changes and expansion of the information and telecommunications technology and telecommunication industries becoming more and more important in daily life. To address it clearly, in accordance with the financial statements for the financial year 2017-2019, the income structure of the Company can be divided as follows:

2.1 Revenue Structure of the Company

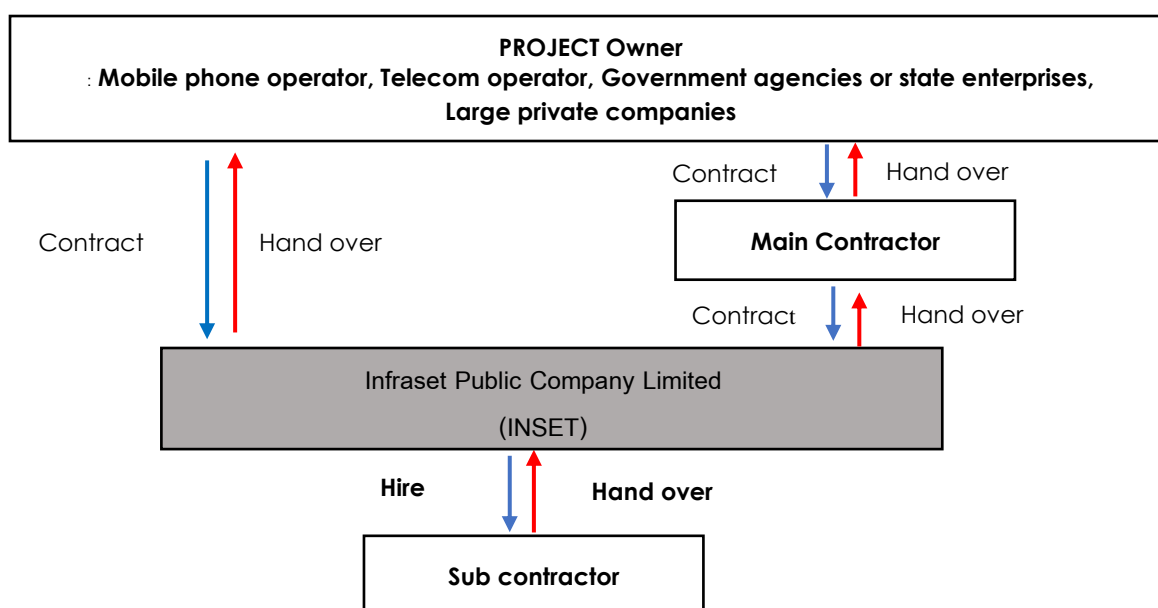
Type	2017		2018		2019	
	MB	%	MB	%	MB	%
1. Data Center & Information Technology (IT)	406.03	76.57	800.03	79.44	1,059.22	86.82
2. Telecommunications Infrastructure	120.39	22.70	194.86	19.35	110.44	9.05
3) Maintenance and Service	2.88	0.54	5.69	0.56	46.95	3.85
Total Revenue	529.30	99.81	1,000.58	99.35	1,216.61	99.73
Other Income	0.99	0.19	6.55	0.65	3.35	0.27
Total Revenue	530.29	100.00	1,007.13	100.00	1,219.96	100.00

The total income of the Company consists of (1) income from construction of data center and information technology systems business (2) income from infrastructure and telecommunication networks business (3) income from maintenance and service business and (4) other income namely interest earned from the investment and gain from the disposition of property



2.2 Characteristics of Product and Service

The Company has conducts the business of providing construction services relating to information technology and telecommunications. Our integrated professional service offers the complete solutions, from area surveying, engineering design, structural works together with projects concerning the information and telecommunication technology system engineering industry in Thailand under the terms of reference agreed. The Company will serve as the main contractor hired directly by the project owner and as sub-contractor being directly contracted with the general contractor in which most of the contract is in the form of the Turnkey Contract meaning that the Company will receive the details from the customer then it will work on project planning and estimating and propose the quotation for price and services to the customer thereafter. After the contract has been agreed upon, the Company will hire sub-contractors to undertake the construction which every stage of construction project would be controlled by its engineering team. The Company positively believe that the afore-said practice would contribute to overall quality of work and service delivered and meet the time specified by the customers as shown in the plan below



To undertake in every project, our engineering team will be responsible for controlling the quality of work in every stage of project starting from area surveying and project designing to match the needs and expectation of the customer, construction planning as well as monitoring and supervising the construction process undertaken by the sub-contractor until the work is delivered. In addition, according to the project characteristics, our businesses can be divided into categories as follows:

2.2.1 Business concerning the construction of data center and information technology Infrastructure

1. Data center construction project

Data Center is a building, dedicated space within a building used to house computer systems and associated components, such as telecommunications and storage systems which will be working 24 hours a day. In the design and construction of the data center, one will have to focus on setting servers to be as stable as possible and to be able to respond quickly and decisively. In addition, the data center is currently helping to facilitate data transfer and communication operations.



The Company offers construction services for the data center, both constructing new data center building and renovating of existing buildings for being used as a data center. This task requires highly experienced experts with extensive knowledge or ability based on this particular subject since the data center must be specially designed and constructed to support the function that is different from the general building or computer room. The details are offered as follows:

- **Data Center Structure:** The data center structure will be especially designed to support not only the weight of building but also the weight many Servers placed therein, not to mention other equipment and system stored which outnumber which stored in the normal building. Furthermore, one needs to consider to vibration level on backup power systems set therein as well. Among other things, the design of data center wall structure must be taken into consideration which it must be thicker than usual, the two- layer concrete wall is preferable insomuch as it helps blocking outside heat and humidity while being able to control the temperature and humidity inside the building.
- **Cooling system:** In order to support the operation of the Server which generating high heat 24 hours, data center building must have an efficient cooling system where it can measure and control the temperature level of 22 degrees Celsius considered appropriate for the Server or 50 percent relative humidity. To achieve this effort, the external insulation may be installed to help control the internal temperature. In addition, in the previous practice, some data centers have been constructed by raising their floors for the benefit of installing the air conditioning system thereunder or employing the cooling system which circulates cold air to maintain comfort.
- **Backup power system:** Data center must have backup power system for the sake of uninterrupted power supply and compensating power when there is a disruption of power, power outages, power surge or over volt, therefore, the design and construction of data center building must have a backup power system so that the Server can work efficiently and continuously at all times. There are many types of backup power systems, such as UPS Power Supply, Oil Powered Backup Generator and Dry Type Backup Generator. These backup systems are used to adjust the input voltage to the usage in data center. Basically, data center would have more than one backup power system, so they can be used interchangeably when a problem occurs.
- **Security system:** The data center building must have a reliable security system to prevent various accidents within the building due to the large number of electronic devices. Fire suppression system is one sample here. (The fire suppression system should use non-conductive fire extinguishers which will not destroy electronic devices such as Pyrogen, NOVEC, etc.) In addition, The data center building must also have a heat detection system to ensure that it can prevent damage causing from fire along with the high security system of the building under the standard Tier Classification System created by the Uptime Institute, the four distinct Tier classifications for data center infrastructure can be defined as follows:

Uptime Institute	Tier I	Tier II	Tier III	Tier IV
Redundancy	N	N+1	N+1	N After any Failure
Distribution Paths	1	1	1 Active 1 Passive	2 Simultaneously Active
Concurrently Maintainable	NO	NO	YES	YES
Fault Tolerance	NO	NO	NO	YES
Compartmentalization	NO	NO	NO	YES
Continuous Cooling	Load Density Dependent	Load Density Dependent	Load Density Dependent	Class A

Source: the Uptime Institute



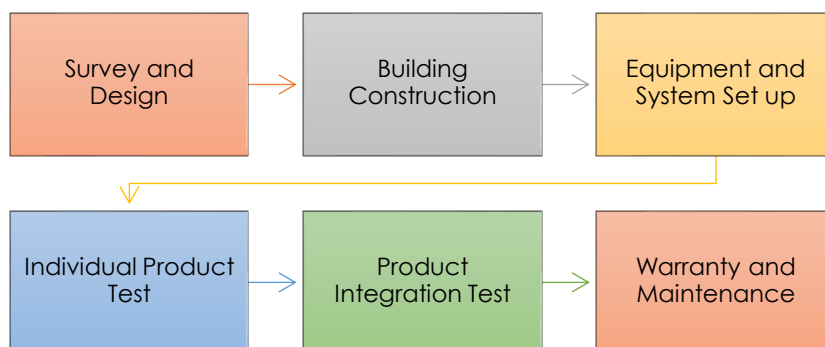
Tier I: Basic Data Center Infrastructure: Tier I data center provides dedicated site infrastructure to support information technology beyond an office setting with Service Level Agreement (SLA) of 99.671% or 28.817 hours of downtime per year. A Tier I basic data center must have non-redundant capacity components and a single, non-redundant distribution path servicing the computer equipment. Tier I infrastructure includes a dedicated space for IT systems; an uninterruptible power supply (UPS) to filter power spikes, sags, and momentary outages; dedicated cooling equipment that won't get shut down at the end of normal office hours; and an engine generator to protect IT functions from extended power outages.

Tier II: Redundant Capacity Components Site Infrastructure: Tier II facilities include redundant critical power and cooling components to provide select maintenance opportunities and an increased margin of safety against IT process disruptions that would result from site infrastructure equipment failures. The redundant components include power and cooling equipment such as UPS modules, chillers or pumps, and engine generators. Furthermore, all IT equipment must be dual-powered and fully compatible with the topology of a site's architecture along with concurrently maintainable site infrastructure with expected availability of 99.982% or hours of downtime per year. In terms of redundancy, Tier II offers N+1 availability. Any unplanned activity such as operational errors or spontaneous failures of infrastructure components can still cause an outage.

Tier III: Concurrently Maintainable Site Infrastructure: A Tier III data center requires no shutdowns for equipment replacement and maintenance. A Tier II allows for any planned maintenance activity of power and cooling systems to take place without disrupting the operation of computer hardware located in the data center. A redundant delivery path for power and cooling is added to the redundant critical components of Tier II so that each and every component needed to support the IT processing environment can be shut down and maintained without impact on the IT operation. In addition, Tier III data center specifications are utilized by larger businesses and feature 99.982% uptime with no more than 1.5768 hours of downtime per year.

Tier IV: Fault Tolerant Site Infrastructure: Tier IV site infrastructure builds on Tier III, adding the concept of Fault Tolerance to the site infrastructure topology. A Fault Tolerant data center will have multiple, independent, physically systems that are isolated and each have redundant capacity components and multiple, independent, diverse, active distribution paths simultaneously serving the computer hardware. The data center must have IT hardware that is dual powered and properly installed to have compatibility with the topology of the site's architecture (N after failure). Complementary systems and distribution paths must be physically isolated from one another (compartmentalized) to prevent any single event from simultaneously impacting both systems and paths. Tier 4 provides 99.995% uptime per year with 26.3 minutes of annual downtime.

The Company provides design and construction services for the data center according to the needs of customers, whether it is a data center according to Tier I to Tier IV. In this regard, the scope of work of the Company regarding the construction of the data center can be summarized in the diagram shown below.



With regard to the renovating of the existing building area for using as a data center or data center room, the procedures are similar to the construction of the data center shown in the above diagram. However, there has the difference worth explain here that is even though renovating the existing building area to be used as a data center does not need the construction of a new data center structure however, there have some additional factors needed to be taken into consideration such as the load-bearing capacity of the building as well as the caution which must be employed when placing various systems in the building whilst trying not to disrupt the existing system in the same building area.



Samples of Data Center Construction and/or Building Renovation for Data Center

Project Name: SYMPHONY Cable Landing Station (Rayong)

Customer Name: Symphony Communication PCL.
Contract Period: 5 January 2015 - 2 August 2015
Contract Value: Baht 95 million.
Project Description: Construction of submarine cable landing station building and power building with system support for submarine station



Project Name: True MSC TYB

Customer Name: Wire & Wireless Co., Ltd.
Contract Period: 1 May 2016 – 30 April 2017
Project Value: Baht 431.5 million.
Project Description: Construction of Mobile Switching Center Building with system support.



Project Name: ICONSIAM DATA CENTER

Customer Name: Wire & Wireless Co., Ltd.
Contract Period: 1 March 2018 - 31 December 2018
Project Value: Baht 37.84 million.
Project Description: Renovation of existing area in ICONSIAM for Data Center





2. Construction of information technology infrastructure (IT Infrastructure)

Information technology infrastructure construction is the job of installing and connecting various systems in the project area such as the communication systems but also the WIFI signal systems, LAN cable systems and electrical systems in pursuance of ensuring that all systems and elements are connected and coordinated efficiently. The Company offers services covering IT system and infrastructure designing, system implementation, equipment installation and signal wiring in order to connect the system with equipment within the project.

Sample of IT Infrastructure Project

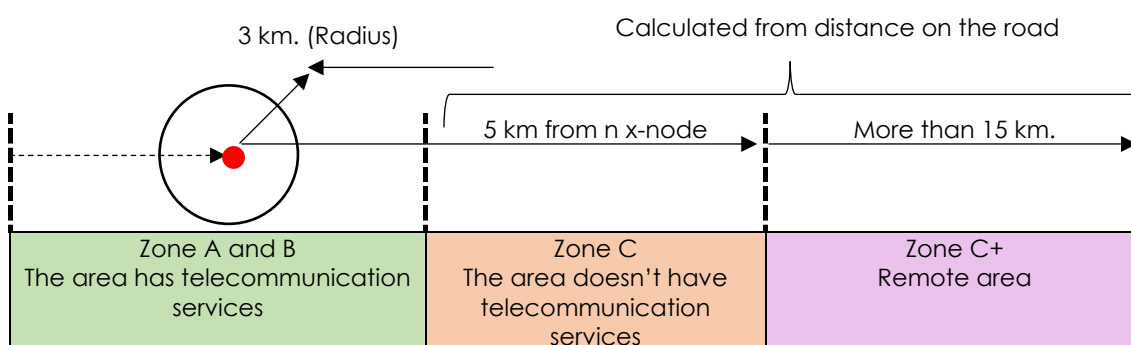


Project Name: Universal Service Obligation (USO)) (Phase 1)

Customer Name: Wire & Wireless Co., Ltd. and Advanced Information Technology PCL.
Contract Period: 28 September 2017 - 27 September 2018
Project Value: Baht 1,161.90 million. (current value: Baht 1,041.99 million)

According to 20-Year National Strategy, the government has recognized the importance of digital economy development and the necessity of reducing inequalities of access to information technology. The National Broadcasting and Telecommunications Commission (NBTC) has therefore established a project to provide universal service offering basic telecommunications services and social services (Universal Services Obligation (USO)). USO will ensure people living in 3,920 villages in remote areas (Zone C+) would have access to voice and broadband internet services by establishing a policy of providing high-speed internet access to all villages and expanding mobile phone signal to be more coverage in no signal areas. This also includes the construction of internet centers for schools, communities and societies called "USO Net Center". The USO project aims to create equality in society for everyone including the underprivileged, low income and the disabled people to receive basic telecommunications services thoroughly rural areas and remote area where does not have telecommunications services to be more convenient

Target area classification



Total number of villages in Thailand is 74,987 villages (100%)			
Service areas and Competition Commercial Area		The area doesn't have government support services. DE+NBTC	
Zone A City area	Zone B Potential area	Zone C (DE) Within 15 km. 40,432 villages	Zone C+ (NBTC) More than 15 km. 3,920 village
30,635 Villages (41%)		44,352 villages (59%)	



For USO (Phase 1), the NBTC, has offered an opportunity to the telecommunication operators having their own infrastructure and network to participate in the bidding. In summary, the bidding results are as follows:

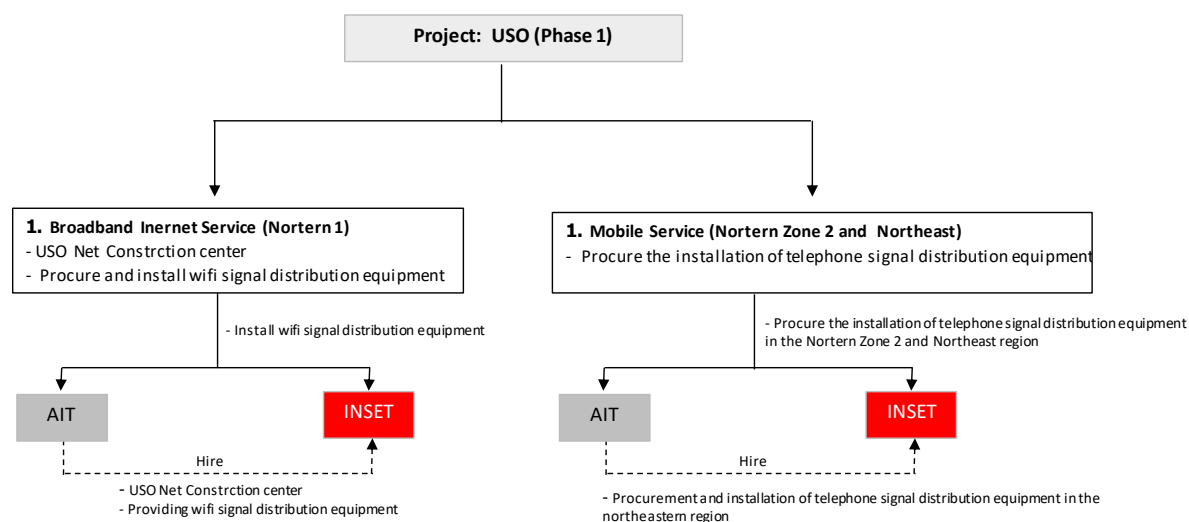
Winners	Broadband Internet Service	Mobile Service
TRUE	North Zone 1	North Zone 2 Northeast
TOT	North Zone 2 Northeast	North Zone 1
ITEL	Central-South	-
CAT	-	Central-South

Region	Province
North Zone 1	Chiang Rai, Chiang Mai, Nan, Phayao, Phrae, Mae Hong Son, Lampang, Lamphun
North Zone 2	Uttaradit, Nakhon Sawan, Uthai, Kamphaeng Phet, Tak, Sukhothai, Phitsanulok, Phichit, Phetchabun
Northeast	Kalasin, Khon Kaen, Chaiyaphum, Nakhon Phanom, Nakhon Ratchasima, Buriram, Maha Sarakham, Mukdahan, Roi Et, Loei, Sisaket, Sakon Nakhon, Surin, Nong Bua Lamphu, Udon, Ubon Ratchathani
Central-South	Krabi, Kanchanaburi, Chanthaburi, Chachoengsao, Chonburi, Chai Nat, Chumphon, Trang, Nakhon Si Thammarat, Prachuap Khiri Khan, Prachinbur, Phang Nga, Phatthalung, Phetchaburi, Ranong, Lopburi, Satun, Songkhla, Sa Kaeo, Suphan Buri, Surat Thani, Narathiwat, Yala

The Company and business alliances have entered into a consortium contract in consideration of submitting bid for promising project as a subcontractor, the USO (Phase 1) from TRUE Group and finally procuring projects as follows:

- Providing Broadband Internet Service in the Northern Region, Zone 1.
 - Constructing 206 centers of the school and community internet (USO Net).
 - Acquiring and installing equipment for Broadband Internet Service access in 1,255 places.
- Providing Mobile Signal Service in the Northern Region, Zone 2 and the Northeastern Region.
 - Acquiring and installing equipment for Mobile Signal Service in 2,176 places.

The Company's scope of work for USO (Phase 1)



Under the Consortium (AI Consortium) between AIT and INSET
In the bidding for Broadband Internet Service

Under the Consortium (AI Consortium) between AIT and INSET
In the bidding for Mobile Service

1. Providing Broadband Internet Service

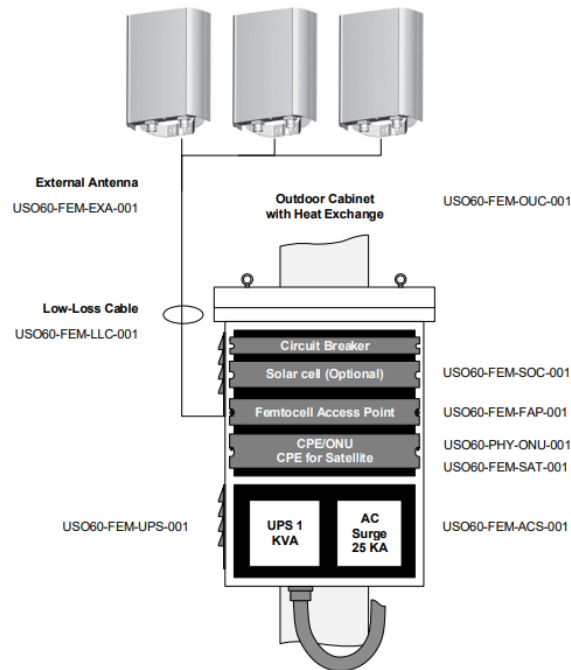
-
- Figure 1: 3D rendering of the proposed smart classroom layout. The diagram shows a rectangular room with various furniture and equipment. Labels in Thai and English point to specific items: 1. โต๊ะทำงาน (Work table), 2. โต๊ะประชุม (Meeting table), 3. ตู้เก็บของ (Storage cabinet), 4. ตู้เก็บของ (Storage cabinet), 5. ตู้เก็บของ (Storage cabinet), 6. ตู้เก็บของ (Storage cabinet), 7. ตู้เก็บของ (Storage cabinet), 8. ตู้เก็บของ (Storage cabinet), 9. ตู้เก็บของ (Storage cabinet), 10. ตู้เก็บของ (Storage cabinet), 11. ตู้เก็บของ (Storage cabinet), 12. ตู้เก็บของ (Storage cabinet). Dimensions are provided for several items: 1. โต๊ะทำงาน (Work table) 3 x 1 + โต๊ะยาว, 2. โต๊ะประชุม (Meeting table) 3600 x 1200 x 750 มม., 3. ตู้เก็บของ (Storage cabinet) 800 x 430 x 640 มม., 4. ตู้เก็บของ (Storage cabinet) 1500 มม. สูง, 5. ตู้เก็บของ (Storage cabinet) 80 x 40 x 150 ซม., 6. ตู้เก็บของ (Storage cabinet) 3600 x 1200 x 750 มม., 7. ตู้เก็บของ (Storage cabinet) 800 x 430 x 640 มม., 8. ตู้เก็บของ (Storage cabinet) 3600 x 1200 x 750 มม., 9. ตู้เก็บของ (Storage cabinet) 800 x 430 x 640 มม., 10. ตู้เก็บของ (Storage cabinet) 3600 x 1200 x 750 มม., 11. ตู้เก็บของ (Storage cabinet) 800 x 430 x 640 มม., 12. ตู้เก็บของ (Storage cabinet) 3600 x 1200 x 750 มม.

- [illegible]



2. Providing Mobile Service

Procuring and installing of equipment for mobile phone signal service in pursuance of connecting network cable between the main network of the licensees and the villages in remote areas in order to distribute mobile phone signal within the village.



Project Name: IP Access Network (MPLS Router)

Customer Name: Forth Corporation PCL.

Contract Period: 6 February 2018 - 5 February 2019

Contract Value: Baht 20 million.

Project Description: Install the IP Access Network at the Provincial Electricity Authority in the southern region



Project Name: Installation of Service System - Phasi Charoen Station (MRT Blue Line)

Customer Name: Wire & Wireless Co., Ltd.

Contract Period: 6 November 2018 - 25 February 2019

Contract Value: Baht 8 million.

Project Description: Install the telecommunication system and equipment for service system in the station



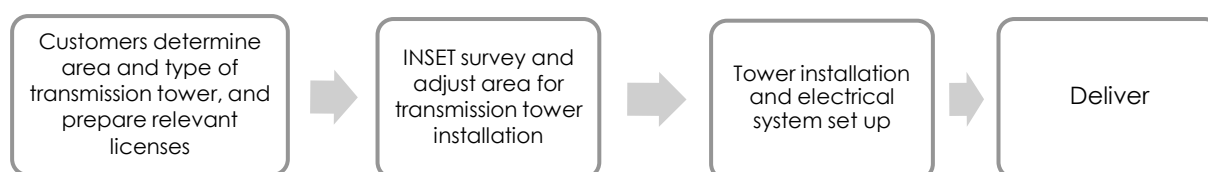


2.2.2 Telecommunications Infrastructure

Telecommunications Infrastructure is physical medium through which all internet traffic flows allowing telecommunications network interconnecting between providers and users. This includes towers, antenna switching, optical fiber, copper cable. The telecommunications network will enable users to access telecommunications signals from their own devices such as landline, mobile phone or internet modem in which the designing and constructing require specialized expertise. The infrastructure construction and telecommunication network businesses of the Company can be described as follows:

1. Installation of telecommunication transmission towers

The Company provides signal installation services for telecommunication to the operators in Thailand such as True Corporation Public Company Limited (TRUE Group) and TOT Public Company Limited (TOT Group), for which the Company acts as a sub-contractor hired by the main contractor namely Wire & Wireless company limited (W&W) and Fort Corporation public company limited etc. Thereafter, the Company hired a small contractor to install telecommunication transmission towers which every stage of construction project would be controlled by its engineering team. The Company positively believes that the afore-said practice would contribute to overall quality of work and service delivered and meet the time specified by the customers. The scope of services of the Company can be summarized as follows:



The common types of telecommunication transmission towers are as follows:

Guyed Mast Tower is a concrete bases on the ground. A guyed mast consists of identical three-side section (approx. 10 ft. (3m) each) that are stacked upon each other. With 30 to 60 meters in height, it can be said that it higher than non-guyed towers and allow larger antenna load. A guyed mast is ideal for most communication needs, including wireless Internet, cellular and antenna radio towers.



Self - Support Tower is a concrete bases on the ground constructed without guy wires. Self-supporting towers can be built with three or four sided structures. They are assembled in sections with a lattice work of cross braces bolted to three-four sloping vertical tower legs with 35 to 120 meters in height.





Roof Top Pipe, a small signal transmission tower, is to be installed on buildings with a height of 10 - 20 meters. They are assembled in sections with a lattice work of cross braces bolted to three-four sloping vertical tower legs in order to reduce the effect of Wind-Induced Vibration.



Samples of Telecommunication Transmission Towers Projects



Project Name: TUC newsite and upgrade

Customer Name: Wire & Wireless Co., Ltd.

Contract Period: 10 Jun 2018 - 9 Jun 2019

Contract Value: Baht 25 million.

Project Description: Installation of mobile phone transmission towers, Guyed Mast Tower, Self-Support Tower, and Roof Top Pipe for the "TUC New Site and Upgrade" project in the northern and northeastern region includes Chiang Mai, Lamphun, Nakhon Sawan, Tak, Kamphaeng Phet, Sukhothai and Surin



Project Name: CAT Collocate Tower

Customer Name: Wire & Wireless Co., Ltd.

Contract Period: 3 January 2018 - 2 January 2022

Contract Value: Baht 175 million.

Project Description: Installation of mobile phone transmission towers, Self-Support Tower, Mono Pole Tower for CAT Collocate Tower project in the following areas.

Region	Province
Northern	Phitsanulok, Lampang , Chiang Mai, Tak , Sukhothai, Phayao, Chiang Rai, Nan, Mae Hong Son
Central	Suphan Buri
Northeastern	Chaiyaphum, Nakhon Ratchasima, Ubon Ratchathani, Loei
Eastern	Rayong, Chanthaburi, Phetchaburi
Western	Ratchaburi, Kanchanaburi
Southern	Krabi, Phang Nga





2. Installation of network cabling system

Network cabling system is a communication system that transmits information through cable intermediaries such as Optic Fiber and Copper Cable. The Company provides integrated network cable installation services including surveying, installing of cables along with equipment associated with wireless communications to connect to the telecommunications network. The Company will connect the signal cable from one point to another point such as signal pole or Base Station, or Network Node, etc. The Company's network installation work can be divided into 2 types as follows:

1) Installation of overhead transmission line using bare conductors placed at a height from the ground. It is suspended between utility poles or electricity pylons. The advantages of overhead transmission line is the installing is convenient and repairing is easy. However, it may interfere with the scenery and it presents a risk of accidents that may occur with electric poles.

2) Installation of underground transmission system, the number of conductors bunched together with proper insulation. The cables are not exposed to the environment, there is less chance of fault and it is safer as the cables placed underground. As the underground cable is invisible, it is very difficult to find the location of the fault. For this system, the non-economic factors like appearance, public safety are not considered. The underground cable may install in tunnels, rails or pipes.

In this regard, the scope of the Company's network installation services can be summarized as follows:

1. Area surveying and Cabling System Planning and Installation

In the case of installing the overhead transmission line, the employer will determine the terminal points needed cable installing thereafter the Company will take responsibility of designing and planning cabling system. The beginning stage is area surveying employing Google Earth technology for fundamental field surveys in favor of investigating whether there has any tower footing constructed along with the decided terminal points. In the case that the tower footing has already been installed, the employer will be responsible for acquiring permission from the relevant departments such as the Provincial Electricity Authority (PEA) or the National Broadcasting and Telecommunications Commission (NBTC) to line the cables through the said tower footing. However, in the event that the wiring routes do not have any tower footing installed, the Company will propose additional cabling system planning for constructing small concrete towers to be used as a tower footing. In this regard, the employer will be responsible for acquiring construction permission from the relevant departments such as the Provincial Electricity Authority (PEA) or the Department of Highways.

After cabling system planning has been completed, the Company will present the said plan for the approval of the employer.

2. Installation of network cable systems / telecommunication equipment

After obtaining the approval concerning network cabling type and route, the Company will hire a sub-contractor to install signal cables according to cabling system planning, every stage of construction project would be controlled by our engineering team. The Company positively believes that the afore-said practice would contribute to overall quality of work and service delivered and meet the time specified by the customers. Nevertheless, the employer will provide signal cables using in the project to the Company.

3. Installation of integrated digital network and signal connection

After cable wiring according to the laid down route is completed, the company will connect the signal cable between the tower, the base station, the junction, the signal node as specified in the Cabling System Plan then test the signal before delivering project to the employer.

Samples of Network Cable System Installation



Project Name: UPC DEN

Customer Name: Wire & Wireless Co., Ltd.

Contract Period: 1 September 2017 - 31 August 2019

Contract Value: Baht 200 million.

Project Description: Survey, design, and installation of the telecommunication network cable system in following areas:

North : Chiang Mai, Chiang Rai, Mae Hong Son, Lampang, Lamphun

Central : Phitsanulok, Nakhon Sawan, Nakhon Pathom, Samut Sakhon



Installation of underground electrical system for NIRVANA



Customer Name: Nirvana Daiwa Development Company Limited

Contract period: 27 November 2018 - 26 November 2022

Value of the contract: Baht 18.85 million

Project Description: Installation of High Voltage System: electric transformer 1000 kVA, ring main unit and high voltage Cable; installation of Low Voltage System: underground sump and wiring; underground OFC, lighting and CCTV for the whole project.



2.2.3 Maintenance and Services

Regardless of the construction services described in article 1 and 2, the Company also provides maintenance services for the Information Technology and Telecommunications business Group. The service will be handled by the engineering team of the Company however, sometimes, it might need a service of specialists for that equipment such as electric transformers and high voltage equipment etc.

Most of our works are ongoing maintenance works according to the warranty term. Normally the warranty period is 1 to 3 years nevertheless, after the warranty is expired, the Company will offer services and maintenance project as a follow-up service to the employer for consideration. In the meantime, since the maintenance service presents an advantage of offering continuous recurring income, the Company's sales department will then move forward to contact new customers for offering maintenance services for the similar projects within the scope of the Company's businesses even though the Company is not their contractor in the first place. The services of the Company can be summarized as follows:

1. Preventive Maintenance (PM)

Preventive maintenance services are services for checking various systems upon scheduled in favor of preventing or reducing the risk of system damage. The service process can be explained as follows:

- Planning for scheduled maintenance services

The Company will survey the underlined project in order to plan the inspection and maintenance of the project according to the agenda agreed, and to prepare a Check List using as a reference for this service. Normally, the frequency of visits is 1 time per quarter.

- Undertaking system checkup and maintenance servicing

In accordance with the maintenance service cycle, the Company will operate system checkup using Check List prepared on advance in order to identify and resolve issues occurred so if any damaged parts has been identified, repair service will be performed immediately. In case that the equipment or parts need to be replaced, the Company will inform the employer the replacement cost in order to obtain the approval before proceeding with the repairs. Thereafter, our engineering term will present the report on inspecting and repairing of every service to the employer.



2. Corrective Maintenance (CM)

Corrective maintenance services are maintenance tasks that are performed in order to rectify and repair faulty systems and equipment. The purpose of corrective maintenance is to restore broken down systems as customers or employers required. The service process can be explained as follows:

- Getting notification from customers or employers

The Company has a call center team being on duty 24 hours a day and 7 days a week in contemplation of getting notifications from customers or employers. Fortunately, the call center team consists of engineering teams which will initially solve issues for customers or employers prior to booking for the service appointments.

- Performing the repair

The engineering team of the Company will inspect and identify whether the issues occurred thereafter if the repairs are needed, the Company will propose the customers or employers a repair quotation for their approval before proceeding the underlined task. Upon the completion of the repairs, the repair is completed, the company will present report and deliver work to customers and submit bill to customer accordingly.

Samples of previous maintenance service



Inspection, repair and maintenance services for the Dense wavelength division multiplexing (DWDM) device and IP- Core Network project, Provincial Electricity Authority

Customer name: Forth Corporation Public Company Limited (FORTH),
Purchase order period: 29 December 2017 to 28 December 2020.
Value of purchase order: approximately Baht 5 million:
Project Type: Inspection, repair and maintenance of DWDM and IP-Core Network communication systems, both types of maintenance services; PM and CM.



Maintenance services for the project to provide mobile phones signal and high-speed internet services in the border area (Zone C+) of the Office of the National Broadcasting and Telecommunications Commission in the northern and northeastern regions (USO Project Phase 1).

Customer name: Wire and Wireless Company Limited,
Contract period: 1 July 2019 - 30 Jun 2024
Contract Value: Baht 317.40 million,
Project Description: Maintenance of Universal Services Obligation project (USO Net), service devices, high speed internet, devices for mobile signal service.





2.3 Market and Competition

Characteristics of customers and target customers

The main customer groups of the Company can be divided into 2 groups, first, the main contractor, second, the project owner. The characteristics of each customer group described as follows:

1) Main Contractors

This group of customers is entrepreneurs providing design services and implementing information technology network systems, telecommunication systems, systems related to various technology devices and providing data center construction services. Furthermore, this group will supply equipment or devices associated with the previous-mentioned tasks in order to assist the Turnkey Project in this segment. Thereafter, the Company as sub-contractor will proceed with the project design, system and related equipment installation for each project. In some projects, the Company's services may extend to maintenance services as well.

This customer group concludes of both a limited company and a company listed on the stock market, they offer services to both government and private clients. The projects having been sub-contracted towards this group come from both bidding and direct buy. Most main contractors are entrepreneurs with the potential to register for being traders and telecommunications service providers. In the event that a large project is in the concern, the main contractor group will hire sub-contractors to undertake various services so that the assigned projects can be completed on time. As a result, the main contractor must recruit sub-contractors having a team of qualified, personnel with a high degree of expertise and can deliver the work on time. It can't be argued that the Company is known as a renowned sub-contractors among others and the main contractors in the information and telecommunications technology industry so most of the work acquired then has been hired by the main contractor to assist the completion of the project.

However, since the large project and / or a government project has usually stated about the terms of reference (TOR) specifying the qualifications of the bidder and sometimes these terms have gone beyond one's expectations to require the specific qualifications of the bidder, such as requiring that the bidder has to be a telecommunications business license holder or the bidder has to obtain permission to use frequency for mobile phone business. Unfortunately, the Company then would have been barred from participating in bidding for projects with the said TOR terms thus the Company would have been left only 2 choices which are first, bidding projects from the main contractor, second, having been hired from the main contractor.

