



J.R.W. Utility Public Company Limited

ANNUAL REPORT 2020

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Statement from Chairman of the Board of Directors

To Shareholders

Despite the adverse impact of local politics on the economy in 2020, including the COVID-19 outbreak, J. R. W. Utility Public Company Limited continued its business growth at satisfied level thanks to the adjustment and strategies applied. We also implemented new knowledge and skill to the management to enhance and meet the current situation effectively. The continual development of human resources is also another factor contributing to the profit target.

The year 2020 marked our pride and honor to be listed on Thailand's Stock Exchange with positive feedback far beyond our expectations. In addition to our dedication to operating business with the profession, we adhere to legal conformity, business ethics, and honesty, considering the benefits of shareholders and all stakeholders and the social and environmental responsibility always.

On behalf of the Board of Directors and Management of J.R.W. Utility Public Company Limited, I would like to thank shareholders, investors, financial institutions for your trust and support in our operation. My sincere appreciation also to employees of every level for your maximum effort in performing duties. Our commitment to run the business with prudence adheres to corporate governance and good corporate governance, transparency, and accountability to build sustainability and benefits to shareholders, stakeholders, and society.

“

*The Good Corporate Governance
is crucial in supporting the
Company's business operation
to be effective, transparent,
enhancing competitiveness and
the sustainable growth.*

”



A handwritten signature in black ink, appearing to read 'Nontigorn Kanchanachitra'.

Mr. Nontigorn Kanchanachitra
Chairman of the Board



Statement from Chief Executive Officer

To Shareholders

COVID-19 outbreak since the beginning of 2020 posed a huge crisis to the world economy unavailingly. As a whole, despite well management to cope with the first outbreak, Thailand was suffered from the second wave of the epidemic, which increased risk to the local economy. For the Company, it has been a time of significant change and marks our entity's pride in various perspectives. For instance, the Company has been listed on the Stock Exchange of Thailand on 30 November 2020. Eventually, The Company has been accredited for ISO 9001:2015 – the standard that reflects the quality management system and ISO 14001:2015, the environmental management system. These two certifications leverage our work standard to a global scale. J.R.W. Utility enlarges its customer base by initiating the oil and gas business. The year 2020 recorded the profitable business management and the increasing profit from the year 2019. The revenue in 2020 was 1,281.81 million baht, increased from 2019 at 847.37 million baht or 51.27% growth. The profit in 2020 was 88.17 million baht, a growth of 60.75 million baht or 45.13% from 2019. Meanwhile, the Company takes social responsibility by addressing the importance of community or social development. The Company provided PPE suits to hospitals during COVID-19 outbreaks.

Finally, I and the Management would like to assure our shareholders that we will strive to lead the Company toward robust and sustainable growth in terms of revenue, profit, and good social corporate. My appreciation goes to the Board of Directors, shareholders, customers, sales representatives, business allies, and all employees for your continued support.

“

One-stop service provider in a telecommunication business, information technology, data, and energy network by supplying, designing, installing and maintaining to create and deliver quality, innovative engineering services to our customers

”



A handwritten signature in black ink, appearing to be 'Jarun Wiwatjesadawut'.

Mr. Jarun Wiwatjesadawut

Chief Executive Officer



PART 1
Business Operation



1. Policy and Business Overview

J.R.W. Utility Public Company Limited ("the Company") was established on 2 November 1993 by Mr. Jarun Wiwatjesadawut, with an initial registered capital of 1,000,000 baht, at the par value of 100 baht, to conduct telecommunication-related business. In the beginning, the Company focused on subcontracting works in the construction of transmission line systems, transmission towers, and renovating stations to install telecommunication equipment. Later in 2008, the Company diverted its business nature from towers and cable system installation contractor to labor-intensive, starting with contracts on designing and procurement of comprehensive telecommunication system, for example, designing and procuring equipment for main switching center, contracts on switching center equipment installation, contracts on IP Broadband equipment installation, and contracts on signaling equipment installation, 3G and 4G systems, mobile network, and Wi-Fi network-related contracts, as well as software systems, providing service and managing telecommunication systems, information technology, and other communication systems.

In 2014, the Company saw an opportunity and demand in designing and installing other systems in addition to the telecommunication systems and information technology. To become a system integrator in various businesses, the Company started the electrical system contractor business, with a contractor service for the 115kV substation equipment for the Future Park Rangsit shopping center project. After that, the Company continuously received more electrical contractor projects, including the construction of substations. The first project was a construction project of a 115kV substation in Hi-Tech Industrial Estate, Bang Pa-in, Ayutthaya Province. In addition, the Company also undertook the construction of high-voltage transmission lines to connect to the Electricity Generating Authority (EGAT) and many other Industrial Users (IU) customers.

The Company saw a business opportunity in the demand of government and state enterprises to dismantle the overhead power line system and install underground power lines between 2008-2022 to prepare for being a metropolis of ASEAN. Implementing these projects required coordination with various government and state enterprise organizations to reduce operation redundancy and traffic problems such as in telecommunication cable system and electric train contracts. After preparation to provide a full range of design, procurement, and installation of electrical and telecommunication and information technology systems, the Company signed contracts on related works from equipment installation in electric trains, dismantling telecommunication lines, designing, dismantling overhead powerlines and installation of underground power line system.

The Company's main businesses were contract work in systems installation where most of them were complicated and dangerous, especially on electricity. To work smoothly, the Company put an effort to set working standards for safety. In 2018, the Company was certified by OHSAS 18001:2007 Health and Safety Management System from United Registrar of Systems (Thailand) or URS, which certified by Accreditation Body: United Kingdom Accreditation Service (UKAS), England, to reduce risks in occupational health and safety, to have an appropriate controlling system, and safety in the workplace. However, the certification of the OHSAS 18001:2007 standard will

end on 11 March 2021, and the Company will prepare for ISO 45001:2018 instead. According to the International Organization for Standardization, both standards are similar and the ISO standard will further establish a framework that enhances the level of safety for employees. At present, the Company obtains ISO 45001:2018 on 9 April 2020 and has received another two standards, which are ISO 9001:2015 for the qualified executive system and ISO 14001:2015 for environment management system on 10 December 2020, and 12 December 2020, respectively from the United Registrar of Systems (Thailand) or URS which is certified by Accreditation Body: United Kingdom Accreditation Service (UKAS), England.

1.1 Vision, Mission, Goal

Vision

Engineering Service Partner

Mission

To become a one-stop service provider in a telecommunication business, information technology, data, and energy network by supplying, designing, installing, and maintaining to create and deliver quality, innovative engineering services to our customers.

Goal of Business Operation

- Maintain stability and continuity of significant customer base by focusing on giving customers the best satisfaction from their purchases or receiving services from the Company.
- Expand business for more extensive diversification upon increased expertise and experience of the Company, mitigating the risk of relying on a single major customer. In addition to the design, procurement and installation of telecommunication systems, government telecommunication system developments, and other projects from the private sector, the Company has also expanded its business line to electricity and building infrastructure.
- Look for new business allies that distribute relevant equipment to increase the competitive potential and work opportunities related to telecommunication, information technology, and electrical system.
- Increase operational efficiency by continuously develop knowledge and abilities of the Company's personnel to support the future expansion of business.

1.2 Key Changes and Developments

Key developments of the Company in the past are detailed as follows.

1993
- The company was registered and established under the name "J.R.W. Utility Company Limited" on 2 November 1993 with registered capital of 1 million baht, divided into 10,000 ordinary shares with a par value of 100 baht per share, focusing on subcontracting work in transmission line system, fiber cables, copper cables, and towers, which is the Outside Plant (OSP) network, and the station improvement for the telecommunication equipment installation (site preparation).
1994-2003
- The Company gradually increased registered capital to 75 million baht by issuing new 750,000 shares with a par value of 100 baht to be used as working capital.
2007
- The Company increased registered capital and paid-up capital from 75 million baht to 108 million baht by issuing new 330,000 shares, at the par value of 100 baht each to be used as working capital. - The Company was appointed as Nokia Siemens Networks Oy's dealer of switching center equipment in Thailand. - The Company entered into a joint investment to establish JRW Network Solutions Co., Ltd. to conduct business on designing and installation of telecommunication system with 20 million baht registered capital, dividing into 2,000,000 ordinary shares at a par value of 10 baht. The Company holds 600,000 shares or 30% of the registered and paid-up capital.
2008
- The Company gradually diverted its main business from tower and cable installation service and cabling contractor (considered as intensive labor work) by undertaking contracts to design and procurement comprehensive telecommunication systems. - The Company increased its registered capital and paid-up capital from 108 million baht to 159 million baht by issuing 510,000 shares, at the par value of 100 baht to be used as working capital and purchase land in Lamlukka, Pathumthani province. The Company planned to build a warehouse to support business expansion. - End of dealership of Nokia Siemens Networks Oy
2009
- The Company disposed of all investments in JRW Network Solutions Co., Ltd to shareholders of JRW Network Solutions Co., Ltd. Some of the telecommunication network experts were transferred to the Company. - After changing the par value from 100 baht to 1 baht, the Company's registered capital and paid-up capital was 159 million baht, divided into 159,000,000 ordinary shares. - The Company converted its status from a limited company to a public company limited.
2009-2013
- The Company undertook works on design, procurement, installation, testing, and consulting to implement a total solution telecommunication system. The majority of the clients were TOT PCL. and CAT Telecom PCL.

2014

- The Company initiated an electrical system installation service. The first work was a 115kV-substation installation project for Future Park Rangsit Department Store with a project value of 176.50 million baht.

2015

- The Company undertook a contract on dismantling and reinstalling TOT, True, and Royal Thai Air Force cables and a counterparty contract with TOT along the Green Line, between Sapanmai-Kookod. The project value was 135 million baht.
- The Company signed a contract for OLT&MSAN equipment installation to dismantling copper cable and fiber optic cable along the Dark Green Line. The project value was 50.85 million baht.

2016

- The Company undertook work for 115kV gas-insulated substation construction in Hi-Tech Industrial Estate, Bangla-In, Ayutthaya. The project value 99.33 million baht.
- The Company signed a contract on construction and installation of a high-voltage 115 kV transmission line, connecting to the Electricity Generating Authority of Thailand. The project valued was 94.45 million baht. Another work was constructing and installing a high-voltage 22kV and 115 kV transmission line, under the contract with two clients, with a total value of 93 million baht.
- The Company undertook work on Feeder Remote Terminal Unit (FRTU) system installation. The project value was 69.95 million baht.

2017

- The Company signed contracts on the dismantling telecommunication system in the Pink Line and Yellow Line projects, with values of 415.00 million baht and 200.00 million baht.
- The Company undertook to design on replacing overhead power line with underground power line along the Pink Line and Yellow Line, with the value of 19.50 and 25.00 million baht respectively.
- The Company undertook another six additional contracts on high-voltage transmission line installation, with a total value of 198.50 million baht.

2018

- The Company obtained OHSAS 18001:2007 certification on Health and Safety Management System from the United Registrar of Systems (Thailand).
- The Company decreased its registered capital from 212,000,000 baht to 159,000,000 baht. Afterward, the Company increased its registered capital from 159,000,000 baht to 180,000,000 baht to use as working capital.
- The Company undertook work on additional dismantling telecommunication lines in the Orange Line project, with the value of 106.16 million baht.
- The Company signed another six additional contracts on high-voltage transmission line installation, with a total value of 60.78 million baht.

2019

- The Company signed a contract on replacing overhead power lines with underground power lines along the Yellow Line, with the value of 2,725.28 billion baht.
- The Company signed two contracts on the construction of 500kV power substations with a total value of 72.07 million baht in Sriracha and Pluakdaeng district, Chonburi.

2020

- The Company obtained ISO 45001: 2018 certification from the International Organization for Standardization on 9 April 2020. The ISO standard additionally determines a framework that enhances the safety of employees.
- The Company undertook work on replacing overhead power lines with underground power lines along the Pink Line, with the value of 3,621.77 million baht.
- The resolution of the Annual General Meeting of Shareholders 2020, held on 17 March 2020, approved the Company's capital increase by 200,000,000 baht from the existing value of 180,000,000 baht, totaling 380,000,000 baht, by issuing new 200,000,000 ordinary shares, at the par value of 1 baht each. Appropriation details are as follows:
 - Total 100,000,000 capital increase ordinary shares offered to existing shareholders with appropriated proportion. As a result, the Company's paid-up capital is 280,000,000 baht.
 - The Company allocated 92,000,000 capital increase shares for public offering.
 - The Company allocated 8,000,000 capital increase shares to directors, executives and employees of the Company at the same price as IPO.
- An extraordinary meeting of shareholders no. 1/2020, held on 19 August 2020, passed a resolution to change the Company's par value from 1 baht to 0.50 baht. As a result, the Company had in total of 760 million issued and paid-up share. After changing per value price, the initial public offering appropriated to directors, executives, and employees would be changed as follows:
 - 184,000,000 capital increase ordinary shares for public offering
 - 16,000,000 capital increase shares to be offered to directors, executives, and employees of the Company at the same price as a public offering.
 - The Company offered new ordinary shares on 20, 23, and 24 November 2020.
 - The Company first registered for securities trading on 30 November 2020.
 - The Company obtained ISO 9001:2015 certification, a standard of the quality management system, and ISO 14001:2015, a standard of environment management system from the United Registrar of Systems (Thailand) or URS Accreditation Body credits: United Kingdom Accreditation Service (UKAS), England.
 - The Company signed a contract on selling the Data Platform system, with 30.08 million baht.
 - The Company signed a contract on communication system dismantling in Ladprao-Samrong, with the value of 110.60 million baht.
 - The Company signed a contract on replacing overhead power line with underground power line along the Pink Line, with the value of 3,621.77 million baht.
 - The Company undertook distribution for CAT L2 Switch 265 sets, with the value of 143.36 million baht.
 - The Company undertook a system installation: Substation Thai Oil Clean Fuel Project, with the value of 92.47 million baht.
 - The Company undertook the installation of a 115KV GIS substation works system (Mochit Complex), with a value of 163 million baht.
 - The Company undertook the distribution of TIBCO Software and Service for Data Governance Platform, with the value of 25.70 million baht.



2. Nature of Business

The Company provides services on turnkey design, procurement, construction and installation of electrical power system and telecommunication and information technology system. The Company also supplies and provides maintenance services on equipment relating to power system and telecommunication and information technology system.

2.1 Revenue Structure

As specified by the nature of business, the company's revenue can be classified into 3 main groups, namely (1) turnkey projects, maintenance service, and supply selling. The company's revenue structures of 2018, 2019 and 2020 are as follows:

Product Group	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Revenue from services	825.23	88.42	540.92	63.84	1,107.67	86.42
Revenue from contracted work of system installation	803.90	86.13	532.05	62.79	1,083.26	84.52
- Electrical system	200.90	21.53	250.05	29.51	945.79	73.79
- Telecommunication and Information Technology System	603.00	64.61	281.99	33.28	137.47	10.73
Revenue from repair and maintenance services	21.33	2.28	8.87	1.05	24.41	1.90
Revenue from equipment sales	98.24	10.52	305.47	36.05	173.44	13.53
Total revenue from sales and services	923.47	98.95	846.39	99.89	1,281.11	99.95
Other income*	9.80	1.05	0.98	0.11	0.70	0.05
Total revenue	933.27	100.00	847.37	100.00	1,281.81	100.00

Note * Other revenue features redeemed fine and commission fee from distributors, etc.

2.2 Details of product or service

Details of product or service of the company can be classified, in line with the revenue structure, as follows:

2.2.1 Turnkey Project

The company is capable of providing turnkey system installation service, inclusive of design, procurement, contracting, installation, testing and consulting services for the 2 following types of system:

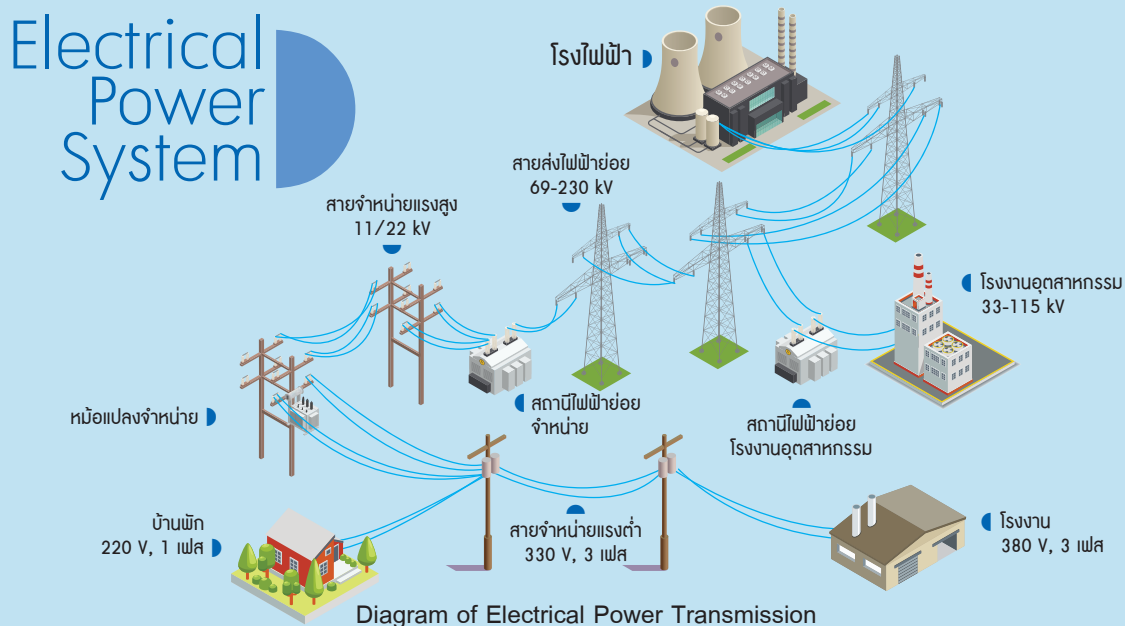
1. Electrical Power System

The company comprehensively provides design, procurement and installation services for these following types of electrical power system:

1) High Voltage Transmission Line System Construction

The company conducts exploration, design and construction operations of 115 kV transmission lines used for the transmission of electrical power from independent power producer (IPP) or small power producer (SPP) to the substations of the Electricity Generating Authority of Thailand (EGAT) and industrial users (IU). Also, the company provides construction service of 33kV distribution lines that connect between the substation and the IU.

In the first step, the company will explore the site and examine if the electrical wire installation is practicable in it. The company then will design and choose the suitable type of electrical wire and equipment for the construction of transmission line. Most of this kind of construction carried out by the company is to install electrical wire on the existing Metropolitan Electricity Authority's electric posts.



2) High Voltage Substation Construction and Equipment Installation

The company comprehensively provides exploration, design, construction and installation services for high-voltage electrical substation (>115kV). Due to the remote location of most of the generating station, voltage drop and power loss highly occur along the transmission and lower amount of power reaches the destination. On the other hand, high-voltage transmission can reduce voltage drop, help to achieve lesser power loss, and increase the amount of received power. The electrical substation can help to change voltage levels between the generating system and consumer via the transmission line and distribution system. It will increase the voltage

level for a long-distance transmission, then lower it down when arriving into a city for convenience and ease of use. In addition, substations control and secure the electrical distribution system. It basically serves as a circuit breaker in a residence.

Substation which the company can provide design and installation services are the following 3 types:

1. **Conventional Substation or Air-Insulated Substation (AIS)** is the popular type among others due to the inexpensive price of the equipment. However, the installation requires enough space and the right environment. The main equipment is attached to the steel frame, using air as external insulation between each phase's conductor, and between the conductor and the ground. Hence, the design of this Air-Insulated Substation takes into account various equipment arrangements with electrical safety distance.