Samples of customer being main contractors are Advance Information Technology Public Company Limited (AIT), Wire and Wireless Company Limited (W&W), Forth Company. Corporation Public Company Limited (FORTH), Information and Communication Network Public Company Limited (ICN) etc.

2) Project owners

Project Owners are customers who need to carry out construction / implement of Information technology and telecommunications Infrastructure within their department or organization. Thus, they then usually offer opportunity to any service provider positioning in the similar business in order to directly offer services. With the opportunity offered, the Company can then participate in bidding or offering services to this group of customers. In the previous period, the projects having been hired by this group of customers generating not so much income to the Company due to the fact that if the projects at stake is large-scale, complex and high-value or they are government projects, prequalification is primarily applied. Since then, the opportunity would be bestowed upon the main contractors having specialized technical expertise in which they would be able to participate in the bidding and would likely won the bid. However, the group of customer who are project owners are small and large scale private company, government agencies, government organizations such as Symphony Communication Public Company Limited (SYMC), TOT Public Company Limited (TOT), CAT Telecom Public Company Limited, Provincial Electricity Authority, and Nirvana Rama 9 Company Limited, etc.



Distribution and distribution channels

Due to the Company's target customers including first, the main contractor acquiring projects from both large-scale public and private information and telecommunication technology service providers, second, the project owners, the Company then offers 2 types of service explained as follows:

1) Providing services through business alliances

With the extensive experience of our senior management in operating the business in providing data center construction services, system implementation / infrastructure implementation Information technology and telecommunications for long period together with the opportunity offering the Company in working with entrepreneurs and the main contractor in the associated industry. As a result, the Company has obtained well-known name and position in this industry. Thus, it cannot be argued that the Company would certainly have many business alliances who are main contractors willing to express their trust by hiring the Company as a sub-contractor for the construction, system implementation and equipment installation including repair and maintenance of various projects. The samples of our trustworthy business partners are AIT, W&W, ICN and FORTH etc. Additionally, the projects obtained here spring from both bidding and common service proposal.

2) Providing direct service to customers

The sales department of the Company is responsible for not only acquiring new customers but also offering services directly to customers. Moreover, offering new line of services or continuing services to the existing customers of the Company would be its responsibility as well. The company's sales department will methodically take the procurement announcement of government agencies into its concern in order to prepare bidding the potential projects having settle its eyes on. On the other hand, since the Company has realized that the scope of its competence covers many aspects including the competency and ability to provide high quality service, in order to obtain project offered by the private company, the Company's sales department will also keep in touch with the staffs of other companies from both a purchasing or procurement department and the information technology department in order to be informed of future projects or news announcements. The Company will continue to offer services to those customers in accordance with the methods specified by the customer.

However, in accordance with the projects that would be hired through business alliances and direct customer, the company has set up business practice in advance so in the event that the underlined project offered the bidding process, the Company has prepared a method both for personally participating in the bidding and cooperating with other operators in the form of consortium or joint ventures. In the case that the contracting authorities may require consortiums, the Company and the business alliances may come together to submit a bid for a contract. However, whenever there has no evidence of an already established consortium, we would first enter into a contract for the purpose of specifying the purpose of participation, scope of work, responsibilities of each party, designating a group leader (Leading Firm) and specifying delegation of authority to act on behalf of the consortium last but not least, agreeing on the terms and termination of the contract. Each consortium bidding must have its specific contract. During the past period, the Company has established 3 consortium contracts with the AIT in order to submit bids to the W&W and so on.

Industrial situation

Information technology and telecommunication industry

Digital Economy and Social Development Plan

The Ministry of Digital Economy and Society has proposed the Thailand Digital Economic and Society Development Plan. The plan is a guideline endorsing the use of technology and innovation as the main engine of Thai economy which means Thailand can create and make full use of digital technology in order to develop and enhance infrastructure, innovation, information, human capital and any other resources for driving the country's economic and social development towards stability, prosperity and sustainability. The Digital Economic and Society Development Plan 10-year goal described as follows:

Goal 1 Improving Country's Digital Government-related Ranking and Indices. Increasing competitiveness. Keeping up with the world movement by using innovation and technology as the primary tool for creating innovation, production and service.

Goal 2 Creating equal social opportunities with news and services through digital media to improve the quality of life for all groups of people especially the disadvantaged social groups then they would be



able to access digital technology and digital media equally also basic services necessary for living through digital technology. All citizens must have access to high-speed internet as if it were a fundamental public utility.

Goal 3: Developing human capital towards the digital age by preparing all groups of personnel to acquire the knowledge and skills that are appropriate for life and careers in Digital Age.

Goal 4: Reforming government work paradigms and services with digital technology and information utilization in favor of making the transparent, efficient and effective operations.

The Thailand Digital Economic and Society Development Plan has established the 20- year Thailand Digital Landscape in order to cooperate with the 20- year national strategy by defining the development guidelines and targets into 4 phases as follows:

Phase 1: Digital Foundation. For a period of 1 year and 6 months, Thailand invests and builds foundations for digital economic and social development. The first phase will be the digital preparation needed for the country. There will be a project to expand the high-speed internet network to cover villages around the country. Besides, there will be the investment preparation for high-speed telecommunications networks to sufficiently connect with other countries in the region both above ground and under sea.

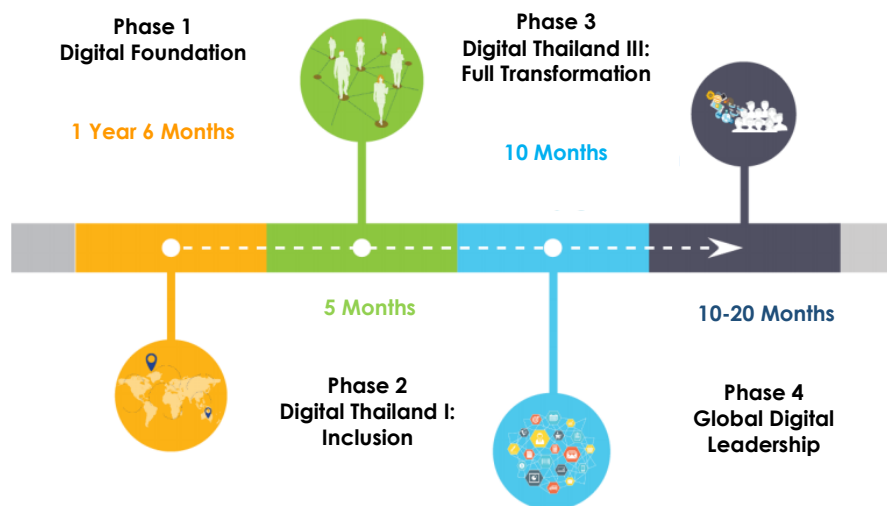
Phase 2: Digital Thailand I: Inclusion for a period of 5 years, all parts of Thailand will be involved in the digital economy and society according to the civil state approach. Infrastructure must have a wired and wireless high-speed network connecting to every village and covering the whole country. Thailand will be the center for connecting and exchanging information within the region with standardized data centers located in all regions. There will have the data centers of major data service providers located in the country. In addition, there will have digital broadcasting infrastructure thoroughly covering the service area.

Phase 3: Digital Thailand II: Full Transformation for a period of 10 years, Becoming digital Thailand, the country is driven by the full potential of digital innovation use. There will have a digital infrastructure comparable to developed countries. The high speed internet network has become a basic utility. Wired network provided for every home to capitalize on the convergence of exponential growth of the internet economy and cross border. There will have high-speed internet that can be accessed at anytime and anywhere. There will have a main telecommunications network that connects with other countries for supporting an unlimited amount of increased usage. Last in order but not of importance, the data of users stored in data centers on the internet can be accessed and migrated at any time.

Phase 4: Global Digital Leadership. For a period of 10 to 20 years, Thailand will be in the same level of developed countries and will have the ability to implement the digital technology for sustainable economic and social values. The fundamental infrastructure must have a seamless internet connectivity at anytime and anywhere. Finally yet importantly, the digital technology will become the fifth factor in daily life and in every activity.



Digital landscape of Thailand in 20 years



From the Thailand Digital Economic and Society Development Plan mentioned above, the government must be aware of the country's digital technology readiness. The government must develop the infrastructure to support technology and access and usage by public, business sectors, and government agencies in order to achieve the practicality of the development. During the past period, Phase 1: Digital Foundation has still been in action in which the government invests in fundamental digital infrastructure. Since the end of year 2017, the Ministry of Digital Economic and Society Development and TOT has implemented the "Net Pracharat" Project in order to expand high speed internet network to remote areas. The goal is to expand the network through fiber optic mediums to cover 24,700 villages. In addition, there has been a section operated by the Office of the National Broadcasting and Telecommunications Commission which the said agency has implemented a project to provide mobile phones signal and high-speed internet services in another 15,732 villages and the border areas (Remote areas) for 3,920 villages by providing the wireless internet for one point for each village at no cost with a speed of 30 mbps / 10 mbps (Download/Upload).

In addition to the development of basic infrastructure by the government as mentioned above, at present, the economic industry in Thailand is in the transition to the Value-Based and Innovation driven Economy in accordance with the concept of "Thailand 4.0" in favor of generating growth and development of all sectors sustainably. Additionally, the 12th National Economic and Social Development Plan (2017-2021) taken into consideration here focuses on developing basic infrastructure, transportation, energy and logistics to form a complete network.

The development of infrastructure related to information and communication technology to support the development of the digital economy depends on the investment and network development policy of the private telecommunication service providers, such as mobile phone service providers and internet service providers. After these operators have won the spectrum bidding and obtained the license from Office of the National Broadcasting and Telecommunications Commission, they have to accelerate the network expansion and provide services in order to gain market advantage and technological leadership. Network expansion projects must be hired by the main contractor to proceed and the sub-contractor will be hired to proceed with the project to keep up with the needs of users.

According to the development of information and telecommunications technology infrastructure and the tremendously increasing use of information and communication technology of citizens, companies and other organizations so more demand for data centers in terms of number, efficiency, data usage and data security has obviously increasing. Therefore it is imperative that this task requires the data center builders with extensive expertise and experience since the data center consists of many systems such as electrical systems, temperature control systems, etc. At present, there have either the data center installed in a separate building for keeping large quantities of important data beneficial to be ready for the data usage at all the time or the small size of data center installed in some spaces in the building having been renovated to be used within the organization.

From the above mentioned Thailand Digital Economic and Society Development long-term Plan, many demands for constructing information technology and communication infrastructure and developing data centers for government agencies and the private sector still have been required in the interest of



achieving the goals of the said development plan, thus, it therefore has a direct relationship with the primary services of the Company besides, it can be noted that it is a substantial factor contributed to the Company's growth and business practices. As a consequence, the Company will keep paying attention to the said infrastructure development project as well as maintaining good relations with business partners being the main contractor or entrepreneur who will be cooperated with the Company in the bidding for continuous projects expecting to obtain in the long run according to the above-said digital development plan.

Data Center and Information Technology Industry

The Thailand Digital Economic and Society Development Plan clearly mentions to the data center in the Digital Landscape Phase 2, it has stated that Thailand will be the center for connecting and exchanging information within the region with standardized data centers located in all regions besides, there will have the data centers of major data service providers located in the country. From the said plan, the Company has expected more entrepreneurs both from the public and private sectors willing to invest in the construction of data centers as well as there will be more policies and measures from the government to promote data center businesses. In the meantime, The Board of Investment of Thailand (BOI) has issued the policy concerning activities eligible for investment promotion so cloud computing business (Cloud Service), businesses located in Investment Promotion Zones and data centers that provide complementary services for customers located in project all are eligible for 8-year corporate income tax exemption without being subject to a corporate income tax exemption cap. Furthermore, the Company also has expected that many entrepreneurs would see this investment promotion as a potential and opportunity to engage in the said business. Under circumstances, the Company would acquire much more projects related to the data center.

At present, information technology management and retention are irrevocably essential for almost every business whether it is a large organization that needs to manage its branch networks for instance, banks, service providers / internet providers, oil business, the electricity authority, etc. so they must have both a system for storing internal data and a data technology center (Data Center) in exchange for effectively managing all the large volume of data which can be accessed easily for the further Data Analytics. There have either the in-house data center or server room which is an on-site IT facility fully outfitted and managed by the enterprise's IT department or leasing data center, data center space available for leases. Presently, many entrepreneurs prefer to renovate their building space to be used as an on-site IT facility allowing staff convenient access for maintenance and troubleshooting with beneficial to full data access control, the records management and retention and disposal of data. In pursuance of upgrading the facility, they will hire contractors with expertise in data centers to undertake the project to meet the requirements and information technology data security policies of the organization. In this regard, the Company is one of the experts in data center construction, whether stalled in the organization or in a separate building. Nonetheless, some entrepreneurs will acquire leasing data centers from data center service providers who must have a systematic data center or highly reliable devices with the highest availability uptime percentage or the lowest downtime percentage pursuant to the requirements of customer. In addition, there must be a security system to prevent damage which would occur to the customer's data. Currently, there are many entrepreneurs who have offered data centers for lease so expanding more data centers in many locations is needed and unavoidable for supporting the demand for customers wishing to lease the data center. Therefore, the Company is certain that this is the way in which the Company will be able to offer the data center construction services to this group of entrepreneurs.

In addition, in the future, it has been predicted that many companies and organizations will apply more applications of Internet of Things (IoT) technology which is a system of interrelated computing devices, mechanical and digital machines are provided with unique identifiers and the ability to transfer data over a network. At present, the said technology has been applied in many areas, for instance

- Smart Home (intelligent home) A smart home is one in which the various electric and electronic appliances are wired up to a central computer control system so they can either be switched on and off at certain times or if certain events happen. You can control smart home devices including lights, switches, outlets, and thermostats using your Google Assistant through mobile phone or sound recognition. Moreover, the Google Assistant also offers the ability to order household items via the internet as well.
- Smart Watch (intelligent watch) for example, smart watches with daily activity tracking, heart rate and various health indicators. It also includes tracking the position of the wearer, offering



travel advice, sending various schedule alerts, sending the wearer's health information to the mobile phone application in order to provide health advice and life insurance.

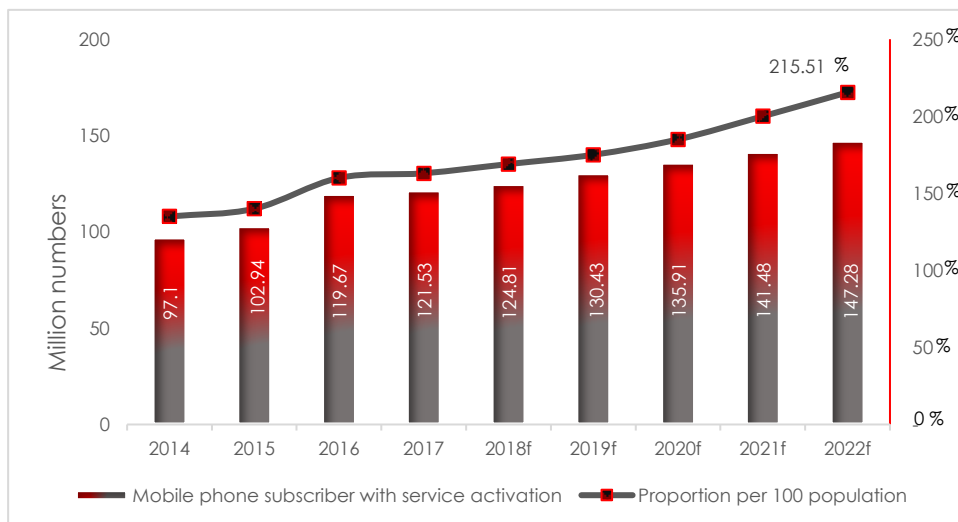
- Smart Warehouse (intelligent warehouse) is the use of technology through the internet to increase the efficiency of warehouse management, such as the goods in and out control system that can order more products by itself and can connect to a picking system that can calculate the most suitable routes for employees and warehouse robots to work together to maximize efficiency.

The application of such technology in the future will result in each organization having to install data centers and information technology systems for supporting data storage and processing. Consequently, in consideration of supporting the use of such technology, the Company has wishfully expected that it will be able to acquire more projects associated with the data center and information technology systems from organizations interested in the application of such technology.

Communication and Telecommunications Industry

The Office of the National Broadcasting and Telecommunications Commission has conducted a survey on Thailand telecommunications indicators in term of fixed-telephone networks users, mobile-cellular networks users, fixed broadband internet users and mobile broadband internet users. As a result, the survey has indicated that the need for internet and mobile phone usage is growing continuously so it is obviously unavoidable that the communication and telecommunication industry must be expanded besides, the investment and development of both infrastructure and communication systems will increase progressively as well. Some also has predicted that mobile phone users in 2022 will amount to 147.28 million subscribers or to put it another word, the increasing numbers of subscriber is 22.47 million numbers compared to a total of 124.81 million numbers of 2018.

Chart showing the forecast number of mobile phone subscribers

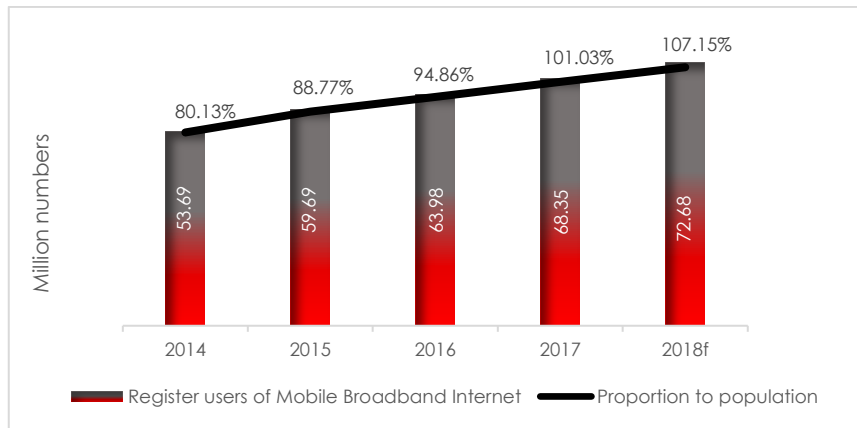


Remark: f is a forecast number

Source: Telecommunication Indicators Yearbook 2017-2018, NBTC



Chart showing the forecast number of registered mobile broadband internet users

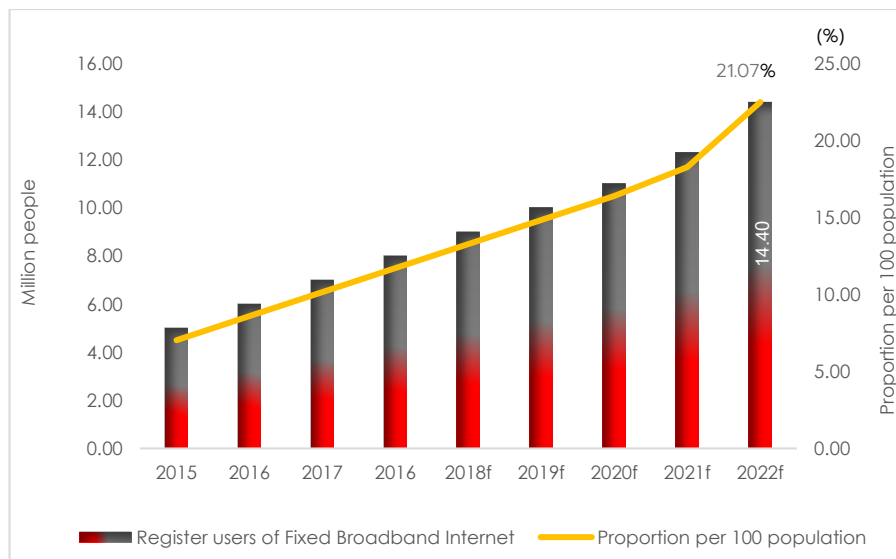


Remark: f is a forecast number

Source: Telecommunication Indicators Yearbook 2017-2018, NBTC

The number of fixed broadband internet users has been predicted to grow from 9.27 million users in 2018 to 14.40 million users in 2022 representing an average rate of 11.64 per year due to the fact that the consumers have changed from low-speed internet service to high-speed internet and the quality and performance of the internet system also has improved. In addition, there has been observed that prices for fixed and mobile network services have declined due to the competition among internet service providers.

Chart showing the forecast of Register users of Fixed Broadband Internet



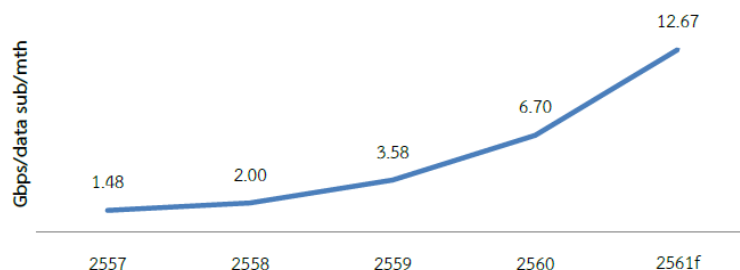
Remark: f is a forecast number

Source: Telecommunication Indicators Yearbook 2017-2017, NBTC

In addition to the growth relating to the number of internet users, the increasing demand for data usage is also another key factor driving the growth of the communications services market value. The amount of fixed and mobile broadband internet data usage has grown at rapid speed exponentially. It has obviously been observed that during 2014 to 2018, the amount of data usage associated with high speed mobile internet has grown at an average of 71.05 per year. Underpinning this point, in 2018, the average amount of data usage per one user is 12.67 GB per month with the detail explained in the chart below.



Chart showing data usage of mobile broadband internet per number per month

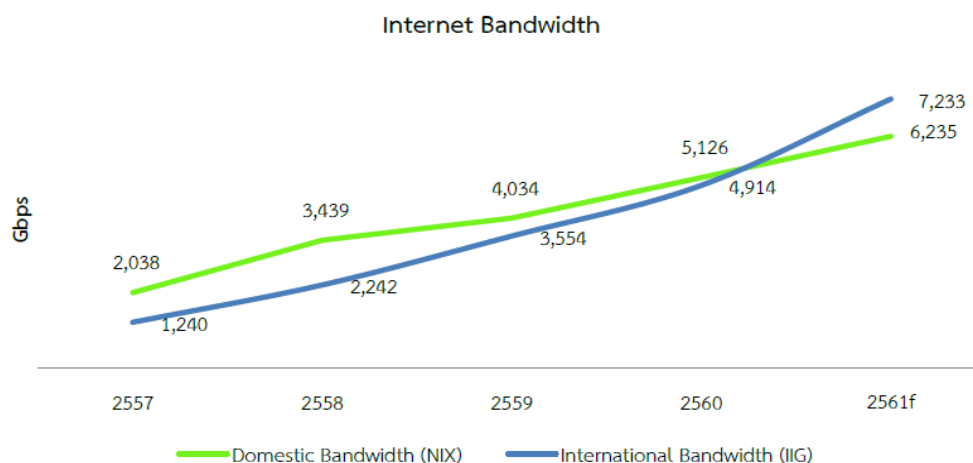


Remark: f is a forecast number

Source: Telecommunication Indicators Yearbook 2017-2018, NBTC

In the area of the fixed broadband internet, the amount of an overseas internet data exchange increased from 1,240 Gbps to 7,233 Gbps in 2018 with the average growth rate of 55.41 per year and domestic internet data exchange has grown from 2,038 Gbps to 6,235 Gbps in 2018 with the average growth rate of 32.25 per year. Unmistakably, it has been predicted that the demand for data usage will grow continuously. In addition, the growth of fixed broadband internet data usage shown in the chart below.

Chart showing the amount of internet data exchange of fixed-line users



Remark: f is a forecast number

Source: Telecommunication Indicators Yearbook 2017-2018, NBTC

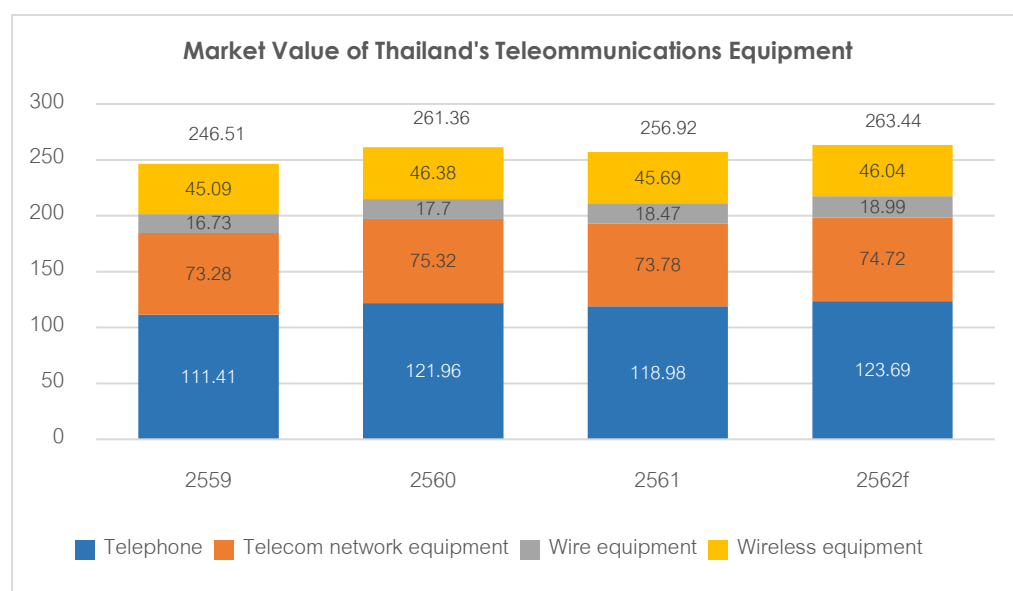
From the above information, it can be seen that the telecommunication industry is likely to continuously grow in the future. From the expansion in number of both the volume of mobile phone users and the high speed internet users as well as the changes in consumer behavior that requires access to communication systems regardless of time and place all are the factors driving telecommunication operators and mobile phone operators towards the expanding and improving of the efficiency of their own telecommunications infrastructure and networks. As a result, this situation would allow the Company an increased opportunity to participate in the bidding as well.

Market Value of Telecommunications Equipment

NBTC has collaborated with the International Information System Research and Development Company Limited to conduct a survey of the market value of telecommunications equipment. The survey can be divided into 4 categories; telephone, main telecommunications network equipment, wire telecommunications equipment and wireless telecommunications equipment. The market value of



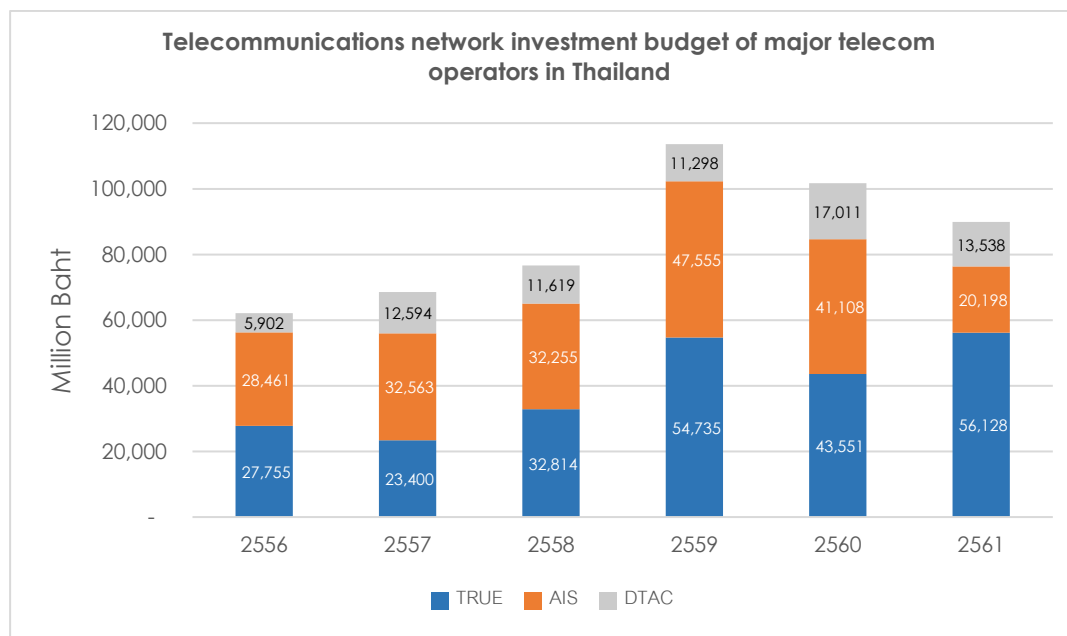
telecommunications equipment in 2017 to 2019 has been estimated amounting to Baht 261.36, 256.91, and 263.44 billion respectively. The total market value in 2018 declined from 2017 approximately 1.70% due to significant increase in telecommunications infrastructure investment of private sector in 2017 compared with 2016. It has affected the investment budget in 2019 tremendously; although there is the infrastructure investment project from the government sector. However, it is expected that in 2019 the investment in telecommunications equipment will grow at 2.54% both from government and private sectors.



Market value of each type of telecommunications equipment expected to grow in 2019, it has reflected to the investment for supporting the gradually increasing telecommunication services usage. The market value of telephone devices has expected the growth of 3.96% in 2019 considering the economic deceleration that negatively affected the markets in 2018. The telecom network equipment market has been estimated to grow at around 1.28% in 2019 with the decrease rate of 2.04% negatively affected by the investment expansion of the private sector in 2017. Obviously, regarding the growth trend of the said market, the wireless telecommunications equipment market is going toward the same direction which we have witnessed the decrease rate of 1.49% in 2018 however, it has been expected to return to grow at the rate of 0.76% in 2019. On the other hand, the wire telecommunications equipment market has grown consistently every year between 2017 to 2019 with 4.33% and 2.84% growth rate respectively. The market value of telecommunications equipment which the Company has offered services including main telecommunications network equipment, wire telecommunications equipment and wireless telecommunications equipment having a total value of Baht 139.40, 137.94, and 139.75 billion in 2017 to 2018 which continues to grow steadily



Investment trends from telecom operators in Thailand



Source: Audited Financial Statements

From the above table, it has shown investments in telecommunication networks of the major telecom operators in the country including TRUE group, AIS group and DTAC group. It has been observed that during the Fourth Generation of mobile evolution (4G) (2016 to 2018), the total value of the network investment is approximately Baht 305,000 million accounted for an increase of approximately 47 % compared to the total value of the network investment during the 3G evolution (2013 to 2015) due to technological changes to enable fast transmission of tremendous volume of data. In addition, it can be seen that during the 4G evolution, the TRUE group has the highest proportion of investment or 46.5%, followed by the AIS group and the DTAC group at 39.4% and 14.0% respectively.

Likewise, at present, the Office of the National Broadcasting and Telecommunications Commission (NBTC) has initiated the implementing of 5G network to some public and private agencies, which the Company has predicted that the said network would be launched in 2020 onwards and the telecommunications investment by the above-mentioned major operators is likely to increase more than the investment having been reported during 4G evolution both in terms of signal network, cable network and equipment installation in contemplation of supporting 5G technology.

Competition

The Company's main business is in information and communications technology industry which has changed dramatically over the last 2 to 3 years due to the development and application of information technologies and communication in all aspects, combined with the government policies that plan to make Thailand a full digital society so both public and private sectors must adapt to keep up with the changes that will occur in the future. Likewise, the government agencies shall also have an investment plan in favor of building primary telecommunications infrastructure of the country, developing its own data centers / information technology systems to support the access, transmit and receive a large amount of data (Big Data). Accordingly, the amount of project initiated by the government agencies has been inevitably increased. Unquestionably, the pre-qualified main contractors who are eligible to bid on the contract often win the bidding on most of the high-value projects, thereafter, the main contractor will assign that project to the sub-contractor in order to proceed with the project obtained.



Currently, despite the fact that there are many efficient sub-contractors with unique technological knowledge and expertise who have potential to undertake this kind of project however, with the extensive experience obtained, the readiness of the team, the stable financial status, the ability to deliver high quality work with respect to schedule as well as the business alliances, especially the main contractors, who will regularly bid for projects of the government sector, these key factors would allow the Company to maintain a competitive advantage.

Irrevocably, as a consequence of changes in technology both information technology and telecommunications whether wired or wireless communication as well as the increasing amount of data requiring data storage and effective management with high level of security, the private sector then has to prepare and adapt to this situation as well. Therefore, in order to improve the efficiency of network signal and expansion of signal, mobile operators such as ADVANCE, TRUE and DTAC or the telecommunication operators such as CAT and TOT etc. all have to move toward preparing the annually investment plan irrevocably. In addition, as we have been observed, constructing data center has been considered more importantly and necessarily, as it can be seen that the well-known data center service providers such as True Internet Data Center Company Limited (True IDC), CAT Telecom Public Company Limited (CAT), TCC Technology Company Limited Company Limited, CS Loxinfo Public Company Limited (CSL) etc. are likely to invest in data center construction to adequately provide more services. According to information on the data center construction investment collected by the Company, it has been found that in the next 3 to 5 years, there would be data center space available for leases offered by many private companies which already have plan for developing and investing data center for better services with a total investment value of over Baht 9,000 million. As a result, a number of project relating to signal towers constructing, network cabling and data center constructing has increased accordingly. Fortunately, it can be counted as good opportunity of the Company to enhance its expertise since the Company has the executives with extensive experience in data center construction, the engineering team with knowledge, skill and expertise as well as a good business relations with partners who are both contractors and equipment supplier. Besides, the Company also has had previous achievements to indicate the potential of the Company's services allowing the Company to maintain a competitive advantage among other service providers.

If one has to describe the character of main competitors of the Company, the best description would be first, they are construction contractors, second, they offer services relating to installing information technology equipment for information technology and telecommunications industries. The main competitor can be categorized as follows:

List of competitors classified by type of work of the company

1. Data Center & Information Technology Infrastructure.

Data Center	Site Preparation Management Co., Ltd.
	Huawei technologies (Thailand) Co., Ltd
	CSPM (Thailand) Co., Ltd.
	Fujitsu (Thailand) Co., Ltd.
	Vertiv (Thailand) Co., Ltd.
	Taishan (Thailand) Co., Ltd
IT Infrastructure	Information and Communication Networks Public Company Limited
	Communication & System Solution Public Company Limited
	ALT Telecom Public Company Limited
	Interlink Telecom Public Company Limited
	Huawei technologies (Thailand) Co., Ltd



2. Telecommunications Infrastructure.

Transmission Tower Installation	TNP Telecom supply Co., Ltd.
	Vanic Group Co., Ltd.
	ALT Telecom Public Company Limited
	Samart Telecoms Public Company Limited
	Communication & System Solution Public Company Limited
Cable Network Installation	ALT Telecom Public Company Limited
	Interlink Telecom Public Company Limited
	Information and Communication Networks Public Company Limited
	Multi Telecom Engineering Co., Ltd.

Source: The annual reports and public investment plan information of the listed company.

3. Maintenance and Service.

Maintenance and Service	Site Preparation Management Co., Ltd.
	CSPM (Thailand) Co., Ltd.
	Vertiv (Thailand) Co., Ltd.

Competitive strategy

Acquiring business alliances and partners

The Company recognizes the importance of having business alliances and partners in order to enhance the competitiveness. This strategy can be achieved by combining the benefits of different strengths to meet the requirements of customers. From the experience and service in the telecommunication and information technology industry obtained for more than 10 years, the Company has proudly insisted that all the achievements acquired thorough all business year are of quality services offered to many main contractors. Currently, the Company has built good relationship with the renowned business alliances who has been well recognized among other. In addition, the Company also has many business partners in the account who have cooperated for a long period of time and have the ability to provide service. As a result, the Company will be able to develop and enhance its services to its full extent so, it would be able to service business in various scale and scope in the exchange for keeping up with the constant changes in the telecommunications industry and better responding to the needs of customers and users. Thus, the Company then has acquired continuous projects from such business partners and partners all along.

Developing the ability to provide One-Stop Service

As it can obviously be observed, since the Company has accumulated work experience for long period of time, the Company has fully equipped with specialized knowledge, expertise and abilities that are essential for success on the job in order to work in various types of project and in all areas. In addition, the Company has continuously improved the ability to provide services with regards to keep up with the technological change and continuous progress. The customers of the Company all required a complete range of services, from engineering design, construction, installation, and customer services both regular maintenance and assistance in the event of the problems occurred in data center both typical and expected problems and sometimes can be unexpected and unprotected problems. The company then adhere to the needs of customers and offers services that match the needs at a reasonable price.



In addition, the Company has constantly sought the opportunities to expand not only the scope of work for keeping up with the changes in technology playing an important role in the daily lives of users whether they are entrepreneurs or general public but also the scope of service in order to reach other business groups. The samples of way to pursue this strategy are, first, employing the Internet of Things (IoT); the connection of devices, vehicles, buildings and other physical objects to internet-connected digital platforms in business making it possible to control and operate the said devices via Internet, second, finding ways the businesses can better connect to the potential customers instead of focusing only current customers for instance the customer group of real estate entrepreneurs who want to apply IOT technology in the project or other entrepreneurs requiring to apply IOT technology to their own businesses etc. This strategy will assist the Company to achieve diversifying its portfolio of the customer in the information technology and telecommunications industry.

Delivering quality work that is faster and exceeds customers' expectations (Beyond Expectation)

The Company has realized the importance of exceeding customer expectations so fast delivery of the quality work is certainly the way to create an impression in term of quality and delivery speed on customers so it will induce them to return for the service they desire and becoming repeat customers eventually. Moreover, such customer satisfaction will make customers want to share their impressions on the services of the Company to others, this is so called "Word of Mouth", which is a powerful strategy for retaining current customers and finding potential customers at one time.

To achieve this strategy, the Company has selected and hired potentially qualified small- size contractors with experience, and reliability to undertake the construction project. The Company then has assigned the specialized and experienced engineering team who are well-trained in the latest technologies to control the quality and time frame in every stage of construction as well as to plan the concise construction schedule, moreover, to follow up regularly throughout the construction period until the work is delivered to the customer. From the above process, as a result, the Company will be able to deliver the quality work which most of them can be delivered faster than scheduled resulting in continuous customer satisfaction.

Accepting project that is suitable for the Company's ability

The Company has proudly accepted that the Company has had the abilities to handle any project as a main contractor and sub-contractor, nevertheless, the Company has realized that prior to accept any project, the project description should definitely be considered so it can be curtailed that it shall in no way impede the Company's ability. As a result, the Company will be able to efficiently manage income and cash flow since the project description is harmonious with the Company's service capabilities. On the occasion that the spectacular large-scale projects have been offered, with the knowledge, expertise, and skills accumulated over the years, the Company will contemplate and then make a decision to work as a sub-contractor for the specific part of that project forasmuch as it will allow the Company, at short notice, to collect the expenses from the main contractor after completing service on the specific project regardless of whether the entire project has been completed or not. As a result, the Company will be able to efficiently generate and manage consistent cash flow from operations.

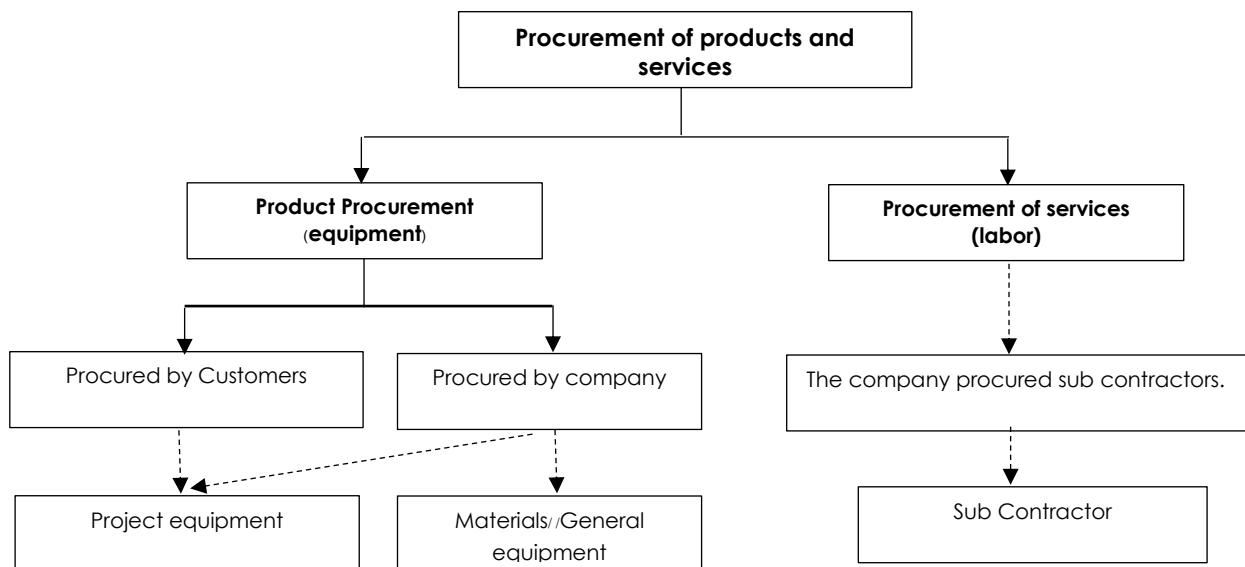
2.4 Procurement of Products and Services

In general, the nature and scope of work that the Company has provided both services in the construction of data center and information technology systems and infrastructure and telecommunication network businesses depending mainly on the project owner or client. With regard to the objective and requirement of the project owner or customer, the Company will individually offer diverse and technical complex services which can be referred to the Price Quotation and Bill of Quantities (BOQ) whether it is the sole construction service or the construction service and installation of the



equipment that the customer procures or the construction service and installation of the equipment provided by the Company.

Diagram showing procurement of products and services



(1) Construction of data center and information technology systems business

The Company can divide the procurement of products and services as follows:

(1.1) Procurement of contractors. After the Company has fortunately won the bidding on the project, the Company will initiate a plan and hire sub-contractors with expertise in accordance with Bill of Quantities (BOQ) in which the specification has been prepared whether building a structure or installing electrical or installing equipment, etc. In addition, in order to ensure that the project assigned can be delivered in accordance with the contract terms regarding the specified time and standards agreed with the customer thereof, sub-contractor who will be responsible for undertaking this project, shall pass qualification criteria with reference to Approved Vendor List or AVL registering by the Company.

(1.2) Procurement of equipment It can be divided into 2 types as follow:

- Main equipment for the project, most of them are equipment with high-value and unique specification according to the BOQ of projects for example, electrical generator systems, climate control system, fire and smoke detectors system and telecommunication equipment, etc. In accordance with procuring equipment for this project, there will be 2 possibilities presented, first, the Company provides the procurement service according to the Specification agreed in the contract and/ or, second, the customer procures the equipment of the project.
- General equipment, most of them are equipment with low value and used in large quantities which the Company can procure by itself according to the company's procurement policy through business partners approved in the AVL such as electrical cables, conduits, etc.

(2) Infrastructure and telecommunications network business

The scope of construction of the infrastructure and telecommunication networks has been stipulated in the BOQ however the technical requirement of the afore-mentioned project isn't nearly as complicated as of the data center construction project. Underpinning this point, it will be different only in term of class and type of tower, for instance Roof Top Pipe, Green Field Tower, Guyed Mast Tower, and Repeater Tower etc. The Company as a service provider has offered services regarding towers construction and network cabling installation in the form of Turnkey Contract to the main contractor hired by the telecommunication entrepreneurs so the fundamental infrastructure and telecommunication networks can be used, practically, with full degree of satisfaction. Thenceforth, the Company will hire sub-



contractor to undertake the assigned work, under the control of the company's engineers team for it would be completed on schedule.

The small-size contractors hired are contractors in the AVL account, and most of them have operated their businesses in the same province as the project / or work hired is in due to the fact that they are skilled in the area and are able to find labor in that area.

For the purchase of main equipment such as transmission towers, control panels, insulated steel (Cross Arm) etc., the Company will enter into the purchase contract with partners approved in AVL. The equipment will be procured as specified in the BOQ except for the telecommunication cables that the customers will procure instead.

(3) Maintenance and service business

In case that a maintenance and services of the engineering team with knowledge, skill and expertise has been required in other provinces area whether maintenance requirements for telecommunications cables or the USO project (Phase 1) services etc., the Company will carefully hire sub-contractors listed in the AVL who have run their business around that area for being a service provider on the Company's behalf. However, two possibilities concerning sub-contractor who will be hired have been presented here; first the same sub-contractor that the Company used to employ its service, second, a new sub-contractor with the capabilities to undertake project assigned. The selection method of the appropriate provider depends mainly on the project period, manpower of such sub-contractor and the quality of service. Therefore, the service of the said sub-contractor has remained under the quality control of the Company's engineers.

In accordance with the Preventive Maintenance (PM) and the Corrective Maintenance (CM) which is a type of service on a monthly basis, the Company has had a team of engineers with knowledge, expertise and work experience consisting of Project Manager, Assistant Project Manager, Senior Project Engineer, Project Engineer and Foreman who will provide services at the customer site.

The Company also has had procurement service for all products and services from providers in the country however, products and services procured from each business partner will not exceed 10 percent procurement of a total procurement. With profound experiences as a service provider in the information technology system and telecommunication industry for more than 10 years, the Company therefore has had good relationships with business partners including the project owner, the limited company and the listed company that operates in the ICT industry, the product distributor, the main contractor and the sub-contractor, allowing the Company to receive inside information and news about industry trends and new technology continuously which is useful for trend analysis and strategy determination.

2.5 Projects that have not yet been delivered

As of December 31, 2019, the Company has had projects in progress under the agreement, both in the form of agreements, Purchase Order (PO) serving as the official confirmation of an order and Letter of Intent (LOI) worth totaling approximately Baht 4,263.30 million. The revenue has been recognized approximately 2,198.90 Baht million and the remaining is awaiting recognition of approximately Baht 2,064.40 million.



3. Risk Factors

Every type of business has different business risks and how much they affect the organization is depend upon the significance and risk management methods of each organization. Therefore, the Company is aware of the impact of risk factors so it has prepare

d measures to reduce the risk to an acceptable level. The Company has also periodically reviewed and evaluated risk factors and obstacles that may affect the Company and all stakeholders. In addition, the Company has set up Risk Management and Risk Assessment Board to set guidelines for preventing risks that may occur. The main risks can be classified as follows:

1. Business risk

1.1 The Risk of Relying on Big Customer

The Company as a sub-contractor has been continuously received project from the main contractor so most of the Company's operating income has come from the major contractors, especially W&W and the TRUE group, which has a relationship with the Company as business partners and alliances for a long time. Therefore, it can't be argued that businesses that rely on one big customer are exposing themselves to a tremendous amount of risk and may have a significant impact that can devastate revenue, profit and cash flow as well as the financial status of the Company. However, the Company has strategically prepared risk management plan in contemplation of reducing risks associated with high customer concentration both in the short and long term with the goal of expanding the customer base and scope of the operations to the business so the Company can offer a one - stop service to the customer. In addition, the Company will put its effort in reducing dependence on a specific customer by employing the strategies including (1) setting goals for acquiring at least 3 new customers progressively and annually in order to expand the customer base and allow the Company to be known widely (2) expanding the scope of its operations to cover all customer groups not limited to only the telecommunications and Data Center businesses such as real estate etc. (3) focusing on providing the maintenance and repair of equipment and data center networks to the owner of the company being former customer or new customers which will contribute to the Company in order to be able to generate more recurring income and (4) participating in the bidding regarding construction directly to the government agencies or project owners whenever the Company has made a decision to size up its business to large company. The Company strongly believe that these above-mentioned policies and guidelines will contribute to the avoidance of relying on big customer in the future.

1.2 The Risk of Relying on Personnel

Since the Company's main business related to construction and installation of any project, unavoidably the Company will require personnel from many departments in order to acquire and proceed with any project efficiently. These personnel can be categorized as the management, engineer supervisor of the Company and sub- contractors.

1. 2. 1 The Risk of Relying on the Board of Directors

Mr. Sakboworn Pukkanasut Managing Director, the founder of the Company and the Board of Directors is the group of people that co-founded the Company. These are people with extensive knowledge and expertise in data center construction and they also have experience in the construction of various network systems. Furthermore, they are well-known and have a good relationship with the employers or the main contractor of the Company. From the past period, most of the high value project the Company has procured coming from being notified by the employer via Mr. Sakboworn or the Board of Directors. Thus, it can be said that the starting point of procuring high value project from the main contractor is through business connection of high-level executives of the Company and if there is no such Board of Directors, the Company would not likely be able to procure the afore-mention large-scale project and, it may unfortunately affect the income and the performance of the Company. Nevertheless, after the Company has successfully operated for more than 10 years, the Company has had outstandingly quality achievements which can be able to deliver accurately, completely and punctually to the employer / main contractor. This performance can be demonstrated as the potential of the Company's service which induces the main contractor to offer an opportunity to participate in each and every bidding. Fortunately, the Company will be notified of the almost every bidding for projects that match the Company scope of services. Since every business has witnessed the potential and quality of the work The Company has accomplished, the need to rely to business connection passed through the Board of Directors is less and less. In addition, the Company already has had High-Level Executives succession plan prepared by itemizing the required competencies, the qualification for successors of key positions which is appropriate and consistent with the business of the Company also, there is a policy of providing incentives that are meaningful and appropriate as a motivation for executives to work with the Company in the long term.



1.2.2 The Risk of Relying on Small-Size Contractors

In consideration of undertaking each project assigned by the employer, the Company must hire a small-size contractor to proceed. Especially in other provinces or remote areas, the Company must hire small-size contractors operating business in that area and it must be a small-size contractor with enough personnel having ability to undertake the project assigned, moreover, such small-size contractors has to deliver the quality work on project schedule. In the event that the small-size contractor is unable to deliver work according to the specified quality and time, it will certainly affect to the delivery process of the Company as it has been agreed upon in the contract between the Company and the employer / main contractor. Thus, it is obvious that there is a risk of relying on small-size contractor since dealing with irresponsible or unscrupulous small-size contractors will likely result in project assigned is abandoned, the project that has been completed is of no quality and the project that has been hired is unable to deliver on time. Thus, in order to reduce the impact of the said risk, the Company has prepared risk management plan concerning small-size contractor in which the small-size contractor must be chosen from the list approved in the Approved Vendor List in which the small-size contractor must be evaluated on many grounds including the readiness for labor supply for undertaking the project so the Company will not have to endure direct impact in term of the labor shortage. However, the Company may be affected by the minimum wage increase which may have an impact on the project cost and the Company's gross profit margin.

1. 2. 3 Risk of Relying on the Company's Engineer Supervisor

Engineer Supervisor is a group of personnel that plays an important role in each project since this personnel must be the person who supervises and controls the work of small-size contractors to get quality work that meets the needs of the employer and can be delivered on time which is important to the Company's ability to deliver that project to the employer and more importantly, it will affect the performance of the Company unavoidably. The Company has realized that an engineer supervisor is a key contributor to the success and performance of the Company, so the Company has had a policy of personnel management in order to be certain that, first, each and every personnel has engaged himself to work for the Company effectively and efficiently, second, efficient personnel with extensive knowledge and skill shall be persuaded to work with the Company in the long term. These strategies can be achieved by 1) encouraging and supporting employees in term of knowledge, competency and work progress so they will be able to adapt and adjust their operations conforming to technological changes in the industry 2) increasing / decreasing the number of employees to be suitable for the workload., not too much or too little work 3) providing incentive compensation for engineers (Project management) which is additional money, or other rewards of value related to performance that are supplementary to base salary and bonus. The incentive compensation will be received when the work has been delivered and the payment has been received from the employer, this has been done in order to encourage morale and motivate so they work more efficiently also deliver the work on scheduled.

1.3 Risk from external factors that may affect the bidding of the company

Since the projects which the Company has been hired by most customers related to the information technology and telecommunications industry, such as the USO (Phase 1) project or the construction of Data Center, etc. so, there certainly have had external factors presented which may affect such projects, these are discontinuity, decrease or increase in each period which it may result in the Company's inconsistent performance generating from the afore-mentioned project, these risk can be describes as follows:

- Delay or discontinuity of the implementation of the 20- year national strategic plan.

During the past period, the government projects were initiated from the implementation of the national strategic plan in pursuant of building the infrastructure for the benefit of information technology and telecommunications applications in national level. The Company has been assigned to work as part of the said project in the past 2 to 3 years. Therefore, supposing the implementation was slowed down or even worse was stopped or was changed, this tragedy will negatively impact the Company performance in which the project that the Company is likely to acquire may be changed, may be reduced in number or may become erratic. Nevertheless, the Company has believed that the delayed project may affect only the first period, however, after the government has proceeded, the Company will be blessed as well. Discontinuity or inconsistency of the said project may impact the number of project the Company is likely to acquire which is it may be more or less.



- The telecommunication entrepreneurs may change their investment plan in favor of expanding or improving the efficiency of the networks.

The telecommunication entrepreneurs will decide to invest in expanding the network based on many factors including trends in usage, the Government policy regarding telecommunications, the advancement of related technology. The telecommunication entrepreneurs may decide to increase or reduce their investment in accordance with the said factors, unfortunately, it will have an impact on the Company's income.

- Economic conditions

Supposing the economy is slowing so the organizations or companies may be changes in investment plans in relation to information technology within the organization, for example, there may be a reduction or postponement of the time to build data centers or other related projects. This risk may affect the number of the proposed project of the Company in which it may have been reduced or become erratic.

- Changes in technology

Currently, many companies, organizations tend to employ Cloud Storage to a greater extent thus the small or medium-sized company or organization then have preferred to lease the data center from the Data Center providers offering space to store information of the company however, large organizations have still needed to build their own data centers. From the above factors, the Company may be affected by the reduction of construction work and / or improvement of the small data center however, the Company has still believed in the opportunity to either obtain the construction project concerning large data center or to build data centers for service providers who run a business of leasing data centers.

The Company has had guidelines for reducing the above-mentioned risks occurred from specified factors, the Company has always followed the implementation of the national strategic plan or government investment plan at all times both from news that has been published and information from business partners so it has enabled the Company to prepare its operational plan in which the Company will accept other types of work in favor of contributing to the Company's consistent performance. In addition, the Company will surely not provide its services only for the government sector but the Company has still offered its services to private sector and many organizations in many industries, for instance the construction of data center service, telecommunication network cabling service for organizations or companies etc. In addition, the Company also has provided maintenance services for various projects since the said services have required maintenance service on a regular basis so that information technology systems can be used continuously, without interruption, and won't affect users or customers.

1.4 Risk from accrued revenue

The Company has had the revenue recognition principle in which the project revenue is recognized as per Percentage of Completion, which is based on the ratio of the actual construction costs of the completed project compared to the total estimated cost of project. Generally, the previous-mentioned ratio did not correspond to the billing / payment periods under the agreements agreed by the parties, which are normally divided into periods, thus it results in revenue that has not been paid or Unbilled Receivables (shown in statements of financial position). There may be a risk regarding liquidity and the risk of not being able to collect money from customers whom the Company satisfies a performance obligation.

The Company is aware of the said risk, therefore it has had a policy in pursuance of monitoring, setting up meeting with customers and reporting the progress on the project, collecting money that customers owe the Company for the services, paying customers of the Company to ensure that the Company can collect money as per the contract and can solve problems that may occur immediately (if any). Nevertheless, the Company has never had a problem with collecting money from customers or the customers cancel the project that the Company has already undertaken. Furthermore, the Company was able to manage liquidity well moreover the majority of the Company's long-term customers also have had good reputation and stable financial status. Besides, the Company is a well-known provider of construction services and installation of telecommunications equipment with expertise, the Company also has been trusted by customers and has retained good relations with the customers all the time. Therefore there is a low possibility that customers will not honor the agreement agreed and not pay expenses accordingly.



1. 5 Risks from business competition and new competitors

Risks from business competition and new competitors may be divided according to the main business of the Company which is the business of data center construction and infrastructure and telecommunication network business.

Data center construction business: There are 2 types of services first, renovating the building space of the organization to be used as a data center (Renovate Project), second, constructing a separate data center building (Greenfield Project). It can be said that the first type of service is not very complicated. Most of the service required there is installing equipment to store data center and setting up backup electricity. On the other hand, constructing data center into a separate building is very complicated and will require employing expertise in construction since it must start with constructing the building foundation which is able to support the weight of equipment installed and to absorb various vibrations. Furthermore, there have many factors have to be taken into account namely, building design, the placement of all equipment, the connection of various system in the building which has to be proceed considering the safety of building, the stability of network operation and data stored therein which is very important. Consequently, the contractor who will undertake the construction of such data centers must have the extensive knowledge, expertise and experience in the design and construction of the large-scale data center such as the Data Center from Tier 3 upward etc. Nowadays, there are not so many competitors in the industry and those who will become new contractors must have experienced personnel and may take time to accumulate experience and achievement to be accepted in the industry. As a result, the competition in the construction of large data centers is not intense. However, the Company must maintain the quality of work consistently in order to remain one of the contractors that is a good choice in the industry.

Infrastructure and telecommunications network construction business: Actually, the construction and installation of telecommunication infrastructure is not complicated but adversely, the number of work has to undertake in each project has gone to the other direction. Most of the contractors have to hire a small-size contractor to proceed with the project but that project still needs to be supervised and controlled in term of quality of work and the ability to deliver to the employer on project scheduled. Therefore, the strength of the contractor for this business is the ability to control and maintain the quality of the delivered work which will be delivered on time. Delightfully, the Company has strongly believed that it has already acquired the qualification required to meet the needs of customers which is the ability to compete in this business.

Even though, there has a possibility that the employer of the Company, the main contractor, may change the way the business conducts by undertaking the hired project by itself and not hiring small-sized contractors such as the Company. This change might impact the Company's revenue and performance. Nevertheless, there has such less possibility this situation will occur since the project obtained by the said contractor is a large-scale project so there will be a large quantity of work and certainly the main contractor must hire small-sized contractors to proceed with project, moreover it must have enough efficient engineer supervising the project with sufficient experience which may not be able to do all by itself. Besides, in the past, the main contractor has not directly contacted the small-sized contractors instead it would be the sub-contractor such as the Company that had contacted such small-sized contractors while nurturing the good business relationship with small contractors. Therefore, there will be less chance that the main contractor will undertake every part of assigned project and this has never happened during the past period since doing so may complicate the operations of the main contractor so the main contractor would rather hire a sub-contractor to do as it is currently practiced.



1. 6 Risk of no cost control measures

As most of the Company's work is a turnkey project thus the Company must take into consideration the significant aspect regarding the operation and the company's performance. This aspect is the capability to identify and reduce business expenses to increase profits by comparing the Company's actual financial results with the budgeted expectations and controlling the actual cost to be not higher than planned. Since cost control is an important factor in maintaining and growing profitability in the event that the actual cost is higher than planned, it may cause the Company's profits to decrease and affect the overall performance of the Company.

The Company certainly has paid attention to the cost of operations so the Company has initiated first step with the estimating cost of the potential project then controlling the actual cost occurred during the operation. Since the main cost of the Company is the cost of hiring small-size contractors, the Company then has set the mid-price for each type of project that the Company has regularly acquired so the Company will be able to control the cost of project at the first stage. In accordance with supervising and controlling the operation of the small-size contractors, the Company has had experienced engineers who has taken responsible for supervising and controlling each project, constantly updating the follow-up schedule regarding the project operation and delivery, last but not least, resolving various problems that may occur during the operation. There are also regular meetings with small-size contractors so it will be possible to be aware of problems constantly and resolve various problems instantaneously. In different circumstances, if there are cases that the small-size contractor is unable to complete the work properly and on project schedule, the Company will immediately select a new small-size contractor to continue working on the said project. As a result, the Company will be able to control the operating costs without escalating as well as maintain and grow profitability without much effect from such occurrence.

1. 7 Risk of delay in projects

Most of the service agreement that the Company concluded with the employer has been agreed upon has contained the specific terms and conditions regarding fines and penalties in the event of the failure to deliver the work on time specified thereunder. Fines regarding failure to deliver the work on time has mostly been calculated on a daily basis and it may cause the Company's profits to decrease and affect the overall performance of the Company. The calculation basis mostly employed here has used a wide base of calculation namely the full amount of the contract or the cost of each Purchase Order compared to the penalty rate agreed with regard to type of project under agreement. Therefore, in the case of a high value project, the penalty rate will go up as well. The cause of delayed deliveries can be stated into four groups; first, insufficient number of small-size contractors, second, project abandonment by small-size contractors, third, the project that has been delivered from the small-size contractor is of unqualified quality and needed to be solved or ,forth, the change of small-size contractor.

The Company has set up guidelines that can reduce the cause of delayed deliveries due to the responsibility of small-size contractors. Thus, since the Company has had a good relationship with small-size-contractors in each area, resulting in each contract will have enough small-size-contractors being ready to offer their services to the Company. Methodically, the Company will hire small-size contractors on the list that has been approved and each small-size contractor has been evaluated in term of its competency and ability to undertake the assigned service. In addition, for each project, the Company will set a strict operational guideline and assign the engineers for supervising, monitoring and evaluating the work of the small-size contractors each project closely and consistently. According to this strategy, the Company has strongly believed that the number of mistake and delay in project operating will not be so high and will be solved in a timely manner. As a result, during the past period, there has never been a case where the Company must pay compensation regarding delayed delivery.



2. Risk that affects the rights or investment of securities holders

2.1 Risk from having a major shareholder more than 25 %

As of 31 December 2019, the Company's major shareholder is the Pukkanasut's family holding 49.2% of the paid-up capital of the Company. The said shareholding proportion makes the Pukkanasut's family to have the votes that have the power to oppose or disapprove for the agenda that needs a special resolution or three-fourths of the meeting's voting right. Nevertheless, the Company has realized the importance of balance of power, therefore, the scope of duties and responsibilities regarding each and every committees has been specified clearly and transparently. Moreover, the related transactions between the directors, major shareholders, executives, and any other persons with possible conflicts of interest has been prescribed. Under the prescribed set of measures, the afore-mentioned persons are not allowed to vote in approving the said business transaction. Additionally, the structure of the Board of Directors comprised of total number of 8 directors and 3 out of 8 are independent directors who are not involved in business operation. Likewise, the Company has appointed an audit committee comprising of 3 independent directors in order to create business transparency and shareholders trust so that they can review and assure the balance of power on behalf of the minority shareholders. As a listed company, the Company is required to disclose the information and comply with the rules and regulations of the Securities and Exchange Commission and the Market for Alternative Investment such as related transactions, the acquisition or disposition of assets etc. for the most benefit of the Company and all shareholders..

2.2 Risk from the fluctuation of the Company's share price

The Company's share price may fluctuate due to many factors, some of which are beyond the control of the Company, such as economic and social conditions changes that affect the industry which the Company is in, changes in operating results and share prices of listed companies in the same industry, changes in law and legislation, industrial changes. In addition, the difference between the Company's operating result and the performance expected by the analysts and investors, or changes in the advice or opinion of the analysts regarding the company's shares may also affect to the Company's share price.



4.Assets used in the business

Assets used in the business operations of the Company

As of December 31, 2019, the core assets used in the business operations consist of

1) Property, Plant and Equipment

order	list	ownership	Obligation	Net book value (Million Baht)
1	Land: Title deed no. 222867-9, 3 plots, Anusawari, Bang Khen, Bangkok, total area of 1 ngan 05.7 tarang wa (The Company's head office location)	The Company	Mortgage loan with a financial institution totaling Baht 200 million	35.38
2	Building: Buildings on the title deed No. 222867 – 9, 4- story home office (the Company's head office).	The Company		32.34
3	Tools and office equipment	The Company		15.23
	Total			82.95

2) Land Lease Agreement and Building Lease Agreement

Contract parties	Lessee : The Company Lessor: Mr. Sakbaworn Pukkanasut.
Relationship with the Company	the managing director of the Company
Leased assets	No. 73, 75 Soi Ram Intra 5, Intersection 2, Ram Intra Road, Anusawari, Bang Khen, Bangkok, with a total area of 300 square meters
objective	a branch office of the Company
Contract period	The contract duration is 3 years from January 2, 2019 to January 1, 2022.
Rental rate	Baht 180,000 per month; monthly payment
Other conditions	If the lessee wishes to renew the contract, the lessee must notify the lessor in written in advance at least 60 days before the end of the contract and the lessor will notify the result within 30 days from the date of receiving the request to renew the lease.

3) Car rental agreement

Contract parties	Lessee: The Company Lessor: Car rental company -1
Relationship with the Company	No relationship with the Company and the Company's executives
Leased assets	11 pick-up trucks (4 contracts)
objective	Using in business operations
Contract date	March 2017 to April 2020
Contract period	Duration 24 - 36 months
Contract parties	Lessee: The Company Lessor: Car rental company -2
Relationship with the Company	No relationship with the Company and the Company's executives
Leased assets	15 pick-up trucks (15 contracts)
objective	Using in business operations
Contract date	August 2018 to May 2021
Contract period	Duration 36 months



4) Loan agreement from a financial institution

As of 31 December 2019, the Company has credit facilities from 2 local commercial banks as follows:

4.1 The 1st domestic commercial bank

1) Long-term loans

Limit / Purpose	Credit limit of Baht 40 million To buy land and buildings that are used as the Company's headquarters
Contract date	14 September 2018
Duration	60 months from the first draw down date
Interest rate	MLR - 2.65 % per year
Collaterals / Guarantors	- Title deed no.222867-9, 3 plots with total area of 1 ngan 05.7 tarang wa , Anusawari, Bang Khen, Bangkok, with 4-storey buildings used as home office, the Company's ownership, mortgage loan value of Baht 40 million.
Important conditions	- Throughout the period of obligation under the contract, the Borrower shall not, without the consent and approval of the Lender, incur any debt and obligation with third party. - The Borrower agrees to not pay the debt to the directors, shareholders, sureties or guarantors, either directly or indirectly until the loan of the Lender has been repaid in full amount. - Throughout the period of obligation under the contract, the Borrower agrees to allow the Pukkanasut's family maintains the proportion of shares not less than 35 percent of the total shares and further allow Mr. Sakboworn to be a key executive and / or the authorized directors.

2) Guarantee Limit

Limit / Purpose	The credit limit of Baht 150 million baht is divided into 2 credit limit which are 1) To guarantee the tender, contract performance and the Company's work in the construction project in an amount not exceeding Baht 120 million and 2) To guarantee the receipt of advance payments, the payment for the company's products in the construction project in an amount not exceeding Baht 30 million
Contract date	28 May 2019
fee	At the rate of 1.00 - 1.20 percent per annum
Collaterals / Guarantors	- Title deed No. 222867-9, 3 plot with total area of 1 ngan 05.7 tarang wa , Anusawari, Bang Khen, Bangkok, with 4-storey buildings used as home office, the Company's ownership, by the second mortgage, the total mortgage value is Baht 200 million - Register a certificate of deposit as collateral within the amount of Baht 6 million
Important conditions	- Throughout the period of obligation under the contract the Borrower shall not, without the consent and approval of the Lender, incur any debt and obligation with third party and shall not use all or part of the present or future assets or income as collateral for third party - The Borrower agrees to not pay the debt to the directors, shareholders, sureties or guarantors, either directly or indirectly until the loan of the Lender has been repaid in full amount. - Throughout the period of obligation under the contract the Borrower agrees to allow the Pukkanasut family maintains the proportion of shares not less than 35 percent of the total shares and further allow Mr. Sakboworn to be a key executive and / or the authorized directors.



4.2 The 2nd domestic commercial bank

Loan type / Purpose	Capital for business operations in the amount of Baht 166 million divided into - Overdraft limit of Baht 16 million - Guarantee limit in the amount of Baht 150 million
Contract date	16 June 2017
Interest rate	Bank overdraft: MOR rate Promissory note: MLR rate
Collaterals / Guarantors	- Fixed deposit of the Company. The maximum amount of principal agreed to be used as collateral amounted to Baht 50 million. The balance in such accounts, at all times, must have deposits of not less than 30 percent of the amount of each promissory note withdrawn.
Important conditions	Causes for default payment such as significant changes in the proportion of major shareholders, change of directors or change of the executive team of the Borrower.

5. Legal Disputes

As of 31 December 2019, the Company has no legal disputes that may cause damage to its assets more than 5 percent of shareholders' equity and there are no other legal disputes that may affect the business operations of the company significantly.



6.Board of Directors and Management' Shareholding Report of Year 2019

No.	Name-Last Name	Position	No. of Shares			
			8 October 2019	31 October 2019	Change Increase - Decrease in 2019	(%) Shareholding
1	Mr. Kampanart Lohacharoenvanich	Chairman of the Board / Independent Director / Audit Committee	1,500,000	1,500,000	-	0.27
2	Mr. Sakboworn Pukkanasut	Director / Managing Director / Member of the Nomination and Remuneration Committee / Executive Chairman	212,850,000	212,850,000	-	38.01
3	Mr. Metha Chotiapisitkul	Director / Deputy Managing Director - Project Management / General Management / Executive Committee	21,450,000	21,450,000	-	3.83
4	Mr. Akarawatt Akarasuwannachai	Director / Deputy Managing Director - Project Management and Service / Executive Committee	1,500,000	1,500,000	-	0.27
5	Mr. Vichien Jearkijrm	Director	1,500,000	1,500,000	-	0.27
6	Mr. Saran Supaksaran	Independent Director / Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee	1,500,000	2,720,000	1,220,000	0.49
7	Miss Lalifa Hongratanawong	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	1,500,000	1,500,000	-	0.27
8	Mr. Kasem Techaiya	Director	1,500,000	1,500,000	-	0.27
9	Miss Warangkana Techaiya	Deputy Managing Director - Finance and Accounting Department /Executive Committee / Company Secretary	750,000	750,000	-	0.13
10	Mr. Suraphon Siriwatsophon	Deputy Managing Director - Sales and Marketing / Executive Committee	100,000	100,000	-	0.02



7. General Information and Other Important Information

1. General Information

Details of the company's securities

Company Name (Thai) Company Name (English)	:	บริษัท อินฟราเซต จำกัด (มหาชน) Infraset Public Company Limited
Securities Abbreviations	:	INSET
Date of registration in the market	:	8 October 2019
Paid up capital	:	Baht 280,000,000
Total number of shareholders	:	1,647 cases (as of 25 December 2019)
% Free Float	:	39.58 % (as of 3/10/2019)
Business type	:	Providing construction services related to the Data Center and Information Technology Systems, Infrastructure and Telecommunications Network Business, maintenance and service businesses in the information and telecommunication technology industry.
Head office location	:	No. 165 / 37 - 39 Ramintra Road, Anusawari, Bang Khen, Bangkok.
Branch office location	:	No. 73, 75 Soi Ramintra 5, Intersection 2, Ramintra Road, Anusawari, Bang Khen, Bangkok
Company registration number	:	0107562000084
phone	:	02 -092-7444
website	:	www.infraset.co.th

Securities Registrar

Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building

B Tower, 1 Floor (Beside the Chinese embassy)
93 Ratchadaphisek Road, Din Daeng, Bangkok 10400
Tel: (66) 2009-9000
Fax: (66) 2009-9991
TSD Call Center: (66) 009-9999

Auditors

ANS Audit Co., Ltd. /

Mr. Yuttapong Chuamuangpan
CPA License Number 9445
100/72 Floor 22 Wong Wanit B Building, Building No. 100/2 Rama 9 Road
Huai Khwang, Bangkok 10310
Tel: (66) 2645-0109 Ext. 110
Fax: (66) 2645-0110

2. Other important information

- None -



8. Securities and shareholder information

1. Number of Authorized Capital and Paid-Up Capital

As of 31 December 2019, the Company's registered and paid-up capital was Baht 280,000,000 with 560,000,000 ordinary shares at par value of Baht 0.50 per share.