Air-Insulated Substation (AIS)

2. **Gas-Insulated Substation (GIS)** is a closed power substation with its device installed inside the metal tube. Sulfur hexafluoride (SF₆) gas is compressed as an insulating gas inside, which therefore reduces electrical safety distance. This results in GIS being a much smaller power station, which can be installed outdoors, indoors, under the ground or inside the tunnels. The advantage of the GIS substation is that it takes up less space, less time to install, and has higher safety in use.



Gas-Insulated Substation (GIS)

3. **Container Substation** is a substation with new technology of placing a GIS power station in a container. The company has applied such technology to the installation of power stations along the electric train lines.



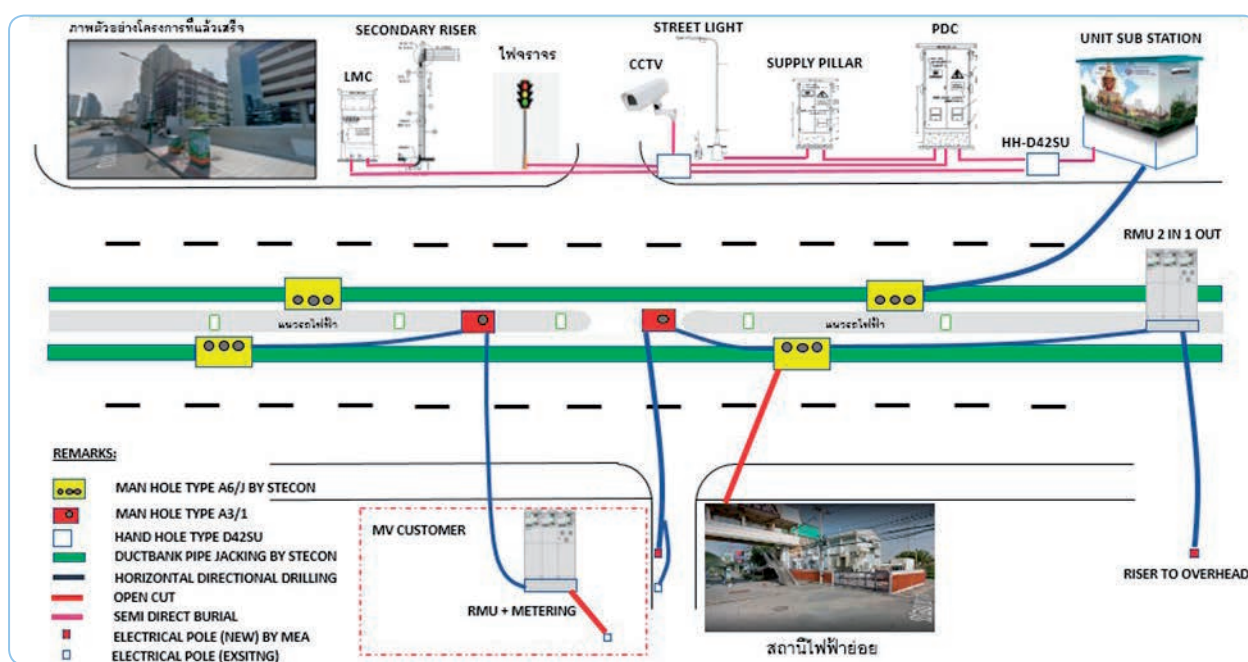
Container Substation

The company also provides various equipment installation services relating to the substitution operation such as voltage transformers, connecting cables between the power plant and the substation, and electricity transmitting frame to the center pole called Take Off. After the electricity is generated from power plant, it is passed on to the transformer to change the voltage from low to high power in order to be sent to the source power station. Finally, the electricity is sent to the Take Off pole to be further forwarded to EGAT. Most of the equipment used for the substation construction is from global brands such as Mitsubishi Hitachi Power Systems, Hyundai, SIEMENS, ABB and GE etc.

3) The construction for changing the electrical cable to the underground system

The company realised the business opportunity under governmental and state enterprise plans, namely the 2008-2022 master plan of changing the electrical cable to underground cable system. The plan is divided into 2 phases; the first phase from 2008-2021, with a distance of approximately 119 km.; the second phase of the year 2012-2022, with a distance of 61 km. This includes the plan to change the electrical cable system to an underground power line as a part of becoming an ASEAN metropolis with a distance of 261.6 km. Consequently, the company has shifted its business focus to the service of survey, design, procurement of equipment, including moving electrical cables to underground power lines. Currently, the company is providing service of changing the electric cable to underground electric line system along the MRT Yellow Line between Lad Phrao-Thapararak, and the Pink Line between Tiwanon-Chaengwattana. The service covers the underground power grid design, underground electrical contractors, substation construction, reconstruction work, and procurement of equipment used the project.

The design service covers the study of electrical wiring in all area in order to lay an underground cable structure to connect from the main duct placed underground of the traffic islands. After the planning and designing of the wiring, the next stage is the preparation of the pipe jacking, which includes geotechnical assessment to adjust the surface to be ready for work, drill profile to define the appropriate drilling starting and finishing points for the area, pulling calculation, and tooling schedule. The pipe jacking stage uses the horizontal directional drilling (HDD), which is a drilling machine used to pull the pipe and underground wiring, and is considered an effective and environmental-friendly method of drilling. The wires are laid along the footpaths paralleling the electric train lines, and are also connected to the household. Furthermore, the Main Distribution Board (MDB) is also installed along the road for power distribution system. After the pipe drilling and wiring are finished as planned, the company will run the test and pursue with reconstruction.



Scope of work for changing the electrical cable to the underground electrical cable system along the electric train lines

The examples of the company's electrical system contract work in 2018, 2019 and 2020

Opinions on the company's internal control system adequacy	Work Category	Customer	Contract period	Contract Value (THB million)
Changing the electrical cable to the underground cable system project for MRT Pink Line. (Tiwanon-Chaengwattana)	The construction for changing the electrical cable to the underground system	STECON	18/03/2563 – 29/07/2566	3,621.77
Changing the electrical cable to the underground cable system project for MRT Yellow Line. (Lad Prao - Theparak)	The construction for changing the electrical cable to the underground system	STECON	22/11/2562 – 05/11/2565	2,725.28
Electrical Work – Extra High Voltage (EHV) Package Related to Thai Oil Clean Fuel Project, Sriracha Refinery.	Substation Construction	PETROFAC – SAMSUNG – SAIPEM Joint Venture (UJV)	07/07/2563 – 11/10/2564	92.47

Opinions on the company's internal control system adequacy	Work Category	Customer	Contract period	Contract Value (THB million)
Electrical & Instrument Work Package 1- Erection of 500kV Gas Insulated Substation (GIS), Transformer & High Voltage Cable for Pluak Daeng Power Plant Project (Gulf Pluakdaeng Power Plant, G407639-0-0)	Substation Construction	STECON	13/09/2562 - 31/07/2566	37.91
Engineering, Procurement, Construction, Test & Commissioning for 115kV and 22kV Transmission Lines from GNRV to IU (GNRV1 Korat - Contract_G386841_0_0 date 9Nov2018)	High Voltage Cable Construction	STECON	16/07/2561 – 01/07/2562	64.76
Engineering, Procurement, Construction, Test & Commissioning of 22kV & 115kV, GBL-Addition	Substation Construction	TOYO	31/08/2561 – 28/02/2562	3.88
115KV GIS Substation works (Mochit Complex) System Installation	Substation Construction	STECON	11/11/2563 – 09/03/2567	163

Remark: STECON means Sino-Thai Engineering and Construction Public Company Limited.
THAI OIL means Thai Oil Public Company Limited.
PETROFAC means PETROFAC SOUTH EAST ASIA PTE. LTD.,
SAMSUNG means SAMSUNG ENGINEERING (THAILAND) CO., LTD.,
SAIPEM means SAIPEM SINGAPORE PTE. LTD.,
TOYO means Toyo Engineering Corporation Ltd.

2. Telecommunication and Information Technology System

The company provides design, procurement, equipment installation, system set-up, and consultations relating telecommunication system and information technology. Telecommunication system and information technology is our company's expertise and experienced field, covering survey work, structure designing, including the relevant engineering systems according to the scope of work specified by the customers. The company is capable of designing the telecommunication systems according to the following technologies and job descriptions:

1) Infrastructure System Planning

The work includes designing, system installation, equipment procurement, construction, wiring of communication devices and various connection equipment, demolition of utilities, and the connection of various systems in the area the ensure an efficient interconnected operation of all systems. The work can be classified in to 2 categories as follows:

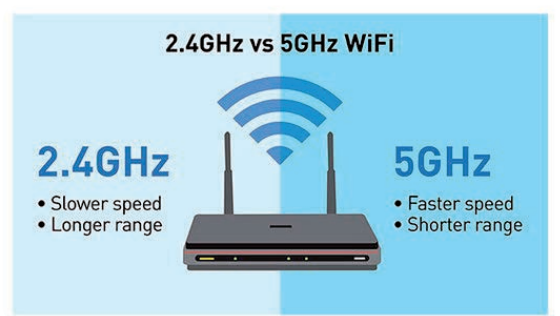
1. **Wire Network** is a communication system that sends and receives data through a cable medium, either copper or fiber optic cable (FOC). The fiber optic cable is a signal cable used to receive and transmit data using the principle of light reflection in data transmission, which means the transmission of data is almost at the speed of light, with low signal loss and farther length of transmission than other types. These cables are placed outside the buildings to connect one main network system to another or transmitting data within the same system.

2. **Wireless Network** is a communication system that transmits data through the air using waves, for example, a microwave device. It is the transmission of information using microwave signals, sending electromagnetic waves into the air along with the information to be transmitted. The stations which send and receive the signals are essentials, and should be installed along the way until the signals reach the last station. This type of transmission medium is suitable for data transmission in far-flung locations. Another alternative is Broadband Wireless Access (BWA), a technology used to access the high-speed wireless Internet, which gives wireless networks the same speed rate as some wired networks. BWA transmits and receives data from the Core Network to users wirelessly.

Infrastructure is the basis for other system implementation, such as main network system, software system, and various applications. Up to date, the company has been planning the infrastructure system, including the demolition of communication lines, relocation of aerial cables to underground cables, and laying of fiber optic cables etc.



Fiber Optic Cable



Broadband Wireless Network

2) Core Network System

The company designs, supplies and installs equipment, along with laying out the main network system, which is the main control unit for communication on the telecommunication network and information technology. The main network system acts as a control center that connects all the dots in the network together. There are primary devices or drivers, such as switching network devices, mobile core network devices, and broadband network devices, which are devices used to control, operate, and link networks together. Moreover, there is also a soft switch network, a new technology that allows the central control devices to work based on software to sync data to different points.

The main core networks which the company provides system construction are:

1. **IP Network** is a network of devices that act as the center for managing all package data in use nowadays. The company is experienced in designing, installing and maintaining large international systems and systems within large organizations such as IP Router, IP Access Switch, and Software Define Network (SDN) devices.

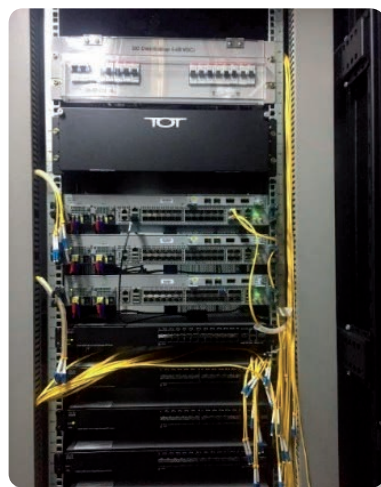
2. **Fiber to the X (FTTX)** and **Multi Service Access Node (MSAN)** system are exchange devices designed to provide fixed line number, public telephone, high speed internet via ADSL copper cable, and high speed communication circuit via Optical Fiber FTTX cable. Due to the increasing number of internet users every year, service providers have to invest in centralized equipment to compete in expanding their services. FTTX and MSAN systems are technologies that can meet Broadband Internet and Voice Over IP demand seamlessly.

3. **Switching** system is a device in the system that connects other devices together. The system will receive, process and send data to the destination such as the Core Mobile Network and Core Fixed-line Network etc.

4. **The Synchronous Digital Hierarchy (SDH)** system has been a longtime data communication system, using copper wires or telephone lines to transmit and receive data from the exchange for the users. This is a stable and safe system, but only supports up to 10-Gbps data transmission.

5. **The Dense Wavelength Division Multiplexing (DWDM)** system is a device used to transmit data over multiple optical fiber cable wavelength range, which increases the ability to transmit large amount of information at once. This makes it possible to support data transmission up to 3200 Gbps, with the length of data transmission as far as 200 km.

6. **Supervisory Control and Data Acquisition (SCADA)** system is a real-time data monitoring and analysis used to monitor and control the operation of various industrial and engineering control systems. With this system, users are aware of the incident and therefore are capable of fixing the problem in a timely manner, resulting in work efficiency.



The Installation of MSAN System and Equipment

3) Software and Application System Construction

The company provides systems and installs software and applications according to the needs of customers. The systems and software are parts of the solution which work alongside the core network to provide a variety of services to the customers and users. The process starts from receiving customers' requirements and providing software and applications that meet customer needs, such as Network Management System (NMS), Operating Support System Software (OSS), and Business Support System (OSS) etc. In addition, the company also seeks for new software and applications that can meet the needs of users more widely to present to the customers. The company realizes that the business opportunity can grow much more according to the growing needs of various users. The company currently provides system implementation of NMS software, OSS software, SIM Management system, Fraud Management system and ERP system.

4) System Implementation of Other Equipment

This is the installation of equipment relating telecommunication, such as CCTV cameras installation, Feeder Remote Terminal Unit (FRTU) with Radio installation, a device that allows remote control, including Internet of Thing (IOT) devices that can be operated and controlled via the internet for turning on and off home appliances by connecting control devices, for instance.



FRTU System Installation

Example of the company's telecommunication system and information technology contract work in 2018, 2019 and 2020

Opinions on the company's internal control system adequacy	Work Category	Customer	Contract period	Contract Value (THB million)
Removal of telecommunication system for station construction and road expansion work between Ladprao and Samrong	Infrastructure System Planning	STECON	25/02/2563 – 25/12/2563	110.61
Contract for the underground cable system replacement to support ASEAN Metropolis Route 35, Chaengwattana Road (Nonthaburi Province side, Pak Kret Intersection - Klong Prapa)	Infrastructure System Planning	STECON	04/02/2563 – 01/08/2563	28.88
Dismantling and Relocation of Communication System for Station Entrance and Structure Construction (G396224-0-0 Yellow Line)	Infrastructure System Planning	STECON	01/04/2562 – 31/01/2563	147.99

Opinions on the company's internal control system adequacy	Work Category	Customer	Contract period	Contract Value (THB million)
Subcontracting of replacement of aerial cable system to underground cable Route 12 Charansanitwong Road (Blue) CAT / HDD Route 12 (CAT / HDD Route 12)	Infrastructure System Planning	CAT	29/12/2561-23/12/2562	114.00
Fraud Management System Contract (A02/3160020774/2561)	Software and Application Implementation	TOT	05/04/2561 – 31/12/2561	39.45
SIM Management System Expansion Contract	Software and Application Implementation	TOT	05/02/2561 – 31/08/2561	39.35
The Moving of Communication System of MRT Orange Line	Infrastructure System Planning	ITD	05/02/2561 – 31/08/2561	38.69
Removal of Telecommunication Lines at Muang Thong Thani Entrance Spur Line	Infrastructure System Planning	STECON	08/10/2563 – 31/01/2564	20.53

Remark: STECON means Sino-Thai Engineering and Construction Public Company Limited.
CAT means CAT Transport Public Company Limited
TOT means TOT Public Company Limited.
ITD means Italian-Thai Development Public Company Limited.

2.2.2 Maintenance Business

This is the service of electrical system equipment repair and maintenance, including telecommunication and information technology systems. Most of the clients are existing customers of the company who continue to use our service after the 2-year warranty period has expired. Once the warranty has ended, the customers would contact for contract renewal. The sales and the solution teams work together to formulate a proposal according to requirements from the customer. The maintenance services can be divided into 2 types which are: 1) corrective maintenance work which the company provides maintenance service for the damage of any equipment and 2) preventive maintenance work, to examine the current condition of the equipment or test some of the equipment which has not been utilized for a long period of time, making sure it still functions properly to prevent or reduce the risk of system damage. The company does not provide maintenance services to new customers with no existing system installation with the company. The company provides all types of system maintenance, whether telecommunication and system installation, information technology in the main network system, software systems and applications, and other equipment systems including electrical system which the company has installed for the customers in the past.

The company has a team of engineers and experts who are experienced with the system installation, certified with competence in service from the product companies. The team is ready for inquiries and problem solving and/or provide system inspection and maintenance services on a scheduled timing, including repair services.

Examples of Maintenance Work in 2018, 2019 and 2020

Opinions on the company's internal control system adequacy	Customer	Contract period	Contract Value (THB million)
Fraud Management System Maintenance Contract	TOT	01/01/2563 – 31/12/2563	4.60
Maintenance Contract for SDH Communication System for SCADA/EMS	LOXLEY	14/05/2563 – 13/05/2564	14.00
Maintenance Contract for SDH Communication System	MEA	29/10/2560 – 28/10/2561	9.82
Maintenance Contract for SIM Management	TOT	01/10/2560 – 30/09/2561	10.75

Remark: TOT means TOT Public Company Limited.
LOXLEY means LOXLEY Public Company Limited.
MEA means the Metropolitan Electricity Authority

2.2.3 Supply Business

The company sells equipment related to electrical systems and all types of telecommunication and information technology systems. Most of the equipment are for telecommunication systems and information technology systems, which customers buy to keep for replacement and maintenance when the used equipment is damaged, deteriorated, as well as equipment purchase operational ability improvement to keep up with the changing technology. The customers can install or change the equipment by themselves or hire the company to install in the event that installation expertise is required. Once the company receives an equipment purchase order, the customer will contact the seller to come and offer various technologies for selection, which the company later presents to the customers. The equipment has a 2-year warranty according to the condition obtained from the manufacturer. If the customers wish to extend the warranty period, the company will purchase additional warranties from the manufacturer in order to provide the service specified by the customers.



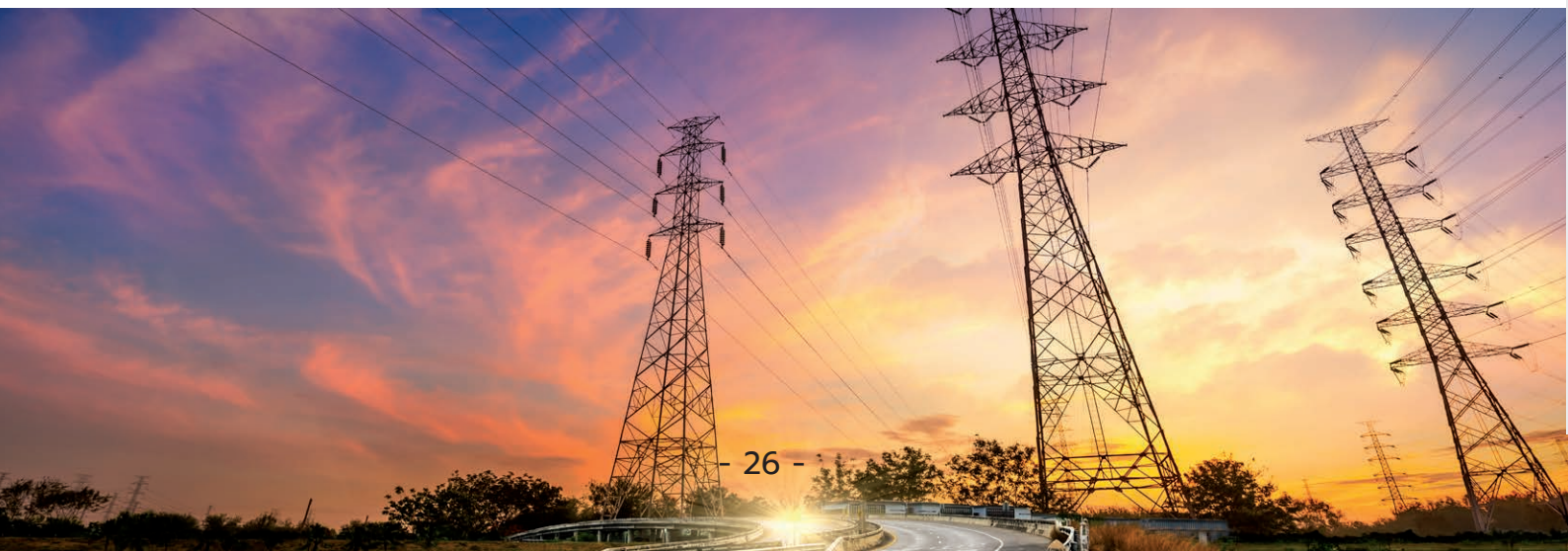
Example of the company's equipment sales in 2018, 2019 and 2020

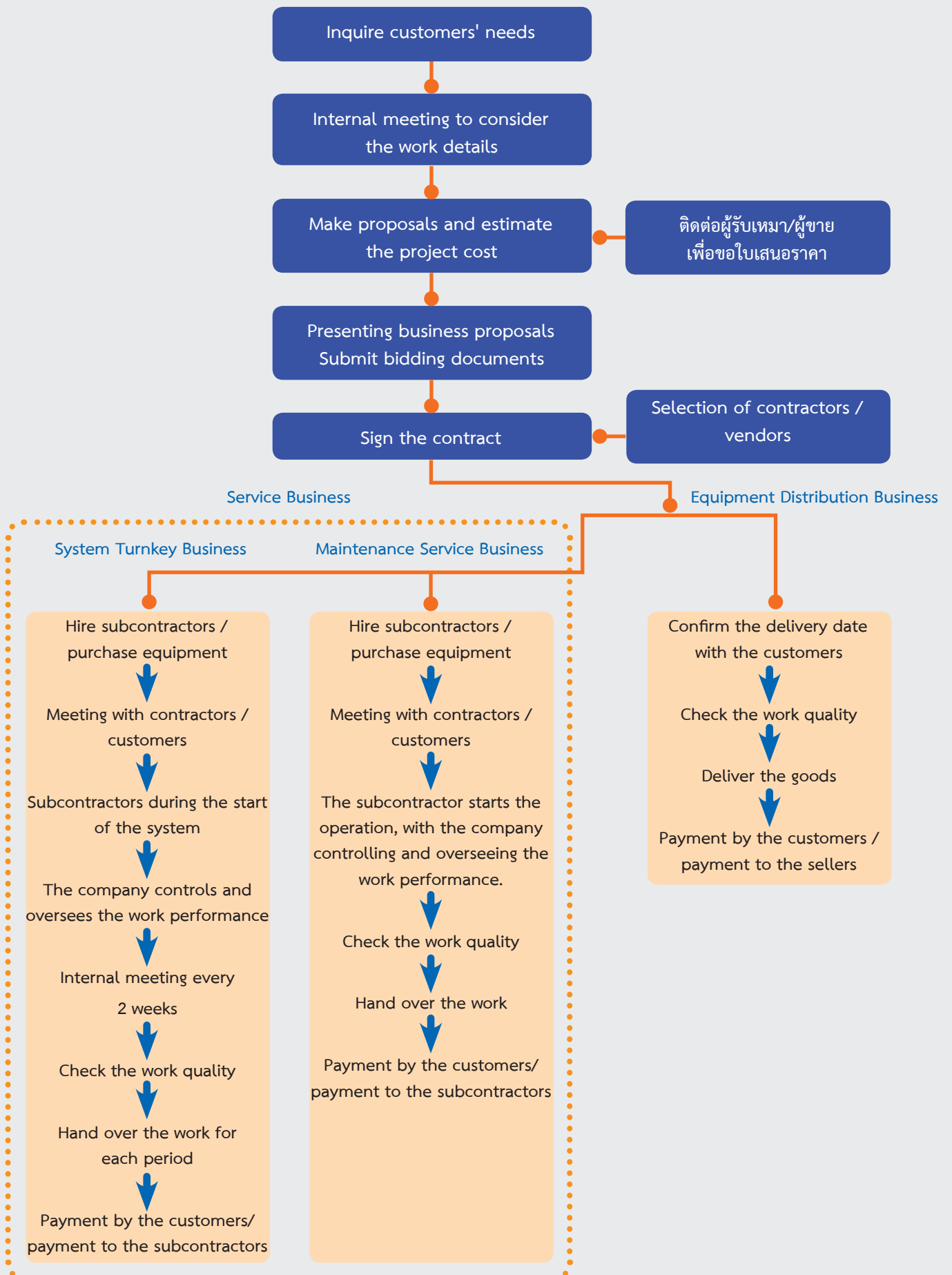
Opinions on the company's internal control system adequacy	Customer	Contract period	Contract Value (THB million)
265 sets of L2 Switch devices sold	CAT	26/06/2563 – 24/10/2563	153.39
TIBCO Software Purchase Agreement	C Inspire	21/02/2563 – 02/08/2563	32.19
CAT-THIX Peering Bangrak - Nonthaburi Purchase Contract (one system)	CAT	28/12/2561 – 28/03/2562	116.63
Expansion Density P Router for PE Dual Home (Expansion Density P Router) Equipment Purchase Contract	CAT	01/11/2560 – 31/03/2561	90.80
TIBCO Software and Service for Data Governance Platform Project	C Inspire	30/11/2563 – 30/05/2567	25.70

Remark: CAT means CAT Transport Public Company Limited
C Inspire means C Inspire Co., Ltd.

Service Procedure of the Company

The company's sales department contact customers and follow up on procurement announcements of government agencies and contact private companies for their upcoming projects in the future and present the company's services. Once the company receives requirements from the customers, the sales, commerce and solutions Departments will study the customers' needs in detail for an internal meeting to summarize the time of action, personnel in charge, subcontractors/sellers of products and bring the information obtained to design, select and present the suitable products, systems or services that meet the needs of each customer. The Commerce and Solutions departments are responsible for contacting subcontractors /suppliers for the project based on the expertise required. Once the contract with the customer is signed, the company will hire a subcontractor and purchase various equipment to start the operation. The company's operation department oversees the operation closely throughout the project, including subcontractors' work, before the work is delivered from the subcontractors. Regarding the payment from the customers or the payments for subcontractors, the payment depends on the credit term of each contract, with exception for the relocation of electrical cable to underground system of MRT yellow and pink lines. Due to the milestones project nature which requires many subcontractors to operate, the work delivery period is every month-end. The company invites the customers to witness the delivery of the subcontractors' work before making the payment to the subcontractors under the contract.





2.3 Marketing and Competition

2.3.1 Competitive Strategy

1. Business Partnership with Customers and Partners

The company puts an emphasis on business relationship building or Business Partnership with both clients and partners in order to maintain good relationships and mutually promote business potential. With more than 26 years of experiences and performance, the company possess a strong partner network. Especially the relationship with customers, the company pays attentions to every details and puts endless effort on understanding customers' needs and deliver good quality of work. This results in hiring continuity and trust from the clients. Regarding the business partners, both contractors and sellers, the company tries to maintain the relationship which mutually benefit all parties, with sustainable and strong business strategy. The company's strength in business partnership leads to the continuous growth of the company.

2. Executives and personnel who are knowledgeable, experienced, and reliable.

The electricity and telecommunication and information technology system service which the company provides requires knowledge, experience and expertise. Due to more than 26-year experiences of Mr. Charan Viwat Jesadawut the company's CEO and most of the management team i they possess deep knowledge and understanding of the business. Other personnel of the company, whether it is the sales department, solutions department, or the project operations department, are all knowledgeable personnel with expertise. As of December 31, 2020, approximately 43% of the company's management and employees are engineers who are capable of providing efficient services that meet the clients' needs and build confidence among customers. especially regarding electrical system which an error in the system implementation could result in danger. (at present, the company has 7 engineers with a license to practice in the control engineering profession for electrical engineering as general Engineer, and 9 associates) The existing work experience and past performance truly serve as a measure of the customer trust in the company and its team.

3. Variety of Services

The company started working as a subcontractor in transmission line system and various transmission towers construction which required intensive labor work, and gradually accumulated and expanded its work experiences, knowledge and expertise in t a variety of scope. At present, the company is capable work relating telecommunication systems and information technology, such as the installation of utilities related to the wiring, wired and wireless communication systems, main network system, software system and electrical system applications, whether it is the construction of high voltage lines, substation construction, or relocation of electrical cables into underground, and maintenance service, as well as selling various equipment products related to both systems. The company plans to expand to the business continuously and constantly upgrades its ability to provide services in order to maintain as a System Integrator in a variety of businesses. This results in the company's capability in providing a wide range of services that can fully meet the needs of the customers.

4. Maintaining Quality Standards of Work

The company puts an emphasis on delivering quality work to customers. With the company's long-standing experience in construction of both electrical and telecommunication systems and information technology, and strong business partner relationships whether with the contractors or sellers, the company is capable of selecting products and contractors that suit the needs of each customer. In addition, the company's project operation department will be overseeing each step of the process and follow up on the performance regularly throughout the construction period until the work delivery. With concise work plan in previous projects, the company was able to deliver quality work within a specified timeframe, and consequently has been receiving new work inquiries from the customers continuously.

2.3.2 Distribution Channels and Target Customers

The target customer groups of the company is electrical services and large telecommunication and information technology systems providers , both in public and private sectors. The company can provide services directly to the customers and through business partners who are the main contractors.

1. Direct product distribution and services to the customers

The company's sales department is in charge of contacting the customer in order to offer the service directly. The sales department will follow up on procurement announcements of government agencies that have demand for services related to power system work. and telecommunication systems and information technology, which is the company's expertise, to join the bidding or make an offer for private entities. The sales department will be in contact with various organisations to find out about their upcoming projects in order to propose the company's services. The customers in this group are TOT Public Company Limited (TOT), CAT Telecom Public Company Limited (CAT), Rangsit Plaza Company Limited, and State Railway of Thailand (SRT). The company focuses on increasing more direct contacts with the customers by having the sales department actively contact and reach out to new customers.

2. Sales of products and services through business partners who are main contractors

Customers who are the company's business partners are the main contractors who hire the company as a subcontractor to operate in various jobs according to the company's expertise. Due to the company's long-standing nature of business as a contractor of electrical, telecommunication, and information technology systems, and having worked with numerous companies with proven track record in the industry, the company has gained its' business partners' trust in expertise and knowledge credibility. Hence, the company has been hired by the main contractors and many customers as a subcontractor for various projects. The examples of the customers in this group are Sino-Thai Engineering and Construction Public Company Limited, Toyo Engineering Corporation Company Limited, Unique Engineering and Construction Public Company Limited, and Italian-Thai Development Public Company Limited. The company's sales department is constantly in contact with these main contractors to be aware of the upcoming projects in the future.



Share of the company's revenue from sales and services, categorized by distribution channels in 2018, 2019 and 2020

Service Category	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Direct product distribution and services to the customers	204.10	22.10	343.93	40.63	183.42	14.32
Product distribution and services through business alliance	719.38	77.90	502.46	59.37	1,097.69	85.68
Total	923.47	100.00	846.39	100.00	1,281.11	100.00

2.3.3 Pricing Policy

1. Turnkey Projects

The company sets the price based on the project contract costs including equipment and subcontracting fees in a cost-plus pricing manner. The price is also determined by taking in the account the subcontractors and the purchase of additional equipment which is reasonable in price and technicality, both for the present and in the future. The competitive environment of the project and the customer's budget play a vital role in the pricing. The price offered to customers must be competitive, nevertheless, the quality of the equipment is also essential, in order to gain the trust and credibility for the company.

2. Maintenance Business

The pricing is based on the work details, system complexity, area for maintenance. The study of each area's risks is conducted for this purpose.

3. Equipment Distribution Business

The company sets the price based on the cost of equipment plus a cost-plus pricing before raising or lowering the price, according to the equipment quantity and terms of payment, delivery time, warranty period etc.

2.3.4 Industrial Conditions

The company's main business is to provide electrical contractor service and telecommunication and information technology in turnkey operations. Hence, the industrial conditions related to the power system and telecommunication and information technology are crucial and directly affect the company's business operations.

2.3.4.1 Industry Related to Power System

Power Generation Business

Power generation business data by the Bank of Ayudhya Research Center, June 2018 issue. 2019 Thai electricity generating business structure is an Enhanced Single Buyer Model by the Electricity Generating Authority of Thailand (EGAT), who is an electricity generator, an independent power producer (IPP), and a small power producer (SPP), as well as a monopoly on power transmission lines. The Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA) distribute electricity, with some electricity purchased from very small private power producers (VSPP).

The direction of power generating business growth depends on 1) the country's electricity demand, most of which varies according to economic conditions. On average, the growth of electricity demand is approximately 0.9-1.1 times of gross domestic product (GDP) growth. In 2018, it was found that industrial, business, household and other sectors accounted for 47%, 25% and 4% of the total electricity consumption in the country respectively. 2) governmental policies such as the National Power Development Plan (PDP) and the Alternative Energy Development Plan (AEDP) which define the country's power generation capacity for each type of power plant, price Policy for purchasing electricity produced from renewable energy (due to higher production cost of electricity from renewable energy than fossil fuels electricity production such as natural gas, coal and oil) which is currently under the Feed-in Tariff (FiT) system from the original Adder system. This also includes Transmission Network Development Plan to support the increased power generation capacity, especially from renewable energy power plants.

Looking at previous years, Thailand's electricity consumption in 2018 stood at 187,832 gigawatt-hours, which expanded by 1.5% from 1.2% in 2017, in line with the recovery of Thailand's economy and tourism sector. The government's electricity saving measures resulted in a slight increase in electricity consumption overall. The electricity consumption in business and industrial sectors grew by 1.3% compared to 2017, where household electricity usage grew by 1.9% from the previous year. Electricity generation in 2018 was 204,428 gigawatt-hours, an increase of 1.6% compared to an expansion of only 0.8% in 2017.

In 2019-2021, the private power generation business is expected to continue growing, with supporting factors such as certain markets on the demand side, and the government's investment support policy on the supply side as follows:

1. Domestic electricity demand continued to grow in line with the economic conditions and the gradual increase of investment in business and industrial sectors, which bolsters the demand for electricity in the country (referred to the Thailand Electricity Capacity Development Plan B.E. 2554). 2018-2037 (PDP 2018) by the Energy Policy and Planning Office Ministry of Energy, which has projected the domestic electricity consumption to expand 3.6% in 2019-2020 and 3.2% in 2021 under assumptions. Gross domestic product (GDP) will grow by an average of 3.8% per year.

2. The National Electricity Capacity Development Plan, B.E. 2018-2037 (PDP2018), the total electricity generating capacity will be 77,211 MW in 2037, an increase of 9% from the PDP2015 plan to 56,431 MW, a new capacity during 2018-2037, including the renewal of the project contract of Electrical SPP Cogeneration System.

Generation Capacity	PDP2015 (MW)	Generation Capacity	PDP2018 (MW)
Generation Capacity until December 2014	37,612	Generation Capacity until December 2017	46,090
Total increased generation capacity during 2015-2036	57,459	Total increased capacity during the years 2018 - 2037	56,431
Power plants that were removed from the system in 2015-2036	-24,736	Power plants that were removed from the system in 2018-2037	-25,310
Total net electricity capacity at 2036 year-end	70,335	Total net electricity capacity at 2037 year-end	77,211

Source: National Electricity Capacity Development Plan, B.E. 2561 - 2580 by the Energy Policy and Planning Office, Ministry of Energy

The aforementioned supporting factors will benefit the new investment of the 3 parts of power plants as follows:

1. Large power plants (IPPs) are expected to be auctioned off in the next 3-5 years to replace large-scale natural gas-fired power plants that will have expired and shut down from 2025 to 2027 around 8,300 Megawatts

2. Small power plants (SPPs) are expected to expand production capacity and invest more in the construction of new power plants, especially in the natural gas fuel power plant of cogeneration system which will expire in 2016-2025. The electricity generation and / or construction of new power plants can be done in the same area, and the electricity can be sold to industrial estates and industrial parks. This includes the investment in renewable energy power generation projects in the form of fuel mix, known as the SPP Hybrid Firm, which has more and more support from the government.

3. Investment in electricity generation from renewable energy projects can be classified as
3.1) Power plants with ongoing investment, firstly the solar power generation project, a result of the electricity production liberalization on the roof of the public sector that the government agrees to purchase 100 megawatts per year for 10 years from 2019. Secondly, the projects with potential on cost and raw materials sourcing competitiveness such as power generation from waste biomass and biogas projects respectively.

3.2) The power plant group which investments may have to hold until after 2021 is wind and hydroelectric power generation projects. This is because most of the potential areas are park areas where permission is difficult to obtain and the transmission system is complicated. New investment opportunities may have to wait until 2021 after the Electricity Generating Authority of Thailand (EGAT) constructs the power transmission line.

Nevertheless, due to the plan to support competitive bidding from the private sector under the condition that electricity generation cost must not be higher than the retail electricity price according to PDP2018 plan, small private companies (SPPs) with cost competitiveness are expected to expand their investment, especially in renewable energy fuels which will have a sustained purchasing demand according to the government's plans.

Master plan of the relocation of electrical cables to underground cable system in 2008-2022

According to the master plan of relocation of electrical cables to underground cable system in 2008-2022 by the Metropolitan Electricity Authority (MEA), MEA has begun to focus on the quality of the power supply and the reliability of the power system since the 7th amendment and expansion of the power distribution system plan, which indicates the establishment of projects relating the relocation of cable system to an underground feeder system in critical areas such as Chitralada project, Silom project, and Pathumwan project. During the implementation of the 9th plan, 3 more areas were selected, namely Phaholyothin Road, Phayathai Road, and Sukhumvit Road. Each plan has set 1-3 projects to convert air to underground electric cables, to meet the with the manpower ability of MEA. These projects are expected to take several decades to complete the relocation of cables relocation to cover most areas with demands from consumers who want quality and reliable power systems to comply with a better quality of life in a developed country, and also for a beautiful city landscape.

Moreover, the relocation could help reduce car crash to electric poles which often cause power outages and traffic congestion. The better image can attract more tourists and investors into Thailand. Therefore, the government plans to change the infrastructure projects that are above the air to be underground. MEA has therefore formulated a masterplan for the project to change the cable system to the underground system in 2008-2022 (15 years), focusing on operations in the business district and areas with heavy demand for electricity. The total distance is approximately 180 km., some of which must be operated along with the MRT project, with total investment budget of 77,678 million baht, divided into 2 phases

1. The first phase, 2008-2021, distance approximately 119 km., with investment budget of 43,775 million baht (including roads that MEA declares as an underground cable area).
2. The second phase, 2012-2022, distance of 61 km., with investment budget of 25,059 million baht.

Plan to change cable system to underground cable system to support being an ASEAN metropolis.