2. Shareholders

Shareholders structure of the Company referred on 31 December 2019 summarized as follows.

No.	Shareholder Name	No. of Shares	%
1	Mr. Sakboworn Pukkanasut	212,850,000	38.01
2	Mr. Boonsmit Pukkanasul	62,700,000	11.20
3	Acting Sub Lt. Suraphun Techaiya	24,000,000	4.29
4	Mr. Metha Chotiapisitkul	21,450,000	3.83
5	Ms. Natpicha Laoboonthai	13,200,000	2.36
6	Ms. Piyalak Sukonrat	11,525,000	2.06
7	Mrs. Rattanawan Boriboon	8,300,000	1.48
8	Ms. Sukanya Moonrat	8,000,000	1.43
9	Mr. Rujroj Waiwudhi	7,600,000	1.36
10	Mr. Arnon Jearkjirm	7,000,000	1.25
11	Mr. Anuchat Augsumethangkoon	7,000,000	1.25
12	Mr. Chartchai Jarukitphaisan	7,000,000	1.25
Other shareholders		169,375,000	30.23

3. Issuance of Other Securities

- None -

4. Dividend Policy

The Company has a policy to pay dividends of not less than 40 percent of the net profit of the separate financial statements after deduction of legal reserves and other reserves (if any). However, such dividends may changeable, it depends on the performance of the Company, financial status, liquidity position of the firm, necessary need for working capital to fund the operation of the Company, investment plans and future business expansions as appropriate and in consideration of other factors related to the operations and administration of the Company.

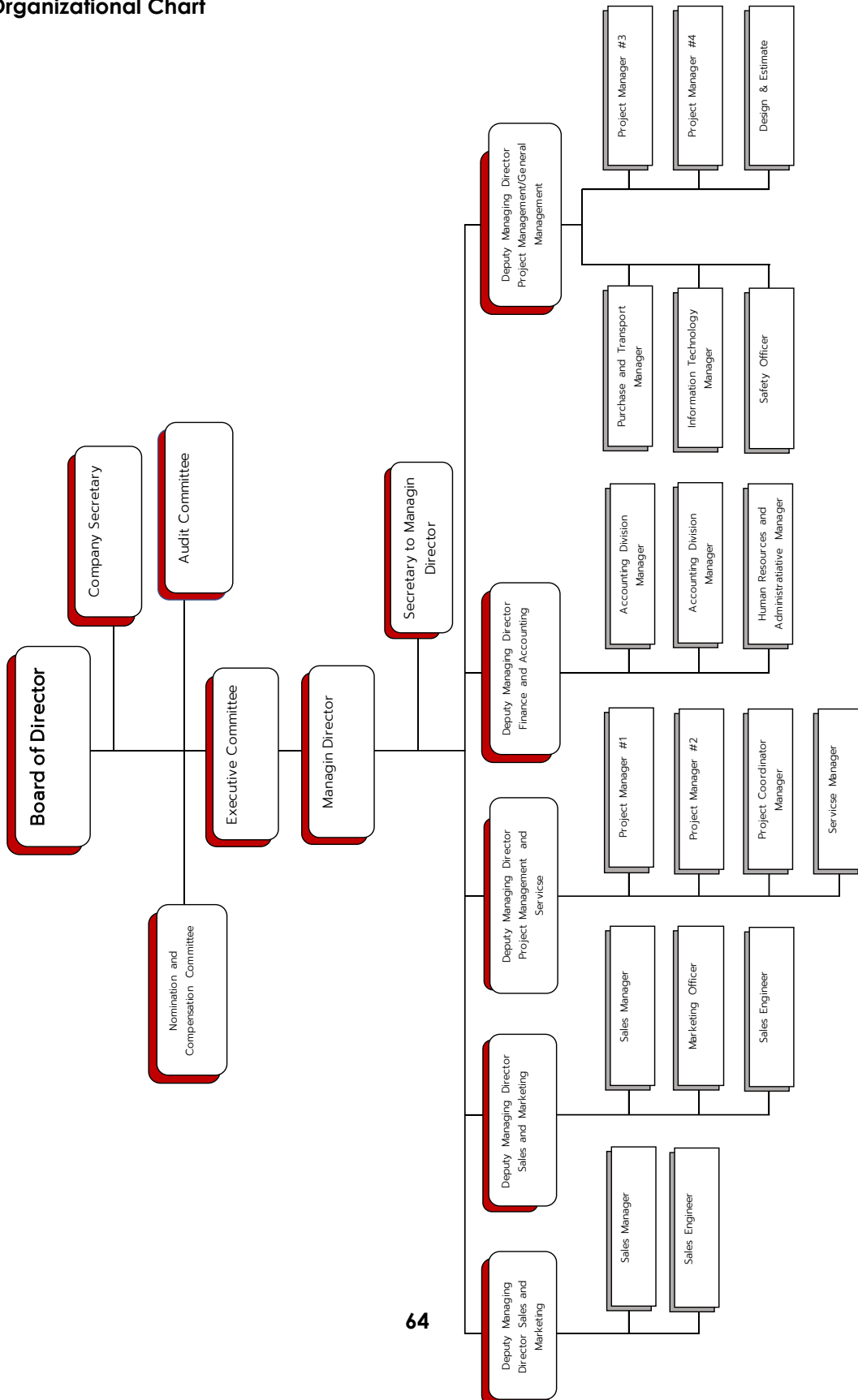


9. Management structure

1. Company Management structure

As of February 21, 2020, the management structure of Infrasets Public Company Limited consists of the Board of Directors and 3 sub-committees, namely Audit Committee, Nomination and Remuneration Committee and the Executive Committee described as follows:

Organizational Chart





As of 31 December 2019, the management structure of Infraset Public Company Limited consists of the Board of Directors and 3 sub- committees, namely the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee. The scope of duties of the various committees of the company are as follows:

1.1 Board of Directors

Name / Surname	Position
1. Mr. Kampanart Lohacharoenvanich	Chairman of the Board, Independent Director, Audit Committee
2. Mr. Saran Supaksaran	Independent Director, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee
3. Miss Lalita Hongratanawong	Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee
4. Mr. Sakboworn Pukkanasut	Director, Managing Director, Member of the Nomination and Remuneration Committee, Executive Committee
5. Mr. Metha Chotiapisitkul	Director, Deputy Managing Director – Project Management / General Management, Executive Committee
6. Mr. Akarawatt Akarasuwannachai	Director, Deputy Director - Project Management and Service, Executive committee
7. Mr.Vichien Jearkjirm	Director
8. Mr. Kasem Techaiya	Director

In which Ms. Warangkana Techaiya is the secretary of the board of directors.

Directors who have signing authority to bind the Company

The authorized directors who sign on behalf of the Company are Mr. Sakboworn Pukkanasut or Mr. Metha Chotiapisitkul or Mr. Akarawatt Akarasuwannachai which two of these three directors jointly sign and affix the company's seal.

The Board of Director's Meeting

Name - Surname	No. of Attendances/No. of Meeting	
	2018	2019
1. Mr. Kampanart Lohacharoenvanich	4/4	6/7
2. Mr. Saran Supaksaran	4/4	7/7
3. Miss Lalita Hongratanawong	4/4	6/7
4. Mr. Sakboworn Pukkanasut	5/5	7/7
5. Mr. Metha Chotiapisitkul	5/5	7/7
6. Mr. Akarawatt Akarasuwannachai	4/5	5/7
7. Mr.Vichien Jearkjirm	3/4	7/7
8. Mr. Kasem Techaiya	-	6/6



1.2 The Audit Committee

The Audit Committee consists of 3 independent directors who are not executives in the Company whose named stated as follows::

Name - Surname	Position
1. Mr. Saran Supaksaran	Chairman of the Audit Committee
2. Mr. Kampanart Lohacharoenvanich	Audit Committee
3. Miss Lalita Hongratanawong	Audit Committee

Mr. Saran Supaksaran, Chairman of Audit Committee who is knowledgeable, capable and experienced in accounting and finance and Miss Warangkana Techaiya was the secretary of the audit committee..

Audit Committee's Meeting

Name – Surname	No. of Attendances/No. of Meeting	
	2018	2019
1. Mr. Saran Supaksaran	2/2	4/4
2. Mr. Kampanart Lohacharoenvanich	2/2	4/4
3. Ms. Lalita Hongratanawong	2/2	4/4

1.3 Executive Committee

The Executive Committee consists of 5 executives whose named stated as follows:

Name - Surname	Position
1. Mr. Sakboworn Pukkanasut	Chairman of the Executive Committee
2. Mr. Metha Chotiapisitkul	Executive Committee
3. Mr. Akarawatt Akarasuwannachai	Executive Committee
4. Mr. Suraphon Siriwatsophon ¹	Executive Committee
5. Ms. Warangkana Techaiya	Executive Committee

Remark: 1. Resigned with effect from February 1, 2020
Ms. Warangkana Techaiya is the secretary of the Executive Committee

Executive Committee's Meeting

Name – Surname	No. of Attendances/No. of Meeting	
	2018	2019
1. Mr. Sakboworn Pukkanasut	5/5	6/6
2. Mr. Metha Chotiapisitkul	5/5	6/6
3. Mr. Akarawatt Akarasuwannachai	5/5	6/6
4. Mr. Suraphon Siriwatsophon	5/5	6/6
5. Ms. Warangkana Techaiya	5/5	6/6



1.4 Nomination and Remuneration Committee consists of:

Name - Surname	Position
1. Miss Lalita Hongratanawong	Chairman of the Nomination and Remuneration Committee
2. Mr. Sakbaworn Pukkanasut	Nomination and Remuneration Committee
3. Mr. Saran Supaksaran ¹	Nomination and Remuneration Committee

Remark: Mr. Saran Supaksaran was appointed in the Board of Director's Meeting no. 5/2019 replaced Mr. Vichien Jearkjirm

Ms. Warangkana Techaiya is the secretary of the Nomination and Remuneration Committee

In this regard, the Board of Directors' Meeting no.1/2019, held on 26 February 2019 has resolved to appoint a Nomination and Remuneration Committee. Since the appointment, the meeting of the Nomination and Remuneration Committee has not yet been held. Due to the fact that there has had only a few number of executives and directors, therefore, the Company has set the role and duty to oversee and control the investment of the Company and to manage business risk to be under the roles and responsibilities of the Board of Directors. However, if in the future, the necessity presents itself, the Company will consider the appointment of a sub-committee to perform the duties in the said section further.

2.. Management Group

There are 5 members of Management group consisting of :

Name - Surname	Position
1. Mr. Sakbaworn Pukkanasut	Managing Director
2. Mr. Metha Chotiapisitkul	Deputy Managing Director – Project Management / General Management
3. Mr. Akarawatt Akarasuwannachai	Deputy Managing Director - Project Management and Service
4. Mr. Suraphon Siriwasophon ¹	Deputy Managing Director - Sales and Marketing
5. Miss Warangkana Techaiya	Deputy Managing Director - Finance and Accounting

Remark: 1.. Resigned effectively from 1 February 2020

3. Company Secretary

In compliance with good corporate governance principles, the Board of Directors' Meeting no.1/2019 (PCL.) held on 22 March 2019, has resolved to appoint Ms. Warangkana Techaiya as the company secretary to help oversee the activities of the Board of Directors in managing the business in the right direction, more transparent and more efficient. The Company Secretary has the following roles and responsibilities:

- Informing the resolutions and policies of the Board of Directors and shareholders to relevant executives as well as giving advice and initial recommendations to the Board of Directors in accordance with the Company's regulations, policies and best practices on corporate governance.
- Preparing and keeping important documents of the Company as follows:
 - Director registration.
 - Notice of the board meeting, Board Meeting Minutes and the Company's annual report.
 - Notice of the shareholders meeting and the minutes of the shareholders meeting.
- Informing the directors and executives to prepare reports of their personal interests and those of related parties in accordance with legal requirements. While keeping the said report as well as sending a copy to the Chairman of the Board of Directors and the chairman of the Audit Committee.



4. Arranging meetings for the shareholders, the Board of Directors, sub-committees as well as coordinate to ensure that all resolutions have been implemented and complied with the related laws, the Company's regulations, charter of each committee as well as guidelines. Recording the minutes of the meeting and monitoring the implementation of the resolutions of the meeting.
5. Ensuring the disclosure of information and material events in own responsibility to the relevant department.
6. Contacting and communicating with general shareholders to be informed of various rights of shareholders.
7. Overseeing the Board of Directors' business and being a coordinator between the Board and executives as well as providing news and information to directors regarding issues related to the Company's business operations. Moreover, Informing Directors and Executives of any changes in regulations related to them.
8. Evaluating the performance of the Board of Directors and every sub-committee, as a whole and on an individual basis. Reporting the said evaluation results to the Board of Directors.
9. Ensuring the compliance of the Company and the Board of Directors with the notification of the Capital Market Supervisory Board, Law governing securities and market as well as other relevant laws and regulations.
10. Performing any other tasks assigned by the Board of Directors.

4. Directors and Executives remuneration for the year 2019

4.1 Directors' remuneration

The 2018 and 2019 meeting allowance for directors (only non-executive directors) is set by the Company detailed as follows:

- Chairman of the board Baht 15,000 / person / meeting.
- All other directors Baht 12,000 / person / meeting.
- Chairman of sub-committees Baht 15,000 / person / meeting.
- All sub-committee member Baht 12,000 / person / meeting.

Name - Surname	Meeting Allowance	
	2018	2019
Mr. Kampanart Lohacharoenvanich	84,000	138,000
Mr. Saran Supaksaran	78,000	144,000
Miss Lalita Hongratanawong	72,000	120,000
Mr. Sakboworn Pukkanasut	-	-
Mr. Metha Chotiapisitkul	-	-
Mr. Akarawatt Akarasuwannachai	-	-
Mr. Vichien Jearkijrm	36,000	84,000
Mr. Kasem Techaiya	-	72,000
Total	270,000	558,000



The 2018 and 2019 remuneration for directors (only non-executive directors) is set by the Company detailed as follows:

- Chairman of the board Baht 8,000 / person / month.
- All other directors Baht 8,000 / person / month.

Name - Surname	Monthly Retainer Fee	
	2018	2019
1. Mr. Kampanart Lohacharoenvanich	48,000	96,000
2. Mr. Saran Supaksaran	48,000	96,000
3. Miss Lalita Hongratanawong	48,000	96,000
4. Mr. Sakbaworn Pukkanasut	-	-
5. Mr. Metha Chotiapisitkul	-	-
6. Mr. Akarawatt Akarasuwannachai	-	-
7. Mr. Vichien Jearkjirm	48,000	96,000
8. Mr. Kasem Techaiya	-	76,000
Total	192,000	460,000

Remark: 1. Appointed at the Annual General Meeting of Shareholders no.1/2019 on 15 March 2019 therefore receiving monthly remuneration in proportion.

In 2018 and 2019, the Board of Directors received remuneration totaling Baht 462,000 and Baht 1,018,000 respectively

4.2 Executive remuneration

The Board of Directors has considered and approved the salary structure of executives and employees along with other benefits such as bonus and remuneration with reference to performance of the Company and the past performance of the individual.

In addition, the regulatory concerning approval authority has stated that in the event that there is a change in the salary structure of executives and employees, it must be approved by the Board of Directors.

In the Board of Directors' Meeting no.1/2019 (PCL.) held on 22 March 2019, has unanimously resolved that the method of determining the remuneration of the current executives of the Company is appropriate according to the level of responsibility and it also could motivate directors and executives to lead the organization to carry out both short-term and long-term goals accordingly.

In 2017 - 2019, the Company paid remuneration to executives in the amount of Baht 5.46 million, Baht 27.84 million and Baht 21.52 million respectively. The remuneration was paid in the form of salaries, bonuses and other incentives (excluding the remuneration of the directors mentioned above) with details as follows:

Year	No. of Executives (person)	Remuneration (Baht)
2017	2	5,468,684
2018	5	27,846,248
2019	5	21,527,547

During the past period, the Company has set remuneration for the Executive Committee at the rate of 1 percent of the major revenue. However, thereafter the Company has revised the executives' remuneration policy approved by the Board on 3 July 2019 for conducting in the next accounting period. The remuneration paid to the executive committee will be calculated at the rate of not more than 10 percent of the profit before the annual corporate income tax.



4.3 Other Remuneration

- Other remuneration for directors
- None -
- Other remuneration for executives
- None -

5. Personnel

In 2017, 2018 and 2019 the number of staffs of the Company detailed as follows:

Work Group	department	Employees (person)		
		2017	2018	2019
1. Management	1.1 Executive Office	2	5	5
2. Sales and Marketing	2.1 Sales and Marketing	1	3	5
3. Project Management	3.1 Project Management	48	51	53
	3.2 Service	3	16	26
	3.3 Project Coordinator	9	13	16
	3.4 Design	-	-	11
4. General Management	4.1 Information Technology	-	1	2
	4.2 Human Resources and Administrative	2	2	10
	4.3 Purchase and Transport	3	3	4
5. Finance and Accounting	5.1 Finance and Accounting	3	4	4
Total (Including five executives)		71	98	136
Total		69	93	129

5.1 Labor Dispute

- None-

5.2 Remuneration for Staffs

Monetary Remuneration

Remuneration of the employees in the year 2017, 2018 and 2019 are as follows

Remuneration	2017	2018	2019
Employees	69	93	129
Salary	19,855,237.50	30,008,972.99	52,317,857.74
Commission / Incentive / Bonus	9,788,451.56	16,198,985.71	18,669,060.03
Contribution to provident fund	811,317.25	1,127,928.49	1,650,836.23
Other welfares	1,766,405.00	3,229,390.00	13,363,460.42
Total	32,221,411.31	50,565,277.19	86,001,214.42

Other Remuneration

-None-



5.3 Human resources development policy

The Company has had a human resource development policy focusing on the progressive development in potential, knowledge and ability of employees with emphasis on individual training for career growth and development in pursuance of meeting business needs and preparing to support the business expansion. Thereupon, the Company has determined to develop human resource in all professions at all levels by combining the development of skills, knowledge, capabilities whilst cultivating the culture and ethics of the organization together in compliance with the strategy and guidelines in the business operations of the Company at present and in the future.

■ Training and Human Resources Development Policy

The Company was conscious that personnel are a valuable resource to drive the organization to succeed and grow sustainably, therefore, the Company then has organized training within the Company in order to assist promoting and developing of the capability of the executives and employees so they would engaged in their works efficiently and effectively with reference to the Company's strategy and goals. The training provided can be divided into internal training courses as follows:

Executives: The Company provides human resource development for executives by arranging high-level management courses to develop leadership skills while adding new knowledge in contemplation of enhancing management expertise to be more efficient and preparing for getting promote to the position consistent with the professional progress and business promotion of the Company. As a consequence, the Company can compete with other businesses and will be ready to be a leader in the industry that the Company operates now and in the future.

Operational level employees: The Company has provided human resource development for operational level employees by organizing a curriculum to develop knowledge and capability according to duties, scope of work and type of work which they are responsible in order to develop skills, knowledge and ability and increase efficiency of their operations. The sample of the above-mentioned curriculums are risk management skill, financial and accounting standards, legal knowledge, computer systems and information technology skills, marketing and sales skills, IT standards, administrative management, electrical safety, etc.

Employees at all levels: The Company has provided human resource development for employees at all levels by arranging training courses for core competencies. For all employees of the Company will be able to work in accordance with the corporate culture and achieve maximum efficiency. The sample of the above-mentioned training courses are orientation for new employees, effective communication, cultivating corporate culture etc.

The Company has had a policy to support the executives and employees to attend the training from institutions or organizations with standards in each profession in order to develop individual knowledge and ability.

■ Knowledge development and management in an organization

In pursuance of a long-term personnel development which will result in success and create added value for the organization, the Company therefore has employed information technology systems in order to promote the increasing of the efficiency of human resource management and development. Additionally, promoting knowledge management in the organization (Knowledge Management) to be able to meet the business goals continuously and sustainably.

■ The policy of retaining High-performing employees and the succession planning

The Company has had a policy of retaining high-performing employees in the organization by providing courses and / or tools for human resource management and development and preparing career advancement plans such as Job Rotation, Job Assignment to support the rapid-speed growth of the organization accordingly also to encourage employees to fully utilize their knowledge, capabilities, and potential in their operations as well as to build and foster bonding and teamwork in the organization and to encourage their devotion to perform their duties in pursuance of meeting the goals of the organization with maximum efficiency. The Company also is conscious of the importance the succession plan of the personnel, especially the high-level executives of the Company, thus the Career Path Development Plan is the way to ensure that the Company has prepared personnel to replace when there are vacancies or for future business expansion.



10 Corporate Governance

1. Corporate Governance Policy

Board of Directors was conscious of the good corporate governance which has induced transparency in business operation and increased the competitiveness of the business as well as increased the confidence of shareholders, investors and other stakeholders. With reference to the good governance regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, the Board of Directors has employed the afore-mentioned regulations as a factor in enhancing the effectiveness of organization management system, creating transparency in business operation, encouraging business ethics in workplace, establishing various internal control systems, centralizing on the shareholders and maintaining benefit of the shareholders. The Board of Directors has reviewed its principles and methods with reference to the Corporate Governance Code at least 1 time a year.

Accordingly, the Board of Directors then has considered and reviewed the good governance policy with respect to the 2017 good corporate governance policy for listed company conforming to good corporate governance policy of the Stock Exchange of Thailand and the Securities and Exchange Commission referring to the definition "Corporate Governance" of G20/OECD Principles of Corporate Governance consisting of eight categories which can be described as follows:

Section 1. Recognizing role and responsibilities as the leader of the organization who creates value for sustainable business

- The Board of Directors has set the objectives and goals of the Company, and has defined strategies concerning operational policies, key resources allocation in order to achieve the Company's objectives and goals. The Board of Directors also has monitored, evaluated, and reported the Company performance as well.
- The Board of Directors has established policy regarding operational guidelines for directors, executives and employees which will assist the Company in term of competing with other businesses and achieving good long-term performance, implementing appropriate business policies and practice to the Company, contributing benefit to society and reducing environmental impact. The Company also focuses on a follow-up of the policy implementation as well as provides regular policy reviewing.
- The Board of Directors has had a duty to ensure that directors and executives perform their duties with responsibility and prudence while maintaining their honest to the organization, also overseeing operations in accordance with the laws, regulations and resolutions of the shareholders' meeting for the greatest benefit of the Company.
- The Board of Directors has had an understanding in the scope of their duties and responsibilities and they have clearly set the scope of duties and responsibilities for the managing director and management of the Company as well as followed up the operations of the managing director and management.

Section 2. Specifying business objectives and major goals for sustainability

The Board of Directors has specified the vision, mission, and values of the organization. The Board of Directors has also specified strategies, goals and annual operational plan requiring the Company's personnel to comply with so the Company would reach its goals within the specified period and it would promote the sustainability.

Vision: To be one of three experts in the business area of telecommunications and computing infrastructure within 5 years.

Mission: Responding to customer's needs and wants through the highest quality of service, maximizing shareholder value appropriately as well creating a long-term and sustainable shareholder wealth. Raising business competence by actively pursuing the development of professional and focusing on improving employees' quality of life, meeting the expectation of all stakeholders in business sector by dedicating to doing what is appropriate and reliable for the Stakeholder also committing to conducting business under good corporate governance.

Corporate Values: The Board of Directors, executives and employees are all drive the Company's strengths whilst they are ready to learn and challenge new things, always enjoy working so a strong corporate culture will lead the Company to reach the goal securely.



In addition, the Board of Directors will ensure that objectives and goals as well as the annual operational strategy or plan mentioned above consistent with the achievement of the objectives and main goals of the Company. The Company also has taken into account environmental factors, opportunities and acceptable risks by employing innovation and technology appropriately and safely. Henceforth, the Board of Directors will convey the main objectives and goals of the Company through strategies and plans which will be informed throughout the organization.

Category 3 Strengthening the effectiveness of the Board of Directors.

- The Board of Directors consists of directors with appropriate qualifications beneficial to the Company's operations. There must be at least one out of the 3 of total number of directors have to be an independent director but not less than 3 persons. The number and qualifications of independent directors shall be in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, the Board of Directors shall ensure that independent directors are able to work efficiently with all committees and can express opinions independently.
- Details concerning the Board of Directors, qualifications of directors, tenure, authority and responsibility, performance evaluation have been specified in the charter of the various committees of the Company. In addition, the directors' information, number of years in the position and holding positions in other listed companies must be disclosed in the annual report and on the company's website as well.
- The Board of Directors has appointed the Nomination and Remuneration Committee. (Nominating Committee) in order to consider the criteria and methods of recruiting people in order to acquire qualified directors that will contribute to the effectiveness of the Committee. In this regard, the role of the Nominating Committee has already been specified in the charter of the said committee.
- The Board of Directors will oversee and supervise that every director is responsible for performing duties and allocating sufficient time by specifying in the charter and notifying all directors. The Board of Directors will also specify the appropriate number of listed companies that each director can hold his position as well as determine the number of attendances in the meetings so the directors will perform their duties effectively and efficiently
- Establishing investment policies and performance evaluation policy regarding the operations of subsidiaries, associate companies and joint ventures.
- Arranging for the performance evaluation of the Board of Directors, sub-committee and individual directors at least once a year.
- Supporting all directors to acquire knowledge, understanding and enhance operational skills regarding roles and responsibilities, nature of business and related laws.
- Arranging meeting schedule and meeting agenda in advance so the directors can arrange the time and attend the meeting.



In this regard, the Company has appointed the company secretary to perform duties relating to the meeting of the Board of Directors, shareholder meeting, to support the operation of the Board of Directors as well as to coordinate to ensure that all resolutions have been implemented and complied with. The company secretary must have the knowledge and experience necessary and appropriate to support the work of the Board and should obtain continuous training and knowledge development which is beneficial to the performance of duties.

Category 4 Recruiting and developing of High-Level Executives and Managing of personnel.

- The Board of Directors has assigned the Nomination Committee to consider the criteria and methods for recruiting suitable persons for the position of managing director. However, the Board of Directors has specified the qualifications of the managing director, high-level executives, succession plan, with details as according to the policy on recruiting executives to inherit important positions of the Company,
- The Board of Directors will oversee that the remuneration structure and the evaluation of high-level executives have been carried on appropriately by comparing to the duties, responsibilities, and estimated remuneration level among other businesses in the same industry, the company performance as well as performance and capabilities of each high-level executive.
- The Board of Directors will ensure that the structure and shareholder relations are not a barrier to the Board's operation. In the case of a change of director or a new director, the Board will inform new directors of business character and business direction accordingly.
- The Board of Directors will monitor the management and development of personnel regarding the number of personnel, knowledge obtained, skills, experience and appropriate motivation. Besides, the Board of Directors will promote the training and educating for those involved in the corporate governance system of the company such as directors, audit committee, executives and company secretary.

Category 5 Promoting innovation and operating business with responsibility.

The Board of Directors was conscious of the importance and the support of innovations development since it creates business value and contributes to the company's sustainable growth. In the meantime, the Company has created mutual benefits for the Company, customers, business partners or related parties and adhere to its responsibility to society and the environment. The Company also has allocated and efficiently managed resources. The Board of Directors will promote innovation then will monitor and encourage the management to use innovation as part of the operational development strategy and to use it to define business model and thinking methods, improve operational process, manage the information technology management as well as supervise the risk management for the Company will be able to achieve objectives, business strategy and the main goal. In this regard, the guidelines for each group of stakeholders are as follows:

- (1) Shareholder: The Company is determined to operate the business to ensure sustainability in order to increase the value of the Company so it will benefit the shareholders with good returns they have expected.
- (2) Employees: The Company will ensure that all employees' capabilities will be promoted and developed to their fullest. The Company also has provided fair employment conditions, appropriate compensation and channels for commenting moreover providing good welfare and a good working environment. Last but not least, the processes of hiring, appointing, transferring and considering punishment must be considered based on fairness.



- (3) Customers: The Company is committed to providing quality service which will meet the standards required, being punctual, offering a variety of services and abiding strictly by the agreement to meet the needs of customers both short and long term and to build customers confidence and maximum satisfaction in the service.
- (4) Business Partners: The Company will respect the rights and treat all partners with equality and fairness also strictly fulfilling the contract or various conditions agreed. In addition, the Company has had guidelines for monitoring and evaluating business partners for sustainable business development.
- (5) Community, society and environment: The Company brings business knowledge and experience to develop projects that can materially benefit the community. For the environmental aspect, the Company will ensure that the Company will not cause a negative impact on the environment.
- (6) Competitors: The Company will operate the business openly, transparently and the Company will not initiate an unfair competition or encourage corruption.

Category 6: Ensuring that there is an appropriate risk management and internal control system

- The Board of Directors has appointed the Audit Committee to oversee and supervise the Board of Directors regarding its operational duty towards the Company. Moreover, the Audit Committee will also provide honest opinions on financial reports, internal control system and risk management so the Company will effectively achieve the objectives desired. Besides, the Audit Committee will provide opportunities for management and auditors to have consultations in order to manage potential risks and for the financial report to be reliable. The scope of duties and responsibilities of the Audit Committee is specified in the Audit Committee Charter.
- The Board of Directors has established a risk management policy and appointed a risk management working group to oversee the company's risk management.
- The Board of Directors will monitor and resolve the issues concerning the conflicts of interest that may occur among the Company, management department, Board of Directors and shareholders. The Board will assure that there have measures or methods in contemplation of preventing improper use of the property, information and opportunities of the Company as well as dealing with doing transactions improperly with persons who have a relationship with the company. Furthermore, the Board of Directors should establish anti-corruption policies and guidelines subsequently.
- The Company has established the reporting system encourages the disclosure of any potential violations or corruption and the Company also provides employees and third parties with the opportunity to make a report through a dedicated channel, anonymously. Thereafter, the Audit Committee will order the investigation and find a solution (if any) and report to the Board of Directors in the future. Reporting of corruption complaint has been stated in the anti-corruption policy.

Section 7 Maintaining financial reliability and disclosing of information

- The Board of Directors adhere to the importance to the disclosure of financial information that is accurate, sufficient, timely, by ensuring that there will be sufficient number of personnel involved in the preparation and disclosure of information who have knowledge, ability and are suitable for their responsibilities. Besides, the Board of Directors will ensure that the disclosure of information, financial statements, annual report, Form 56 - 1 and preparation of Management Discussion and Analysis (MD&A) have adequately reflected financial status and performance of the Company.
- The Board of Directors will monitor the adequacy of the company's liquidity and Long-term debt paying ability. In which the management has to regularly report to the Board of



Directors and there must be a discussion between the management and the Board of Directors to find a solution in the event that there have business factors indicating liquidity problems.

- In the event that the Company experiences financial problems or is likely to encounter such problem, the Board of Directors will ensure that the Company has a plan, having been considered in consideration of the reasonableness of the afore-mentioned plan, creditors and right of all stakeholders.
- The Company has recruited the Investor Relations officers to appropriately, equally and timely communicate with shareholders and other parties. In addition, these officers will be responsible for disseminating of the Company information, financial information and general information of the Company to the shareholders, Securities Analyst, credit rating companies and relevant government agencies through various channels for instance reporting to the Securities and Exchange Commission and The Stock Exchange of Thailand as well as publishing on the Company's website etc.
- The Board of Directors will promote the use of information technology in the dissemination of information. The Board of Directors is also conscious of importance of disclosing information regularly for the shareholders to receive regular news via the Company website. However, the said information has to be kept up to date.

Section 8 Supporting participation and communication with shareholders

- The Board of Directors will ensure that Shareholders are involved in the decision-making on important matters of the Company so meeting invitations letter along with relevant documents will be sent to them meanwhile having been published on the Company's website prior to the meeting date according to the period specified by relevant laws or relevant regulations so the shareholders will have time to study the information in advance of the meeting date. The Company will specify the criteria for minority shareholders to propose additional meeting agenda. And nominate a person to be a director.
- The Board of Directors will ensure that the proceedings on the shareholders' meeting proceed with transparency, efficiency and efficiency allowing shareholders to exercise their rights equally so they can freely express their opinions, offer suggestions or asking questions on related agenda at their discretions prior to voting on any agenda and prior to all directors and relevant executives will attend the meeting to answer the questions of the shareholders at the meeting
- The Board of Directors will oversee the disclosure of the resolutions of the meeting and the preparation of the minutes of the shareholders' meeting correctly and completely according to relevant rules and regulations.



2 . Board of Directors and Sub-Committees

1.1 Structure of the Board of Directors

The Board of Directors will appropriately and necessarily determine and review the structure of the Board of Directors regarding the size, composition, and proportion of independent directors for achieving the main objectives and goals of the Company which can be summarized as follows:

1. Board of Directors

Composition

The Board of Directors is responsible for supervising the management of the Company to be in accordance with the laws, Company's objectives and Articles of Association. Moreover, the Board of Directors is also responsible for overseeing the executives to work under the corporate governance policy with the consideration of social responsibility, promoting the confidence of shareholders, the public and all groups of stakeholders.

The Board of Directors consists of the Chairman, the Managing Director and other directors a total of not less than 5 members. The directors not less than half of the total number of directors shall have residence in the Kingdom and shall have qualifications as according to the law. There shall have independent directors not less than 1 in 3 of the total number of directors and not less than 3 persons. The shareholders shall approve the appointment of the Board of Directors thereafter the Board of Directors will nominate one director to be the Chairman of the Board. The appointment of the Board of Directors shall be in accordance with of the Company's Articles of Association and relevant laws besides, the appointment shall be transparent and vibrant, considering the educational background and the professional experience of that person with sufficient details for the benefit of the decisions of the Board of Directors and shareholders.

Qualifications of the Board of Directors

- Directors must be knowledgeable, capable, honest, and ethical in conducting business and have sufficient time to devote knowledge, ability to perform duties for the Company.
- Directors must have qualifications and are not under any prohibition under the law on public limited companies and other related laws. Moreover, they must not have characteristics that indicate lack of appropriateness to be entrusted with the management of a public-owned business as stipulated by the Office of the Securities and Exchange Commission (SEC).
- Directors can hold the position of director in not more than 5 other listed companies however, being director in another listed company must not be a barrier to the performance of the Company's directors and must comply with the guidelines of the Stock Exchange of Thailand (SET).
- Independent directors must have qualifications concerning independency as specified by the Company and in accordance with the same guidelines as the qualifications of the Audit Committee according to the announcement of the SET, Subject: Qualifications and Scope of Work of the Audit Committee. The independent directors must be able to look after the interests of all shareholders equally as well as prevent conflicts of interest. In addition, they must also be able to attend meetings of the Board of Directors with independent opinions.

Terms

In Annual General Meeting of Shareholders, the directors must be retired at least 1 in 3 but if the number of retiring directors cannot be divided equally into three parts, the number of directors to be retired must be the closest number to one- third. The directors who are retired by rotation manner are able to be appointed to be a director again in case that the meeting has chosen them to take office again. The directors who have to retire in the first and second years after the registration of the Company must draw lots to select who will retire, and for the coming year, the directors with the longest positions must retire. Apart from the expiration of the term, the directors vacate office upon



- Dead
- Resign
- Lacking qualifications or having legal prohibited characteristics under the law on public limited companies or having characteristics that indicate lack of appropriateness to be entrusted to the management of a public-owned business as specified in the Securities and Exchange Act.
- The meeting of shareholders resolved to the position.
- The court issued an order.