After implementing a part of the master plan regarding the relocation of the air cable to an underground power line, which consists of Silom project, Chitralada project, Pathumwan project, The Phaholyothin project, Phayathai project, and the Sukhumvit project (partly), a total distance of more than 35 km. have been completed. In addition, the following projects are under the process of working: Sukhumvit (the rest), Nonsee, Rama III, Pathumwan, Chitralada and Phayathai projects, including some parts of the Ratchadaphisek-Asoke project and the Ratchadaphisek-Rama 9 project, totalling more than 53.3 km. Regarding the aforementioned projects, MEA has coordinated with other state enterprises to pursue their operations along the way with the projects to reduce operation duplication and traffic problems. Then, MEA has reviewed the 2008-2022 Master Plan to comply with the strategy to continuously improve the quality of electricity and electricity distribution system development to become a leading ASEAN metropolis, proudly stepping into the ASEAN Economic Community. Therefore, a project to relocate the aerial electrical wiring system to underground power lines has been established to support Bangkok in becoming an ASEAN metropolis, with the distance of 261.6 km. and an investment budget of 143,092 million baht, operated for 10 years from 2016-2025. The Cabinet has agreed to this matter in the meeting on September 1, 2015 to implement the project in the areas suitable for operation by using the investment budget according to the plan, total amount of 48,717.2 million baht.

The plan to relocate cable wiring to underground power lines to support Bangkok in becoming an ASEAN metropolis

Sub-project		Distance (Km.)	Expected Completion Date
No.	Details		
1	 Chitralada Project	7.1	2562
2	 Project with MRT Blue Line (MRTA)	35.9	2565
	Project with MRT Light Green Line (MRTA)		
	Project with Road Expansion Work (BKK)		
3	 Project with MRT Dark Green Line Saphan Mai - Khu Khot (MRTA)	37.3	2566
	Project with MRT Orange Line (MRTA)		
	Project with MRT South Purple Line Bang Sue – Rat Burana (MRTA)		
	Project with MRT Pink Line (MRTA)		
4	 Project with MRT Light Green Line Samut Prakan – Bang Pu (MRTA)	24.4	2567
	Project with MRT Yellow Line (MRTA)		
	Project with Road Expansion Work (BKK)		
5	 No projects with other agencies	22.6	2568

Source : The plan to relocate cable wiring to underground power lines to support Bangkok in becoming an ASEAN metropolis.

Enterprise Plan of fiscal year 2017-2022, fiscal year 2020 revised version

Mass Rapid Transit Authority of Thailand (MRTA) has set goals for the opening of various train lines within Bangkok and the surrounding areas, specified in the main operation objectives under the Enterprise Plan fiscal year 2017-2022, revised version of fiscal year 2020 that must be achieved within fiscal year 2022 or other years as follows:

1. Fiscal year 2019 to start service operation of blue line Hua Lamphong - Bang Khae
2. Fiscal year 2020 to start service operation of blue line Bang Sue - Tha Phra, green line Mo Chit - Saphan Mai - Khu Khot
3. Fiscal year 2022 to start service operation of pink line Khae Rai - Minburi and yellow line Lad Phrao - Samrong
4. Fiscal year 2024 to start service operation of orange line Cultural Center - Min Buri
5. Fiscal year 2026 to start service operation of orange line Bang Khun Non - Cultural Center and purple line Tao Poon - Ring Road Kanchanaphisek

The details of the electric train projects related to the Enterprise Plan fiscal year 2017-2022 of the Mass Rapid Transit Authority of Thailand can be summarized by the following electric train lines as follows:

1. MRT Blue Line

At present, all stations are open for service. (Tha Phra - Lak Song) with a total distance of 47 km. The extended lines of Hua Lamphong - Lak Song and Bang Sue-Tha Phra were opened in 2019, and the extension service (Tao Poon-Tha Phra) was officially in operation from March 30, 2020. Regarding the extension from Lak Song to Phutthamonthon Sai 4, the project is under consideration.

2. MRT Green Line

Currently, the service is available from Samut Prakan Housing - Kasetsart University, with a distance of about 39 km. This line is the first and main electric train route of Bangkok, running through the heart of the city and key central areas. The line is under construction for the extension of Mo Chit - Saphan Mai - Khu Khot (Kasetsart University Station - Khu Khot), which is expected to open for service in 2020.

3. MRT Pink Line

The MRT Pink Line from Khae Rai - Min Buri is currently under construction. The train model is monorail, with a distance of approximately 36 km., and connection points with the Red Line, Green Line, Grey Line and Orange Line, scheduled to be completed in 2021.

4. MRT Yellow Line

MRT Yellow Line, Lat Phrao - Samrong route is currently under construction, with a distance of about 30 km. in a monorail format. The starting point is from Ratchada-Lat Phrao intersection, with intersections with the Orange Line at Lam Sali Station Airport Link at Hua Mak, and Green Line train at Samrong Station. The construction is scheduled to be completed around 2021. Regarding the extension from Ratchada-Lat Phrao intersection through the criminal court heading to Ratchayothin is still under consideration.

5. MRT Orange Line

At the moment, the MRT Orange Line Cultural Center - Min Buri route is under construction, with a distance of 22 km.. This route will intersect with Blue Line at Thailand Cultural Center Station and also connects to the Yellow Line and Brown Line at Lam Sali Station. It is an underground and overground route, which is expected to open for service around 2023 and open the Bang Khun Non - Cultural Center route in 2026.

6. MRT Purple Line

The MRT Purple Line is now open for service at Tao Poon - Khlong Bang Phai Station. The distance is about 23 km., which connects to the Blue Line at Tao Poon Station. Soon this line is going to be extended from Tao Poon to Rat Burana, with additional distance of approximately 23.6 km.. The extension construction is expected to commence in 2020 and the Tao Poon-Kanchanaphisek Ring Road route will be ready for service by 2026.



MRTA has set the expenses of various electric train projects as follows:

Projects	Time Frame (when the MRTA starts the operation)	Expenses (million baht)	
		The Whole Project	Fiscal year 2017-2022
MRT Blue Line - Hua Lamphong - Bang Khae - Bang Sue - Tha Phra	13 years 5 months	81,608.06	34,774.99
MRT Green Line - Bearing range - Samut Prakan - Mo Chit - Saphan Mai - Khu Khot	MRTA Signed an MOU to transfer the project to Bangkok. On December 3, 2018		
MRT Pink Line - Khae Rai - Min Buri	11 years 1 month	50,340.12	50,317.32
MRT Yellow Line - Lad Phrao – Sam Rong	10 years	47,558.13	47,468.09
MRT Orange Line - Thailand Cultural Center - Min Buri	12 years 11 months	108,823.74	85,790.65
MRT Orange Line - Bang Khunnon period - Cultural Center	15 years 5 months	122,067.27	44,312.26
MRT Purple Line - Tao Poon - Golden Jubilee Ring Road	15 years 5 months	124,958.62	40,128.65

Source : Enterprise Plan Fiscal Year 2017-2022, Revised Fiscal Year 2020, Mass Rapid Transit Authority of Thailand

Gathering from the aforementioned information, it is evident that the electrical industry is likely to grow continuously. From the company's experience in construction of substations and high voltage transmission lines, there is a high chance the company would get more opportunities for such jobs from the growth of the power generation business. In addition, with the company's expertise in the relocation of power lines to underground cable system for both electrical and communication cables, the company is expected to benefit from MEA's cables relocation plan. including MRTA's plan to start the operation of various MRT lines.

2.3.4.2 Industry Relating Telecommunication System and Information Technology Information and Communication Technology (ICT) Market

According to the report of the National Science and Technology Development Agency (NSTDA), Thailand's information and communication technology market (ICT) consists of 5 sub-groups: (1) computer hardware market (2) software and software market (3) communication market (4) computer services market and (5) TV tuner market. Among these, the market that affects the company's business operations is the communication market, which is the largest of all the ICT markets.

Thailand Communication Market

The communication market in Thailand can be divided into two main groups; the communication device and communication services market, with a total market value of 619,143 million baht in 2019 and a growth rate of 0.9% from 2018. The main market value was from the communication service market which accounted for 57.5% or equivalent to 356,438 million baht, while the communication equipment market contributed another 42.4% or 262,705 million baht. In 2020, the market value is projected to decrease by 2.3% or 605,108 million baht from 2019.

Category	2018 (THB million)	2019 (THB million)	2020F (THB million)	growth rate	
				2018-2019	2019-2020F
1. Communication Equipment Market	256,914	262,705	250,021	2.3	(4.8)
2. Communication Service Market	357,006	356,438	355,087	(0.2)	(0.4)
Total market value	613,920	619,143	605,108	0.9	(2.3)

Source : Office of the Broadcasting Commission Television business And the National Telecommunications Commission (NBTC)

Communication Equipment Market

The communication equipment market in 2019 has a total value of 262,705 million baht, an increase of 256,914 million baht or 2.3% from 2018. In 2018, the telephone market had a value of 118,976 million baht, with only 2.1% growth or an equivalent to 121,462 million baht due to the slowdown of the country's economy. As a result, investment in the communications equipment market in 2019 has grown in a positive direction. Another factor is the main network equipment market, which in 2019 has a total value of 76,446 million baht compared to 2018 at 73,780 million baht, an increase of 3.6% due to the investment in main network efficiency improvement despite the slowdown of the economy.

In 2020, the communication equipment market is predicted to be valued at 250,021 million baht, a 4.8% decrease from 2019, with main contribution coming from the telephone handset market which decreased from 2019 by 8.1% to a market value of 111,650 million baht. Another factor is the decline in the main network equipment market from 2019 by 4.2%, totalling at 73,245 million baht. This also includes the decline in cable communication device market which decreased by 0.8% from 2019, with total market value of 18,348 million baht, due to the COVID-19 outbreak which , delayed the operation plan than usual. Consequently, it is expected that the investment value in 2020 will drop.

Communication Equipment Market	2018 (THB million)	2019 (THB million)	2020F (THB million)	growth rate	
				2018-2019	2019-2020F
1. Phone devices	118,976	121,462	111,650	2.1%	(8.1%)
2. Main network equipment	73,780	76,446	73,245	3.6%	(4.2)
3. Wired communication equipment	18,468	18,489	18,348	0.1%	(0.8%)
4. Wireless communication devices	45,690	46,308	46,778	1.4%	1%
Total market value	256,914	262,705	250,021	2.3%	(4.8%)

Source : Office of the Broadcasting Commission Television business And the National Telecommunications Commission (NBTC)

Communication Service Market

In 2019, Thailand's communication service market had a total market value of 356,438 million baht, a decrease of 0.2% from 357,006 million baht in 2018. The decline was a result of fixed-line phone market whose value has decreased from 2018 by 15.8% or equivalent to 8,008 million baht. Another factor came from the Internet services market, which fell by 4.8% from 2018 to a value of 71,791 million baht, including the international phone service market, which decreased by 35.4% from 5,413 million baht in In 2018 to 3,497 million baht in 2019.

Thailand communication service market outlook for 2020 is expected to decline by 0.4%, to a value of 355,087 million baht. The COVID-19 outbreak which causes a decline in overseas travel, resulting in a decrease in roaming usage with customers shifting to less expensive communication channels.

Communication service market	2018 (THB million)	2019 (THB million)	2020F (THB million)	growth rate	
				2018-2019	2019-2020F
1. Fixed phone service	9,516	8,008	7,087	(15.8)	(11.5)
2. Mobile phone service	251,214	257,106	254,278	2.3	(1.1)
3. Internet service	75,391	71,791	75,381	(4.8)	5.0
4. International phone service	5,413	3,497	2,064	(35.4)	(41)
5. Data communication service	15,445	16,306	16,227	3.8	1.5
Total market value	357,006	356,438	355,087	(0.2)	(0.4)

Source : Office of the Broadcasting Commission Television business And the National Telecommunications Commission (NBTC)

Digital Development Plan for Economy and Society

The government is well aware of the urgent need to utilize digital technology as an important tool in transforming Thailand towards stability and sustainability. The Cabinet has therefore assigned the Ministry of Digital Economy and Society together with the Ministry of Science and Technology to prepare a Digital Development Plan for Economy and Society. The plan will serve as an implementation framework of the government's Digital Economy and Society Policy by bringing digital technology implementation to change the business conduct, people's lifestyle, and government operations, which will result in economic prosperity and the social security of the country.

Thailand Digital Landscape

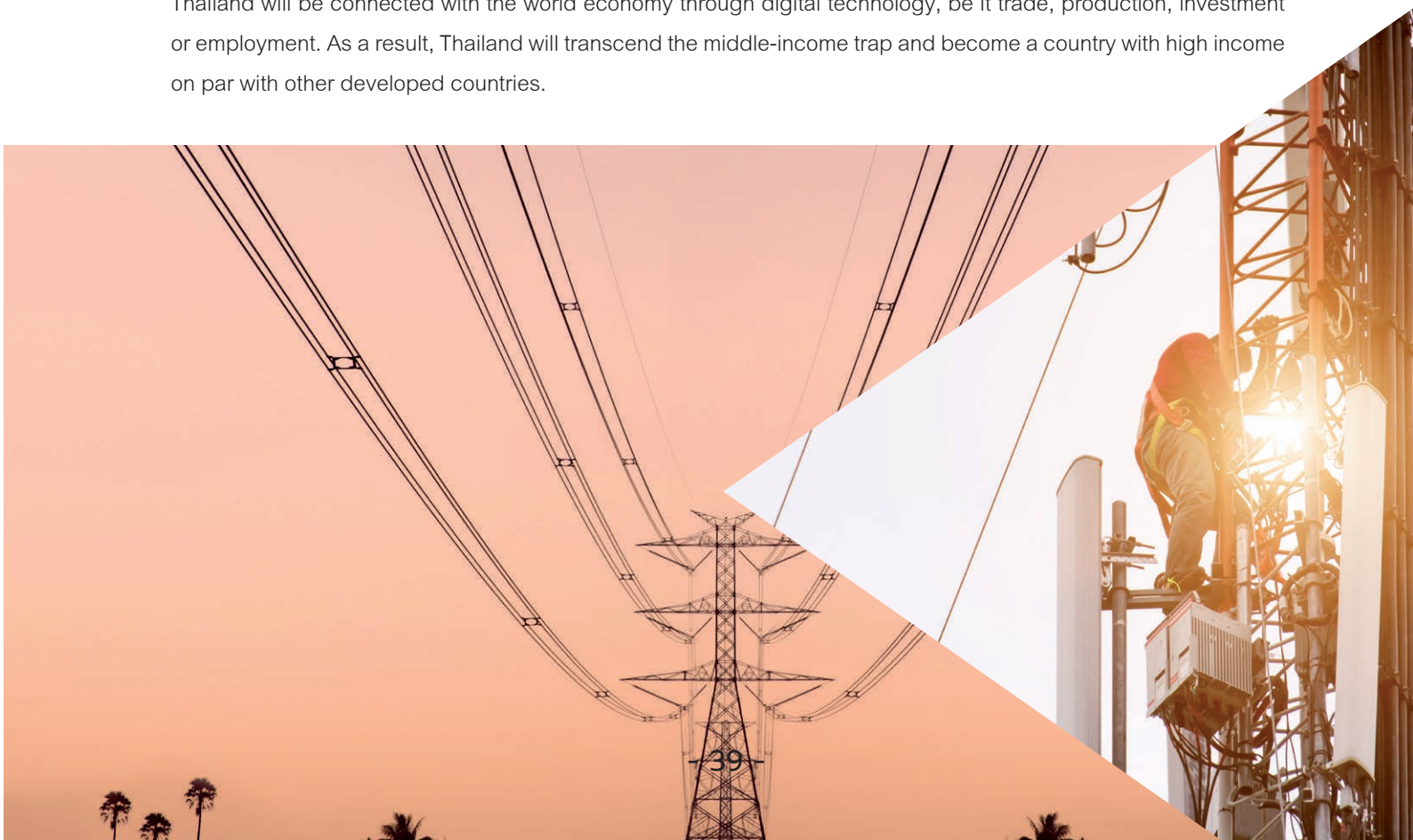
Economic and Digital Social Development in Thailand focuses on sustainable long-term development to be in line with the 20-year National Strategy of 2018 - 2037 prepared by the Office of the National Economic and Social Development Council Under the 2017 Constitution. Nevertheless, as digital technology is rapidly changing, the digital landscape or the direction and goals of development has been defined in 4 phases as follows:

1. Phase 1: Digital Foundation (1 year 6 months) Thailand invests and builds the foundation for digital economic and social development with investments in broadband internet nationwide and a high-speed telecommunication network to connect with other countries in the region.

2. Phase 2: Digital Thailand Inclusion (5 years) All sectors in Thailand take part in the development of digital economy and society, in line with the civil state that people should have access to high-speed internet network and basic public services through digital media. Furthermore, people should bring digital technology to implement for various dimensions of development, especially in the field of education, agricultural, industrial, and service sectors so they can grow by leveraging digital and data-driven technologies and prepare to develop the production process and business conduct to be digitalized and modern with automation.

3. Phase 3: Full Transformation (10 years) Thailand becomes "Digital Thailand" that drives and make the most of digital innovation to its full potential. The country will have an up-to-date digital infrastructure on par with developed countries, and the main telecommunication network will be connecting with foreign countries with various technologies to support the increasing amount of demand with no limitations. Moreover, Thailand will become a digital trading and investment center where the industrial sector is able to adopt digital technology to improve the work efficiency.

4. Phase 4: Global Digital Leadership (10 - 20 years) Thailand will become one of the developed countries who is able to utilize digital technology to create sustainable economic and social value. All of Thai citizen will automatically have access to digital technology as the human's fifth requisite. As for the economy, Thailand will be connected with the world economy through digital technology, be it trade, production, investment or employment. As a result, Thailand will transcend the middle-income trap and become a country with high income on par with other developed countries.



Strategy for Digital Development for Economy and Society

In order to drive Thailand's digital development in accordance with the 4 phases of the Thailand Digital Landscape vision, 6 development strategies have been established to monitor and assess the development progress with the following work plans:



Source : Thailand Digital Economy and Society Development plan by pansak Siriruchatapng 2016

Strategy 1 : Develop high-performance digital infrastructure throughout the country, with the development of high-speed internet infrastructure covering various areas in the country to meet the needs of all sectors. Telecom infrastructure and other facilities are prepared and organized, as well as the revision of relevant laws to attract large-scale data center investments and become an incubator of business and digital innovation, supporting the digital economy both within the country and abroad.

Strategy 2 : Driving the economy through digital technology by supporting SME businesses and community enterprises, conduct business through digital media, and And integrate digital technology with agriculture in various aspects such as farmer registration for each farmland, farm management, and accounting systems etc. To drive the digital economy, digital technology business acceleration plays a vital part, such as the support of ecosystem that contributes to the growth of technology businesses, funding, and providing a One Stop Service business facilities etc.

Strategy 3 : Build an inclusive and equal quality society with digital technology. Various technology is integrated to support and facilitate the disabled, and increase digital technology skills among the elderly, disabled and disadvantaged people through training at the digital community center. The community is also encouraged to create digital learning resources for lifelong learning that people can easily access through various channels. Moreover, digital technology will be applied to the medical field to increase the likelihood of equality in medical service access.

Strategy 4 : Transform and digitize the government by providing Smart Service that transforms old-model government services into digital services which users can use via a variety of devices. Automated Public Services will also be developed to link various government agencies together for the information integration within and across departments as if it was a single organization (One Government). In addition, the Government Service Platform will be established to support new applications or services development for basic services of all government agencies.

Strategy 5 : Develop manpower to prepare for the digital economy and society by providing the development of digital technology skills through Massive Open Online Course (MOOC) to meet the needs and benefit various groups of people ranging from working-age to those who are interested in general. Development of skills and specialization is promoted to support future new technologies for personnel in the digital technology field both in the public and private sectors. The state's chief executives must also join the development to understand and be able to implement digital technology to drive and develop their own organizations.