In the event that the position of the director is vacant for other reasons apart from the expiration of the terms, the Board of Directors must select any person who has suitable qualifications and not being under any of the prohibitions as required by law to replace in the next committee meeting. In the event that the remaining terms of director is less than 2 months, the person to replace the aforementioned member can hold the position only for the remaining terms of the replacement.

The Directors' remuneration

The remuneration of directors is consistent with their duties, assigned responsibility and in accordance with the best practice guidelines for company director of the Thai Institute of Directors Association. In determining the directors' remuneration, The Board of Directors has stipulated rules for determining remuneration for directors and sub-committee by considering from 1) the appropriateness regarding the Company performance; 2) the appropriateness comparable to the company's practiced in the same industry and size and 3) the appropriateness according to duties and responsibilities of an individual director.

Scope of duties of the Board of Directors

1. Performing duties in accordance with the law, Company's objectives and Articles of Association, the resolutions of the Board of Directors and the shareholders' meeting with honesty and thoroughly to protect the Company's interests.
2. Providing the balance sheet and profit and loss statement of the Company. Considering and approving quarterly financial statements and proposing to the shareholders' meeting to consider and approve the annual financial statements.
3. Ensuring the Company to have a suitable and efficient accounting system and providing reliable financial report and audit, and also establishing an adequate and appropriate internal control and internal audit system with monitoring on a regular basis.
4. Determining goals, guidelines, directions, policies, strategies, business plan, budget, investment budget as well as allocating important resources and monitoring and supervising the executives to efficiently and effectively manage in accordance with the agreed policies. These all have been done in order to create sustainable value for the business, competitive advantage and good performance for the Company. Conducting business with ethics and with respect to the rights and responsible to shareholders, stakeholders, society and environment.
5. Establishing the risk management policy, which can be applied to the whole organization and also supervising and controlling in order to have a process in managing risk with supporting measures and control methods to reduce the adverse effects on the Company's business.



6. Establishing the management structure and determining the level of authority. Having the power to appoint / change the scope of power with regard to Managing Director's Duties, Sub-committees, the management, management department, or any other persons as appropriate to carry out the Company's business or to perform any act on behalf of the committee. In this regard, the delegation of authority within the specified scope of authority must not be a form of authorization empowering the Managing Director, every sub-committee, the Management or any person, to acquire power to consider and approve lists waiting to be voted that may conflict, have interest or any other conflict of interest with the Company or subsidiaries (if any) as defined in the notification of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand And / or any other notices of the relevant department, except for the approval of lists waiting to be voted that are in accordance with the policies and criteria that the Board has already considered and approved.
7. Providing a good corporate governance policy, Anti-Corruption Policy, Code of Ethics and Business Ethics of the Company, Code of ethics and business ethics for directors, executives and employees to be a guideline for business operations, and providing a review of such policies as appropriate one time per year.
8. Supervising and overseeing management And the operations of the Company and its subsidiaries (if any) for it shall be in accordance with the laws, announcements, regulations, policies and related practices, such as the Securities and Exchange Act, the announcement of the Capital Market Supervisory Board, the announcement of the Stock Exchange of Thailand, such as the business practice on connected transaction and the acquisitions or dispositions of important assets as well as taking care of the business operation to not cause conflicts of interest.
9. Giving advice / suggestion and making decisions with prudent discretion based on the matters proposed in the agenda of the Board of Directors' meeting. Outside Directors are ready to freely exercise their discretion in considering and opposing the actions of other directors or the management department in the event that there is a conflict of interest with a significant impact on the Company and shareholders.
10. Arranging for a review of strategy, vision and mission and the shared values of the organization whilst considering the changing environment and encouraging the use of innovation and technology that is appropriate for the business ecosystem, in the meantime, taking into account the needs of customers and stakeholders and also taking into consideration the competitiveness of the business annually.
11. Providing the disclosure of important information accurately, sufficiently, in time and in accordance with relevant rules, standards and practices.
12. The Board may authorize one or more directors or sub-committee or any other person to perform any act on behalf of the Board of Directors however, this practice has to be under the control of the board. The Board of Directors may delegate power to the aforementioned persons to have the powers and duties of the Board as appropriate and within the period of time as the Board deems appropriate but shall be subject to the Board decision in which the Board may cancel, revoke Change or amend the authorized person as appropriate.
13. Delegating of duties and responsibilities by the Board of Directors must not be in the form that the persons having been delegated duties and responsibilities can approve transactions that themselves or persons who may have conflicts of interest. (Means as specified in the notification of the Securities and Exchange Commission), may have interest r there may be conflicts of interest with the company, except for the approval of transactions in the manner of transactions in accordance with the policies and criteria prescribed by the Board of Directors Or the shareholders' meeting has approved which is in accordance with the law on securities and stock exchange, regulations, announcements or orders or requirements of the Stock Exchange of Thailand or the SEC and / or related laws.



The meeting

1. To hold a board meeting at least one time per quarter by pre-scheduled meetings throughout the year and each committee is informed in advance.
2. Chairman and the managing director jointly considered the matter of the meeting agenda.
3. Arrange for the meeting invitation, the meeting agenda and meeting documents to be sent to the directors at least 3 days before the meeting date in order to have sufficient time to consider the information.
4. Requiring that all the committee members join the quorum when voting on important matters such as the acquisition or disposition of assets of the Company and its subsidiaries which has a significant impact on the Company, investment project expansion, financial management policy and risk management, etc.
5. In the meeting, if any director being a stakeholder in the agenda considered, he or she must leave the meeting before considering the agenda.
6. Every director has the right to propose matters to the meeting agenda, to check the meeting documents and other important documents, if in doubt, other directors and management department must take steps to answer that question.
7. Company Secretary or assignee must prepare the minutes of the meeting completely within the time specified by law.
8. In the board meeting, there must have directors not less than half of the total number of the directors for it will be eligible to constitute a quorum. The decision of the meeting shall be made by a majority of votes.
9. Each director has one vote, if the votes are equal the chairman of the meeting shall have a casting vote.

2. Audit Committee

Composition

The Audit Committee consists of independent directors to help the Board of Directors and increase management flexibility as well as provide opportunities for management and auditors to discuss possible risks to ensure that the financial reports is accurately disclosed, in accordance with relevant standards and regulations.

The Audit Committee must have at least 3 members, all of them must be independent directors. The Board of Directors will elect one of the Audit Committee to be the Chairman of the Audit Committee.

Qualifications of the Audit Committee

The Audit Committee must be appointed by the Board of Directors and / or the shareholders' meeting and must be independent directors with qualifications as specified in the SEC notification as follows:

- Not being a director assigned by the Board of Directors to decide the business operations of the Company, parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or the person with power of controlling the Company.



- Not being a director of the parent company, subsidiary company and same-level subsidiary company in the listed company only.
- Have sufficient knowledge and experience to be able to perform duties as an Audit Committee regarding the assigned mission. The Audit Committee must be able to devote sufficient time to the Audit Committee's tasks.
- At least one person of the Audit Committee has the sufficient knowledge and experience to review the reliability of the financial statements. The Company must state such qualifications of whose Audit Committee in 56 - 1 and 56 - 2 form. Also, those qualifications must be specified in the certificate and biography of the Audit Committee submitted to the SET.

Terms

The Audit Committee has a term of 3 years. Upon completion of their terms, members of the Audit Committee who have completed their term may be re-appointed with a term of no more than 3 consecutive terms, unless a consensus has been approved by the Nomination and Remuneration Committee that holding the position beyond the specified terms does not cause independence to disappear. The re-appointment shall obtain approval from the board of directors' meeting and / or the shareholders' meeting of the Company as well

Remuneration

The remuneration of the Audit Committee is consistent with their duties, assigned responsibility and in accordance with the best practice guidelines of the Thai Institute of Directors Association. In determining the Audit Committee's remuneration, the Board of Directors has stipulated rules for determining remuneration for the Audit Committee and sub-committee by considering from 1) the appropriateness regarding the Company performance; 2) the appropriateness comparable to the company's practiced in the same industry and size and 3) the appropriateness according to duties and responsibilities of an individual director

Scope of duties and responsibilities of the Audit Committee

1. To review to ensure that the Company has accurate and sufficient financial reporting.
2. To review to ensure that the Company has an appropriate and effective internal control and internal audit systems and consider the independence of the internal audit department as well as giving approval to the appointment, transfer, and termination of the head of the internal audit department.
3. To consider the adequacy and appropriateness of the internal control system and the internal audit and give suggestions to the internal audit department and the Board of Directors. Considering the annual internal audit plan of the Company and evaluating of the inspection together with the internal auditor in order to ensure that first, the audit plan will help increase the efficiency of the Company's business operations, second, the detection of fraud or defects of the internal control system.
4. To review to ensure that the Company complies with the securities and exchange laws, regulations of the Stock Exchange of Thailand and laws related to the Company's business.



5. To consider, select and propose the appointment of an independent person to act as the company's auditor and propose the remuneration of the said person
Including meeting with the auditor without the management to attend the meeting as well at least 1 time per year.
6. To consider the connected transaction or the transaction that may have conflict of interest to be in accordance with the laws and regulations of the Stock Exchange of Thailand to ensure that the said transaction is reasonable and is of the maximum benefit to the company.
7. To prepare a report of the audit committee to disclose in the company's annual report, which must be signed by the chairman of the audit committee and consist of at least the following information:
 - (A) Comment on the accuracy and completeness. Being reliable of the Company's financial reports.
 - (B) Opinion about the sufficiency of the internal control system of the Company.
 - (C) Opinion on compliance with the securities and exchange law of Thailand and regulations of the Stock Exchange of Thailand or laws related to the Company's business.
 - (D) Comment on the suitability of the auditor.
 - (E) Comment on transactions that may have conflicts of interest.
 - (F) Number of the audit committee meetings and the attendance of each audit committee's meeting.
 - (G) Overall opinion or observation that the audit committee has received from performing duties under the charter.
 - (H) Other transactions which the shareholders and general investors should know within the scope of duties and responsibilities granted assigned from the Board of Directors.
8. To report regular activity to the Board of Directors' acknowledgment, such as the report of the audit committee's meeting which clearly specifies the opinion of the Audit Committee, report relating to the opinion on financial statements, internal audit and internal audit processes and any other reports that the Board of Directors should be acknowledged.
9. To have the power to inspect and investigate relevant persons as needed in various matters as well as requesting company information as necessary to accomplish the duties under the responsibility of the Audit Committee.
10. To have the power to hire specialized experts to assist in the audit work as the Audit Committee deems necessary at the Company's expense.
11. To perform other duties as assigned by the Board of Directors with the approval of the audit committee.

The meeting

1. The Audit Committee has arranged or called a meeting as it deemed appropriate at least 4 times a year. The Audit Committee has had the power to call for additional meetings as necessary with the quorum consists of not less than half of the members of the Audit Committee.
2. All directors should attend every meeting unless there is a necessity, that director should notify the chairman of the Audit Committee at least 3 days in advance.



3. The Chairman of the Audit Committee shall be the chairman of the meeting. In the event that the chairman of the Audit Committee is not present at the meeting or at the required resolution of the meeting, the members of the Audit Committee who are present at the meeting shall elect one of them to be the chairman of the meeting.
4. Specific Meetings with the management or the internal auditor or Auditor must be provided regularly at least 1 time per year.
5. The resolution of the Audit Committee can be made by a majority of votes. However, the Audit Committee who has any interest in consideration of the matter must not participate in expressing their opinions and voting on that matter. If the votes are equal, the chairman of the meeting shall have a casting vote.

3. Nomination and Remuneration Committee

Composition and qualification

Nomination and Remuneration Committee (Nominating Committee) appointed by the Board of Directors by selecting from certain amount of directors of the Company or a qualified person. In this regard, the independent director shall be the chairman of the Nomination and Remuneration Committee.

Terms

Requiring that 1 in 3 of the Nomination Committee members have to vacate their positions every year in which the members with the longest position shall retire. Members who are retired by rotation may be re-elected to the position by Received majority votes from the Board of Directors For appointment of replacement directors in case of vacancy Nominating Committee will consider the selection of directors and / or experts then propose to the Board of Directors for further appointment.

Remuneration

The remuneration of the Nomination and Remuneration Committee is consistent with their duties, assigned responsibility and in accordance with the best practice guidelines of the Thai Institute of Directors Association. In determining the Committee s' remuneration, the Board of Directors has stipulated rules for determining remuneration for the Nomination and Remuneration Committee and sub-committee by considering from 1) the appropriateness considering the Company performance; 2) the appropriateness considering in a manner comparable to the level practiced in similar industries and businesses and 3) the appropriateness considering duties and responsibilities of each member.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

1. To search, select and nominate appropriate persons to assume the position of the Independent Director, the Chairman of the board and the Company's directors whose terms have expired or become vacant, including newly appointed director and proposing it to the Board of Directors and/or Shareholders Meeting for approval as appropriate.
2. To search, select and nominate appropriate persons to assume the position of director in many sub-committees of the Company. Managing Director, senior management and company secretary whose terms have expired or became vacant, including newly appointed director and proposing it to the Board of Directors and/or Shareholders Meeting for approval as appropriate.
3. To determine necessary and appropriate monetary and non-monetary remuneration of the Board of Directors many sub-committees of the Company. Managing Director, senior management each year, by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, the benefits expected in return from each director and the market situation
4. To determine bonus and annual salary increase rate by considering the Company profit.



5. To consider salary structure and other benefits of the Company.
6. To consider and examine the names of those nominated as directors with the relevant agencies to ensure they are not blacklisted or withdrawn from the lists created by these agencies.
7. In the event that retired member of the Committee has been re-nominated, his achievement, the history of attending the board of directors 'meeting and shareholders' meeting shall be presented to shareholders for consideration as well.

The meeting

1. Nomination and Compensation Committee shall schedule a meeting at least 2 times a year as necessary and appropriate.
2. The agenda and meeting documents must be sent to the Nomination and Remuneration Committee in advance of the meeting.
3. In the meeting of the Nomination and Remuneration Committee, there must be at least half of the committee members attend the meeting to constitute a quorum.
4. The resolution of the Nomination and Remuneration Committee is based on the majority votes of the members attending the meeting. Directors with interests in any matter must not participate in the consideration or resolution.
5. Nominating Committee must report the results of their duties to the Board on a regular basis and preparing annual report of duties for the shareholders in the annual report.

4. The Executive Board of Directors **Composition and qualification**

The Executive Board of Directors is appointed by the Board of Directors by selecting from the committee and a number of qualified executives of the Company.

Terms

The Executive Board of Directors has a term of 1 year. Upon completion of the said term The Executive Board of Directors members who have completed their term may be re-appointed.

Scope of duties and responsibilities of the Executive Board of Directors

1. To consider strategies and business plans including the management structure and various management powers of the Company to propose to the Board of Directors for further consideration.
2. To efficiently monitor, follow and implement policies and various management guidelines of the Company which have been assigned by the Board of Directors.
3. To consider and approve the annual budget and the investment of the Company prior to presenting to the Board of Directors for further consideration and approval.
4. To consider the remuneration policy and salary structure of the employees to propose to the Nomination Committee prior to proposing to the Board of Directors for further approval.
5. To have the power to do legal acts binding the Company as stipulated in the Company's policies and procedures Subject to Approve Authority.
6. To perform other operations as assigned by the Board of Directors.

The meeting

1. The Executive Board of Directors' meeting requires at least 6 meetings a year as necessary and appropriate.
2. The agenda and meeting documents scheduled shall be sent to The Executive Board of Directors before the meeting.
3. At the meeting of The Executive Board of Directors at least half of the committee members are required to attend the meeting to constitute a quorum.



4. The resolution of The Executive Board of Directors shall be based on the majority of the committee members who attend the meeting. Committee members with interests in any matter must not participate in the consideration or resolution.
5. The Executive Board of Directors must report its performance to the Board of Directors and prepare annual report of duties for the shareholders in the annual report.

5. Managing Director

Scope of duties and responsibilities of the Managing Director

1. To supervise the overall operations of the Company to comply with the Company's business objectives and as assigned by the Board of Directors.
2. To formulate business strategies and plans for submission to the Board of Directors and proceed to achieve goals in accordance with business strategies and plans approved by the Board of Directors.
3. To perform and carry out the duties as assigned by the Committee in accordance with the policy of the Board of Directors.
4. To issue an order, regulations, announcements, memorandum for the operations to be in accordance with the policy of the Board of Directors.
5. To approve and / or authorize power regarding juristic acts which will bind the Company in accordance with normal business transactions of the Company including transactions that the Managing Director has been authorized by the Board of Directors to carry out. This shall include any transaction that is not a direct binding on the property of the Company.
6. To coordinate the Management and employees to comply with the business policies and directions from the Board of Directors.
7. To seek new business opportunities and investments relating to the Company's main business to increase income and profit of the Company.
8. To consider the way to use the Company's assets to incur any encumbrances with individuals, companies, stores, or financial institutions to propose to the Board for approval.
9. To consider and approve the payment of normal operating expenses in accordance with the amount approved by the Board of Directors.
10. To consider and approve investment financial instruments and securities to account for the Company in the amount approved by the Board of Directors.
11. To approve the principles of investing in business expansion as well as joint ventures with other entrepreneurs then present to the Board of Directors for approval at the next meeting.
12. To approve important investment expenditure as specified in the annual expenditure budget or which the Board of Directors has approved in principle.
13. To supervise the work of the employees in accordance with policy. Regulations Including operations with good corporate governance principles
14. To promote and develop the knowledge, capabilities and potential of the employees to increase the overall potential of the organization.
15. To consider and appoint various advisor which is necessary for the Company's operations.



16. To consider and approve connected transactions being normal commercial conditions, such as buying or selling goods or services at market prices, charging service fees at the normal rate and giving credit terms like general customers etc.
17. To approve, appoint, transfer and terminate executive level employees.
18. To operate other businesses as assigned by the Board of Directors. However, the Managing Director does have neither the authority to approve matters or any connected transactions that are not considered a normal business condition nor the acquisition or disposal of assets of the Company and/or transactions that the Managing Director or the connected person with any related interest or the conflict of interests with the Company or conflicts of interest in any other way with the Company do with the Company except for those having been considered normal business conditions according to the approved policies and guidelines by approving the transaction according to the policy and criteria approved by the Board of Directors and requesting the shareholders' approval in connection with the transaction and the acquisition or distribution of important assets of the Company in order to comply with the regulations of the SET in such matters.
19. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director within the scope of authorization under the power of attorney provided and/or to be in accordance with the rules, regulations or orders that the Board of Directors has stipulated. Therefore, the delegation of duties and responsibilities must not vest in the Managing Director or a delegate so they or the connected persons (As defined in the notification of the Securities and Exchange Commission or announcement of the Capital Market Supervisory Board) or person with personal interest, or person having conflicts of interest of any character with the Company are able to approve such transactions except for approval of transactions that are in accordance with the policies and criteria approved by the meeting of shareholders or the Board of Directors.

6. Risk Management Working Group

The Board of Directors has recognized the importance of good corporate governance processes so it has specified the corporate risk management as part of the good corporate governance process that helps the Company achieves the objectives and goals. Risk is an unwanted event to occur however, if that happens, the Company should be least affected from such risk. Therefore, the Company has arranged for corporate risk management by applying the principles of corporate risk management in accordance with the COSO risk management guidelines and framework, becoming a generally accepted risk management standard to be used as a guideline for risk management of the Company.

According to the risk management of the Company, there must have been cooperated from personnel at all levels of the Company, including the Board of Directors, the Audit Committee, high-level executives, personnel under the risk management working group / the risk management working group, line managers / departments / divisions of the Company and supervisors and employees of the Company.

Roles, duties and responsibilities of the Board of Directors, the Audit Committee, high-level executives which related to risk management are

- To have an understanding of the risks of the organization, support, promote the policies or guidelines for risk management.



- To supervise and monitor risk management including establishing an efficient internal control system to ensure that the organization's risk management is sufficient and appropriate.
- To monitor the work of departments related to internal control and risk management.
- To support the implementation of policies or guidelines for risk management and ensures that risk management processes are implemented throughout the organization.

The roles and responsibilities of the Company's risk management working group are as follows:

- To establish risk management guidelines.
- To monitor the development of risk management framework.
- To monitor the process of identification and risk assessment.
- To assess and create risk management plans.
- To report the Audit Committee and the Board of Directors regarding risks and risk management.

7. Evaluation of the Board of Directors and sub-committees

The Company has provided an evaluation of the performance of the Board of Directors and sub-committees one time a year in contemplation of evaluating the performance effectiveness of the Committees which have been performing according to guidelines on good corporate governance besides, assisting the Committees to review the work issues and obstacles during the past year whilst utilizing the evaluation results to improve the Committees' performance. There has the criteria for evaluating the Board of Directors in term of the committee and individual which covers six topics including structure and qualifications of the Committees, roles, duties and responsibilities of the Committees, the Committees' meetings, duties of members of the Committees, relationship with the management department and self-development of directors and executive development.

Thereafter, the Company secretary will submit the Risk Management Working Group the performance evaluation report of the committees including the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee in order to evaluate the performance of the entire committees and individual committee. The performance evaluation of the Board of Directors and sub-committees can be summarized as follows:

Board of Directors / Sub - Committees	Performance Evaluation of the Board (%)	Performance Evaluation of Individual Directors (%)
The Board of Directors	98.65	95.74
The Audit Committee	98.41	98.48
The Nomination and Remuneration Committee	96.43	97.73
The Executive Committee	96.79	95.45



8. Audit Committee with Experience and Knowledge of Accounting and Finance

Mr. Saran Supaksaran, was the Chairman of the Audit Committee who has had sufficient knowledge and experience in accounting and finance to be able to review the credibility of the Company's financial statements, with experience in reviewing financial statements as follows

Work Experience and Training Record

Master of Science in Finance Chulalongkorn University
Bachelor of Accounting, Thammasat University
Training: Director Accreditation Program (DAP) 114/2558 / Thai Institute of Director Association (IOD)
Training: Audit Committee Program (ACP) 25/2560 / Thai Institute of Directors Association (IOD)

Work Experience

Time	Position / Company
2014 – Present	Director / Independent / Audit Committee / Rajthanee Hospital PCL.
2015 – Present	Director / Independent / Audit Committee / Rajapruek Hospital PCL.
2018 – Present	Independent / Audit Committee / Vending Corporation Co., Ltd
2015 – Present	Director / Bunchikij P&S Consolidation Co., Ltd.
2013 - 2015	Director of Federation of Accounting Professions

2.2 Nomination and Appointment of Directors and High-Level Executives

The Company has had personnel preparation/professional development policies in favor of preventing shortage of personnel in important positions in the organization in the future. The succession plan has been established for continuity of the work and organizational management. The succession plan initiating with the Management Level in furtherance of preparing the manpower and potential personnel being capable of efficiently taking important positions of the organization, meeting the objectives and supporting the sustainable growth of the Company.

Recruitment and Appointment of Directors

The Nomination and Remuneration Committee will select and nominate suitable individuals for various positions, including directors, committee members in sub-committees thereafter proposing to the Board of Directors.

Recruitment and Appointment of High-Level Executives

According to the succession plan, the Company has had guidelines for succession for 2 key management positions, including the Managing Director and Deputy Managing Director of Accounting and Finance which is summarized as follows:

Managing Director

Responsibilities: Setting policy, direction and management of the Company, planning strategies and managing overall performance to meet the objectives and goals in order to create long-term value and benefit for the stakeholders of the Company.

Qualifications and Experience: Minimum, master's degree in Business Administration, Marketing Economics or other related fields with at least 15 years of overall work experience, having previously held a position as a high-level executive of the organization for at least 5 years.

Position-Specific Qualifications: visioning, organizing, carrying the ability to empower and motivate others, acquiring the ability to build a network and partnership and possessing knowledge regarding sustainable development organization.



Deputy Managing Director of Accounting and Finance

Responsibilities: preparing and submitting quarterly and annual financial statements in accordance with Financial Reporting Standards and the regulations of the Stock Exchange of Thailand as well as the Office of the SEC. Managing financial, planning budget and investment, analyzing financial and investment expenses in accordance with the policies and goals of the Company.

Qualifications and Experience: Minimum, master's degree in Financial Management, Accounting, Economics or other related fields with overall work experience of not less than 12 years, having previously held a position as a high-level executive of the organization for at least 5 years.

Position-Specific Qualifications: acquiring the analytical and systematic thinking, having the ability to build teamwork, obtaining the ability to manage risk, acquiring conflict management and negotiation skill and possessing knowledge of the financial and investment reporting standards in various forms.

2.3 Control and Supervisory of Subsidiaries, Associate Companies and Joint Ventures

The Company has set policy on supervisory and management of subsidiaries, associate companies and joint ventures with the objective to define both direct and indirect measures and mechanisms for supervising and managing the subsidiaries, associate companies and joint ventures as well as monitoring for subsidiaries, associate companies and joint ventures in order to be certain that measures and mechanisms established have been implemented in the same practice as in the Company departments in consideration of protecting the interests of the Company's investments in the said subsidiaries, associate companies and joint ventures with details as follows:

1. The Company will send its representative to position as a director of each subsidiary, associated companies in order to oversee subsidiaries, associate companies and joint ventures to comply with the good corporate governance policy as well as other policies of the Company. However, considering the suitability of each company, the approval of the Board of Directors must be obtained prior to sending a representative positioning as a director therein.
2. In the event that entering into the transaction or any operation of a subsidiary is considered as an acquisition or disposition of assets under the Notification of Acquisition or Disposal of Assets or it is a connected transaction according to the announcement of the related connected transaction which will lead the Company to request approval from The Board of Directors Meeting and / or requesting approval from the shareholders meeting or the relevant department according to the law prior to entering into such transaction or operation. As a consequence, prior to entering into the transaction or operation in concern, the subsidiaries must obtain approval from the Board of Directors Meeting and / or requesting approval from the shareholders meeting or the relevant department according to the law (as the case may be).

In addition, in the event that entering into the transaction of subsidiaries or occurrence of certain event occurs to subsidiaries which will impose the Company duty to disclose information to the Stock Exchange of Thailand in accordance with the rules and regulations, the representative directors of the said subsidiaries must notify those events to the management department of the Company as soon as they have noticed that the subsidiaries had plans to enter into the transaction or the said event occurred.

3. The Company requires that the Board of Directors and executives of subsidiaries, associate companies and joint ventures has significant scope of duties and responsibilities in accordance with relevant laws, such as disclosing information about financial status and



performance to the Company by applying relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand, mutatis mutandis, much as the Company does. Furthermore, there must be the disclosing and submitting information of personal interests of its own and connected persons in order to acknowledge the Board of Directors of the relationship and transactions which may cause conflicts of interest between the Company and associate companies and joint ventures in favor of avoiding transactions that may cause conflicts of interest.

4. The Company will consider and establish the necessary operation plan to ensure that subsidiaries, associate companies and joint ventures will certainly disclose information about the performance and financial status. In addition, the Company will intendedly take the necessary actions and monitor the subsidiaries, associate companies and joint ventures regarding sufficient and appropriate information disclosure process and internal control systems. Last but not least, the Company will establish policies or improve the business of subsidiaries, associate companies and joint ventures to develop and grow continuously.

2.4 Internal Controls in Management Information System

The Company realizes the importance of Confidentiality of Information concerning the Company and its customers which may have an impact on business operations, both commercial and legal aspects. Therefore, the Company has established the Company and customers information confidentiality policy which can be described are as follows:

2.4.1 Policy on dealing with of internal information based on methods and guidelines established.

1. The Company requires that directors, executives, and employees must not disclose confidential information of the Company to anyone outside of the Company or seek to benefit from for themselves or for others, whether directly or indirectly and whether or not they will be awarded.
2. The Company requires that directors, executives, and employees must not trade, transfer or receive the Company's securities and they must not enter into any other juristic acts using confidential information and / or the Company's internal information which will cause damage to the Company whether directly or indirectly.
3. The Company provides knowledge to directors and executives concerning the duty to report the securities holdings of themselves, their spouses and their children who have not yet become sui juris to the Office of the Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E. 2535.
4. The Company requires directors and executives to report the holdings of securities issued by the Company of themselves, their spouses and their children who have not yet become sui juris to the Company secretary in order to submit to the Office of the Securities and Exchange Commission accordingly within 30 days from the date of being appointed to the position.
5. The Company requires directors and executives to notify changes regarding the holdings of securities issued by the Company to the Company as well as report such changes to the Office of the Securities and Exchange Commission 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 B.E. 2535 and for further public distribution.
6. The Company requires that directors, executives, executives in accounting or financial positioning as assistant managing director or higher or equivalent to the said position and related employees who were informed of the substantial internal information which will affect the price of securities, must suspend the trading of the Company's securities prior to the distribution of the information regarding financial statements, financial status and the Company status which means the period of 30 days before and until the date of the company's financial statements and performance will be disclosed to the public both quarterly and annually and a period of 24 hours after the information has been disclosed to the public.
7. The Company has established disciplinary action for those seeking benefits from the use of internal information of the Company or to use or disclose in the manner that will cause the damage to the Company whether directly or indirectly. The Company uses a range of disciplinary procedures



depending on the severity of the transgression so it can be described as verbal warning, written warning, disciplinary probation, involuntary termination as the case may be, etc.

2.4.2 Guidelines for the disclosure of internal information

Directors, executives, employees and the relevant personnel of the Company who sometimes have to deal with information and documents that cannot be disclosed to other people or they are a trade secret such as internal information that has not been yet disclosed in the stock market, information about bidding, work plans, numbers, inventions, etc. which are considered the rights of the Company. Protecting information stated herein is therefore extremely important for achieving current and future Company objectives as well as job security of all personnel.

Personnel at all levels of the Company is responsible for maintaining the confidentiality and information security in order to protect confidential information and to prevent confidential information from being accidentally disclosed.

All relevant Company information releasing outside of the Company or to the public must only be approved by Managing Director the chief executive officer or the person assigned by the Company. In addition, the Company provides a central unit that provides information to the public as well as takes responsibility for Investor Relations. This central unit will cooperate with all department to summarize information as the company profile in order to release to the public subject to the approval of the Managing Director or the person assigned by the Company.

2.4.3 Practices for the use of internal information

As the Company has many related parties and stakeholders, therefore, it must act to be equitable and fair to all equally. In pursuance of preventing illegal acts, personnel at all levels of the Company as well as all relevant persons who have been informed or may have been informed the internal information that has not yet been made to public should avoid trading in the securities of the Company which they are directors or executives of that company. Nevertheless, in the case that they decide to trade the Company's securities, it should be practice with caution by means of not using internal information that has not been disclosed in the Stock Exchange for trading and accordingly, they should report the trading of that security after the trading process is completed by complying with the rules and regulations of the Stock Exchange of Thailand And the Securities and Exchange Commission. Thus, in furtherance of ensuring that the policy implementation is completed, The Company therefore has established preventive measures as follows

1. To restrict access to non-public information, so only the highest level management as possible will have access however they may disclose such information to the employees of the Company only as necessary to know whilst informing employees that the information is confidential and has restrictions on their use.
2. To establish a workplace security system to protect files and confidential documents.
3. The owner of the information that has not yet been made public must notify the relevant parties to strictly according to the security procedures.

2.5 Auditor's remuneration

For the year ended 31 December 2017, 31 December 2018 and 31 December 2019, the remuneration was paid to the auditor including audit fee, non-audit fee such as photocopy, overtime, and travelling expenses. The details can be summarized as follow:

Unit: Baht			
Detail	Year 2019	Year 2018	Year 2017
1) Audit Fee	1,380,000	1,260,000	450,000
2) Non-Audit Fee	252,100	39,560	-None-



11. Social Responsibility

1. Policy Overview

The Company is committed to sustainable business development along with social and environmental responsibility. Therefore, in order to promote the sustainable business development of the Company, the Board of Directors has established the Corporate Social Responsibility (CSR) policy in accordance with the corporate governance policy of the Company in order to plant and instill awareness of social and environmental responsibility in the organization and to be prepared to support the community and society by focusing on promoting development that is in line with the requirements of the community in order to improve the quality of life and well-being of the community in the long term with the following principles and guidelines described as follows:

1) Fair business operation

The Company has had a business approach with regard to equality, fairness, without taking any advantage. Moreover, the Company has operated business with honesty, integrity and transparency. The Company does not act in a way that would be unthinkable for professionals so being honesty in business means the Company will not tolerate any benefit that is up against a code of ethics. The Company shall not demand, receive or offer any benefits in bad faith in trading with business partners. The Company will adhere to the fair competition rules which induces fair returns for both parties with consideration to the rights of all stakeholders whether he/she is internal stakeholders namely employees and executives of the Company or external stakeholders, namely, customers, creditors, government agencies, and other relevant agencies, as well as communities, society and the environment which not only complying with the law but also refraining from any actions that violate / deprive the rights of those interested parties.

2) Anti-Corruption

The Company adhere to operates business with transparency and accuracy by encouraging employees to work with honesty thus the Company does not encourage building success from corruption. The Company has implemented the specific procedures for deterring, detecting, and dealing with incidents of misconduct or corruption, the procedure also will assist in check and balance of power process in order to prevent corruption. The Company has declared its Anti-Corruption Policy and the operation methods to prevent the involvement with the corruption and then has disclosed the Company Good Corporate Governance Guide and business ethics to communicate with directors, executives and employees with all processes are within the scope of the law. There also has the reporting system encourages the disclosure of any potential violations or corruption and the Company also provides employees and third parties with the opportunity to make a report through a dedicated channel, anonymously in order to ensure the appropriate safeguarding of reporting persons or those who cooperate in reporting corruption.

3) Respect for human rights

The company has realized the importance of respecting the human rights. Executives and employees should treat each other with respect and dignity and human values equally. The Company then promotes a collaborative work environment and equal opportunities for career advancement and provides appropriate incentive and benefits according to their ability. Moreover, the employees will be supported and promoted to acquire knowledge thoroughly and continuously in favor to create value and maintain business excellence.

4) Labor Practices

Since the Company values and recognizes equality, so the Company shall have fair and equal treatment to all employees so the Company has declared the Company Good Corporate Governance Guide and business ethics and then has communicated all employees on their first day of joining the Company. The Company also gives importance to the development, knowledge transfer and abilities of employees then the details of staff training courses provided have been emphasized. Last but not least, the Company also has supervisory provision having been carried out according to carefully designed and approved personnel policies in the workplace in order to oversee the progress and productivity of employees.



5) Responsibility to consumers

In addition to complying with the law, the Company has had a policy for all employees to perform duties in accordance with business ethics in relation to customers or business partners fairly by complying with fair, reliable business conditions under appropriate contract forms with reliable management and monitoring system to ensure that the contract conditions are fully complied with and prevent fraud and misconduct at every step.

6) Responsibility to communities, society and the environment

The Company gives importance to the community, society and the surrounding environment with the awareness that the Company is part of a society that stepped forward to the sustainable development of communities, society and the environment, so the Company has had a guideline to continuously carry out activities for the community, society and environment in parallel with business operations. By having a policy to organize the committee to jointly create society, community and environment both self-operated and in cooperation with government agencies, private sectors, and communities. In addition, the Company will respond quickly and efficiently to events that have an impact on the environment due to the Company's operations by cooperating with the government and relevant agencies in the operation as well as encouraging employees at all levels of the Company to realize the importance, to have awareness and to support activities that are socially and environmentally responsible.