Strategy 6 : Boost confidence in the use of digital technology by providing appropriate digital business facilities to acquire users' confidence. Revise the laws relating digital economy and society to be up-to-date and in line with the social context. Furthermore, security in digital technology and online transactions will gain more trust from the users , such as providing a secure and responsive payment system etc.

Internet of Things

Internet of Things (IoT) is when various electronic devices can link or send data to each other via the internet without having to enter the data. This link allows us to control numerous electronic devices through the internet network, including connection of various electronic equipment applications via internet network, which is different from the past where electronic devices were only a medium for data sending and display.

There are many aspects to the IoT applications, from collecting data for agricultural sector, machinery communication and control in industrial sector, vehicle communication and control, of traffic systems in the transportation and logistics management sector, health data collection and processing in public health sector, as well as online transactions of financial technology (Fintech) system in the banking sector.

Thai governance has prepared and developed a plan to support domestic IoT technology by reinforcing the development of telecommunication infrastructure to cover more areas throughout the country, which is evident in the Internet Village project, the development of technology and innovation using IoT technologies such as Smart Farming, drones for logistics and telemedicine systems, the study of cyber security to determine regulatory measures and prepare a draft announcement by the Broadcasting Commission Television Business and the National Telecommunications Commission (NBTC) who defines the standards and technical characteristics to support the interoperability of IoT devices, the study of numbering and identification to keep up with the rapidly growing number of IoT devices, as well as establishing guidelines for supervision and consideration of network business licenses of related service providers.

5G Technology

5G technology is the fifth generation of wireless communication with different objectives from the 1G-4G era in meeting the Machine-Centric Communication needs in various sectors of the economy, which is considered as a full step into the digital society. Regarding the industry trends, connection between devices and tools, also known as the Internet of Things, will become important to human life and promote the development of capacity and efficiency in both economic and social aspects.

With 5G technology that will help develop data transmission rates, ability to get information, connection density caused by the number of devices in the area, network energy efficiency and spectrum utilization, and reduce the latency of the system. This will consequently affect the economy in various fields from online banking, machine labor in the industrial sector, agricultural production management system, unmanned vehicles in the transportation and logistics sectors, internet telemedicine in the medical and public health sectors, online trading in the retail sector, media and advertising transmission in the television and media industry, as well as utilities management system.

Therefore, 5G technology is more than just broadband with only data transmission, it also creates a number of new services, be it Smart Car, eHealth, Connected House, Smart Grids and other services. 5G will help increase competitiveness and economic value, help manage resources Industrial system in both government and private sectors, saving more budget but achieving higher efficiency.

And in order to fully benefit Thai economy, the Office of NBTC As a frequency allocation agency which is an extremely necessary resource for 5G technology, the agency must carry out additional spectrum allocation to support various activities, including effective management of frequency spectrum use that supports 5G technology to achieve the goal smart digital economy development under Thailand 4.0. On February 16, 2020, NBTC has organized a spectrum auction for 5G technology in Thailand, divided into 3 spectrums; 700 MHz, 2600 MHz and 26 GHz with 5 bidders; AIS, CAT, dtac, TOT and TrueMove H. The bidding results can be summarized as follows:

Frequency	The numbers open for auction	Bidders	winning bidder
700 MHz	3 sets	AIS, CAT, Truemove H	- CAT 2 sets, total 10 MHz - AIS 1 set, total 5 MHz
2600 MHz	19 sets	AIS, CAT, Truemove H	- AIS 10 sets, total 100 MHz - Truemove H 9 sets, total 90 MHz
26 GHz	27 sets	AIS, dtac, TOT, TrueMove H	- AIS 12 sets, total 1200 MHz - Truemove H 8 sets, total 80 MHz - TOT 4 sets, total 40 MHz - dtac 2 sets, total 20 MHz

From the information provided, it is evident that the expansion of the communication market in Thailand, which reflects the telecommunication industry and information technology, is likely to continue to grow in the future. The amount of mobile phone users, the use of high-speed internet, an expansion in data transmission service, as well as changes in consumer behavior make it clear that the development of telecommunication systems and information technology is essential to Thailand. The development includes infrastructure, equipment, systems and system maintenance of communication service providers to support the expansion of the market. Moreover, the government policy that focuses on technology development creates the need to replace existing equipment with new technologies. This is a business opportunity for the company because of the long history of experience in turnkey projects of integrated telecommunication and information technology systems, such as communication system infrastructure, fiber optic cable installation, software and application system implementation, as well as equipment procurement and installation. In addition, the customer which the company has been serving for a long time was the winning bidder for 5G technology. With a long-standing good relationship the company has with the said customer, the company is expect to benefit from the aforementioned auction.

2.3.5 Industry Competition

Under various national development policies from government, state enterprises, and investment from the private sector as a response to efficient economic growth, the demand for design, procurement, construction and installation services for infrastructure systems such as projects that involving electrical system and telecommunication and information technology systems, has expanded.

Industry related to power system

Due to the power development plan of Thailand 2018-2037 by the Energy Policy and Planning Office Ministry of Energy, the Master Plan of the Transition Antenna System to Underground Program in 2008-2022, the relocation of power cables to underground system in order to support Bangkok inbecoming an ASEAN metropolis between 2016-2025 by the Electrical System Planning Department of Metropolitan Electricity Authority, as well as the Enterprise Plan fiscal year 2017-2022 revised fiscal year 2020 by the Mass Rapid Transit Authority of Thailand, the public and private investments in power systems in relating industries resulted in the rising demand for service providers of various power system. This type of service requires knowledge, expertise, and work experience in

utility power system due to its high level of complexity and danger. Therefore, the service providers are mostly large companies with a strong financial position and capable of direct job bidding from the government sector or handling jobs from a private sector relating the power generation system. Those companies are Sino-Thai Engineering and Construction Public Company Limited, Chor Karnchang Public Company Limited, Italian-Thai Development Public Company Limited and Unique Engineering and Construction Public Company Limited etc. Some of the providers are medium-sized companies such as Demco Public Company Limited, Toyo Engineering Company Limited, Burapha Technical Engineering Public Company Limited, United Engineer Company Limited, Teda Company Limited, Larch and Laurel Company Limited, and Sri U Thong Company Limited etc.

Currently, the company is considered a medium-sized company in this business because it has been working as a subcontract under other large companies, such as subcontractor of high voltage transmission lines construction, substation construction and equipment installation, and relocation of power lines to underground system. The company's performance in the past has gained the company both credibility and portfolio for the expertise in the service. Moreover, the company's management team are personnel with over 26 years of experience in this business who possess strong relationships with both clients and subcontractors, as well as being an alliance with large companies. These factors has enabled the company to continuously undertake projects from large companies successfully. However, the company's recent jobs of power lines relocation to underground system along the MRT Yellow Line and Pink Line, totalling over 6,300 million baht, shows that the company has the potential to work directly from customers in the future.

Telecommunication and Information Technology Industry

The trend of communication market expansion, Digital Development Plan for Economy and Society by the Ministry of Technology and Communication, and innovative communication technology have been emerging, which indicates more demand for service providers in the field relating to the company. There is a large number of service providers for the the work in telecommunication systems and information technology, form design, construction, communication wiring, system installation, and equipment procurement and installation. Most of the company's competitors are listed companies and are alliance with foreign manufacturers who provide complete range of equipment procurement with strong financial position and capability to participate in bidding for large projects, such as Advance Information Technology Public Company Limited, Samart Telcom Public Company Limited, the Practical Solution Public Company Limited, Sky ICT Company Public Company Limited and Interlink Telecom Public Company Limited etc.

Nevertheless, the company has been in this industry for more than 26 years, working in system installation of infrastructure, main network system, software systems and applications, as well as various equipment systems installation. The company is well experienced with large projects from both the public and private sectors, as shown in company's track record, which demonstrates that the company only chooses to work in specific projects where the company is proficient and experienced, especially those projects which utilize the products the company possess good understanding of the equipment system, such as Huawei CISCO etc. The aforementioned factors provides the company competitive advantages within this industry. Furthermore, the company's management also has strong relationships with both the product providers, distributors and customers, as well as large corporate partners, which enables the company the opportunity and capability to work directly for customers or large companies.

In addition, as a contractor of electrical system and integrated telecommunication and information technology systems, the company is expected to benefit from the Eastern Economic Corridor (EEC) development project that builds on the success of the development of the Eastern Seaboard area. The development of the Special Economic Zone in the Eastern Region is one of the driving tools for the 20-year development strategy for the Thai Industry 4.0 (2017 - 2036), in which the first phase will be to upgrade and enhance 3 provinces namely Chonburi, Rayong, and Chachoengsao, the main industrial zones of Thailand, to achieve concrete investment. The enhancement includes investment in infrastructure and utilities to increase the potential for future investments, and the development of economic activities and facilitation in the area, particularly major transport infrastructure development projects such as a rail system to link between airports, deep sea port development, railway network development to connect with ports, and the development of an integrated transport management system for seamless railways and ports (Seamless Operation).

2.4 Products and Services Procurement

2.4.1 Purchasing of the Company's Equipment and Products

The company procures equipment and products from its trade partners upon receipt of an order or a contract with a customer. When the sales department has carefully studied the needs of customers, they will coordinate with solutions and commerce department to design the system, along with studying various technical requirements and equipment quantity that is suitable for the project before presenting to customers. As of December 31, 2020, the company has a total of 112 approved contractors and distributors for electrical system work and telecommunication and information technology work from the 142 companies in Approved Vendor List. The equipment the company provides can only be used for the specific project specified in the Term of Reference (TOR). The company will consider purchasing products based on the technical specifications of the equipment, quality, delivery time, price, credit terms and accepted standards, which can be divided into 2 types according to the nature of the equipment as follows:

1. The project's main equipment

The company has to purchase main equipment which meets the requirements specified in the contract or the employer's requirements, and the Bill of Quantities. Most of the time, the company purchases products and equipment related to telecommunication system and information technology of Huawei, CISCO or HPE, while purchasing equipment related to the electrical system from SIEMENS, ABB or Utah. The purchases are made directly with the product providers or through the distributors appointed in Thailand.

Due to the good relationship the company has with the owners of the said products, it has been receiving support from the manufacturer or distributor regarding the knowledge of new technologies and products that will be launched to the market. For example, the company is certified by Huawei as a Gold Partner, who will be provided both pre-sales and after-sales service techniques and marketing support. Standard trainings are also provided to develop potential and technological expertise, including the update of new equipment. In general, the company receives about 30-60 days of term credit.

2. Other equipment and products used in the project

For the purchase of equipment and other products used in the project such as fiber optic cables, electrical cables, pipes, connectors, connection cables, equipment cabinets, switches, gears, batteries, cables and software etc., the company procures such equipment from local distributors. In general, the company receives a credit term of about 30-60 days.

2.4.2 Subcontractor Remuneration

For electrical, telecommunication and information technology systems contractor service, the company hires subcontractors who possess the expertise according to customer requirements to do be in charge of the job. The operation department of the company closely supervises the subcontractor throughout the system implementation or maintenance.

In hiring a subcontractor, the company will start with a detailed study of the project requirements, both the project format, operational period, conditions, performance guarantee, and other various technical features. The study helps with the selection of subcontractors who have been registered on the company's Approved Vendor List (AVL). The company considers several aspects when choosing the subcontractors, such as performance, experience, and financial strength. The company allows approximately 3 subcontractors to submit their bidding. The company will take into account the quality and ability of the subcontractor, the price offered, and the term credit in selecting the right subcontractor.

The company tends to choose subcontractors who have previously worked for the project owner before, due to their familiarity with the requirements and regulations of the project owner. Another factor is the price comparison during the bidding. In addition, the company also allows subcontractors to submit manpower plans and various working schedules to the company in order to make sure the subcontractor has enough manpower to work for the company and meet the scheduled delivery.

Value and proportion of products procurement and services during 2018, 2019 and 2020

Procurement type	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Products and equipment	312.32	43.15	356.00	54.25	196.22	19.32
Subcontractor remuneration*	411.51	56.85	300.26	45.75	819.55	80.68
Total purchase value	723.84	100.00	656.26	100.00	1,015.77	100.00

Remark : * Subcontractor remuneration is not equal to service cost as the service cost includes other expenses such as staff for project management, operating expenses etc.

2.5 Undelivered work

As of December 31, 2020, the company has turnkey projects with orders from clients but not yet delivered to customers in the amount of 6,212.07 million baht, with the delivery schedule as follows:

Unit: Million baht

Revenue category	Revenue expected to be recognized in				Total
	2021	2022	2023	2024	
Revenue from contracted work of system installation	2,506.65	2,413.45	1,179.13	106.64	6,205.87
- Electrical system	2,249.61	2,386.99	1,179.13	106.64	5,922.37
- Telecommunication systems and technology information	257.04	26.46	-	-	283.5
Revenue from equipment sales	-	-	-	-	-
Revenue from repair and maintenance services	6.20	-	-	-	6.20
Total	2,512.85	2,413.45	1,179.13	106.64	6,212.07

Remark : The residual contract value expected to be recognized as income for each period is subject to change from that stated due to the changes in contract value or delayed work delivery



3. Risk Factors

Investors should thoroughly consider risk factors, including other detailed information that appears in this document before making the decision to invest in the Company's securities. As determined in this document, risk factors may negatively affect the Company's business operation and the Company's share price. However, such is not all existing risks. There might be other unpredicted risks and risk factors, including risk factors from the Company's normal business operations, which do not significantly affect the Company's current situation but may become future significant risk factors.

3.1 Risk from dependent on major customers and government projects

In 2018, 2019 and 2020, the Company earned revenue mainly from 2 major customers, representing 73.27 percent, 97.92 percent, and 93.16 percent of total revenue from sales of goods and services. One of the customers is the project's direct owner (its revenue accounted for 9.83 percent, 39.59 percent, and 11.75 percent of total revenue from sales of goods and services accordingly). Another customer is the first-ranked contractor, the Company's business partner (revenue from this customer was 63.44 percent, 58.33 percent, and 81.42 percent of total sales and services revenue). In the future, if the Company cannot get a project from these two significant customers - who are the direct owner of the project, may postpone the investment or reduce the budget in the project. Another situation is when the customers who are the Company's business partner may not accept further work or will not hire the Company, it could have a direct impact on revenue and profit of the Company significantly. Furthermore, most of the Company's business, project owners, or end users are from the government sector, including power systems and telecommunication and information technology business. In 2018, 2019, and 2020, the Company's revenue from state projects was 81.09 percent, 83.12 percent, and 91.05 percent from total sales of goods and services revenue. Hence, the variation in the government's investment policy or delay in investment will have direct impact on the Company's revenue significantly.

The majority of revenue is from the two main customers, and most of the Company's project is from the government sector. According to the industry outlook data in Article 2.3.4, the government sector currently focuses on infrastructure development in electrical systems, telecommunication, and information technology systems. For instance, the government has prepared several plans and policies, for example, converting overhead lines to underground to support the ASEAN metropolis and Digital Development for the National Economic and Social Development Plan. Such a plan ensures that the Company will derive benefits from rendering services related to government sector projects. The two major customers have a significant role in driving several projects. Therefore, by building a relationship and trust from them regularly plus the Company's experiences and expertise in administration, selecting suitable materials and equipment with competitive costs and ability to deliver work on time, outstanding after-sales

service, the Company is confident it will receive more projects. Nevertheless, the Company has the policy to extend its customer base both in the government and private sectors, including diversity of work scope. The Company also periodically follows up on the government sector's policy and investment plan from news and information from business partners to assess investment direction and investment trend from the government sector, allowing the Company to prepare business plan more effectively.

3.2 Risk from depending on the executives

Mr. Jarun Wiwatjesadawut established J. R. W. Utility Public Company Limited; currently, the Chief Executive Officer, holding a wide range of experiences and expertise in electrical systems and telecommunication and information technology systems for over 26 years. The Company has maintained a good relationship with customers in both government and private sectors, including domestic and international suppliers. As a result, the Company is exposed to risk from depending on key executives in which the change in key executives could affect the Company's management.

However, since Mr. Jarun Wiwatjesadawut is still the company's major shareholder, holding 33.36 percent of registered and paid-up capital of the Company after this initial public offering (including all shareholding portion of related parties), it is considered a motivation for the management to continue operating the Company. Mr. Jarun Wiwatjesadawut established J.R.W. Utility Public Company Limited, currently the Chief Executive Officer, who had experience and expertise in the electrical system and telecommunication and information technology system than 26 years. He also built a good relationship with customers in both government and private sectors, including domestic and international suppliers, for an extended time. As a result, the Company is exposed to risk from depending on key executives in administration. In preparation, the Company has the policy to provide training for employees and executives from various departments to enhance their knowledge and skill, assisting the leading executives in managements. The Company also determines a succession plan for a high-rank executive officer to ensure business operation continuity.

3.3 Risk from depending on personnel

The Company's business involved electrical systems and telecommunication and information technology systems, which are considered complex and dangerous. Therefore, it is necessary to have experienced and skilled engineers, including a satisfactory marketing operation, to meet the customers' needs, to determine the volume and type of materials and equipment used for operation, including system design, work control, and testing before delivering work that fits the customers' needs. The Company currently has 41 engineers or counted as 42.70 percent of the total number of employees as of 31 December 2020. If the Company cannot provide and maintain a group of engineers who are experienced and expertise in the Company's business, it could affect the Company's competitiveness in the market.

The Company realizes the importance of personnel and prevents such risk quantitatively and qualitatively by delegating team administration and assigning job rotation among each team on a regular basis. The executive effectively oversees the overall operation, continuously provides services to customers in case of engineer resignation. The Company also has a continuous recruitment process to seek an appropriate person to perform the tasks to support business growth. Furthermore, the Company's human resource management guideline tends to enhance the good relationship among employees within the organization, establishing suitable compensation and benefits policies and ongoing employees' knowledge and development training.

3.4 The risk from depending on contractors

According to the Company's turnkey service on system installation, equipment installation, electrical and telecommunication maintenance, and information technology systems, the Company hires contractors for several projects. The cost of hiring contractors between 2018, 2019, and 2020 were 54.34 percent, 42.99 percent, and 74.86 percent of the total cost of sales of goods and services, respectively. When the Company cannot find contractors or such contractors fails to perform the task to meet required standards or delays, or cannot serve as stated in the agreement, it could affect the Company's reputation and operation.

Nevertheless, the Company has approved 72 contractors from electrical and telecommunication, and information technology system fields from a total of 142 approved vendor lists (as of 31 December 2020). The Company selects contractors by several qualifications such as work quality, related experiences, expertise, teamwork and personnel, financial status, including familiarity with customers and work types. The Company selects three bidders for each project. Based on the Company's robust financial status, which is considered the Company's strength, many contractors are interested in undertaking the job. For this reason, the Company has various choices to seek the best and highest potential. The Company will appoint a Project Manager who is the engineer with skill and experience to examine the contractor's work on a regular basis to control quality, acknowledge progress, and layout proper preventive guidelines and resolution. Additionally, the Company requests from contractors the guarantee in the same approach as the main contractor or customer requests from the Company.

3.5 Risk from depending on major suppliers

The Company has to buy good quality tools from abroad or directly from a manufacturer or authorized distributors in Thailand for system contract business. Between the years 2018, 2019, and 2020, the Company ordered products and services from one distributor amounted to 89.05 million baht, 274.92 million baht, and 129.02 million baht, respectively, which accounted for 12.30 percent, 41.89 percent, and 12.70 percent of total product and service procurement respectively. In the event when these suppliers will not be able to distribute the necessary tools to the Company or unable to deliver the ordered products within the scheduled time, the Company could receive an adverse effect on its business operation.