7) Innovation and dissemination of innovation from operations that are responsible to society, the environment, and stakeholders.

The Company will encourage innovation both at the work process level in the organization and at the level of cooperation between organizations in order to create positive change which will induce better change and increased effectiveness. In contemplation of maximizing the benefit to the society, disseminating of innovation is considered a social responsibility by means of communicating and disseminating to the stakeholder both directly and indirectly through various communication channels to ensure that the information of the Company accesses to the stakeholder groups of the Company thoroughly.

2. Operations and report preparation

The Company has assigned the executive board to appoint a working group to oversee the corporate governance and social responsibility by specifying no less than 3 members and the Corporate Governance and Social Responsibility Working Group will select 1 member to be the Chairman of the Corporate Governance and Social Responsibility Working Committee.

The Company has focused on cultivating employees to understand the organization's goals and operate with awareness of social responsibility. The Company has communicated social and environmental responsibility policies to all employees to understand through the corporate governance policy of the Company which was announced and published for all employees to follow in the same direction. The Company has also encouraged employees to participate in various activities for the benefit of society and the environment on a regular basis. In this regard, to raise awareness of participation and create social and environmental responsibility of the personnel within the Company, the Corporate Governance and Social Responsibility Working Committee will consider and establish social and environmental responsibility practices that are appropriate for the Company's business operations, financial status and performance of the Company in favor of determining the budget and the type of activities for that year.

The Company has also realized of the guidelines in implementing social and environmental responsibility according to the specified policy then the Company has released a yearly report on compliance with social and environmental responsibility policies for presenting to the management, the Board of Directors and shareholders which will be disclosed in the annual registration statement or will be prepared in the form of a sustainability report to be published every year after being listed on the stock market.



3. Activities for the benefit of society and the environment

The Company has carried out activities for the benefit of society and the environment as follows :



- Activities for society and the environment

Mr. Sakboworn Pukkanasut, Managing Director of Infraset Public Company Limited (INSET), led the team of management and employees to join the project "Creating Community Benefits and Environmental Conservation" in the CSR activity (Corporate Social Responsibility). The said activity consists of donation of supporting equipment for patrol, forest protection, forest plantation, and bulging and dams construction In order to build a public benefit for the local community and create awareness in conserving nature together. As a result, from the unity of INSET, this activity was done successfully at Thap Lan National Park, Prachinburi.



- Company activities

Annual Seminar: The Company has realized the importance of organizing annual seminar activities for employees and executives to learn and understand the operation of each department so the working personnel can fully exploit the potential and maximize efficiency in their operations which is important for the Company in order to be able to operate the business according to the specified policies and goals.

Infraset Public Company Limited by Mr. Sakboworn Pukkanasut, Managing Director led the team of management and employees to organize the seminar for the year 2019 on the topic of "Teamwork, communication and raising awareness about teamwork" in order to build good relationships between employees at all levels and creating more TEAMWORK, the seminar held on November 22, 2019, at the Verona at Thap Lan Hotel, Prachinburi.



4. Prevention of involvement in corruption

The Company adhere to the importance of carefully operations business in order to avoid corruption, by adhering to the principles of good corporate governance for the best benefit of shareholders, stakeholders and related parties, the Company therefore establishes an anti-corruption policy to be employed as a guideline as follows:

1. Directors, management and staff members must not commit corruption both directly and indirectly, such as offering, promising, requesting, demanding or receiving any benefits in bad faith or other acts that are fraud or corruption for the personal interest or others.
2. Directors, executives, and employees must comply with the anti-corruption policy and measures as well as comply with the laws of Thailand regarding anti-corruption.
3. Directors, executives, and employees are responsible for surveillance and prevent corruption in the Company, In the event that they have witnessed any acts of corruption or acts that may cause corruption, they must notify the situation or report to the supervisor immediately r may report through a dedicated channel specified by the Company.
4. The Company will keep the details of the informants as confidential. The person who reports the incident with good intentions and sincerity as well as those who refuse to commit fraud will be protected from the Company and will not be affected from the said action.
5. To establish policies and guidelines to prevent corruption coming in various forms for example political assistant, charitable donations, funding, gift payment welcome fee, etc. and providing supervisory system to follow up on such matters in which they have to be transparent and not contrary to relevant laws or improperly contributing.
6. To provide an adequate and appropriate internal control system to prevent corruption.
7. To arrange for an assessment of the risk of corruption and appropriate anti-corruption measures.
8. To provide communication channels for employees and Stakeholders in order to communicate the anti-corruption policy and assists those people in reporting any incident or complaints to the Company in favor of finding facts in accordance with the process and addressing the issues accordingly.
9. To provide the development of personnel management systems, creating values and anti-corruption culture by communicating and disseminating knowledge to the Company's personnel.
10. To notify the subsidiaries, associate companies, and other companies that the company has power to control (if any) as well as business representatives of the anti-corruption measures so they can implement anti-corruption measures in practice. Besides, the Company will disclose the policy and measures against corruption to personnel and the public as well.



12 Internal Control and Risk Management

Internal control

The Board of Directors adhere to the importance of the internal control system therefore it has established an internal control system covering financial, management, operations to be efficient and effective as well as complying with relevant laws, regulations and policies. The Company focus on continuous development to comply with the guidelines of the COSO (The Committee of Sponsoring Organization of Treadway Commission) and the said guidelines has been applied in order to develop the internal control and risk management of the Company to be better and to ensure that the various operations of the Company will be efficient and most productive.

The Company has had a risk management working group to oversee the Company's risk management which consists of heads in each department who will systematically, efficiently and effectively oversee risk management of the organization. The working group then has implemented the risk management policy approved by the Board of Directors by assessing and evaluating risk, analyzing risk factors that affect the organization both external and internal factors, establishing a risk management plan for the department, reporting and following-ups in order to present to the executives which will be implemented throughout the organization and used to control corporate risks.

For internal control and internal auditing to cover all aspects, the Company adheres to the 5 components of internal control as follows:

1. The organization and control environment

- 1.1 Organizational structure, dividing the chain of command as well as specifying duties and responsibilities clearly.
- 1.2 Establishing clear policy, target, direction and business plan of the Company as well as taking care of the business in accordance with the set goals.
- 1.3 Establishing policies, regulations, and rules of the Company clearly In order to use as the principle and operation guidelines conducive to prevent damage might occur or prevent when any employee does not exercise any of his functions.
- 1.4 Preparing codes of ethics and business ethics of the Company and of employees which will publish in order to acknowledge and induce cooperation from the executive directors, employees at all levels and relevant persons to follow correctly and appropriately.
- 1.5 Preparing Job Descriptions to gain an understanding of roles and responsibilities.
- 1.6 Providing training course pursuant to develop personnel to acquire knowledge, skills, and experience.

2. Risk Assessment

The Company adhere to the importance of business risk which is an uncertainties or unexpected events, which are beyond control a company or organization has to factor(s) that will lower its profits or lead it to fail. The Company therefore requires all departments to assess the underlying risk in the department and then control that risk at an acceptable level by constantly assessing risks.

The Company internal audit will focus on risk based audit (Risk Based Audit) by assessing the job risk and selecting high-risk jobs to plan the audit which will help the inspection be effective.



3. The Management Control

The Company will provide the efficient and effective internal control activities which sufficient and appropriate by focusing on control activities in a preventive manner, searching for, solving or replacing, which will reduce damage or mistakes that may occur and will be able to reach achievement of internal control objectives. The internal control activities will be in the forms of risk control policies, plans, budgets, procedures and operational procedures as well as organizational structure, division of duties, authorization, etc. The directors, executives and employees at all levels must cooperate and strictly comply with the rules, regulations, orders or announcements.

4. Information technology and communications

4.1 The Company provides sufficient and up-to-date use of necessary information technology which must be accurate, clear, and easy to understand and current.

4.2 The Company provides communication between executives and operators or between departments for their understanding and coordinate operations by regularly arranging staff meetings.

5. Monitoring

The Company regularly monitors, reviews, and evaluates internal controls by engaging internal auditors who have no relationship with the operation or departments such as internal auditors etc. The internal auditors will reports to the audit committee and the management of the Company. In the case that the process or control is weak, the management is responsible to consider and determine the control procedures to solve those problems systematically and continuously..

The independent internal auditors will report directly to the audit committee to help the audit committee and the Board of Directors ascertaining that the main operations and important activities of the Company exhaustively and efficiently proceed according to the specified guidelines.

To ensure the efficiency of the internal control, the Company has engaged Aim to Prosperity Co., Ltd. as the Company's internal auditor since 2017 and Mr. Paisan Puratjaroenchai, CIA, is the head of the internal auditor whose the qualifications is presented in Attachment 3. The internal auditor has reported directly to the Audit Committee on a quarterly basis by providing advices and audits, the assessment of internal control system and risk management system to ensure that those systems performs efficiently and adequately in accordance with the objectives stipulated.

Aim to Prosperity Co., Ltd. proposes the 2019 internal audit plan with details as follows:



Internal Audit Year 2019

1. Internal Audit Quarter 1/2019

The internal audit's scopes include tracking the corrective of findings from the previous inspection and assessing the adequacy of internal control of 7 operating systems as well as inspecting one project site (True MSC, Thanyaburi, Phase 2) described as follows::

- 1) Organizational and environmental management system
- 2) Accounting system
- 3) Financial system
- 4) 4) Purchase and transport system
- 5) Personnel management system
- 6) Information technology system
- 7) Project management system

2. Internal Audit Quarter 2/2019

The internal audit's scopes include tracking the corrective of findings from the previous inspection and assessing the adequacy of internal control of 6 operating systems described as follows:

- 1) Organization and environment management system
- 2) Financial system
- 3) 3) Administrative
- 4) Safety and security system
- 5) Sales and marketing system
- 6) Company secretary task

3. Internal Audit Quarter 3/2019

The internal audit's scopes include tracking the corrective of findings from the previous inspection and assessing the adequacy of internal control of 7 operating systems described as follows:

- 1) Organizational and environmental management system
- 2) Personnel management system
- 3) Purchase and transport system
- 4) Project management system
- 5) Information technology system
- 6) Financial system
- 7) Accounting system

Additionally, the internal auditors also randomly inspected 1 project site, which is the computer room improvement project, Office of Agricultural Economics.

4. Internal Audit Quarter 4/2019

This internal audit's scopes include tracking the corrective of findings from the previous inspection and assessing the adequacy of internal control of 7 operating systems described as follows

- 1) Organizational and environmental management system
- 2) Accounting system
- 3) Financial system
- 4) Administrative system
- 5) Safety and security system
- 6) Sales and marketing system
- 7) Company secretary task



Audit Committee Report

Dear Shareholders,

The Audit Committee consists of 3 independent members, whose qualification, knowledge and experience are according to the notification of the Securities and Exchange Commission and regulations of the Stock Exchange of Thailand in performing duties in accordance with the responsibilities assigned by the Board of Directors.

In 2019, the Audit Committee was held 4 times without any representatives from the management attended for 4 times. So that the Audit Committee is able to follow up on the progress of the operation as suggested by the auditor directly. The main activities can be summarized as follows:

1. Considering quarterly financial statements and the annual financial statements prior to presenting to the Board of Directors meeting, the Audit Committee has inquired and listened to the explanation from the management and the auditor regarding the accuracy and completeness of the financial statements, the adequacy of information disclosure, subsequent events after the accounting period, the adjustment transactions that have significant impact to the financial statements in order to assure that the preparation of financial statements complies with legal requirements and financial reporting standards as well as to ensure that the accounting systems and financial statements are accurate and reliable. It also includes the financial statements disclosure adequately and timely for the benefit of investors or users of the financial statements.
2. Reviewing the assessment of internal control systems, the Audit Committee has considered and commented on the 2019 internal audit report evaluated by Aim to Prosperity Co., Ltd., who reported on the follow up issues from the previous audit, organizational and environmental management system, accounting and financial system, sales and marketing system, asset control system, purchase and transport system, project management system which includes the site inspection, safety and security system, personnel management system and information technology system. The Audit committee concluded that the Company's internal control systems are adequate and appropriate in accordance with standards.
3. Considering the implementation of the approval process for transactions that may have conflicts of interest to ensure the compliance with the good corporate governance principles and normal business conditions to create the best interest of the Company and stakeholders.
4. In each meeting The Audit Committee has given an opinion regarding the compliance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand or other laws relevant to the business of the Company. The Audit Committee had reviewed the operations of the Company in 2019 and found no significant activities that did not comply with the Securities and Exchange Act. or regulations of the Stock Exchange of Thailand or other laws related to the business of the Company.
5. The Audit Committee has considered, selected, nominated, appointed the auditor as well as proposed remuneration in 2020 in order to propose to the Board of Directors to further request approval from the Annual General Meeting of Shareholders in 2020. The Audit Committee had considered the performance, independence and the appropriateness of the remuneration then concluded that Mr. Atipong Atiphongsakul, certified public accountant registration no. 3500 or Mr. Wichai Ruchitanont, certified public accountant registration no. 4054 or Mr. Sathien Wongsanan, certified public accountant registration no. 3495 or Miss Kultida Pasurakul, certified public accountant registration no. 5946 or Mr. Yuthapong Chuamuangpan, certified public accountant registration no. 9445 or Miss Kanitta SiriphatanaSomchai, certified public accountant



registration no. 10837 on behalf of ANS Audit Co., Ltd. should be appointed as the auditor of the Company for the year 2020, as following reasons:

- Good standard of audit work, the audit professions, and the consistency of duties.
 - Clear recommendation and advice on the newly issues of accounting principles.
 - The reasonable rate of the audit fee for the year 2020, which is Baht 1,450,000 as 5 % increase from the rate in 2018.
 - The audit firm and the auditors namely listed above have no relationship or interest with the Company, the executives, the major shareholders or those involved with the said person. Therefore, they are independent in reviewing and expressing opinions on the Company's financial statements.
6. The Audit Committee has performed its duties in full scope of authority specified in the Charter of the Audit Committee in accordance with the Securities and Exchange Act and regulations of the Stock Exchange of Thailand.

The Audit Committee concluded that the Company's operations for the year ended December 31, 2019 has been performed under the appropriate internal control system and internal audit procedures. The financial reports are accurate, complete, and reliable in compliance with laws, rules and regulations related to the Company's business operations. Besides, the information disclosure to regulators are accurate, adequate, transparent and reliable in accordance with good corporate governance.

(Mr. Saran Supaksaran)
Chairman of Audit Committee



13 Related Transactions

During the year 2019, the Company has entered into transactions with persons that may have conflicts of interest which can be summarized as follows:

1. Persons with possible conflicts and relationships

Persons who may have conflicts	Relationship
Mr. Sakboworn Pukkanasut	Managing Director and major shareholder of the Company holding 38.01 % of Shares
Miss Kamonchanok Thongkamkaew	Wife of Mr. Bunsamit Pukkanasut, major shareholder of the Company holding 11.20 % of Shares



2. Details of connected transactions

2.1 Lease of the land and buildings.

Connected Party	Type of Connected Transactions	Transaction value (Baht)		Necessity and reasonableness of the transaction
		2018	2019	
Mr. Sakboworn Pukkanasut	<p>(1) Office building rental fees</p> <p>Tenants: The company Landlord: Mr. Sakboworn Pukkanasut</p> <p>The Company has entered into an office building lease agreement with Mr. Sakboworn Pukkanasut to be used as a service technician's office. At present, has been registered as a branch office of the Company</p> <p><u>Building details</u> Location: No. 73,75 Soi Ram Intra 5, Intersection 2, Ram Intra Road, Anusawari Sub-district, Bang Khen District, Bangkok</p> <p>Area: 300 square meters Rental rate: Baht 180,000 per month (paid every month) Rental period: 3 years (2 January 2019 – 1 January 2022)</p>		<p>Office rental fees Baht 2,160,000</p> <p>and</p> <p>Deposit Baht 540,000</p>	<p>The necessity of the transaction The Company rents the said office building to be used as a service technician's department.</p> <p>Price reasonability The Company hired an independent appraiser, Premier Appraisal and Legal Ltd., to assess the market price of office building rental by comparing with the rental fees of other similar office buildings located in nearby locations. It was found that the office building rental fee which the Company has entered into an agreement with Mr. Sakboworn Pukkanasut is equal to the market price.</p> <p>The opinion of the Audit Committee The meeting considered and unanimously resolved. Giving approval to enter into the contract of lease of land including buildings and determine the rental price proposed from the managing director since it is appropriate that the rental of an office building is necessary as it supports business expansion and more personnel. Besides, the office rental fees is at the market price comparable with nearby office buildings.</p> <p>In the future, if the office building lease is renewed, the company will proceed in accordance with the specified connected transaction policy. And / or comply with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission in related matters.</p>



Connected Party	Type of Connected Transactions	Transaction value (Baht)		Necessity and reasonableness of the transaction
		2018	2019	
Miss Kamonchanok Thongkamkaew	<p>(2) Land rental fee</p> <p>Tenants: The Company Landlord: Miss Kamonchanok Thongkamkaew</p> <p>The Company entered into a land lease agreement with Miss Kamonchanok Thongkamkaew for use as the parking area of the Company</p> <p><u>Land details</u> Location: Moo 6 , Thung Song Hong Subdistrict, Lak Si District, Bangkok Area: 100 square meters Rental rate: Baht 4,736.84 per month Rental period: 2 years (1 August 2017 `until 1 August 2019)</p>	56,842 Baht	33,158 Baht	<p>The necessity of the transaction The Company has leased the said land to use as the parking area of the Company</p> <p>Price reasonability The Company has compared the rental rates of the said land with the rental rate of vacant land in nearby areas and found that the rental rate under the contract is close to the market rental rate</p> <p>The opinion of the audit committee The meeting considered, acknowledged and approved for entering into the said land lease agreement because it deems that the said lease of land is necessary and the rental price is the market price when compared to nearby areas.</p>



2.2 Assignment of rights in the contract

Connected Party	Type of Connected Transactions	Transaction value (Baht)		Necessity and reasonableness of the transaction
		2018	2019	
BDV Estate Company Limited ("BDV Estate")	<p>(1) Deposit for land purchase</p> <p>As at 31 December 2560, the Company had deposits of land 43.50 million baht and increased to 56.60 million baht in the year 2561.</p> <p>On 21 August 2018, the Company transferred the rights under the contract to transfer rights and obligations to purchase and to sell land. Between the company and Nirvana Development Company Limited under the contract dated 30 June 2016 to BDV Estate, with the company receiving the transfer fee of Baht 62,840,352.66 (including Value Added Tax), representing a gain from the assignment of rights of 5,339,027.41 baht, which is recognized as other income in the income statement of 2018</p> <p>The said right transfer agreement is a contract that the Company Transferred right and duty to buy and sell land area of Bangkok four plots with total area of approximately 10-0-53.6 acres. However, the said transaction is a one-time transaction.</p>	62,840,352.66		<p>The necessity of the transaction</p> <p>As the company currently has no objective to utilize the said land anymore Previously, there was a plan to build a new office building for the company.</p> <p>Price reasonability</p> <p>The company hired an independent appraiser, Charter Valuation and Consultants Company Limited, to assess the market price of the said land plot. In order to be the reference price in determining the price used to transfer the said rights In summary, the market price of the land is valued at 50,000 baht per square wah, which is the same price that the company Must pay to purchase land under the contract to buy and sell land</p> <p>The opinion of the audit committee</p> <p>The Audit Committee has approved the appropriateness of the transaction. Due to the company There is no plan and need to use the said land. And the said transaction is considered a transaction that will benefit the company</p>



3. Procedures for the Approval of Related Transactions

The Company has concentrated on the protection of transactions with possible conflicts of interests or related transactions between the Company and the directors, executives and other related parties. Therefore, the Company has produced procedures and measures to deal with inter-company transactions in which the significant principles of the afore-said procedures stated as follows:

- 1 The Board of Directors and executives must notify the Company of the transactions with possible conflicts of interests or related transactions.
- 2 In order to protect investors and prevent the transfer of interests, The Board of Directors and executives must avoid doing transactions with possible conflicts of interests or related transactions. However, in the event that the related transaction is necessary, prior to proposing the proposed related transaction to Executive Board of Directors or the Board of Director, the proposed related transaction must be submitted to the Audit Committee so the Audit Committee will review the necessity of inter-company transactions and ensures that the prices of the transactions for goods and services are at the prevailing market rates with reference to rules, procedures, and disclosure of related transactions. Furthermore, the directors, executives, or other related parties who have vested interests in that transaction must not be involved in the approval process.
- 3 Executives and employees must correctly follow policy on conflicts of interests which is clearly stated in the Company regulations and the Company's Code of Business Ethics in order to maintain credibility of the Company and all stakeholders trust.

In this regard, the company has specified the principles for approving the related party transactions in accordance with the regulations of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions and the notification of the Capital Market Supervisory Board and the regulations of the Securities and Exchange Commission and other regulations and announcement from the Capital Market Supervisory Board.

4. Future trends of Related Parties Transaction or related transactions

In the future, if the Company sees the necessity in doing a related transactions with a person who may have a conflict of interest, The Company will specify conditions for dealing the said transactions as any transaction occurs under the ordinary course of business having prices comparable to prevailing market rates. The Audit Committee will review and offer opinion about the related transactions, the Audit Committee will further ensure that these transactions have prices comparable to prevailing market rates

In the case that there is no comparison price, the price for the said related transaction must be the most suitable price for the best interest of the Company and its shareholders. If the Audit Committee is not skilled in the consideration of any related transactions, the Company will engage external independent experts such as professional appraisers and independent financial advisors to provide counsel to the Audit Committee for further proposal to the Board of Directors, the shareholders however, the director with personal interest will not have the right to vote in the said transaction. The related transactions will be disclosed in either the notes to the financial statements audited or reviewed by the Company's auditors or annual report and the annual registration statement.

The related transactions that may occur in the future, the Directors must comply with various regulations and The Board of Directors must not approve any transactions which the Directors or person who may have conflict of interest in any other way with the Company besides, The related transaction must be disclosed to the Board of Directors to obtain its approval. The company must comply with the securities and exchange laws and regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Including the compliance with the requirements regarding the disclosure of information, related transactions and the acquisition or disposal of the Company's assets and subsidiaries (if any) and in strict accordance with accounting standards.



Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for Infrasets Public Company Limited's financial statements including financial information appearing in the annual report. The said financial statements are prepared in accordance with financial reporting standards by choosing the appropriate accounting policies and consistently adhering to whilst using discretion carefully and applying the most appropriate estimates for preparation as well as disclosing sufficient important information in the notes to financial statements.

The said financial statements have been audited and approved by an independent certified public accountant, namely, ANS Audit Company Limited which the Board of directors has supported the information and documents so that the auditor can audit and express opinions in accordance with the auditing standards. The opinion of the auditor has appeared in the report of the auditor in the annual report.

The Board of Directors has set up an appropriate and effective internal control and internal audit system to ensure that the accounting records are accurate, complete and sufficient to maintain the assets of the Company and prevent corruption or significant abnormal operations from occurring. The Board of Directors has appointed the Audit Committee consisting of 3 independent directors who are experts and are fully qualified according to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) to oversee, review the quality of financial reports. The Audit Committee has reviewed that all transactions were reasonable and transparent and complied with the rules and regulations under the Notification of the Stock Exchange of Thailand regarding Related Transactions of a Listed Company and has found that the Company has had an appropriate and effective internal control systems and internal auditing systems. And the opinion of the audit committee has been shown in the annual report accordingly.

The Board of Directors has concluded that the overall of the internal control system is at a satisfactory level and is able to build reasonable confidence in the reliability of the financial statements of Infrasets Public Company Limited for the year ended 31 December 2019 which is accurate, complete, and in accordance with financial reporting standards, the Securities and Securities Exchange laws and rules and regulations of related agencies.

(Mr. Kampanart Lohacharoenvanich)
Chairman of the Board

(Mr. Sakbaworn Pukkanasut)
Managing Director



Independent Auditor's Report

To the Shareholders and the Board of Directors of Infrasnet Public Company Limited

Opinion

I have audited the financial statements of Infrasnet Public Company Limited, which comprise the statement of financial position as at December 31, 2019, and the statements of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Infrasnet Public Company Limited as at December 31, 2019, and its financial performance and its 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 Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Revenue Recognition for Services

Risk

The Company has disclosed its policies on recognition of revenue from construction of data center, information technology, infrastructure and telecommunication network, is estimation of services project cost and the allowance for loss on construction projects in Note 3 and Note 4 to the financial statements. I identified the recognition of revenue from services and the estimated possible losses from services contracts to be areas of significant risk in audit. This is because the amount of revenue from construction of data center, information technology, infrastructure and telecommunication network that the Company recognises in each period forms a significant portion of the Company's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition, and the estimation of anticipated losses are areas requiring management to exercise significant judgment to assess the percentage of completion, the probability of loss, and the measurement of anticipated loss. There are therefore risks with respect to amount and timing of the recognition of revenue and provisions for anticipated losses on projects.

Auditor's Response

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



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

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquired with the Company's engineers/the project managers about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of anticipated loss.
- Made enquiries of the Company's engineers/the project managers, gained an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the project management's competency in estimating project costs, checked actual costs to supporting documents and performed an analytical review to compare the percentage of completion estimated by the Company's engineers/the project managers to the percentage of completion derived from the actual costs incurred.
- Evaluated the anticipated losses on projects assessed by the management through a comparative analysis of the actual cost incurred to the cost estimates for projects.
- Tested the calculation of the percentage of completion based on actual construction costs incurred.

Other Information

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

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

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the 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.

(Mr. Yuttapong Chuamuangpan)
Certified Public Accountant
Registration Number 9445
ANS Audit Co., Ltd.
Bangkok, February 21, 2020



Statement of financial position

Infrasnet public company limited
As at December 31, 2019

		Unit : Baht		
	Notes	2019	2018	2017
Assets				
Current assets				
Cash and cash equivalents	6	223,048,227.90	174,138,721.18	91,381,903.73
Temporary investments - net	7	250,833,424.34	-	-
Trade and other current receivables - net	8	175,255,779.13	50,024,831.19	115,466,461.33
Unbilled receivables	10.1	253,689,247.08	285,130,020.83	95,212,846.26
Total current assets		902,826,678.45	509,293,573.20	302,061,211.32
Non-current assets				
Pledged deposits at a financial institution	11	50,906,670.14	35,567,277.76	35,236,000.00
Deposit for land		-	-	43,499,218.00
Property, plant and equipment - net	12	82,950,442.82	52,449,193.86	1,191,372.01
Intangible assets - net	13	829,783.64	953,330.47	467,970.66
Deferred tax assets	14	3,110,177.60	2,588,987.60	1,283,749.80
Other non-current assets		4,008,941.86	5,880,604.68	3,809,791.09
Total non-current assets		141,806,016.06	97,439,394.37	85,488,101.56
Total assets		1,044,632,694.51	606,732,967.57	387,549,312.88



Statement of financial position (continued)

Infrasnet public company limited
As at December 31, 2019

	Notes	2019	2018	Unit: Baht 2017
Liabilities and Shareholders' Equity				
Current liabilities				
Trade and other current payables	15	179,117,609.66	189,452,790.16	122,480,284.35
Current portion of a long-term loan from a fir	16	8,579,448.68	7,827,076.20	-
Advance received from customers	10.2	24,763,321.11	6,828,941.01	68,576,589.28
Income tax payables		-	2,536,690.42	-
Total current liabilities		212,460,379.45	206,645,497.79	191,056,873.63
Non-current liabilities				
Long-term loan from a financial institution - r	16	12,907,842.81	27,989,294.19	-
Retention payables		23,400,606.18	437,148.27	374,648.27
Non-current provisions for employee benefit	17	15,550,888.00	12,437,038.00	6,418,749.00
Total non-current liabilities		51,859,336.99	40,863,480.46	6,793,397.27
Total liabilities		264,319,716.44	247,508,978.25	197,850,270.90
Shareholders' equity				
Share capital	18			
Registered		280,000,000.00	207,000,000.00	50,000,000.00
Issued and fully paid-up		280,000,000.00	207,000,000.00	50,000,000.00
Premium on common shares		370,596,731.62	63,000,000.00	-
Surplus on share-based payment transactions		6,430,993.00	6,430,993.00	-
Retained earnings				
Appropriated				
Legal reserve	19	26,706,060.37	13,000,000.00	5,000,000.00
Unappropriated		96,579,193.08	69,792,996.32	134,699,041.98
Total shareholders' equity		780,312,978.07	359,223,989.32	189,699,041.98
Total liabilities and shareholders' equity		1,044,632,694.51	606,732,967.57	387,549,312.88



Statement of comprehensive income

Infraset public company limited
As at December 31, 2019

	Notes	2019	2018	Unit: Baht 2017
	3, 5, 21, 22			
Revenues				
Revenues from services		1,216,612,337.22	1,000,582,270.45	529,301,463.68
Other income	9	3,353,443.42	6,546,477.01	989,023.18
Total Revenues		1,219,965,780.64	1,007,128,747.46	530,290,486.86
Expenses				
Cost of services		1,003,821,932.65	826,163,600.93	426,733,822.82
Selling expenses		9,936,778.83	4,155,950.06	1,492,031.99
Administrative expenses		57,551,609.68	56,319,491.48	21,271,936.98
Total Expenses		1,071,310,321.16	886,639,042.47	449,497,791.79
Profit before finance costs and income tax		148,655,459.48	120,489,704.99	80,792,695.07
Finance costs		(1,270,921.10)	(596,370.39)	-
Profit before income tax		147,384,538.38	119,893,334.60	80,792,695.07
Tax expenses	14	(27,263,331.06)	(25,336,741.06)	(16,880,110.60)
Profit for the year		120,121,207.32	94,556,593.54	63,912,584.47
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial loss - net from tax				
Actuarial loss - net from tax		-	(1,462,639.20)	-
Total comprehensive income for the years		120,121,207.32	93,093,954.34	63,912,584.47
Basic earnings per share		0.27	0.27	127.83
Weighted average number of issued and fully paid-up ordinary shares (shares)		450,400,000.00	345,827,398.00	500,000.00



Statement of changes in shareholders' equity

Infraset public company limited
As at December 31, 2019

Unit: Baht						
Notes	Share capital Issued and fully paid-up	Premiums on ordinary shares	Surplus on share-based payment transactions	Retained earnings		
				Appropriated Legal Reserve	Unappropriated	Total
Balance as at January 1, 2019						
Share capital increased	207,000,000.00	63,000,000.00	6,430,993.00	13,000,000.00	69,792,996.32	359,223,989.32
Premiums on ordinary shares	73,000,000.00	-	-	-	-	73,000,000.00
Legal reserve	-	307,596,731.62	-	-	-	307,596,731.62
Dividend paid	-	-	-	13,706,060.37	(13,706,060.37)	-
Total comprehensive income for the year	-	-	-	-	(79,628,950.19)	(79,628,950.19)
Balance as at December 31, 2019	280,000,000.00	370,596,731.62	6,430,993.00	26,706,060.37	96,579,193.08	780,312,978.07
Balance as at January 1, 2018						
Share capital increased	50,000,000.00	-	-	5,000,000.00	134,699,041.98	189,699,041.98
Premiums on ordinary shares	157,000,000.00	-	-	-	-	157,000,000.00
Share-based payment transactions	-	63,000,000.00	-	-	-	63,000,000.00
Legal reserve	-	-	6,430,993.00	-	-	6,430,993.00
Dividend paid	-	-	-	8,000,000.00	(8,000,000.00)	-
Total comprehensive income for the year	-	-	-	-	(150,000,000.00)	(150,000,000.00)
Balance as at December 31, 2018	207,000,000.00	63,000,000.00	6,430,993.00	13,000,000.00	69,792,996.32	359,223,989.32



Statement of Cash Flows

Infraset public company limited
As at December 31, 2019

	Unit: Baht		
	2019	2018	2017
Cash flows from operating activities :			
Profit for the year	120,121,207.32	94,556,593.54	80,792,695.07
Adjustments to reconcile profit for the year to cash provided by (used in) operating activities	-	-	-
Depreciation and amortization	3,239,507.29	944,615.58	1,049,515.85
(Reversal of) allowance for doubtful accounts	(507,900.00)	507,900.00	-
Unrealized gain on investment revaluation	(833,424.34)	-	-
Gain from the transfer of rights and obligations to buy and sell land	-	(5,339,027.41)	-
Gain from disposal of assets	(538.89)	-	(205,979.32)
Interest income	(1,878,436.46)	(1,037,742.24)	(634,890.50)
Interest expenses	1,270,921.10	596,370.39	-
Expenses for share-based payment transactions	-	6,430,993.00	-
Non-current provisions for employee benefits	3,433,850.00	4,189,990.00	1,408,739.00
Tax expenses	27,263,331.06	25,336,741.06	-
Profit from operating activities before changes in operating assets and liabilities	-	-	-
Operating assets (increased) decreased :	-	-	-
Trade and other current receivables	(124,387,014.74)	64,933,730.14	174,026,317.63
Unbilled receivables	31,440,773.75	(189,917,174.57)	(40,712,844.97)
Other non-current assets	1,871,662.82	(2,070,813.59)	(2,150,631.14)
Operating liabilities increased (decreased) :	-	-	-
Trade and other current payables	(10,335,180.50)	66,972,505.81	(74,113,820.78)
Advances received from customers	17,934,380.10	(61,747,648.27)	29,451,684.47
Retention payables	22,963,457.91	62,500.00	374,648.27
Cash provided by operating activities	91,596,596.42	4,419,533.44	169,285,433.58
Employee benefit obligations paid	(320,000.00)	-	-
Interest income	1,745,462.48	1,037,742.24	634,890.50
Interest paid	(1,270,921.10)	(596,370.39)	-
Income tax paid	(30,524,270.70)	(23,739,628.64)	(18,664,872.56)
Net cash from (used in) operating activities	61,226,867.10	(18,878,723.35)	151,255,451.52



Statement of Cash Flows (continue)

Infrasnet public company limited
As at December 31, 2019

	Unit: Baht		
	2019	2018	2017
Cash flows from investing activities :			
Increase in restricted deposits at financial institution	(15,339,392.38)	(331,277.76)	(35,236,000.00)
Cash paid for acquisition of temporary investments	(250,000,000.00)	-	10,000,000.00
Cash received from deposit tranfer right to buy and sell land	-	48,838,245.41	(13,097,218.00)
Cash received from disposal of fixed assets	16,521.17	-	257,009.35
Cash paid for purchases of fixed assets	(33,425,291.70)	(11,987,697.24)	(587,734.60)
Cash paid for purchases of intangible assets	(207,900.00)	(700,100.00)	(72,900.00)
Net cash provided by (used in) investing activities	(298,956,062.91)	35,819,170.41	(38,736,843.25)
Cash flows from financing activities :			
Cash paid for long-term loans from financial institutions	(14,329,078.90)	(4,183,629.61)	-
Cash received from increase in ordinary shares	392,740,000.00	220,000,000.00	-
Cash paid for direct costs related to share offering	(12,143,268.38)	-	-
Dividend paid	(79,628,950.19)	(150,000,000.00)	(89,000,000.00)
Net cash from financing activities	286,638,702.53	65,816,370.39	(89,000,000.00)
Net increase in cash and cash equivalents	48,909,506.72	82,756,817.45	23,518,608.27
Cash and cash equivalents at the beginning of the years	174,138,721.18	91,381,903.73	67,863,295.46
Cash and cash equivalents at the end of the years	223,048,227.90	174,138,721.18	91,381,903.73

Supplemental Disclosures of Cash Flows Information

Non-cash flows items consist of:

Increased in property and plant from long-term debt	-	40,000,000.00	-
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NOTES TO THE FINANCIAL STATEMENTS

Infrasets Public Company Limited
For the year ended 31 December 2019

1. GENERAL INFORMATION

Infrasets Public Company Limited (the "Company") was incorporated in Thailand on May 8, 2006 in accordance with the Civil and Commercial Code and transformed the Company into a public company on March 22, 2019. The Company is principally engaged in the construction of data center and information technology, infrastructure and telecommunication network. The Company has its head office at 165/37-39 Ramintra Road, Anusawari, Bang Khen, Bangkok.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development, dated October 11, 2016, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The accompanying financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.



New financial reporting standards

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

During the year 2019, the Company have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

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

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

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

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

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarized below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments



Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

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

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17. The Company's management will adopt such TFRS in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of the TFRS on the financial statements of the Company in the period of initial application. The Company's management expected to apply the TFRS using the cumulative effect recognized at the date of initial application as at January 1, 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis.

Revenues from sale

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax of goods supplied after deducting returns, discounts and allowances.

Revenue from repair and services are recognized when the services have been rendered.

Revenue from construction of data center, information technology, infrastructure and telecommunication network are recognized in proportion to the stage of completion, by calculating the actual construction costs incurred up to the end of the period as compared to the total anticipated construction costs to be incurred to completion. This also considers the results of the evaluation by the Company's engineers. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. The construction costs incurred during the periods are recognized as an expense. In the event there is a probability that total project costs exceed contract revenues, the Company immediately recognized estimated loss as an expense in the statement of profit or loss.



Penalties arising from delay

Contingent liabilities from penalties are recognized as an expense in the accounting period in which they are incurred.

The amount of contract revenues maybe decreased as a result of penalties arising from delay caused by the contractor in the completion of the contract where there is no any impact on the financial statements in the past.

Cash and cash equivalents

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

Temporary investments

Temporary investments are investments in an Open-End Fund, which are classified in the statements of financial position as trading securities, are carried at their fair values. The fair value is calculated by net asset value of the fund as at the reporting date. Gain or loss on valuation is realized in the statements of profit or loss.

The Company calculated the cost of disposed securities during the year by the weighted average method.

Trade receivables and allowance for doubtful accounts

Trade receivables are stated at net realizable value. Allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of existing accounts receivables and the domestic economic environment.

Unbilled receivables and advance received from customers

The recognized revenues which are not yet due as per contracts are presented as "Unbilled receivables" in the statement of financial position. The instalment amounts due and received according to the contracts, but not yet recognized as revenue, are presented as "Advance received from customers" in the statement of financial position.

Property, plant and equipment - net

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciations of plant and equipment are calculated by reference to their costs on a straight-line basis over their estimated useful lives as follows:

	Useful lives
	(Years)
Buildings	30
Building improvement	10-20
Office equipment	5
Computer	5
Vehicles	5

Land is stated at cost. No depreciation is provided.

Depreciation method, useful life and the residual value will be reviewed at the end of the accounting period and adjusted if appropriate.

Borrowing costs directly attributable to the acquisition, construction or production of an asset in preparation for its intended use are capitalized as part of the cost of the respective assets.

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



Intangible assets

Computer software is stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated on the straight-line basis over their estimated useful lives of 3 and 5 years.

Operating leases

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the profit or loss over the period of the lease.

Finance lease

Finance leases which transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Employee benefits

Short-term benefits

The Company's salaries, wages, bonuses and social security contributions are accounted as expenses on an accrual basis.

Post-employment benefits – defined contribution plan

The Company operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits – defined benefit plan

Employee benefit obligations for severance payment, set-up according to labor law, are recognized as a charge to results of operations over the employee's service period. They calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Company recognized actuarial gains or losses in other comprehensive income for the period in which they arise.

Share-based payment

Share-based payments are recorded on the grant date based on the fair value of shares and the consideration payable and to recognized the related expense with corresponding increase in shareholders' equity.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects reimbursement for a provision, the reimbursement is recognized as a separate asset, but only when there is virtually certainty of the reimbursement.



Income tax

Income tax expenses comprise current tax and deferred tax.

Current tax

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

Deferred tax

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

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

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

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

Fair value measurement

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

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

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

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

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the year as if the par value reduction has been made since January 1, 2018.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:



Revenue from contracts with customers

Identification of performance obligations

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

Determination of timing of revenue recognition

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

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

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

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation.

Estimated services project costs

The Company estimated costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labor costs and other miscellaneous costs to be incurred to completion of service, and taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Allowance for loss on construction projects

The Company reviews its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the statement of profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

Allowance for doubtful accounts

The Company recorded allowance for doubtful accounts equal to the estimated collection losses that may incur in the collection of receivables. The estimated losses are based on historical collection experience coupled with a review of outstanding receivables at the reporting date.

Property, plant and equipment and depreciation

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

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



Deferred tax assets

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

Leases

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

5. TRANSACTIONS WITH RELATED PARTIES

Related parties are defined as persons or companies that control other persons or companies or have significant influence over other persons or companies in making financial and/or operational decisions. This includes the companies that have common shareholders or executive management.

Transactions with related parties are conducted at agreed prices on market value or, where no market value exists, at contractually agreed prices.

The Company had significant business transactions with related parties for the years ended December 31, as follows:

	Unit : Baht	
	2019	2018
Other related parties		
Rental	2,193,157.88	56,605.24
Other income (Note 9)	-	5,339,027.41

Such transactions are on commercial terms and bases agreed upon price between the Company and those related parties in the normal course of business.

Significant balances with related parties can be summarized as follows:

	Unit : Baht	
	2019	2018
Related parties		
Other non-current assets – deposit paid	540,000.00	-



Management compensation

Management compensation for the years ended December 31, consisted of:

	Unit : Baht	
	2019	2018
Short-term benefits	21,270,000.00	26,191,750.00
Post-employment benefits	1,275,547.00	2,116,498.00
Total management compensation	22,545,547.00	28,308,248.00

Management comprises those persons who have authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

	Unit : Baht	
	2019	2018
Cash on hand	20,956.20	47,071.00
Cash at banks - savings accounts	223,017,271.70	118,082,229.18
Cash at banks - current accounts	10,000.00	10,000.00
Cheque due	-	55,999,421.00
Total cash and cash equivalents	223,048,227.90	174,138,721.18

7. TEMPORARY INVESTMENTS - NET

Temporary investments as at December 31, 2019 consisted of

	Unit : Baht	
	At cost	Fair value Level 2
Open-End fund investments	250,000,000.00	250,000,000.00
Add : unrealized gain on investment revaluation	-	833,424.34
Total temporary investment - net	250,000,000.00	250,833,424.34



8. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at December 31, consisted of:

	Unit : Baht	
	2019	2018
Trade receivables		
Trade receivables	157,924,684.17	32,377,788.42
<u>Less</u> allowance for doubtful accounts	-	(507,900.00)
Trade receivables - net	<u>157,924,684.17</u>	<u>31,869,888.42</u>
Other current receivables		
Advance payment for goods and services	1,912,181.20	4,645,050.17
Advance payments other	1,550,579.37	900,999.76
Retention receivables	5,777,788.29	1,612,539.41
Revenue Department receivable	4,569,969.38	2,695,237.59
Undue input tax	2,451,641.73	7,934,175.34
Other	1,068,934.99	366,940.50
Total other current receivables	<u>17,331,094.96</u>	<u>18,154,942.77</u>
Total trade and other current receivables - net	<u><u>175,255,779.13</u></u>	<u><u>50,024,831.19</u></u>

The Company has trade receivables classified by age analysis as follows:

	Unit : Baht	
	2019	2018
Trade receivables		
Current	144,429,725.13	27,470,518.50
Not over 3 months	37,916.79	2,333,827.42
Over 3-6 months	12,693,062.25	1,540,300.00
Over 6-12 months	763,980.00	17,342.50
Over 12 months	-	1,015,800.00
Total trade receivables	<u><u>157,924,684.17</u></u>	<u><u>32,377,788.42</u></u>

9. DEPOSIT FOR LAND

During the year 2018, the management of the Company concluded to transfer the right and obligation of the land purchase and sell agreement of 4 title deeds to related persons. The Company paid the deposit according to the term of the contract and recorded as a deposit for land amount of Baht 56.60 million. The Company has received from the transfer the rights and obligation in the land purchase and sale agreement amount of Baht 62.84 million plus gain from transfer of rights and obligations to purchase and sell land, which is shown as "Other income" in the statement of profit or loss for the year ended December 31, 2018, amounting to Baht 5.34 million.



10. UNBILLED RECEIVABLES/ADVANCES RECEIVED FROM CUSTOMERS

10.1 UNBILLED RECEIVABLES

Unbilled receivables as at December 31, consisted of:

	Unit: Baht	
	2019	2018
Revenues recognition from percentage of completion method		
Unbilled receivables		
Project value as per contract	1,169,664,444.24	994,894,145.95
Accumulated amount recognized as revenues under the percentage of completion basis	1,465,736,819.58	1,991,788,870.69
<u>Less</u> value of total billed	1,182,164,548.11	1,287,865,251.52
Unbilled receivables	<u>(928,475,301.03)</u>	<u>(1,002,735,230.69)</u>
	<u>253,689,247.08</u>	<u>285,130,020.83</u>

10.2 ADVANCES RECEIVED FROM CUSTOMERS

Advances received from customers as at December 31, consisted of

	Unit: Baht	
	2019	2018
Advances received from customer		
Project value as per contract	1,061,197,927.68	94,330,829.20
Value of total billed	939,311,873.51	86,131,819.69
<u>Less</u> accumulated amount recognized as revenues under the percentage of completion basis	<u>(914,620,327.40)</u>	<u>(79,383,668.68)</u>
Advances received from contract	24,691,546.11	6,748,151.01
Advances received from service	71,775.00	80,790.00
Total	<u>24,763,321.11</u>	<u>6,828,941.01</u>

11. PLEDGED DEPOSIT WITH A FINANCIAL INSTITUTIONS

As at December 31, 2019 and 2018, pledged deposits with a financial institution have been used as collateral for loans from a financial institutions, bank overdraft and letters of guarantee for business of the Company.



12. PROPERTY, PLANT AND EQUIPMENT – NET

Property, plant and equipment as at December 31, 2019, consisted of:

	Unit: Baht						
	Land	Building	Office Equipment	Computer	Vehicles	Building under construction	Total
Cost:							
Balance as at January 1, 2019	35,375,719.00	14,950,650.00	3,044,459.92	2,258,546.84	3,480,385.11	500,000.00	59,609,760.87
Add purchase during the year	-	18,498,219.75	8,510,177.92	1,961,221.87	-	4,455,672.16	33,425,291.70
Transfer in/Transfer out	-	400,000.00	-	-	-	(400,000.00)	-
Less Disposal during the year	-	-	-	(24,000.00)	-	-	(24,000.00)
Balance as at December 31, 2019	35,375,719.00	33,848,869.75	11,554,637.84	4,195,768.71	3,480,385.11	4,555,672.16	93,011,052.57
Accumulated depreciation:							
Balance as at January 1, 2019	-	148,715.17	2,577,450.32	954,021.42	3,480,380.10	-	7,160,567.01
Add depreciation during the year	-	1,357,242.06	929,356.50	621,461.90	-	-	2,908,060.46
Less Disposal during the year	-	-	-	(8,017.72)	-	-	(8,017.72)
Balance as at December 31, 2019	-	1,505,957.23	3,506,806.82	1,567,465.60	3,480,380.10	-	10,060,609.75
Net book value:							
Net book value - net Beginning of year	35,375,719.00	14,801,934.83	467,009.60	1,304,525.42	5.01	500,000.00	52,449,193.86
Net book value - net Ending of year	35,375,719.00	32,342,912.52	8,047,831.02	2,628,303.11	5.01	4,555,672.16	82,950,442.82



Depreciation for the years ended December 31, 2019 and 2018 amounted to Baht 2.90 million and Baht 0.73 million, respectively, were included in the statements of profit or loss.

As at December 31, 2019 and 2018, the Company has assets, which have been fully depreciated but are still in use, amounted to Baht 6.38 million and Baht 5.91 million, respectively.

As at December 31, 2019, all of the Company's land and buildings have been mortgaged as collateral for loans from financial institutions (Note 16), and letters of guarantee for business of the Company.

13. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2019 consisted of:

Unit: Baht

	As at	Movement during the year		As at
	January 1, 2019	Increase	Decrease	December 31, 2019
Computer software				
Cost	1,447,900.00	207,900.00	-	1,655,800.00
Accumulated amortization	(494,569.53)	(331,446.83)	-	(826,016.36)
Intangible assets - net	<u>953,330.47</u>			<u>829,783.64</u>

Amortization for the years ended December 31, 2019 and 2018 amounted to Baht 0.33 million and Baht 0.21 million, respectively, were included in the statements of profit or loss.

14. DEFERRED TAX ASSETS

Movements in deferred tax assets during the year were as follows:

Unit: Baht

	Movement increase (decrease)		
	As at		As at
	January 1, 2019	Profit or loss	December 31, 2019
Deferred tax assets			
Trade and other current receivables	101,580.00	(101,580.00)	-
Non-current provisions for employee benefits	2,487,407.60	622,770.00	3,110,177.60
Deferred tax assets	<u>2,588,987.60</u>	<u>521,190.00</u>	<u>3,110,177.60</u>



Income tax expenses for the years ended December 31, were as follows:

	Unit: Baht	
	2019	2018
Profit before income tax	147,384,538.38	119,893,334.60
Income tax rate	20%	20%
Current income tax expenses as tax rate	29,476,907.68	23,978,666.92
Non-deductible expenses by the Revenue Code	474,484.14	135,286.38
Double expenses by the Revenue Code	(259,407.08)	(63,410.84)
Tax deductible on initial public offering expenses	(2,428,653.68)	-
Expenses for share-based payment transactions	-	1,286,198.60
Income tax expenses	27,263,331.06	25,336,741.06
The effective tax rate	18.50%	21.13%

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2019 and 2018.

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Unit: Baht	
	2019	2018
Trade payables	134,704,560.35	160,664,560.63
Other current payables		
Accrued incentive expenses	29,400,077.66	19,687,667.41
Accrued other expenses	2,466,535.04	1,693,241.23
Withholding tax payables	4,103,816.01	5,680,437.72
Undue output VAT	8,029,405.23	1,508,698.41
Other	413,215.37	218,184.76
Total other current payables	44,413,049.31	28,788,229.53
Total trade and other current payables	179,117,609.66	189,452,790.16



16. LONG-TERM LOAN FROM FINANCIAL INSTITUTION - NET

Long-term loan from financial institution as at December 31, consisted of:

	Unit: Baht	
	2019	2018
Long-term loan from a financial institution	21,487,291.49	35,816,370.39
<u>Less</u> current portion of long-term loan		
from a financial institution	(8,579,448.68)	(7,827,076.20)
Long-term loan from financial institution - net	12,907,842.81	27,989,294.19

Movements in the long-term loans for the years ended December 31, are summarized below.

	Unit: Baht	
	2019	2018
Balance as at January 1, 2019	35,816,370.39	-
Additional borrowings during the year	-	40,000,000.00
Repayment during the year	14,329,078.90	4,183,629.61
Balance as at December 31, 2019	21,487,291.49	35,816,370.39

As at December 31, 2019 and 2018, the Company has long-term loan from a financial institution for the line not exceeding Baht 40 million. The loan carries an interest at the MLR minus a certain rate, according to agreement. The loan principle is to be repaid in 60 monthly instalments. The loan is guaranteed by a mortgage of the Company's land and constructions.

17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provision for employee benefits for the years ended December 31, is as follows:

	Unit: Baht	
	2019	2018
Non-current provisions for employee benefits at		
beginning of the years	12,437,038.00	6,418,749.00
Included in profit or loss:		
Current service costs	3,065,738.00	3,989,078.00
Cost of interest	368,112.00	200,912.00
Included in other comprehensive income:		
Actuarial loss arising from		
Financial assumptions changes	-	310,458.00
Experience adjustments	-	1,517,841.00
Benefits paid during the years	(320,000.00)	-
Non-current provisions for employee benefits at		
ending of the years	15,550,888.00	12,437,038.00



Employee benefits expenses for the years ended December 31, consisted of.

	Unit: Baht	
	2019	2018
Current service costs	3,065,738.00	3,989,078.00
Cost of interest	368,112.00	200,912.00
Total employee benefits expenses	3,433,850.00	4,189,990.00

Employee benefits expenses for the years ended December 31, as shown in the statements of profit or loss, are as follows:

	Unit: Baht	
	2019	2018
Costs of service	1,595,357.00	1,889,650.00
Selling expenses and administrative expenses	1,838,493.00	2,300,340.00
Total employee benefits expenses	3,433,850.00	4,189,990.00

Principal actuarial assumptions at the valuation date are as follows:

	Percentage (%) / annum
Discount rate	2.96
Future monthly salary increase rate	8.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, are summarized below:

	Unit: Baht			
	2019		2018	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	13,459,698	18,054,668	10,740,845	14,474,310
Salary increase rate	18,039,651	13,432,019	14,329,644	10,817,870
Turnover rate	13,314,581	17,444,456	10,622,683	13,998,039

As at December 31, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht	
	2019	2018
Within 1 year	-	385,600
Over 1 and up to 5 years	952,996	952,996
Over 5 and up to 10 years	16,425,606	4,192,188
Over 10 years	212,046,836	224,280,254



On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and has additional liabilities for long-term employee benefits. The company has recorded the effect of the change by recognizing past service costs as expenses immediately in the income statement of the year 2018.

18. SHARE CAPITAL

On September 27, 30 and October 1, 2019, the Company offered 146 million new ordinary shares to its benefactors and to the public at the price of Baht 2.69 per share. The Company registered the paid-up share capital with the Ministry of Commerce on October 3, 2019. The shares of the Company were traded on the Stock Exchange of Thailand on October 8, 2019. Direct expenses incurred for the initial public offering amounted to Baht 12.14 million was deducted from the premium on ordinary shares.

The resolution of the Annual General Shareholders' Meeting No.1/2019, held on March 15, 2019, passed a resolution to increase the Company's registered share capital from Baht 207 million to Baht 280 million and change the par value from Baht 100 to Baht 0.50 (from 2,070,000 ordinary shares at Baht 100 par value to 560,000,000 ordinary shares at Baht 0.50 par value) and to convert to a public company limited under the law governing public limited companies.

At Extraordinary General Shareholders' Meeting No. 4/2018 held on April 3, 2018, the shareholders approved the registered capital increase from Baht 165 million to Baht 207 million. The Company offered to sell to the new shareholders at a fair value of Baht 250 per share calculated by the management. The Company recorded a surplus of par value as a premium on common share amounting to Baht 63 million. The Company registered the capital increase with the Ministry of Commerce on April 4, 2018.

At Extraordinary General Shareholders' Meeting No. 2/2018 held on February 26, 2018, the shareholders approved the registered capital increase from Baht 100 million to Baht 165 million. The Company registered the capital increase with the Ministry of Commerce on February 27, 2018.

At Extraordinary General Shareholders' Meeting No. 1/2018 held on February 15, 2018, the shareholders approved the registered capital increase from Baht 50 million to Baht 100 million. The Company registered the capital increase with the Ministry of Commerce on February 16, 2018.

Share-based payment

During the year 2018, management was informed that the shareholders of the Company had entered into agreements for the sale and purchase of a portion of their personally owned shares with other group shareholder for consideration equivalent to share par value. These transactions are considered share-based payment transactions. Therefore, the Company is required to measure the fair value of the shares on the grant date and to recognize related expenses with a corresponding increase in equity.

The Company recorded such related expenses of Baht 6.43 million in the financial statements for the year ended December 31, 2018 as "expenses for share-based payment transactions" with a corresponding "surplus on share-based payment transactions" under shareholders' equity in the same amount.

19. LEGAL RESERVE

Pursuant to the Public Limited Company Act B.E. 2535, the Company must set aside a reserve fund constituting no less than 5 % of the annual net profit deducted by the total deficit brought forward (if any) until the reserve equals no less than 10 % of the registered capital. This legal reserve is not available for dividend distribution.



20. DIVIDEND

The resolutions of the Board of Directors' Meeting on November 8, 2019 approved the allotment of net profit for nine-month period ended September 30, 2019 for interim dividend payment to shareholders of Baht 0.035 for each share, totaling of Baht 19.60 million. The interim dividend were paid to shareholders on December 6, 2019.

The Annual General Shareholders' Meeting No.1/2019, held on March 15, 2019, has resolved to pay a dividend from the retained earnings as at December 31, 2018, amounting to Baht 60.03 million to shareholders in proportion to their share held. Dividends were paid to shareholders on April 10, 2019.

The resolutions of the Board of Directors Meeting No. 4/2018 held on October 1, 2018 authorized the payment of an interim dividend from the retained earnings as at June 30, 2018, at the rate of Baht 30.30303 per share of 1.65 million share amounting to Baht 50 million and authorized for set aside as a legal reserve at Baht 3 million. The dividends were paid on October 12, 2018.

The resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 held on February 15, 2018, has resolved to pay a dividend from the retained earnings as at December 31, 2017, amounting to Baht 100 million to shareholders in proportion to their share held and allocated to the legal reserves of Baht 5 million. Dividends were paid to shareholders on February 21, 2018.

21. SIGNIFICANT EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, consisted of:

	Unit: Thousand Baht	
	2019	2018
Raw materials and consumable materials used	426,303	277,373
Service fees for installation subcontracts	513,428	494,205
Director and employee's benefits expenses	88,159	81,885
Rental and service expenses	8,090	3,475
Expenses for share-based payment transactions	-	6,431
Depreciation and amortization	3,240	945
(Reversal of) allowance for doubtful account	(508)	508



22. OPERATING SEGMENTS

The Company operates in three business segments, construct of data center and information technology, infrastructure and telecommunication network and maintenance and services. Revenues and expenses relate to business segments and geographical segments for the years ended December 31, as follows:

		Unit : Baht					
		Construction of data center and information technology		Infrastructure and telecommunication network		Maintenance and Services	
		2019	2018	2019	2018	2019	2018
Revenues		1,059,226,359.18	800,033,004.87	110,438,085.06	194,861,141.08	46,947,892.98	5,688,124.50
Costs		(843,650,264.31)	(661,588,322.37)	(76,600,389.60)	(115,025,701.10)	(30,376,137.03)	(1,673,209.87)
Segment gross profit		215,576,094.87	138,444,682.50	33,837,695.46	79,835,439.98	16,571,755.95	4,014,914.63
Other income						3,353,443.42	6,546,477.01
Other unallocated costs						(53,195,141.71)	(47,876,367.59)
Selling expenses						(9,936,778.83)	(4,155,950.06)
Administrative expenses						(57,551,609.68)	(56,319,491.48)
Finance costs						(1,270,921.10)	(596,370.39)
Tax expenses						(27,263,331.06)	(25,336,741.06)
Profit for the years						120,121,207.32	94,556,593.54
Assets:							
Property, plant and equipment - net						82,950,442.82	52,449,193.86
Other						961,682,251.69	554,283,773.71
Total assets						1,044,632,694.51	606,732,967.57



23. EMPLOYEES PROVIDENT FUND

The Company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 5% (depending on the age of the work) and the Company contributed to the fund monthly at the referred rate plus 5%. The Company will pay to employees upon termination in accordance with the fund rules. The contributions started from March 2012. For the year ended December 31, 2019 and 2018, the Company contributed to the fund amounting to Baht 1.65 million and Baht 1.70 million, respectively.

24. FINANCIAL INSTRUMENTS

Credit risk

The Company provides credit terms to each customer after confirming their credit worthiness. The collection of accounts receivables is closely monitored and focuses on the overdue receivables. The Company will make a provisions for accounts receivable that are overdue. Presently, the Company's management believes that there is no significant loss arising from the uncollected receivables.

The trade receivables classified by age analysis is disclosed in Note 8.

Interest rate risk

Interest rate risk occurs when the value of financial instruments change in accordance with the fluctuation of market interest rates, which may affect interest income and interest expense of the present and future years.

The management believes that the interest rate risk is minimal. As such, the Company has no hedging agreement to protect against such risk.

25. COMMITMENTS AND CONTINGENT LIABILITIES

- 25.1 As at December 31, 2019 and 2018, the Company has obligations under leased service charges. The remaining rental and service charges of existing contracts to be paid in the future are as follows:

	Unit : Million Baht	
	2019	2018
Within 1 year	5.84	3.41
Over 1 and up to 5 years	5.13	2.63
Total	10.97	6.04

- 25.2 As at December 31, 2019 and 2018, the Company is contingently liable for bank guarantees issued by the banks amounting to Baht 87.77 million and Baht 88.35 million, respectively.
- 25.3 As at December 31, 2019, the Company was committed under construction contracts amounting to approximately Baht 2.09 million.

26. EVENT AFTER THE REPORTING PERIOD

The resolution of the Board of Directors' Meeting No. 1/2020, held on February 21, 2020, resolved to pay a dividend from its operating result for the year ended December 31, 2019 for 560 million shares at the rate of Baht 0.15 per share, amounting Baht 84 million. After deducting the interim dividends paid to shareholders in December 2019 at the rate of Baht 0.035 per share, amounting Baht 19.60 million, the remaining dividends will be paid at the rate of Baht 0.115 per share, amounting Baht 64.40 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 21, 2020.



Management Discussion and Analysis

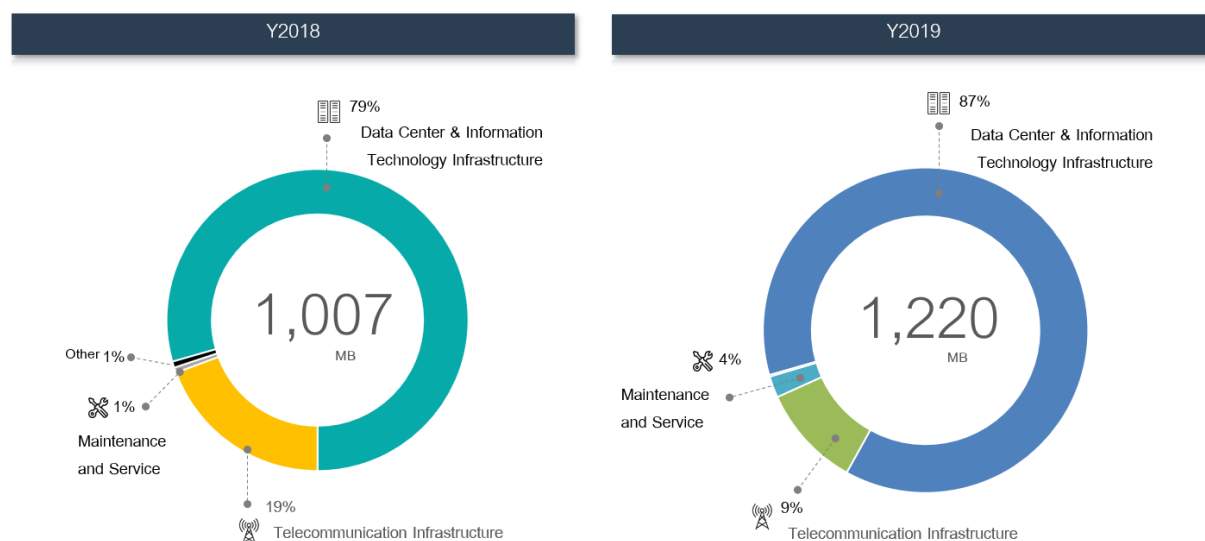
Overview of the Overall Operation

For 2017-2019, the overall operation of Infraset Public Company Limited has been continuously grown both in term of net profit and revenues from services, which count for more than 99% of total revenues. The major revenues of the Company were derived from three core businesses consisting of data center and information technology infrastructure business, telecommunication infrastructure business, and maintenance and service business.

In 2017 – 2019, the Company's total revenues amounted Baht 530.29 million, Baht 1,007.13 million, and Baht 1,219.97 million, respectively. The main revenue was derived from the revenue from data center and information technology infrastructure business. The secondary revenue was the revenue from telecommunication infrastructure business. In each year, profit margin was at 19.38%, 17.43%, and 17.49%, respectively. Selling and administrative expenses amounted to Baht 22.76 million, Baht 60.48 million, and Baht 67.49 million, respectively. Such expenses have been yearly increased based on an increase of the number of employees to support the business growth. The Company's net profit amounted to Baht 63.91 million, Baht 94.55 million, and Baht 120.12 million, respectively.

In 2019, the Company's main revenues were derived from data center and information technology infrastructure business of Baht 1,059.23 million, telecommunication infrastructure business of Baht 110.44 million, and maintenance and service business of Baht 46.95 million, or in the proportion of 86.82%, 9.05%, and 3.85% of total revenues, respectively. The revenues from the following major projects were recognized.

- Mobile Phone Signal Provision and Broadband Internet Service and Villages in Zone C+ Project of the National Broadcasting and Telecommunications Commission (Office of the NBTC) (the internet center of the school and community is set up to provide the basic telecommunication service all over and social service (USO Net)) in the Northern and Northeastern Area (USO Phase 1 Project)
- Hi Speed Internet Service in Zone C Project of the NBTC in Northern 1 and the Central 2 (USO Phase 2 Project)
- DC Power System Device Installation Project in the North, Central, East, and Northeast (CAT ASEAN Digital Hub)
- Mobile Switching Center (MSC) -TYB (Thanyaburi) Phase 2 located in Pathum Thani Province
- Internet Data Center Construction Project for True IDC at True Tower 2
- TRUE Landing Station Songkhla Project
- CAT IDC Area Improvement and Extension Project





Overall Operation Analysis

1.1 Revenue Structure

Type of Service	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
1. Data Center & Information Technology (IT)	406.03	76.57	800.03	79.44	1,059.23	86.82
2. Telecommunication Infrastructure	120.39	22.70	194.86	19.35	110.44	9.05
3. Maintenance and Service	2.88	0.54	5.69	0.56	46.95	3.85
4. Other Income	0.99	0.19	6.55	0.65	3.35	0.28
Total	530.29	100.00	1,007.12	100.00	1,219.97	100.00

In 2017 – 2019, the Company's total revenues amounted to Baht 530.29 million, Baht 1,007.12 million, and Baht 1,219.97, respectively. The said revenues were derived from three main businesses consisting of data center and information technology infrastructure business, telecommunication infrastructure business and maintenance and service business.

The Company's main revenues have been from data center and information technology infrastructure business and telecommunication infrastructure business in average total revenues for 3 years at the rate of more than 95.00% of total revenues in each year. The change of the revenues in each business can be described as follows.

1. Data Center and Information Technology System Construction Business

Detail	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
Revenues	406.03	100.00	800.03	100.00	1,059.23	100.00
1. Data Center	286.46	70.55	125.56	15.69	358.31	33.83
2. IT Infrastructure	119.57	29.45	674.47	84.31	700.92	66.17
Cost (cost -to-revenue ratio)	327.46	80.65	661.59	82.70	843.65	79.65
1. Data Center	225.57	78.74	89.09	70.96	290.80	81.16
2. IT Infrastructure	101.89	85.22	572.49	84.88	552.85	78.88
Gross profit (gross profit margin)	78.56	19.35	138.44	17.30	215.58	20.35
1. Data Center	60.89	21.26	36.47	29.04	67.51	18.84
2. IT Infrastructure	17.68	14.78	101.97	15.12	148.07	21.12

In 2017 – 2019, the Company's revenues from data center and information technology Infrastructure business amounted to Baht 406.03 million, Baht 800.03 million, and Baht 1,059.23 million, respectively. The cost of such business amounted to Baht 327.46 million, Baht 661.59 million, and Baht 843.65 million, respectively. Such cost was recorded based on the actual cost in each period. The main transactions include contracting wage and material cost, resulting in the Company's gross profit of Baht 78.56 million, Baht 138.44 million, and Baht 215.58 million, respectively.

In 2017, the Company's revenue from data center amounted to Baht 286.46 million mainly derived from TRUE IDC, MSC – TYB - Phase 1, and FORTH Data Center Projects which have been continuously operated from previous year. The cost of the said data center amounted to Baht 225.57 million, or the cost to revenue ratio of 78.74%. In addition, the Company's revenue from information technology infrastructure amounted to Baht 119.57 million, comprising the installation of information technology system to be connected in the building for FORTH, SYM, and USO (Phase 1) Projects. The cost of such works was Baht 101.89 million or the cost to revenue ratio of 85.22% mostly due to USO (Phase 1) Project which has a quite high cost to revenue ratio when compared with other information technology system construction work. As a net result, the Company's gross profit of data center and information technology infrastructure business amounted to Baht 78.56 million, or gross profit margin at 19.35% of revenues in 2017.



In 2018, the Company's revenue from data center amounted to Baht 125.56 million from TRUE IDC, MSC-TYB (Phase 2), Computer Operation Center at ICONSIAM Building, and TRUE IDC (Phase 2) Projects, etc. The cost of such data center construction works amounted to Baht 89.09 million or the cost to revenue ratio of 70.96%. In addition, the Company's revenue from information technology infrastructure amounted to Baht 674.47 million comprising the revenue from installing the information technology system to be connected in the building for W&W, FORTH, and USO (Phase 1) Projects. The cost of such works amounted to Baht 572.49 million or the cost to revenue ratio of 84.88% which was in the same ratio as the previous year. As a net result, the Company's gross profit of data center and information technology infrastructure business amounted to Baht 138.44 million, or gross profit margin at 17.30% of revenues in 2018.

In 2019, the Company's revenue from data center amounted to Baht 358.31 million mainly recognized from TRUE Landing Station Songkhla, MSC-TYB (Phase 2), CAT IDC and TRUE IDC (Phase 2) Projects. The cost of such data center construction works amounted to Baht 290.80 million or the cost to revenue ratio of 81.16%. In addition, the Company's revenue from information technology infrastructure amounted to Baht 700.92 million as the revenue from installing the information technology system to be connected in the building for W&W, FORTH, and USO (Phase 1 and Phase 2) Projects. The cost of such works amounted to Baht 552.85 million or the cost to revenue ratio of 78.88% which was lower than last year. As a net result, the Company's gross profit of data center and information technology infrastructure business amounted to Baht 215.58 million, or gross profit margin at 20.35% of revenues in 2019.

2. Telecommunication infrastructure business

Detail	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
Revenues	120.39	100.00	194.86	100.00	110.44	100.00
1. Transmission Tower Installation	30.09	24.99	65.12	33.42	29.42	26.64
2. Network System Installation	90.30	75.01	129.74	66.58	81.02	73.36
Cost (cost -to-revenue ration)	68.34	56.77	115.03	59.03	76.60	69.36
1. Transmission Tower Installation	16.62	55.25	48.96	75.19	26.11	88.75
2. Network System Installation	51.72	57.27	66.06	50.92	50.49	62.32
Gross profit (gross profit margin)	52.05	43.23	79.84	40.97	33.84	30.64
1. Transmission Tower Installation	13.47	44.75	16.16	24.81	3.31	11.25
2. Network System Installation	38.59	42.73	63.68	49.08	30.53	37.68

In 2017 – 2019, the Company's revenue from telecommunication infrastructure business amounted to Baht 120.39 million, Baht 194.86 million, and Baht 110.44 million, respectively. The cost of such business amounted to Baht 68.34 million, Baht 115.03 million, and Baht 76.60 million, respectively, resulting in the Company's gross profit of Baht 52.05 million, Baht 79.84 million, and Baht 33.84 million, respectively. Such business can be classified into the semaphore installation work and wired network system installation work

In 2017, the Company's revenue from semaphore installation work of the TRUE Group and other companies amounted to Baht 30.09 million. The cost of such semaphore installation work amounted to Baht 16.62 million or in the cost or revenue ratio of 55.25%. Moreover, the Company's revenue from wired network system installation work of the TRUE Group and FORTH, etc., amounted to Baht 90.30 million. The cost of such wired network system installation work amounted to Baht 51.72 million or in the cost to revenue ratio of 57.27%. As the net result, the Company's gross profit of telecommunication infrastructure business amounted to Baht 52.05 million or gross margin of 43.23%.