The Company realizes such risk and hence always maintains a relationship with other product distributors who can provide similar or equal quality products. In addition, the Company also has the policy to maintain a good relationship with many business partners who are the world-leading manufacturers to reduce risk from excessively depending on a single manufacturer. Before signing on the agreement with customers, the Company will consult and discuss with distributors about their procuring and delivery performance. This helps the Company to manage the procurement process effectively.

3.6 Risk from the inconsistency of revenue

The Company provides services for turnkey electrical and telecommunication and technology system installation. Scope of work includes consulting, designing, procuring, installing, testing, and maintaining tasks for customers who wish to build, expand, improve, or repair electrical systems or telecommunication and information technology systems. The Company revenue from a turnkey project between 2018, 2019 and 2020 was 87.05 percent, 62.86 percent, and 84.56 percent from revenue from sales of goods and services, respectively. However, such revenue is unstabilized depending on customers' investment plans from the government and private sectors. However, such a situation depends on opportunity and the Company's ability to continue its operation.

However, according to the Industry Outlook in Article 2.3.4, the government policy indicates the necessity to develop electrical systems and telecommunication and information technology systems, which are national infrastructure. As a result, many projects related to the Company's primary business in the next few years. In addition, the Company's experience and expertise in giving effective and punctual turnkey electrical system and telecommunication and information technology system helps to maintain a good relationship with customers. For this reason, the Company is confident in the continued trust from customers. As of 31 December 2020, the Company had undelivered work valued at 6,212.07 million baht. Meanwhile, the Company continues to enlarge its work scope by offering new services and products to existing and new customers.

3.7 Risk from advance payment to the contractor before receiving payment from the employer

In some projects or during a specific period, the Company hires sub-contractors and, from time to time, needs to make advance payments to subcontractors before collecting money from customers. This could mean the Company's liquidity and capital flow.

Normally, the Company will arrange the employer's acceptance certification on its work, including subcontractor's work, before the Company's acceptance certification of the work from subcontractor and eventually, make payment to subcontractor according to the agreement. Such procedures do not apply in the project changing of overhead cable to underground cable for the Yellow and Pink Line. For the Yellow and Pink Line Project, the Company delivers work according to the milestones achieved. One of the major works in each milestone could contain minor works performed by several sub-contractors. The timeframe for each subcontractor's work delivery is at the month-end period. To proceed with the contract's payment, the Company invites the employer to witness work delivery. From such procedure, the Company is confident that it can collect money from every project. Additionally, the Company will prepare a cash flow statement for every project to get the most effective project management for each project. Commerce Department always coordinates with Finance and Accounting Department to assess financial status and liquidity. Furthermore, the Company also has a loan agreement with banks to withdraw loans for the operation. Therefore, the Company's liquidity is sufficient for its business operation. Moreover, most customers are also big entities from government and private sectors, with solid financial status and a specific budget.

3.8 Risk for the delay in delivery of work/penalty charges

Since most of the work is contracted system installation where the Company has to hire sub-contractors, the Company cannot control sub-contractors' work to meet standards and timely delivery schedule or cannot comply with the condition as agreed in the agreement. The Company is liable for penalty and such could affect its reputation and operation result.

The Company consistently maintains to deliver work that meets customers' required standards and schedules in the past. Between the year 2018-2019, the Company paid for work penalty of 3.11 million baht, divided into 0.08 million baht and 3.03 million baht, respectively. There was no penalty charge in 2020. Such figures represent 0.008 percent and 0.35 percent from total sales of goods and services during 2018-2019, respectively. Furthermore, the total penalty charges claimed from the project owner or collected from sub-contractors was 3.03 million baht. Most of the delays were due to force majeure, which is an external factor and is beyond control. For example, the state enterprise's delay in applying for permission of access delays procedures in several entities. Regarding such delays, since it is not the Company's fault, the penalty can be canceled or reduced upon discussion with customers. Nevertheless, the Company needs to coordinate with customers, subcontractors, and manufacturers or material suppliers to plan for project implementation in advance to avoid delay of work.

3.9 Risk of having major shareholders who hold more than or equal to 25 percent of total shares.

After a recent capital increase IPO, Mr. Jarun Wiwatjesadawut will be the company's major shareholder, holding a position as Chief Executive Officer and Director. Included related parties, he will have 33.36 percent of issued shares after the IPO. As a result, the major shareholders can exercise their right to vote against important agenda in the shareholder's meeting, which, according to the law or the Company's articles of association, requires three-thirds of the total votes of attending shareholders voting rights. For instance, acquisition or disposal of assets, related transactions, increase or reduction of share capital and merging.

However, the Company has appointed the Audit Committee to review, consider and discreet to prevent any transactions which could cause a conflict of interest in the future and to ensure transparent operations. The Board of Directors comprises 4 independent directors (including the chairman of the board) out of 7 directors. Such structure balances the voting of the meeting agenda and maintains appropriate and effective management.

3.10 Risk from competitive market

Currently, the businesses of telecommunication and information technology systems and power systems are more competitive since the market has been developed continuously. There are various service providers in the industry with different price ranges and services.

However, the Company is aware of the mentioned risk and set its achievement to maintain the customer base and customer satisfaction from the Company's service. At the same time, the Company also initiates the oil and gas business to enlarge the business performance.



4. General Information and Other Important Information

4.1 General Information

4.1.1 The company

Company Name	:	J.R.W. Utility Public Company Limited
Name in English	:	J.R.W. Utility Public Company Limited
Type of business	:	The Company provides services on turnkey design, procurement, construction, and installation of the electrical power system and telecommunication and information technology system. The Company also supplies and provides maintenance services on equipment relating to power systems and telecommunication and information technology systems.
Head Office	:	32/288-290, village no. 8, Ramindra Road, Tha Rang sub-district, Bang Khen district, Bangkok
Registration no.	:	0107552000154
Telephone	:	0-2509-7000-2
Fax	:	0-2945-7381
Website	:	www.jrw.co.th
Registered capital	:	380,000,000 baht (as of 31 December 2020)
Paid-up capital	:	380,000,000 baht (as of 31 December 2020)

4.1.2 Securities registrar

Company Name	:	Thailand Securities Depository Co., Ltd.
Head Office	:	93 Ratchadapisek Road, Din Daeng sub-district, Din Daeng district, Bangkok 10400
Telephone	:	0-2900-9000
Fax	:	0-2900-9991
Website	:	www.set.or.th/tsd

4.1.3 Auditor

Company Name	:	EY Office Company Limited
Head Office	:	Lake Ratchada No. 193/136-137, 33 Floor, Ratchadapisek Road, Klongtoey district, Bangkok 10110
Telephone	:	0-2264-0777
Fax	:	0-2264-0789-90
Website	:	www.ey.com/th/en/home/ey-thailand

4.1.4 Internal Auditor

Company Name	:	P&L Corporation Company Limited
Head Office	:	281/157 The Fifth Avenue, Building B, 2nd Floor, Krungthep-Nonthaburi Road, Bang Khen sub-district, Mueang district, Nonthaburi province 11000
Telephone	:	0-2526-6100
Website	:	www.plcorporation.com

4.1.5 Financial Advisor

Company Name	:	Finansia Syrus Securities Public Company Limited
Head Office	:	18 th , 25 th Floor, The Office Case at Central World No. 999/9, Rama 1 Road, Pathumwan sub-district, Pathumwan district, Bangkok 10330
Telephone	:	0-2646-9999
Fax	:	0-2646-9993
Website	:	http://www.fnsyrus.com/th/home/

4.2 Other important information

-None-

PART 2

The Management and
Corporate Governance



5. Securities and Shareholders

5.1 Registered Capital and Paid-up Capital

As of 31 December 2020, the Company has registered capital of 380 million baht, which is paid-up capital valued 380 million baht, dividing into 760 million ordinary shares, at the par value of 0.50 baht.

5.2 Structure of Shareholders

Structure of the first 10 major shareholders of the Company as of 11 March 2020 is summarised as follows:

Name	Number of shares	Percent
1. Wiwatjesadawut Group	470,373,300	61.88
1.1 Mr. Jarun Wiwatjesadawut	169,391,400	22.29
1.2 Mrs. Preeyaporn Wiwatjesadawut	84,147,218	11.07
1.3 Mr. Teeranon Wiwatjesadawut	73,571,958	9.68
1.4 Mr. Pawee Wiwatjesadawut	49,847,440	6.56
1.5 Mrs. Natthaya Nakaphan	37,153,400	4.89
1.6 Mr. Preecha Suebbook	17,110,400	2.25
1.7 Miss Sujiwan Suebbook	15,523,800	2.04
1.8 Miss Phuangkeo Wiwatjesadawut	11,813,842	1.55
1.9 Mr. Kanit Wiwatjesadawut	11,813,842	1.55
2. U-thairat Group	53,931,200	7.09
2.1 Miss Pornchanin Sriwongrat	36,273,000	4.77
2.2 Mr. Suradech U-thairat	17,658,200	2.32
3. Mr. Choochart Petchampai	15,200,000	2.00
4. Mr. Parinthorn Apithanasriwong	13,900,000	1.83
5. Mr. Preecha Laohaphongchana	13,700,000	1.80
6. Miss Nanthawan Sitthinarong	13,032,500	1.71
7. Mr. Amorn Saphaweekul	6,200,000	0.82

Name	Number of shares	Percent
8. Pol.Lt.Gen. Boonrueng Phonpanich	5,000,000	0.66
9. SCB SET INDEX FUND	4,219,600	0.55
10. Muang Thai Insurance Public Co., Ltd.	4,066,000	0.53
11. Others	160,377,400	21.10
Total shares	760,000,000	100.00

Remark : List of shareholders is classified by relation of shareholders as a family, not concerning a relation or behavior which is considered as a co-action with the other person as per notification of the Capital Market Advisory Board No. ThorJor. 7/2552.

5.3 Issuance of other securities

-None-

5.4 Dividend Payment Policy

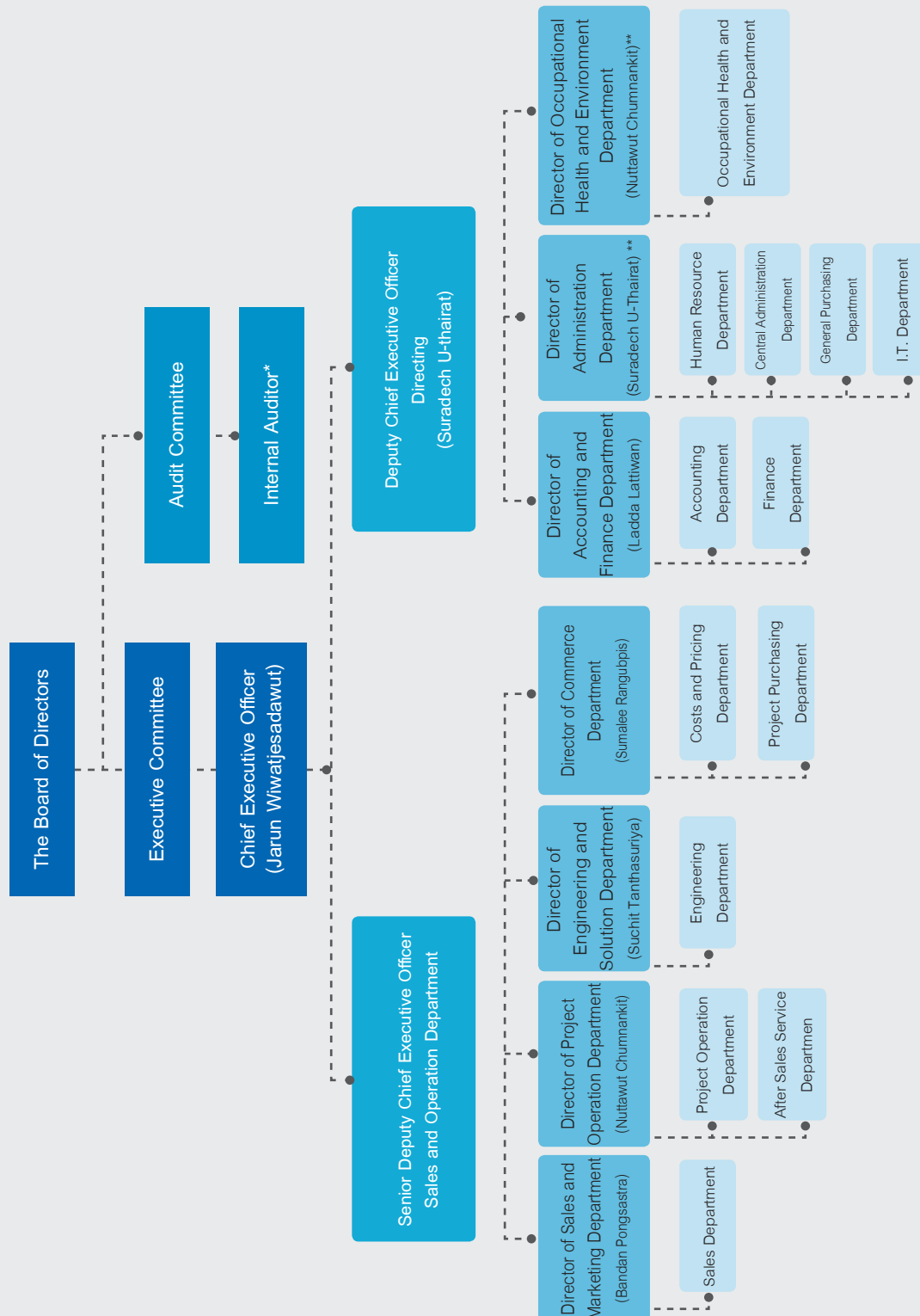
The dividend is allocated to shareholders at a minimum rate of 40 percent of net profit according to each company's consolidated financial statement after deducting corporate tax and legal reserves. However, depending on the operational result, financial status, financial liquidation, and the necessity to assign working capital for business management and future business expansion, including economic condition, the dividend payment could be varied from the policy set forth.

The Board of Directors has passed a resolution to approve dividend payment to shareholders based on the operational result as shown in the financial statement for the accounting period ending on 31 December 2020, at the rate of 0.06 baht per share or total sum not exceeding 45,600,000 baht or 51.72 percent of the net profit as per the consolidated financial statement. Such rate is in accordance with the Company's dividend payment policy (not less than 40 percent of the net profit in the consolidated financial statement). This dividend payment must be approved by the Annual General Meeting of Shareholders for the year 2021.



6. Management Structure

6.1 Organizational Structure



Note : * The Company hires P&L Corporation Company Limited to perform an audit on the internal control system.

** Acting

6.2 The Board of Directors

J.R.W. Utility's Board of Directors comprises 4 members, namely below.

Name-surname	Title:
1. Mr. Nontigorn Kanchanachitra	Chairman of the Board and the Independent Director
2. General Sakda Perunavin	Chairman of the Audit Committee and the Independent Director
3. Vice Admiral Bumrungrak Saraggananda	Member of the Audit Committee and the Independent Director
4. Mr. Kawin Thangsupanich	Member of the Audit Committee and the Independent Director
5. Mr. Jarun Wiwatjesadawut	Director and a member of Executive Committee
6. Mr. Chamnan Wongrusmeeduan	Director and a member of Executive Committee
7. Mr. Suradech U-thairat	Director and a member of Executive Committee

Remark : Director 1 - 4 are appointed as per the resolution of the Extraordinary Meeting of Shareholders no. 1/2561 held on 21 December 2018. Mrs. Pattarin Manusseree is a corporate secretary.

Authorized Director

Mr. Jarun Wiwatjesadawut or Mr. Chamnan Wongrusmeeduan, or Mr. Suradech U-thairat, two-third of them jointly sign names and have the Company's seal affixed.

The Board of Directors's meeting

The Board of Directors's meeting in 2020 and the attendance of each director are detailed below.

Name-surname	Title:	The Board of Directors' meeting For the year 2020	
		Number of the meeting	Number of attendance
1. Mr. Nontigorn Kanchanachitra	Chairman of the Board	6	6
2. General Sakda Perunavin	Director and Chairman of the Audit Committee	6	6
3. Vice Admiral Bumrungrak Saraggananda	Director and a member of the Audit Committee	6	6
4. Mr. Kawin Thangsupanich	Director and a member of Executive Committee	6	6
5. Mr. Jarun Wiwatjesadawut	Director and a member of Executive Committee	6	6
6. Mr. Chamnan Wongrusmeeduan	Director and a member of Executive Committee	6	6
7. Mr. Suradech U-thairat	Director and a member of Executive Committee	6	6

6.3 Audit Committee

The Audit Committee consists of 3 members, namely below.

Name-surname	Title:
1. General Sakda Perunavin	Chairman of the Audit Committee
2. Vice Admiral Bumrungrak Saraggananda	Member of the Audit Committee
3. Mr. Kawin Thangsupanich	Member of the Audit Committee

Mr. Kawin Thangsupanich is a member of the Audit Committee who has adequate knowledge and experience to review the reliability of the financial statement. Mr. Kawin Thangsupanich graduated with a Master's Degree in Business Management, Finance Major from Sasin School of Management, Chulalongkorn University. Previously, he also worked as a Deputy Chief of Finance Management in another Company and gained experience auditing financial statements (please see further details in Attachment 1: Details about Directors, Executives, Controlling Persons, and Corporate Secretary).

Mrs. Ladda Lattivan is a secretary of the Audit Committee.

Meeting of the Audit Committee

The Audit Committee's meetings and attendance of each member in 2020 are as follows:

Name-surname	Title:	The Board of Directors' meeting	
		Number of the meeting	Number of attendance
1. General Sakda Perunavin	Chairman of the Audit Committee	4	4
2. Vice Admiral Bumrungrak Saraggananda	Member of the Audit Committee	4	4
3. Mr. Kawin Thangsupanich	Member of the Audit Committee	4	4

6.4 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 members, namely below.

Name-surname	Title:
1. General Sakda Perunavin	Chairman of Nomination and Remuneration Committee
2. Vice Admiral Bumrungrak Saraggananda	Member of the Board
3. Mr. Suradech U-thairat	Member of the Board

Remark : The Nomination and Remuneration Committee is appointed in the Board of Directors' meeting No. 6 held on 29 December 2020. Hence, there was no Nomination and Remuneration Committee meeting in 2020. Mr. Suradech U-thairat is a secretary of the Nomination and Remuneration Committee

6.5 Executive Committee

The Executive Committee comprises of 3 members, namely as follows:

Name-surname	Title:
1. Mr. Jarun Wiwatjesadawut	Member of the Board
2. Mr. Chamnan Wongrusmeeduan	Member of the Board
3. Mr. Suradech U-thairat	Member of the Board

6.6 Executive Officer

The Company has 8 Executive Officers, namely below.

Name-surname	Title:
1. Mr. Jarun Wiwatjesadawut	Chief Executive Officer
2. Mr. Chamnan Wongrusmeeduan	Senior Deputy Chief Executive Officer- Sales and Operation Line
3. Mr. Suradech U-thairat	Deputy Chief Executive Officer- Directing Line and Acting Director of Administration Department
4. Mr. Bandan Pongsastra	Director of Sales and Marketing Department
5. Mr. Nuttawut Chumnankit	Director of Project Operation and Acting Director of Occupational Health and Environment Department
6. Mr. Sujit Tantasuriya	Director of Engineering and Solution Department
7. Miss Sumalee Rangubpis	Director of Commerce Department
8. Miss Ladda Lattawan	Director of Accounting and Finance Department

Remark : Miss Chatuporn Nakkhwan is a Manager of the Accounting Department

6.7 The Corporate Secretary holds an ultimate responsibility in Accounting and Finance and controlling accounting.

6.7.1 Corporate Secretary

In the Board of Directors' meeting no. 1/2563 held on 25 February 2020, the Board of Directors has passed a resolution to appoint Mrs. Pattarin Manusserree as a Corporate Secretary under Section 89/15 of the Securities and Stock Exchange Act B.E. 2535 as an amendment by the Securities and Stock Exchange Act (Vol. 4) B.E. 2551 which defined the corporate secretary's duties as follows:

1. To supervise and advise the Board of Directors and Executive Officers about compliance with the laws, regulations, rules, and articles of association and monitor to ensure proper and regular practice.
2. To arrange the Board of Directors and shareholders' meeting, including coordinating to ensure compliance with the meeting's resolution.
3. To ensure the disclosure of information and information statement under the responsibility to be consistent with regulations and requirements of the Stock Exchange of Thailand and the Securities and Stock Exchange Commission, including relevant laws.
4. To prepare and keep the following documents:
 - 4.1 Director Register
 - 4.2 Invitation letters to the Board of Directors' meeting and minutes of the Board of Directors' meeting
 - 4.3 Invitation letters to the shareholders' meeting and minutes of the shareholders' meeting
 - 4.4 Annual Report
 - 4.5 Directors' and Executive Officers' Stakeholding Report

6.7.2 The ultimate authorized person in Accounting and Finance Department

Miss Ladda Lattiwan, Director of Accounting and Chief of Finance Officer, is assigned to hold an ultimate responsibility in the Accounting and Finance Department. Miss Ladda Latthiwan started working with the Company on 4 January 2010. Details and information of the ultimate responsible person in Accounting and Finance appear in Attachment 1.

6.7.3 The person assigned direct responsibility in controlling accounting operations.

Miss Chatuporn Nakkhwan, the Accounting Manager, is assigned to supervise the Company's accounting operation. She started working in the Accounting Department on 1 April 2009.

6.8 Directors and Executive Officers' remuneration

6.8.1 Monetary remuneration

Directors' remuneration

In 2020, the attendance fee allocated to the Board of Directors was as follows:

(Unit: baht)

Name-Surname:	Title:	2020
1. Mr. Nontigorn Kanchanachitra	Chairman of the Board and the Independent Director	180,000
2. General Sakda Perunavin	Chairman of the Audit Committee and the Independent Director	170,000
3. Vice Admiral Bumrungrak Saraggananda	Independent Director and a member of Audit Committee	130,000
4. Mr. Kawin Thangsupanich	Independent Director and a member of Audit Committee	130,000
5. Mr. Jarun Wiwatjesadawut	Member of the Board	90,000
6. Mr. Chamnan Wongrusmeeduan	Member of the Board	90,000
7. Mr. Suradech U-thairat	Member of the Board	90,000
Total		880,000

The General Annual Meeting of Shareholders year 2020, held on 17 March 2020, has passed a resolution on the Board of Directors' compensation for the year 2020 as follows:

Title:	Attendance fee / person / time
The Board of Directors	
- Chairman of the Board	30,000 Baht
- Member of the Board	15,000 Baht
Audit Committee	
- Chairman of the Audit Committee	20,000 Baht
- Member of the Audit Committee	10,000 Baht

Directors' commission

The Company provides commission (annual bonus) to the Board of Directors at the sum not exceeding 5,000,000 baht, based on the appropriateness. Only a non-executive director is eligible for the commission.

In 2020, the commission (annual bonus) to the Board of Directors was as follows:

Name-Surname:	Title:	2020
1. Mr. Nontigorn Kanchanachitra	Chairman of the Board and the Independent Director	100,000
2. General Sakda Perunavni	Chairman of the Audit Committee and the Independent Director	75,000
3. Vice Admiral Bumrungrak Saraggananda	Independent Director and a member of Audit Committee	75,000
4. Mr. Kavin Thangsupanich	Independent Director and a member of Audit Committee	75,000
Total		325,000

Executive Officers' remuneration

In 2020, the Company provided 30.68 million baht of compensation to executive officers, including salaries, bonuses, provident fund, commission.

Year	Number of the executive officer (person)	Compensation (baht)
2563	8	30,684,325.94

6.8.2 Other remuneration

The annual general meeting of shareholders for the year 2020, held on 17 March 2020, has passed a resolution to increase the capital by 16,000,000 shares or 2.11% of total disposed shares after I.P.O. The capital increase shares are offered to the directors, executive officers, and the Company's employees. On 19 August 2020, the par value is changed from 1 baht per share to 0.50 baht per share, increasing the shares by 16,000,000 shares at the par value of 5.50 baht each, which is the same price as offered in the I.P.O. The capital increase shares are proposed together with the I.P.O.

Further details of the directors and executive officers who received the share allocation and subscription are as follows:

Name-Surname:	Title:	Number of shares Appropriated	Percentage of ordinary shares offered
Mr. Nontigorn Kanchanachitra	Chairman of the Board and the Independent Director	400,000	0.20
General Sakda Perunavin	Chairman of the Audit Committee and the Independent Director	300,000	0.15
Vice Admiral Bumrungrak Saraggananda	Member of the Audit Committee and the Independent Director	300,000	0.15
Mr. Kawin Thangsupanich	Member of the Audit Committee and the Independent Director	200,000	0.10
Mr. Chamnan Wongrusmeeduan	Director and a member of Executive Committee	400,000	0.20
Mr. Suradech U-thairat	Director and a member of Executive Committee	50,000	0.03
Mr. Bandan Pongsastra	Director of Sales and Marketing Department	500,000	0.26
Miss Sumalee Rangubpis	Director of Commerce Department	70,000	0.04
Mr. Nuttawut Chumnankit	Director of Project Operation and Acting Director of Occupational Health and Environment Department	10,000	0.01
Mr. Sujit Tantasuriya	Director of Engineering and Solution Department	25,000	0.01
Miss Ladda Lattiwan	Director of Accounting and Finance Department	40,000	0.02

6.8.3 Policy and criteria in determining remuneration and directors' remuneration structure

J.R.W. Utility has set up the Board of Directors' remuneration rate to be suitable in parallel with their responsibility and be an incentive rate as an encouragement for their effort to achieve the corporate short-term, long-term goal. The Board of Directors' remuneration must meet the corporate long-term strategy and goal, their experience, duties, the scope of responsibility, including the expected return of each member. The performance and compensation are comparable to the same industry. Based on the criteria set forth for the scope of duties and responsibility of each director, the shareholders will approve the Board structure and remuneration rate and ensure it is not overrated.

6.9 Personnel

8.9.1 Number of personnel

As of the end of 2020, J.R.W. Utility has a total of 88 employees (not included executive officers), divided into main work departments as follows:

Department	As of 31 December 2020
1. Sales and Marketing	4
2. Project Operation	53
3. Engineering and Solution	4
4. Commerce	3
5. Accounting and Finance	7
6. Central Administration	11
7. Occupational Health and Environment	6
Total	88

6.9.2 Major labor dispute within the past 3 years

-None-

6.9.3 Employee remuneration

Monetary remuneration

In 2020, the Company allocated 50.11 million baht as employee remuneration (not included executive officers) in monetary form, commission, overtime, bonus, social insurance fund, and provident fund.

Other remuneration

The annual general meeting of shareholders for the year 2020, held on 17 March 2020, has passed a resolution to increase the capital by 8,000,000 shares or 2.11% of total disposed shares after I.P.O. The capital increase shares are offered to the directors, executive officers, and the Company's employees. On 19 August 2020, the par value is changed from 1 baht per share to 0.50 baht per share, increasing the shares by 16,000,000 shares at the par value of 5.50 baht each, which is the same price as offered in the I.P.O. The capital increase shares are proposed together with the I.P.O.

None of the employees receive the share appropriation of more than 5 percent of the said offering.

6.9.4 Labor dispute

-None-

6.9.5 Personnel development policy

The Company arranges to have skill development of employees in all levels to meet their position continually. The development aims to respond to the business operation and accommodate business growth on the domestic and overseas scale. J.R.W. Utility emphasizes the personnel development for all professions at all levels, combined with skill, knowledge, and ability development, cultivating corporate culture and ethics to be consistent with the Company's business strategy and direction at current and future pace.

The Company arranges training courses and personnel development courses to support and promote personal potentiality, responding to the corporate strategy and goal effectively and efficiently. The courses proceed both at the Company and the third party's facilities.

Executive Officer Courses : J.R.W. Utility runs executive officer development by providing advanced management courses to enhance their leadership in coupling with adding new knowledge, supporting their expertise, preparing for the adjustment/promotion, and being ready for the competition and becoming a leader among competitors in the same industry.

Operative Officers : The Company arranges development courses for operative officers to enhance their knowledge and abilities based on their profession and responsibility. The aim is to develop their skill, learn to perform work under their career, and improve their potential to complete their duties. For example, finance and accounting standards, legal knowledge, computer and technology skills, marketing and sales skills, I.T. and ISO standards, administrative management, and electrical work operation safety.

The Company promotes having employees develop their skills from real practicing (on-the-job training). A new employee will be under supervision and training of the head in each line. The Company's advisor will run the internal activity, share their experience, and provide more knowledge to employees regularly. The Company arranges to have its employees and executive officers from various departments to attend the seminars and training on the topics related to their work. Furthermore, the Company has the policy to send its employees for a field trip overseas with an aim to experience new technologies and innovation in applying such new knowledge to leverage the Company's operation.



7. Corporate Social Responsibilities: CSR

The Company realizes the importance of corporate social responsibility and believes that social responsibility would lead to sustainable development in the future. The Management, therefore, has the policy to conduct business by adhering to and emphasizing the duties and responsibility towards society, environment, and groups of stakeholders according to the following eight principles.

1. Fair Business Operation

The Company's business ethics covers respecting laws, independent from stakeholding or conflict of interest, confidentiality and using inside information, treatment to customers and consumers, treatment to competitors, the responsibility to the community and overall society, treatment to employees, internal control, and audit, the receipt of property or any other benefits, hygiene and environmental safety, intellectual property, and using a computer system. The Company requires training for all new employees during orientation and revision courses for current employees to ensure that all employees always have awareness and understanding and create awareness and knowledge. Business Ethics also mentions the process of measuring system effectiveness for further improvement. Moreover, the Company continuously creates awareness throughout the organization through media and activities to ensure that employees could effectively apply these ethics in works.

2. Anti-corruption

The Company has the policy to operate its business according to the law, and social benefit encourages employees to perform their duties with integrity and be a good citizen of the country. The Company also emphasizes the Company Group's vendors to conduct a transparent business, eventually leading to a peaceful society. Thus, the Company has made anti-corruption and bribery as another important policy. To ensure that the Anti-Corruption and Bribery Policy has been adequately implemented, the Board of Directors' meeting no. 3/2018, held on 25 September 2018, had approved the "Anti-Corruption Policy" practice guideline as follows.

2.1 Directors, executives, and employees must not commit corruption, directly or indirectly, for example, presenting, promising, requesting, claiming or receiving a benefit, offering a benefit, performing any acts are in contrary with the law or destruction of trust, or any other corruption act, for own or another benefit.

2.2 Directors, executives, and employees must comply with the anti-corruption policy and measures, Thai laws relating to the anti-corruption. Failure to comply with the policy is subject to disciplinary penalty and legal prosecution.



2.3 Directors, executives, and employees are responsible for monitoring and preventing corruption within the Company. They must report any fraudulent act or any act that may lead to corruption to the supervisor immediately or report it to channels set by the Company.

2.4 The Company will keep the details of the informant confidential. Those who inform information with good intentions and honesty and those who refuse to commit corruption will be protected by the Company and will not be affected in any way by such act.

2.5 The Company establish policies and code of practices to prevent corruption in various forms such as political support, charity donation, contribution by money, gifts payment, reception fees. The Company supervises such matters to ensure transparency, compliance with the relevant laws, and improper benefit provision.

2.6 The Company provides an adequate and appropriate internal control system to prevent corruption and operations contrary to good corporate governance principles.

2.7 The Company conducts a corruption-risk assessment and appropriate anti-corruption measures.

2.8 The Company provides communication channels for employees and stakeholders to pass on information about the anti-corruption policy and the media for reporting, complaints, suggestions to the Company for further investigation process and improvement.

2.9 The Company develops a personnel management system, builds anti-corruption values and culture by communicating and disseminating such information to personnel to acknowledge the anti-corruption policy and ethical practices.

2.10 Procurement must be operated transparently, not contrary to the Company's law, regulations, or work procedures. The Company arranged a regular audit of the procurement operations.

3. Respect for Human Right

The Company has the policy to comply with laws and regulations related to employees and fundamental human rights under international criteria without discriminating on the place of origin, races, genders, ages, skin colors, religions, disability, status, family, education, or any other status that is not directly related to work. The Company also respects the individuality and the dignity of humanity.

4. Fair labor treatment

Being aware always that all employees are the most valuable resource and are the critical factors of the company's goal achievements, the Company provided fair treatment and care.

4.1 Wage management

Compensation and welfares. The Company manages the compensation and welfares by offering an incentive to perform their best abilities, being fair, and conforming to legal requirements under a united standard. The Company conducts the assessment and analysis of various indicators to be -up-to-date, suitable to their duties and responsibility, consistent with current business operation, and competitive or equivalent to other companies' compensation in the same industry.

4.2 Employee potential development

The Company sees the importance of knowledge, ability, and management skills development and therefore puts the effort to maintain the standards through training, seminars, study tour projects. The Company creates a framework to develop our personnel at every level to enhance their abilities.

4.3 Employment, performance, and career advancement

The Company has set an explicit code of practices adhering to the non-discrimination principles and compliance with relevant laws. The Company offers equal opportunity to everyone regardless of gender, race, religion, origin, age, physical condition, social or economic status, or education.

4.4 Safety and hygiene in the workplace

With due care in all employees' lives and health, the Company addresses the importance of safety and environment in workplace management. The Company has obtained certification on occupational health and safety management standard (ISO45001:2018), according to international standards. The Company also supports and promotes regular safety activities.

5. Responsibility to consumers

The Company focuses on customer service by surveying customer satisfaction and following up on performance results to evaluate and improve work efficiency.

6. Environmental management

The Company has launched a campaign encouraging employees to save power and natural resources, for instance, turning off the lights and computer screen during the lunch break between 12.00 - 13.00 hrs. Such a campaign is to practice employees for power-saving and eventually apply to their daily lives and share the knowledge to their society. With awareness of the importance of environmental management to have environmental development coupling with business, the Company has applied for ISO 14001:2015 - the Environment Management system. It has obtained the certification on 12 December 2020 from the United Registrar of Systems(Thailand) or URS, accredited by Accreditation Body: United Kingdom Accreditation Service or UKAS, England.

7. Contributing in community or society development

Being aware that healthy communities and society with sustainable developments are essential to business operation, the Company attended all the following promoting activities.

7.1 Public health : The Company donated money to hospitals and foundations to support related entities' works as follows:

7.1.1 Tuesday, 14 April 2020, J.R.W. Company Utility Public Company Limited provided 110 sets of PPE Coverall suits to Air Vice Marshal Doctor Santi Srisoempok, Assistant Secretary of Chulabhorn Royal Academy, Support and Development of New Project Division on behalf of Chulabhorn Hospital for medical personnel use during COVID-19 pandemic.



7.1.2 Thursday, 16 April 2020, J.R.W. Utility Public Company Limited provided 100 sets of PPE Coverall suits to MD. Pongnarin Chatrangsarn, Director of Chaophraya Yommarat Hospital on behalf of Chaophraya Yommarat Hospital in Suphanburi Province for medical personnel use during COVID-19 pandemic.



7.1.3 Thursday, 16 April 2020, J.R.W. Utility Public Company Limited donated 100 sets of PPE Coverall suits to Mr. Sarawut Benjakul, secretary of Court of Justice and Chairman of Mahasarakham University on behalf of Sutthawet Hospital, Faculty of Medicines, Mahasarakham University in Mahasarakham Province for medical personnel use during COVID-19 pandemic.



7.2 Education: The Company provides a scholarship for students with good academic performance and donates money to schools as educational support.

7.3 Buddhism : The Company donates money to temples to support and maintain Buddhism.

8. Establishing and disseminating innovations derived from a business operation that is responsible for society, the environment, and stakeholders

The Company implements innovations in working procedures within the organization and between the organization, which means processing tasks with new methods. It could also mean changes in thoughts and production to increase the goal value of the innovation. We can define it as positive changes, the tool to improve and generate more excellent products for society's maximum benefits.





8. Internal Control and Risk Management

J.R.W. Utilities realizes the importance of internal control, internal audit, and risk management, considering that good internal control minimizes business risk and operational risks at an acceptable level, allowing employees to identify potential defects promptly. They also ensure the Company's financial statements' accuracy and reliability, helping the Company achieve its goal effectively. The Company has implemented the Committee of Sponsoring Organization of the Treadway Commission: COSO into its business operation as follows:

(1) Control Environment

J.R.W. Utility has the policy to conduct business by emphasizing the importance of honesty and determining clear business operation targets for the short and long term, providing appropriate and fair compensation to employees. The Company also arranges the organizational structure and determined code of conduct to enhance management efficiency and prevent its asset's faulty use.

(2) Risk Assessment

The Company performs risk assessment for its business operation, which includes external and internal factors regularly. The risk assessment covers the risk that may lead to corruption or improper action. Furthermore, the Company has determined an explicit objective in business operation, reporting of financial and non-financial information, compliance with relevant law, and the risk level at an acceptable range.

(3) Control Activities

The Company has a written form of internal control measures which covers various procedures to minimize potential risk at an acceptable level. The measure covers the preventive control, including duties classification, data access management, control of corporate assets, determination of sums, and executive officer authorization in each level.

(4) Information & Communication

The Company adequately reports essential information to the Board of Directors as supporting factors for making a decision. There are a variety of communication channels and procedures between the management and employees. For instance, emails, notice boards, personal notice, depending on each case or situation.

(5) Monitoring Activities

8.1 The Board of Directors' opinion on the Company's internal control

In the Board of Directors' meeting no. 1/2563, held on 25 February 2020 with three Audit Committee attendance, the Board of Directors has assessed the Company's internal control's adequacy by inquiring the Management. It is summarized that the Company's internal control in 5 sections which are:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Board of Directors is of the opinion that the Company's internal control is adequate and suitable. The number of personnel is adequate to follow the system effectively, leading the company's business operation toward Good Corporate Governance and transparency. Furthermore, the Company has arranged the monitoring system to follow up its function, assuring that the Company's asset will be protected against the faulty use or unauthorized use of the directors or executive officers. The Company's internal control also covers the transactions made with the person that may lead to a conflict of interest or a connected person.

8.2 The progress on the Company's internal control

The Company sets up the Audit Committee to review and ensure that the internal control system and the internal audit are applicable and practical. The Audit Committee audits the Company's operation to ensure compliance with the securities and stock exchange law, the stock exchange requirements, and laws relating to the Company's business. The Audit Committee holds a meeting every quarter at least to consider and prepare accurate financial statement, adequate and sufficient information disclosure, including to consider the connected transactions or the transaction that may have a conflict of interest to be consistent with the laws and requirement of the Capital Market Advisor Board and the Stock Exchange. The auditor also attended the meeting to provide his/her opinions on the Company's financial statement.

To ensure an effective internal control system, the Company hired P&L Corporation Co., Ltd., to audit the internal control system from the end of 2018. The internal auditor has prepared the assessment and audit report and presented it to the Audit Committee directly every quarter. Accordingly, the Company has improved the operating system in different departments upon suggestions of the internal auditor. In 2020, the Audit Committee held 4 meetings.