In 2018, the Company's revenue from the semaphore installation work of the TRUE Group amounted to Baht 65.12 million. The cost of such semaphore installation work amounted to Baht 48.96 million or the cost to revenue ratio of 75.19%, highly increasing from last year due to the CAT Tower Project whereas CAT is the project owner. The cost of such project was in high level due to the additional cost of เสาส่งสัญญาณ and different from other projects that only labor cost incurred. Moreover, the Company's revenue from wired network system installation work of the TRUE Group, FORTH and AIT, etc., amounted to Baht 129.74 million. The cost of such wired network system installation work amounted to Baht 66.06 million or the cost to revenue ratio of 50.92%. As the net result, the Company's gross profit of telecommunication infrastructure business amounted to Baht 79.84 million or gross margin of 40.97%.



In 2019, the Company's revenue from semaphore installation work of the TRUE Group amounted to Baht 29.42 million. The cost of such semaphore installation work amounted to Baht 26.11 million or the cost to revenue ratio of 88.75% which was in quite high level when compared with 2018 since most revenues were derived from the CAT Tower Project which had additional cost of semaphore and was different from other projects that only labor cost incurred. Moreover, the Company's revenue from wired network system installation work of the TRUE Group, AIT, and Nirvana amounted to Baht 81.02 million. The cost of such wired network system installation work amounted to Baht 50.49 million or in the cost to revenue ratio of 62.32%. As the net result, the Company's gross profit of telecommunication infrastructure business amounted to Baht 33.84 million or gross margin of 30.64%.

3. Maintenance and Service Business and Others

In 2017 – 2019, the Company's revenue from maintenance-service business and others amounted to Baht 3.87 million, Baht 12.23 million, and Baht 50.30 million, respectively. The said revenue was derived from maintenance-service business of Baht 2.88 million, Baht 5.69 million, and Baht 46.95 million, respectively. The revenue from maintenance and service business has been classified into two main types consisting of the revenue from Preventive Maintenance (PM) service, and revenue from Corrective Maintenance (CM) service. The samples of the customers have included FORTH, ISSP, DELPHI, and PEA, etc. In 2018, the Company's revenue from maintenance and service business amounted to Baht 5.69 million, increasing from 2017 since the Company accepted repair and maintenance work for DWDM device which is the expander of fiber-optic cable for FORTH in total of 162 stations. In 2019, the Company's revenue from maintenance and service business amounted to Baht 46.95 million, highly increasing from 2018 due to the improvement and replacement work for fire prevention equipment for MRT building. In addition, the Company has commenced to recognize revenue from equipment maintenance work for USO (Phase 1) Project in total value of Baht 320 million for the 5-years term of the contract from Q3/2019.

In 2017 – 2019, the Company's other incomes amounted to Baht 0.99 million, Baht 6.55 million, and Baht 3.35 million, respectively. Most of other incomes were derived from interest received from bank deposit and gain from disposal of asset. However, in 2018, the Company's other incomes of Baht 6.55 million was in higher level than other years due to the gain from transfer of the right under the sales contract of the land for Baht 5.34 million (the additional details are in the related party transaction). While in 2019, most of other incomes were derived from unrealized gain from the change in value of the investment in open-end fund at the ending date of the period.

Employee Cost

In 2017 – 2019, the Company's employee cost and expense amounted to Baht 27.61 million, Baht 41.78 million, and Baht 47.17 million, respectively. Such cost consists of salary, bonus, and fringe benefits of the employees of the Project and Service Management Department. The said employees are in the part that manage and supervise the progress of the projects. Since 2017 onwards, the Company has commenced to record incentive fee for the employees of the Project and Service Management Department in the employee cost and expense. Previously, the said transaction was recorded in selling expense. Such incentive fee is the remuneration paid by the Company to the employees of the Project and Service Management Department. The expenses of the projects which have been completed and can be fully collected in accordance with the contracts (the projects have been closed) have commenced to be highly increased since 2017 due to an increase in the project value operated by the Company and revenue recognition in each year.



Selling Expenses

Detail	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
1 Sales Remuneration	0.12	8.29	2.31	55.47	5.04	50.70
2. Entertainment Expense	1.22	81.72	1.77	42.55	3.65	36.72
3. Others	0.15	9.99	0.08	1.97	1.25	12.58
Total	1.49	100.00	4.16	100.00	9.94	100.00

In 2017 – 2019, the Company's selling expenses amounted to Baht 1.49 million, Baht 4.16 million, and Baht 9.94 million, respectively. Its selling expenses consists of the sales remuneration, entertainment expense, and other selling expenses, such as New Year present expense, sales promotion expense, and advertising expense, etc.

The employee remuneration mostly consists of salary of the sales and marketing staff which will be increased based on an increase in the number of employees and the employee salary in each year, bonus, and incentive fee which will be received upon the completion of the project construction, and collection from money in full amount in accordance with the contract.

Administrative Expenses

Detail	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
1. Administrative remuneration	10.93	51.38	36.01	63.94	33.40	58.04
2. Expenses from share-based payment	-	-	6.43	11.42	-	-
3. Taxes and fees	2.92	13.73	4.93	8.75	8.60	14.94
4. Office Expenses	2.18	10.24	2.41	4.27	4.38	7.61
5. Depreciation	1.05	4.93	0.94	1.68	3.20	5.56
6. Other Administrative Expenses	4.20	19.72	5.60	9.95	7.97	13.85
Total	21.27	100.00	56.32	100.00	57.55	100.00

In 2017 – 2019, the Company's administrative expenses amounted to Baht 21.27 million, Baht 56.32 million, and Baht 57.55 million, respectively. The key transactions of the administrative expenses include remuneration of the executive employees, consultancy fee, fees, and office expense.

Administrative Remuneration

In 2017 – 2019, the Company's remuneration expenses for the administrative employees amounted to Baht 10.93 million, Baht 36.01 million, and Baht 33.40 million, respectively. Such transactions consist of salary, bonus, and other fringe benefit of the executive and back office employees, increasing by an increase in the number of the employees to support the Company's business growth, and the increase of employee salary's base at the beginning of 2018.

In 2018, the Company's remuneration of the administrative employees considerably increased from previous year due to the commencement of the Company to pay pension to the Executive Committee at the rate of not more than 1.00% of the main revenues.

In 2019, the Company's remuneration of the administrative employees reduced when compared with in 2018 due to the resignation of one executive director, and the change of the Company in pension rate of the executive director previously at not more than 1.00% of the main revenues to be not more than 10.00% of profit before income tax expense for the year instead. In addition, the Company has adjusted the annual bonus of the employee on actual paid amount basis from the annual performance assessment, resulting in a decrease in the employee remuneration despite of an increase in the number of employees due to the use of the service duration in the assessment consideration.



Consultancy Fee and Fees

In 2017 – 2019, the Company's tax and fees amounted to Baht 2.92 million, Baht 4.93 million, and Baht 8.60 million, respectively. The main transactions include audit fee, legal consultancy fee, and financial consultancy fee.

In 2019, the Company's consultancy fee and fees substantially increased from previous year since most expense has been the expense relating to restructuring and work process of the Company in accordance with the standards and qualifications of the listed companies in the Stock Exchange.

Office Expense

In 2017 – 2019, the Company's office expense amounted to Baht 2.18 million, Baht 2.41 million, and Baht 4.38 million, respectively. The said transaction consists of office material expense, public utility expense, and branch office rent of the Company.

In 2019, the Company's office expense substantially increased from previous year due to an increase in office rent since the Company has leased a building from Mr. Sakbown Pukkanasut, the Managing Director, to be used as a branch office to support the future expansion of the Company (the detail of the additional information in part of the related party transaction).

Operating Profit (Loss) and Operating Profit (Loss) Margin

Detail	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
Total revenue	530.29	100.00	1,007.13	100.00	1,219.97	100.00
Total cost	(426.73)	(80.47)	(826.16)	(82.03)	(1,003.82)	(82.28)
Selling expenses	(1.49)	(0.28)	(4.16)	(0.41)	(9.94)	(0.81)
Administrative expenses	(21.27)	(4.01)	(56.32)	(5.59)	(57.55)	(4.72)
Operating profit	80.79	15.24	120.49	11.96	148.66	12.19

In 2017 – 2019, the Company's operating profit amounted to Baht 80.79 million, Baht 120.49 million, Baht 148.66 million, or operating profit margin of 15.24%, 11.96%, and 12.19%, respectively. An increase in the operating profit in each year has been based on an increase in revenue recognized by the Company.

Financial Cost

In 2018 – 2019, the Company's financial cost amounted to Baht 0.60 million, Baht 1.27 million, respectively. The said cost is the financial cost from long-term financial institution loan to be used for purchasing land and building of the new office. In 2017, none of the Company's financial cost incurred due to none of loan and non-use of the financial institution credit line.

Income Tax Expense

In 2017 – 2019, the Company's income tax expense amounted to Baht 16.88 million, Baht 25.34 million, and Baht 27.26 million, respectively, or effective tax rate of 20.89%, 21.13%, and 18.50%, respectively.

Detail	For the Year Ended		
	31 December 2017	31 December 2018	31 December 2019
	MB	MB	MB
Current income tax	17.16	26.28	27.78
Deferred income tax	(0.28)	(0.94)	(0.52)
Income tax	16.88	25.34	27.26



In 2017, the Company's income tax expense amounted to Baht 16.88 million, or effective tax rate of 20.89%. The income tax expense consists of income tax for 2017 of Baht 17.16 million and deferred income tax of Baht 0.28 million.

In 2018, the Company's income tax expense amounted to Baht 25.34 million, or effective tax rate of 21.13%. The income tax expense consists of income tax for 2018 of Baht 26.28 million and deferred income tax of Baht 0.94 million.

In 2019, the Company's income tax expense amounted to Baht 27.26 million, or effective tax rate of 18.50%. The income tax expense consists of income tax for 2019 of Baht 27.78 million, and deferred income tax of Baht 0.52 million.

Net Profit and Net Profit Margin

Detail	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
Total Revenue	530.29	100.00	1,007.13	100.00	1,219.97	100.00
Total Cost	(426.73)	(80.47)	(826.16)	(82.03)	(1,003.82)	(82.28)
Total Expenses	(22.76)	(4.29)	(60.48)	(6.00)	(67.49)	(5.53)
Profit before finance costs and income tax expenses	80.79	15.24	120.49	11.96	148.66	12.19
Finance costs	-	-	(0.60)	(0.06)	(1.27)	(0.10)
Profit before income tax	80.79	15.24	119.89	11.90	147.38	12.08
Tax expenses	(16.88)	(3.18)	(25.34)	(2.52)	(27.26)	(2.23)
Net profit	63.91	12.05	94.56	9.39	120.12	9.85

In 2017 – 2019, the Company's net profit amounted to Baht 63.91 million, Baht 94.56 million, and Baht 120.12 million, respectively, or net profit margin of 12.05%, 9.39%, and 9.85% of total revenues, respectively.

In 2017, the Company's net profit amounted to Baht 63.91 million, or net profit margin of 12.05% which was mostly derived from gross profit of data center and information technology system construction business. The net profit of the year increased accordingly due to a quite high revenue to total revenues ratio of said business.

In 2018, the Company's net profit amounted to Baht 94.56 million, or net profit margin of 9.39%. The Company's net profit increased from previous year based on an increase in revenue. However, the Company's net margin rate oppositely decreased from previous year due to an increase in the project cost mostly from USO (Phase 1) Project of which its gross profit margin was lower than other project, and an increase in total expenses from a higher employee remuneration based on an increase in the number of employees to support the Company's business expansion.

In 2019, the Company's net profit amounted to Baht 120.12 million, or net profit margin of 9.85%. The Company's net profit and net profit margin increased from previous year based on an increase in revenue, and the project cost decreased due to the Company's adjustment of the cost estimate for the USO (Phase 1 and 2) Project. The work success rate as at the end of 2019 was more than 85% and similar to the actual cost, resulting in an increase in gross profit margin due to a quite high revenue to total revenues ratio of such project in accompany with an increase in total expenses when compared with in last year at the increasing rate which was lesser than the increasing rate of gross profit margin.



Net Earnings Per Share

Detail	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
Net profit	63.91	12.05	94.56	9.39	120.12	9.85
Weighted average number of ordinary shares (Million shares)	200.00		345.83		450.40	
Earnings per share (Baht)	0.32		0.27		0.27	

*EPS is calculated from weighted average number of ordinary shares at the end of period at par value of Baht.
In 2017, 2018, and 2019, the Company's Net Earnings Per Share (being calculated from at the ending date of the period in each year at par of 0.50 Baht per Share) was 0.32 Baht, 0.27 Baht, and 0.27 Baht, respectively.

1.2 Financial Position Analysis

Asset Overview

At year-end 2017 - 2019, the Company's total assets amounted to Baht 387.55 million, Baht 606.73 million, and Baht 1,044.63 million, respectively. The detail of each transaction can be described as follows.

Current Assets

At year-end 2017 - 2019, the Company's current assets amounted to Baht 302.06 million, Baht 509.29 million, and Baht 902.83 million, or 77.94%, 83.94%, and 86.43% of total assets in each year, respectively. The main transactions consist of account and other receivables, accrued revenue, temporary investments, and cash and cash equivalents. Each transaction can be described as follows.

Account and Other Receivables

Account Receivables

	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	MB	%	MB	%	MB	%
Not yet due	71.10	71.41	27.47	86.20	144.43	91.46
Overdue not over 3 months	28.46	28.58	2.33	7.31	0.04	0.03
Overdue 3 months but not over 6 months	-	-	1.54	4.83	12.69	8.03
Overdue 6 months but not over 12 months	-	-	0.02	0.06	0.76	0.48
Overdue more than 12 months	-	-	1.02	3.20	-	-
Total trade receivables	99.57	100.00	32.38	101.60	157.92	100.00
Allowance for doubtful accounts	-	-	(0.51)	(1.60)	-	-
Total trade receivables (net)	99.57	100.00	31.87	100.00	157.92	100.00

At year-end 2017 - 2019, the Company's net account receivables amounted to Baht 99.57 million, Baht 31.87 million, and Baht 157.92 million, respectively.



At the year-end of 2017, the Company's net account receivables amounted to Baht 99.57 million, being classified into undue receivables of Baht 71.10 million or 71.41% of account receivables in 2017. The large proportion was an undue receivable of ICN for Baht 60.72 million or 85.40% of undue receivables in 2017. The said undue receivables decreased from 2016 based on the due payment. The Company's outstanding receivables of not more than 3 months amounted to Baht 28.46 million, increasing from 2016 by Baht 25.06 million from ICN.

At the year-end of 2018, the Company's net account receivables amounted to Baht 31.87 million, being classified into undue receivables of Baht 27.47 million or 86.20% of net account receivables in 2018. The large proportion was an undue receivable of AIT and FORTH for Baht 11.16 million and Baht 10.50 million, or 40.63% and 38.22% of undue receivables, respectively. The said undue receivables decreased from 2017 due to due payment. However, allowance for doubtful accounts of Baht 0.51 million were established to be the transportation cost collected by the Company from W&W.

At year-end 2019, the Company's net account receivables amounted to Baht 157.92 million, being classified into undue receivables of Baht 144.43 million or 91.46% of net account receivables in 2019. The large proportion was the undue receivables of W&W and CAT Telecom Public Company Limited for USO (Phase 2) Project and CAT-IDC Area Improvement and Expansion Project amounted to Baht 45.75 million and Baht 72.59 million, or 31.68% and 50.26% of undue receivables in the year, respectively. The said undue receivables substantially increased from 2018, mostly due to the delivery of the aforesaid projects, and billing for collection in December 2019. Moreover, the Company reversed the transaction of allowance for doubtful accounts of Baht 0.51 million since the said transaction was paid.

From 2018, the Company has commenced the policy for establishing allowance for doubtful accounts by taking into account the individual debtor and analyzing the debt repayment history together with aging of each receivable as per the following table.

Overdue period	Percentage of doubtful debt
From 1 year but not over 2 years	50
More than 2 years	100

Other Current Receivables

At year-end 2017 - 2019, the Company's other current receivables amounted to Baht 15.90 million, Baht 18.15 million, and Baht 17.33 million, respectively. Such transactions consist of the main transactions which are prepaid expenses, receivable of the Revenue Department, undue input tax, and retention money.

At year-end 2019, the Company's other current receivables amounted to Baht 17.33 million, increasing from 2018, mostly due to an increase of retention money from 2018 by Baht 4.17 million. Most of the said performance securities are the guarantees on the performance of the wired network installation project.

Unbilled Receivables

Unbilled receivables is the recognized revenues for the completed work but it cannot be billed for collection since the terms or the condition of payment under the contract is not yet due.

At year-end 2017 - 2019, the Company's accrued revenue amounted to Baht 95.21 million, Baht 285.13 million, and Baht 253.69 million. The ratio of such transactions was at 24.57%, 47.00%, and 24.29% of total assets in each year, respectively.



The table below shows the details of the unbilled receivables

Type of Service	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	%	MB	MB	%	MB	%
1. Data Center and IT Infrastructure	0.66	0.69	119.21	41.81	87.24	34.39
2. Telecommunications Infrastructure	94.50	99.25	165.92	58.19	166.45	65.61
3. Maintenance and Service	0.06	0.06	-	-	-	-
Total	95.21	100.00	285.13	100.00	253.69	100.00

In 2017, the Company's accrued revenue amounted to Baht 95.21 million. The large proportion was derived from the telecommunication infrastructure business mostly in wired network system installation work for Baht 94.50 million or 99.25% of accrued revenue in the year.

In 2018, the Company's accrued revenue amounted to Baht 285.13 million which was substantially increased from 2017, was derived from the data center and information technology system construction business mostly from MSC TYB – Phase 2 Project, USO Project, TRUE IDC – Phase 1 and Phase 2 Project, etc., for Baht 119.21 million or 41.81% of accrued revenue in the year. A part of accrued revenue was derived from telecommunication infrastructure business mostly from UPC Dens Project, True Coverage Expansion Project, and TUC Bangkok Project, etc., for Baht 165.92 million or 58.19% of accrued revenue.

In 2019, the Company's accrued revenue amounted to Baht 253.69 million which was decreased from 2018, was the accrued revenue of data center and information technology system construction business mostly from CAT Asian Hub Project, Communication and Information Building for PEA District 1 - Chiang Mai Project, and TRUE Landing Station Songkhla Project, etc., for Baht 87.24 million or 34.39% of accrued revenue. A part of the accrued revenue was derived from the telecommunication infrastructure business mostly from UPC Dens Project, True Coverage Expansion Project, CAT Collocate Tower Project, and TUC Bangkok Project, etc., for Baht 166.45 million or 65.61% of accrued revenue.

Most of accrued revenue was derived from wired network installation work due to the condition of payment under the service contract that the Company must complete an installation of the signal transmission cables of the whole project for 90% of total projects in order that they can bill for collection from the main contractor, resulting in an accumulation of the work in completed part to be a high value of accrued revenue. However, the Company has been under discussion with its customer, W&W, in revising the billing and payment condition of the new wired network installation work. If their negotiation is accomplished, a decrease in accrued revenue will be expected by the Company.

Cash and Cash Equivalents

At year-end 2017 - 2019, the Company's cash and cash equivalents amounted to Baht 91.38 million, Baht 174.14 million, and Baht 223.05 million. The ratio of such transactions was at 23.58%, 28.70%, and 21.35% of total assets in each year, respectively. Such transactions substantially increased in 2019 due to collection from big project customers such as USO (Phase 2) Project and CAT-IDC Project.

Temporary Investments

At year-end 2019, the Company's temporary investments amounted to Baht 250.83 million as the money partly acquired from the initial public offering (IPO) of the ordinary shares for capital increase. The Company invested such money in Fixed Income Fund. Such investment is classified into securities for trading in statement of financial position at fair value as the ending date of the period.

Non-Current Assets

At year-end 2017 - 2019, the Company's non-current assets amounted to Baht 85.49 million, Baht 97.44 million, and Baht 141.81 million or 22.06%, 16.06%, and 13.57% of total assets in each year, respectively. Most of the non-current assets consist of property, plant, equipment, and restricted deposit at financial institution.



Property, Plant, and Equipment

At year-end 2017 - 2019, the Company's property, plant, and equipment amounted to Baht 1.19 million, Baht 52.45 million, and Baht 82.95 million, respectively, or in the ratio of 0.31%, 8.64%, and 7.94% of total assets in each year, respectively. Such transactions substantially increased in 2018 - 2019 due to the Company's purchase of land and office building of Nirvana @WORK Ramintra for 3 units to be used as the new head office of the Company.

Pledged deposits at a financial institution

At year-end 2017 - 2019, the Company's restricted deposit at financial institution amounted to Baht 35.24 million, Baht 35.57 million, and Baht 50.90 million or in the ratio of 9.09%, 5.86%, and 4.87% of total assets in each year, respectively. The said deposit is a deposit at financial institution, which is used by the Company to guarantee working capital credit of the Company.

The said restricted deposit at financial institution has been increased every year in accordance with the request for increasing a project guarantee line from the commercial bank under the condition of the Company's additional deposit for guaranteeing the said line.

1.3 Overview of the Liabilities

Liability Structure of the Company

At year-end 2017 - 2019, the Company's total liabilities amounted to Baht 197.85 million, Baht 247.51 million, and Baht 264.32 million, respectively. In 2019, an increase of the Company's total liabilities from 2018 was mostly due to an increase in advance received from its customers and payable of retention money, increasing from 2018 by Baht 17.93 million, Baht 22.96 million, respectively. However, the detail of each transaction can be described as follows.

Current Liabilities

At year-end 2017 - 2019, the Company's current liabilities amounted to Baht 191.06 million, Baht 206.65 million, and Baht 212.46 million, or in the ratio of 96.57%, 83.49%, and 80.38% of total liabilities in each year, respectively. The main transactions include account and other payables and advance received from customers.

Trade and Other Current Payables

At year-end 2017 - 2019, the Company's account payables and other current payables amounted to Baht 122.48 million, Baht 189.45 million, and Baht 179.12 million, respectively, consisting of account payables for Baht 94.50 million, Baht 160.66 million, and Baht 134.70 million, respectively. Such account payables are mostly the sub-contractors of which the Company have employed under the contract of the project construction and partly the business partner companies that sell the equipment for installation in each project.

Advance Received from Customers

At year-end 2017 - 2019, the Company's advance received from customers amounted to Baht 68.58 million, Baht 6.83 million, and Baht 24.76 million, respectively. Advance received from customers is the money received by the Company from its customers to be used in construction in the first period in accordance with the mutually agreed contract and part of them is the monies collected by the Company from its customers under the contract, which are more than revenues recognized based on the ratio of the completed work.

At year-end 2019, the Company's advance received from customers amounted to Baht 24.76 million, increasing from 2018. Most of them are advances received of USO (Phase 1) Project from the Company's ability to collect money from the customer in accordance with the contract.

Non-Current Liabilities

At year-end 2017 - 2019, the Company's non-current liabilities amounted to Baht 6.79 million, Baht 40.86 million, and Baht 51.86 million, or 3.43%, 16.51%, and 19.62% of total liabilities in each year, respectively. Long-term loans from financial institution, payable of retention money, and provision of employee benefit are the main transactions.



Long-Term Loans from Financial Institution

The Company has borrowed long-term loan from a financial institution for Baht 40.00 million to purchase land and building to be used as the new head office. At the year-end of 2018, the Company's outstanding long-term loan from the financial institution amounted to Baht 35.82 million, being classified into the current portion of Baht 7.83 million, and net long-term loan from the current portion of Baht 27.99 million.

At year-end 2019, the Company's outstanding balance of the loan from financial institution for the purchase of land and building amounted to Baht 21.49 million, being classified into the current portion of Baht 8.58 million, and net long-term loan from the current portion of Baht 12.91 million.

Retention Payables

At year-end 2017 - 2019, the Company's payable of retention money amounted to Baht 0.37 million, Baht 0.44 million, and Baht 23.40 million, or 0.19%, 0.18%, and 8.85% of total liabilities in each year, respectively. At year-end 2019, a quite high increase in the Company's payables of retention money in 2018 was due to the deduction of retention money from the contractors of the projects under construction in 2019, such as USO Phase 1 and 2 Project, CAT IDC Project, Communication and Information Building for PEA District 1 - Chiang Mai Project, and TRUE Landing Station Songkhla Project, etc.,

Non-Current Provision for Employee Benefits

At year-end 2017 - 2019, the Company's provision of non-current liability for employee benefit amounted to Baht 6.42 million, Baht 12.44 million, and Baht 5.55 million, respectively. The Company has employed an actuary to calculate the provision of non-current liability for employee benefit since 2017.

However, in 2018, the Company recorded an impact from the change in an additional rate of severance pay in case of the employer's dismissal. The employee who has continuously worked for 20 full years and more is entitled to receive severance pay of not less than the 400-day last wage rate in accordance with the new Labour Protection Act, resulting in an increase in the Company's liability from establishing the long-term employee benefit reserve.

Shareholders' Equity

At year-end 2017 - 2019, the shareholders' equity of the Company amounted to Baht 189.70 million, Baht 359.22 million, and Baht 780.31 million, respectively, increasing from an improved overall operation in each year and substantial increasing in 2018 from a capital increase for Baht 220 million, and in 2019 from an initial public offering (IPO) of the ordinary shares for the capital increase for Baht 380.60 million.

At year-end 2017, a decrease of the shareholders' equity of the Company from 2016 was due to dividend payment of Baht 89.00 million despite of net profit at Baht 63.91 million, resulting in a decrease in the shareholders' equity of the Company by Baht 189.70 million from 2016.

At year-end 2018, a substantial increase of the shareholders' equity of the Company from 2017 was due to an increase of profit from the business operation and from the Company's capital increase of Baht 220 million even though the Company paid dividend of Baht 150.00 million, resulting in the shareholders' equity of the Company to be Baht 359.22 million.

At year-end 2019, a substantial increase of the shareholders' equity from 2018 was due to an increase of net profit from the business operation and from the Company's initial public offering (IPO) of the ordinary shares for capital increase after direct expense relating to sale of the shares for capital increase of Baht 380.60 million even though the Company paid dividend of Baht 79.63 million, resulting in the shareholders' equity of the Company to be Baht 780.31 million.

Suitability of the Capital Structure

At year-end 2017 - 2019, the Company's Debt to Equity ratio (D/E ratio) was 1.04 times, 0.69 times, and 0.34 times, respectively. Such ratio substantially decreased since 2018 due to the Company's profit increase and capital increase.



1.4 Liquidity Analysis

Statement of Cash Flows

Transaction	For the Year Ended		
	31 December 2017	31 December 2018	31 December 2019
Net cash provided by (used in) operating activities	151.26	(18.88)	61.23
Net cash provided by (used in) investing activities	(38.74)	35.82	(298.96)
Net cash provided by (used in) financing activities	(89.00)	65.82	286.64
Net increase in cash and cash equivalents	23.52	82.76	48.91

Cash Flows from Operating Activities

At year-end 2017, the Company's net cash flows provided by operating activities amounted to Baht 151.26 million, mostly from cash received from account and other receivables, profit before income tax, and advance received from customers.

At year-end 2018, the Company's net cash flows used in operating activities amounted to Baht 18.88 million due to a quite substantial increase of the Company's accrued revenue from its completion of the project construction but inability to bill for collection from its customers' despite of the quite high profit before income tax.

At year-end 2019, the Company's cash flows provided by operating activities amounted to Baht 61.23 million, mostly from profit before income tax, and advance received from customers. Accrued revenue decreased despite of a quite substantial increase in account and other receivables.

Cash Flows from Investing Activities

At year-end 2017, the Company's cash flows used in investing activities amounted to Baht 38.74 million from an increase of the Company's restricted deposit at financial institution to be used as a guarantee of the Company's working capital credit.

At year-end 2018, the Company's cash flows provided by investing activities amounted to Baht 35.82 million from the Company's sale of the purchasing right of the land to the party that may have conflict of interest.

At year-end 2019, the Company's cash flows used in investing activities amounted to Baht 298.96 million, mostly from an increase of temporary investments, and restricted deposit at financial institution to be used as a guarantee of the Company's working capital by Baht 250 million and Baht million, respectively, and cash flows paid for purchases of fixed assets by Baht 33.42 million.

Cash Flows from Financing Activities

At year-end 2017, the Company's cash flows used in financing activities amounted to Baht 89.00 million which was entirely dividend paid to the Company's shareholders.

At year-end 2018, the Company's cash flows provided by financing activities amounted to Baht 65.82 million from cash received from payment of the ordinary share value for capital increase of Baht 220.00 million, and net with cash paid for dividend of Baht 150.00 million, and cash paid for loans from financial institutions of Baht 4.18 million.

At year-end 2019, the Company's cash flows provided by financing activities amounted to Baht 286.64 million from cash received from payment of the ordinary share value for capital increase of Baht 392.74 million, and net with direct expense relating to sale of the shares for capital increase of Baht 12.14 million, cash paid for dividend of Baht 79.63 million, and cash paid for loans from financial institution of Baht 14.33 million.



1.5 Significant Liquidity Ratios

Financial Ratios	Unit	For the Year Ended		
		31 December 2017	31 December 2018	31 December 2019
<u>Liquidity Ratios</u>				
Current Ratio	(Time)	1.58	2.46	4.25
Accounts Receivable Turnover	(Time)	2.66	4.59	3.49
Average Collection Period	(Day)	137	80	105
Payables Turnover	(Time)	2.67	5.30	5.45
Average Payment Period	(Day)	136	69	67
Cash Conversion Cycle	(Day)	1	11	38
<u>Financial Policy Analysis Ratio</u>				
Interest Coverage Ratio	(Time)	-	7.41	71.82
Debt Service Coverage Ratio (Cash Basis)	(Time)	1.69	-	0.48

Liquidity Ratio

At year-end 2017 – 2019, the Company's Current Ratio was 1.58 times, 2.46 times, and 4.25 times, respectively.

At year-end 2017, a decrease of the Company's current ratio from 2016 was due to a decrease of the Company's current assets in a rate higher than a decrease of current liabilities as the result an increase of the Company's collectability from its customers.

At year-end 2018, a quite high increase of the Company's Current Ratio from 2017 was due to an increase of accrued revenue, increasing from the accumulative amount of the works which has been completely constructed by the Company, but has not yet been billed for collection; in accompany with an increase of cash and cash equivalents due to an increase of the Company's collectability from its customers.

At year-end 2019, a quite high increase of the Company's Current Ratio from 2018 was due to a substantial increase of current assets such as temporary investments, cash and cash equivalents, mostly being cash provided by IPO while a small increase of current liabilities.

Interest Coverage Ratio and Debt Service Coverage Ratio (Cash Basis)

At year-end 2018 – 2019, the Company's Interest Coverage Ratio was 7.41 times and 71.82 times, respectively, from the Company's borrowing for purchases of land and building to be used as a new head office. Due to a quite high increase of the Company's operating profit while the burden of interest paid in each year at just Baht 0.60 million and Baht 1.27 million, respectively, it resulted in a high level of the said ratio and reflected good interest coverage ratio. However, the Company did not borrowed in 2017.

At year-end 2017 and 2019, the Company's Debt Service Coverage Ratio (Cash Basis) was 1.69 times and 0.48 times, respectively. In 2017, a quite high decrease of the said ratio from 2016 was due to an increase of the dividend paid. In 2019, such ratio was quite low due to an increase in dividend paid and payment for purchases of fixed assets.

Account Receivable Turnover and Average Collection Period

At year-end 2017 – 2019, the Company's Account Receivable Turnover was 2.66 times, 4.59 times, and 3.49 times, respectively, or Average Collection Period at 137 days, 80 days, and 105 days, respectively. However, the said Account Receivable Turnover is calculated from account receivable net with accrued revenue and advance received from customers.



At year-end 2018, the Company's Account Receivable Turnover and Average Collection Period improved due to its ability to collect receivables, resulting in an increase of its collectability from receivables. Therefore, it caused an improvement of Account Receivable Turnover and Average Collection Period accordingly. However, at year-end 2019, an increase of Account Receivable Turnover and Average Collection Period from 2018 was due to a considerable increase of account receivables which have been billed by the Company for collection from big projects in December 2019.

Cash Conversion Cycle

At year-end 2017 – 2019, the Company's Cash Conversion Cycle was 1 day, 11 days, and 38 days, respectively. The description can be carried out via Average Collection Period and Average Payment Period as follows.

At year-end 2017 – 2019, the Company's Average Collection Period was 137 days, 80 days, and 105 days, respectively. The said Average Collection Period is calculated from account receivables adjusted with accrued revenue and advance received.

At year-end 2017, the Company's Average Collection Period was 137 days, decreasing from 2559 with Average Collection Period at 243 days due to a decrease of account receivables from the Company's collectability from W&W in MSC TYB (Phase 1) Project. In accompany with an increase of advance received from USO, it resulted in an increase of the Company's Account Receivable Turnover and a decrease of Average Collection Period.

At year-end 2018, the Company's Average Collection Period was 80 days, decreasing from previous year due to a decrease of account receivables which were mostly derived from the Company's major collectability from ICN in USO Project. In accompany with a substantial increase of the revenue from business operation, it resulted in a substantial increase of the Company's Account Receivable Turnover and a decrease of the Company's Average Collection Period.

At year-end 2019, the Company's Average Collection Period was 105 days, increasing from the year-end 2018 due to an increase of account receivables as the result of an increase based on billing for collection mostly from W&W and CAT Telecom Public Company Limited from USO (Phase 2) and CAT IDC Projects, respectively. This resulted in a decrease of the Company's Account Receivable Turnover and an increase of its Average Collection Period from previous year.

At year-end 2017 – 2019, the Company's Average Payment Period was 136 days, 69 days, and 67 days, respectively. Such Average Payment Period was altered in accordance with a decrease of account payables.

At year-end 2017, the Company's Average Payment Period was 136 days, substantially decreasing from 2016 due to a decrease in account and other payables at the time of a substantial increase in cost of services, resulting in an increase of the Company's Account Payable Turnover and a decrease of its Average Payment Period.

At year-end 2018 – 2019, the Company's Average Payment Period was 69 days and 67 days, respectively, in similar ratios, and considerably decreased from 2017 mainly due to a considerable increase in cost of services, resulting in an increase of the Company's Account Payable Turnover and a decrease of its Average Payment Period.



1.6 Potential Factors Affecting Future Operation or Financial Position

Risk from Non-Collectability from Customers

The Company's accrued revenue was in large amount in 2018 and 2019 or in the proportion of 47.00% and 24.29% of total assets in each year, respectively, due to a failure to bill for collection from some projects since the billing condition has not yet been satisfied or the inspection and acceptance period of such projects has been long, resulting in the Company's considerable accumulative amount of the accrued revenue. Therefore, the Company will expose to a risk from not receiving the payment from such projects, or it may take longer time for the Company to receive payment from such projects, possibly affecting the Company's operating liquidity. However, most of the Company's customers are large-sized companies with secure financial position. Therefore, the risk from the Company's failure to receive payment from such companies is low. The discussion will be made with the customers in revision of the billing condition for collection of the new wired network installation work to be quicker.

Risk from Dependence on Major Customers

Most of the Company's operating revenues are derived from W&W which is a company under the TRUE Group. Therefore, the Company is exposed to risk from the dependence on such major customer, and may affect its revenue and overall operation. However, the Company is aware of such risk and establishes its business operation plan to reduce the dependence on any customer, for instance, an acquisition of at least three new customers per year and an extension of the work scope to cover all customer groups, etc.



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