8.3 The internal auditor's opinions on the internal control system

The internal auditor's opinions on the internal control system

P&L Corporation Co., Ltd. performed the internal audit for the year 2020 based on the work schedule, including expenditure cycle, revenue cycle, salary payment management, information technology general control-general control. The audit company presented their audit result and attended the meeting with the Audit Committee every quarter. According to the result, the Company's operation is appropriate. However, the internal audit suggested the Company for improvement in some function and the Company has followed strictly.

8.4 Annual Audit Plan for the Year 2020

P&L Corporation Co., Ltd., the internal audit proposed the internal audit for the year 2020. The Audit Committee has approved in the meeting no. 1/2563, held on 25 February 2020. Details of the internal audit are as follows:

The audit topic	Period	Report to the meeting
1. Expenditure Cycle Management	Mar 2020 - Apr 2020	May 2020
2. Revenue Cycle Management	May 2020 - Jul 2020	Aug 2020
3. Payroll Payment	Aug 2020 - Oct 2020	Nov 2020
4. I.T. General Control Audit	Nov 2020 - Jan 2021	Feb 2021

8.5 Head of the Internal Audit Unit and the Head of Operation Supervision

The Company hired an external company - P&L Corporation Co., Ltd., and the company assigned Miss Wanwimon Jongsuriyapas as the head of the internal audit unit for the year 2020. The Audit Committee meeting no. 1 in 2020, held in 2020, approved the appointment and reviewed that based on her education, experience, and attendance in relevant courses, Miss Wanwimon Jongsuriyapas is suitable perform her duty as a head of the internal audit unit effectively. The qualifications of the head of internal audit unit shall be as follows:

Internal Auditor	:	P&L Corporation Company Limited Miss Wanwimon Jongsuriyapas (Head of Internal Audit Unit)		
Educational qualifications	:	Master of Business Administration for Executives, Faculty of Business Administration, National Institute of Development Administration Bachelor of Accountancy, Accounting Major, Dhurakij Pundit University		
Work experiences	:	Period	Position	Company
		2013 - present	A member of the Executive Committee	P&L IT Audit Company Limited
		2006 - present	Deputy Chief of Operation Department	P&L Company Group (P&L Corporation Co., Ltd. and P&L Internal Audit Co., Ltd.)
Related training	:	- Internal Auditing Certificate Program - IACP, Federal of Accounting Professions Under the Royal Patronage of His Majesty the King - Certificate of Certified Professional Internal Auditor of Thailand (CPIAT): The Institute of Internal Auditors of Thailand - Prepared Course for Certified Internal Auditor: Pre – C.I.A.: Chulalongkorn University - Audit and auditing considerations in businesses with computer data processing, class 2/2018 The Federal of Accounting Professions Under the Patronage of His Majesty the King (TFAC) - Integrated Audit Class 1/2018, The Federation of Accounting Profession Under the Royal Patronage of His Majesty the King (TFAC)		

Related training

- Certificate Program in Business Management for Internal Audit in Digital 4.0 Era Diploma, The Federal of Accounting Professions Under the Royal Patronage of His Majesty the King
 - Clinic IA: Topic "Fraud Audit and Caution for Auditor," The Institute of Internal Auditors of Thailand
 - Clinic IA: Topic "COSO 2014", The Institute of Internal Auditors of Thailand (I.I.A.)
-

The approval, appointment, dismissal, relocation of the head of the internal audit unit is subject to the approval (or consent) of the Audit Committee. Qualifications of the head of the internal audit unit are stated in Attachment 3.





9. Connected Transactions (if any)

9.1 Relation

The connected translation refers to transactions made by a listed company with the person connected with the executives and shareholders. The relation is summarized as follows:

A person who may have led to the conflict of interests	Type of relation
1. Mr. Jarun Wiwatjesadawut	- As an authorized director and Chief Executive Officer - A shareholder, holding 253,538,618 shares or 33.36% of total disposed shares (included connected person) as of 31 December 2020.
2. Sikarin Hospital (operated by Sikarin PCL.)	- Having the same director - Mr. Jarun Wiwatjesadawut - Mr. Jarun Wiwatjesadawut holds 22,467,319 shares or 1.12 % of total disposed shares in Sikarin PCL., as of 31 December 2020.

9.2 Details of connected transactions

In 2019 and 2020, the Company entered into a connected transaction with the persons who may have a conflict of interest which summarized as follows:

(1) Service fee

Individual/ juristic person who may lead to a conflict of interest	Type of transaction	Value/ Accrual value (THB million)		necessity and reasonableness of the transactions
		2019	2020	
Sikarin Hospital (operated by Sikarin PCL.)	Employee's annual health examination service fee	0.08	0.10	The Company hires Sikarin Hospital to perform annual health check for its employees. The transaction is considered as general trading course. According the prices comparison, Sikarin Hospital offered standard price among another 2 service providers. The Board of Directors has reviewed and considered that the said transaction is beneficial to the Company, and it is under general trading course. The price is consistent with the market price.

9.3 Measures or procedures for approving connected transactions

JRW has established a measure to proceed a connected transaction with a person who may lead to a conflict of interest. The Audit Committee is responsible in giving opinions on the necessity to enter into a transaction, the reasonableness and proper pricing by considering the conditions consistent to normal trading course, market price which comparable to the third party. In case where the Audit Committee does not possess the skill to consider the connected transaction, the Company will assign specialist, such as auditor, asset appraiser, law associates who is dependent from the Company, and the person who may lead to a conflict of interest, to provide opinions on such transaction as a supporting factor for the Audit Committee. Eventually, the Audit Committee will propose the matter to the meeting of the board or shareholders, as the case may be.

Furthermore, JRW has in place the measure that refrains executive officers or stakeholders from taking part in approving the transaction that they may have an interest in, whether directly or indirectly. It is the board of directors' responsibility to supervise the compliance with the securities and stock exchange laws, regulations, notifications, orders, or requirements of The Securities and Exchange Commission, Thailand. The Board of Directors also oversees to ensure compliance with requirements related to disclosure of the related transactions, acquisition or disposal of the Company's significant assets or its subsidiaries, and the compliance with the required accounting standard established by the Federation of Accounting Profession. The connected transactions are disclosed in the Note to Financial Statements audited or reviewed by the Company's auditor.

9.4 Outlook for the future connected transactions

In the future, JRW may continue to have connected transactions, which considered a general business course. Accordingly, the Company will determine a clear policy for connected transactions with the pricing and conditions of normal trading courses provided to the non-related person and/or companies. For example, purchasing goods or providing or taking services, loan guarantee for directors. These connected transactions proceed for the reason of business operation and the benefit of the Company. JRW has no policy that allows loans for its executives and employees. The Audit Committee is responsible for considering and review the compliance with the criteria and give opinions on the reasonableness of all connected transactions. At present, the Company is pending the negotiation with a commercial bank concerning the release of a loan guarantee for its directors and shareholders.

For a connected transaction which is not considered as normal business course that could occur in the future, the Company will assign the Audit Committee to review the compliance with relevant criteria and reason of the transaction prior entering into. The Audit Committee will give their opinions on the necessity, reasonableness and pricing of such transaction, based on consideration of conditions to ensure the conformity with the normal trading and market price which should be comparable to the third party. In case where the Audit Committee does not possess the skill to consider the connected transaction, the Company will assign specialist, such as auditor, asset appraiser, law associates who is dependent from the Company, and the person who may lead to a conflict of interest, to provide opinions on such transaction as a supporting factor for the Audit Committee. Eventually, following the measures and procedures mentioned above, the Audit Committee will propose the matter to the meeting of the board or shareholders, as the case may be. Nonetheless, to manage a connected transaction that may lead to a conflict of interest, the Board of Directors must comply with securities and stock exchange law, regulations, notifications, including the compliance with the requirements for disclosure of the connected transactions, acquisition, or disposal of the assets of the company or its subsidiaries, compliance with the Federation of Accounting Profession.



PART 3

Financial Position and
Operation Result



10. Financial Highlights

10.1 Audit Summary

(A) The Financial Statement for the year 2018 is audited by Mr. Khitsada Lertwana, a certified public accountant no. 4958 from E.Y. Office Co., Ltd.

The auditor has audited the Company's financial statement, which included a statement of financial position as of 31 December 2018, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the year-end of the same day, and notes to the financial statement to notes to the summary of significant accounting policies. The auditor expressed his opinion that the statement of financial position as of 31 December 2018, operation result, and cash flow statement for the year ended of the same day were accurate in accordance with the materiality of the financial report standard.

(B) The Financial Statement for the year 2019 is audited by Mr. Khitsada Lertwana, a certified public accountant no. 4958 from E.Y. Office Co., Ltd.

The auditor has audited the Company's financial statement, which included a statement of financial position as of 31 December 2019, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the year-end of the same day, and notes to the financial statement to notes to the summary of significant accounting policies. The auditor expressed his opinion that the statement of financial position as of 31 December 2019, operation result, and cash flow statement for the year ended of the same day were accurate in accordance with the materiality of the financial report standard.

(C) The Financial Statement for the year 2020 is audited by Mr. Khitsada Lertwana, a certified public accountant no. 4958 from E.Y. Office Co., Ltd.

The auditor has audited the Company's financial statement, which included a statement of financial position as of 31 December 2020, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the year-end of the same day, and notes to the financial statement to notes to the summary of significant accounting policies. The auditor expressed his opinion that the statement of financial position as of 31 December 2020, operation result, and cash flow statement for the year ended of the same day were accurate in accordance with the materiality of the financial report standard.

10.2 Summary Table of Financial Position and Operation Result

Statement of Financial Position	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Assets						
Current assets						
Cash and cash equivalents	104.20	18.51	455.19	54.48	1,285.00	56.66
Current investments	0.15	0.03	80.92	9.68	-	-
Trade and other receivables	200.74	36.65	59.44	7.11	84.60	3.73
Contract assets - current	100.36	17.82	56.42	6.76	410.61	18.11
Short-term loan for unrelated parties	3.00	0.53	-	-	-	-
Inventory	7.22	1.28	0.49	0.06	-	-
Advances for goods	-	-	-	-	104.68	4.62
Withholding tax deducted at source	0.51	0.09	12.11	1.45	12.98	0.57
Other current financial assets	-	-	-	-	100.37	4.43
Other current assets	9.37	1.66	12.72	1.52	49.65	2.19
Total current assets	425.55	75.57	677.29	81.06	2,047.89	90.30
Non-current assets						
Restricted bank deposit	31.50	5.59	60.89	7.29	120.24	5.30
Contract assets - non-current	32.10	5.70	22.87	2.73	23.44	1.03
Investment properties	45.60	8.10	45.60	5.46	45.60	2.01
Property, plant, and equipment	25.25	4.48	24.44	2.93	26.69	1.18
Intangible assets	0.15	0.03	0.36	0.04	0.34	0.01
Deferred tax assets	2.19	0.39	3.02	0.36	3.42	0.15
Other non-current assets	0.73	0.13	1.07	0.13	0.24	0.01
Total non-current assets	137.52	24.43	158.25	18.94	219.97	9.70
Total assets	563.07	100.00	835.54	100.00	2,267.86	100.00
Liabilities and equity						
Current liabilities						
A short-term loan from financial institutions	6.00	1.07	-	-	-	-
Trade and other payables	206.44	36.66	265.37	31.76	698.32	30.79
Contract liabilities-current	15.67	-	186.60	22.43	34.71	1.53

Statement of Financial Position	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Current portion of contract liabilities	0.50	0.09	0.54	0.06	-	-
Current portion of contract liabilities	-	-	-	-	1.67	0.07
Accrued income tax	-	-	-	-	3.39	0.15
Other current assets	21.13	3.75	26.79	3.21	4.62	0.20
Total current assets	249.74	47.00	479.30	57.36	742.71	32.75
Non-current liabilities						
Contract liabilities-non-current	14.92	2.65	30.59	3.66	47.33	2.09
Current portion of finance lease liabilities-net	0.68	0.12	0.65	0.08	-	-
Current portion of finance lease liabilities-net current portion	-	-	-	-	1.38	0.06
Reserves for long-term employee benefits	10.94	1.94	15.88	1.90	17.12	0.75
Total non-current liabilities	26.54	4.71	47.12	5.64	65.83	2.90
Total liabilities	276.28	49.07	526.42	63.00	808.54	35.65
Shareholder's equity						
Share capital						
Registered capital	180.00	31.97	180.00	21.54	380.00	16.76
Issued and paid-up shares	180.00	31.97	180.00	21.54	380.00	16.76
Share premium	-	-	-	-	973.63	42.93
Capital reserves from share-based payment	1.43	0.25	1.43	0.17	1.43	0.06
Accumulated profit						
Appropriated - legal reserve	11.55	2.05	14.65	1.75	19.15	0.84
Unappropriated	93.81	16.66	112.43	13.46	85.11	3.76
Other components of equity	-	-	0.61	0.07	-	-
Total equity	286.79	50.93	309.12	37.00	1,459.32	64.35
Total liabilities and equity	563.07	100.00	835.54	100.00	2,267.86	100.00

Statement of comprehensive income	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Revenue						
Revenue from sales	98.24	10.53	305.47	36.05	173.44	13.53
Revenue from services	825.23	88.42	540.92	63.83	1,107.67	86.42
Other income	9.80	1.05	0.98	0.12	0.70	0.05
Total revenues	933.27	100	847.37	100	1,281.81	100
Expenses						
Cost of sales	88.08	9.44	276.48	32.63	152.62	11.91
Cost of services	669.29	71.71	421.91	49.78	942.16	73.50
Selling and service expenses	23.69	2.54	23.98	2.83	27.75	2.17
Administrative expenses	53.35	5.72	50.29	5.93	51.69	4.02
Total expenses	834.41	89.41	772.66	91.18	1,174.22	91.61
Profit from operating activities	98.87	10.59	74.71	8.82	107.59	8.39
Financial income	0.90	0.10	1.52	0.17	2.93	0.23
Financial costs	(0.15)	(0.02)	(0.09)	(0.01)	(0.23)	(0.02)
Profit before income tax expense	99.62	10.67	76.15	8.98	110.29	8.60
Income tax expense	16.69	1.79	15.40	1.82	22.12	1.72
Net profit for the year	82.93	8.89	60.75	7.16	88.17	6.88
Basic net profit (baht)	0.24		0.17		0.17	
Par value (baht)	1.00		1.00		0.5	

Cash flow statement (unit: million baht)	2018	2019	2020
Cash flow statement from the operation			
Profit before income tax	99.62	76.15	110.29
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities			
Depreciation	3.55	3.81	4.90
Amortization	0.04	0.08	0.10
Profit from equipment distribution	(0.83)	-	-
Loss (profit) from investment disposal in available-for-sale investments-bond	-	-	0.77
Unrealized gain from measuring of available-for-sale securities-bond			(0.02)
Loss from unrealized exchange rate	-	-	0.24
Reserves for long-term employees' benefits	3.28	1.14	1.24

Cash flow statement (unit: million baht)	2018	2019	2020
Financial income	(0.68)	(1.52)	(2.93)
Financial costs	0.15	0.09	0.23
Trade and other receivables	(86.71)	141.25	(24.91)
Contract assets - current	43.63	43.95	(354.19)
Inventory	(1.26)	6.73	0.49
Advances for goods	-	(1.92)	(104.68)
Withholding tax refundable	(0.36)	0.51	(0.88)
Other current assets	(6.00)	(1.43)	(36.92)
Contract assets - non-current	-	9.23	(0.57)
Other non-current assets	(0.16)	(0.34)	0.83
Trade and other payables	16.44	58.92	432.47
Current contract liabilities	9.32	170.94	(151.90)
Non-current contract liabilities	-	15.67	16.74
Other current assets	10.70	5.66	(22.17)
Cash (used in) operating activities	90.74	528.92	(130.86)
Cash paid for interest expenses	(0.15)	(0.09)	(0.23)
Cash paid for corporate income tax	(19.19)	(27.75)	(12.53)
Net cash from (used in) operating activities	71.40	501.08	(143.62)
Cash flow from investing activities			
Purchase of investment in available-for-sale securities-bond	-	(80.00)	(140.00)
Cash received from the disposal of available-for-sale securities-bond	-	-	120.00
Additional restricted bank deposit	(0.45)	(29.39)	(59.36)
Purchase of equipment	(2.20)	(2.45)	(3.50)
Purchase of intangible assets	(0.14)	(0.29)	(0.08)
Short-term loan for unrelated parties	(0.38)	3.00	-
Cash received from interest received	0.79	1.58	2.49
Cash received from equipment disposal	0.84	-	-
Net cash (used in) investing activities	(1.55)	(107.55)	(80.45)
Cash flow from financing activities			
Cash received from the capital increase	21.00	-	1,167.04
Decrease of short-term loans from financial institutions	(17.59)	(6.00)	-
Debt repayment under the contract	(0.40)	(0.54)	(1.55)
Dividend paid	(22.26)	(36.00)	(111.60)

Cash flow statement (unit: million baht)	2018	2019	2020
Net cash (used in) financing activities	(19.25)	(42.54)	1,053.89
Net increase in cash and cash equivalents	50.60	350.99	829.82
Cash and cash equivalents at the beginning	53.60	104.20	455.19
Cash and cash equivalents, closing balance	104.20	455.19	1,285.01

10.3 Summary table of financial highlights

Significant financial ratio	2018	2019	2020
Liquidity Ratio			
Liquidity ratio (times)	1.73	1.37	2.76
Quick ratio (times)	1.15	1.01	2.76
Trade receivable turnover ratio (times)	5.99	6.54	17.79
Collection period (day)	60.07	55.02	21.0
Inventory turnover ratio (times)	114.85	181.09	4,484.0
Inventory period (day)	3.13	1.99	1.0
Payable turnover ratio (times)	3.82	2.96	2.27
Payment period (day)	94.22	121.60	160.65
Profitability ratio			
Gross profit margin from sales (%)	10.35	9.49	12.00
Gross profit margin from services (%)	18.90	22.00	14.94
Gross profit margin (%)	17.99	17.49	14.54
Operating profit margin (%)	9.65	8.71	8.40
Net profit margin (%)	8.88	7.16	6.88
Return on equity (ROE) (%)	33.80	20.39	9.97
Efficiency Ratio			
Return on assets (ROA) (%)	16.21	8.69	5.68
Return on fixed assets (%)	333.67	259.83	330.33
Asset turnover (times)	1.83	1.21	0.56
Financial ratio			
Debt to Equity ratio: D/E (times)	0.96	1.70	0.55
Interest-Bearing Debt-to-Equity Ratio (times)	0.03	0.00	0.002
Dividend payment rate (%)	43.41	183.72	51.72



11. Management Discussion and Analysis: MD&A

11.1 Overview of the Previous Operation

The Company provides services on turnkey design, procurement, construction, and electrical power systems and telecommunication and information technology systems. The Company also supplies and offer maintenance services on equipment relating to power system and telecommunication and information technology system.

Seeing an opportunity and demand of design and installation of other systems in addition to the telecommunication and information technology, with an aim to become a system integrator in various businesses, J.R.W. Utility initiated the contracted work for a power system in 2007, following the master plan to dismantle overhead power line system and install underground power lines between 2008-2022 to prepare for being a metropolis of ASEAN. The implementation of these projects needed coordination with various government and state enterprises to reduce operation redundancy and traffic problems such as in telecommunication cable system and electric train contracts. Being ready to provide a comprehensive design, procurement, and installation of the power system and telecommunication and information technology systems, the Company earned a total revenue of 933.27 million baht in 2018, 847.37 million baht in 2019 and 1,281.81 million baht in 2020. The Company recorded a net profit of 82.93 million baht in 2018, 60.75 million baht in 2019 and 88.17 million baht in 2020.

11.2 Performance Analysis

11.2.1 Revenue

The Company recorded total revenue of 933.27 million baht in 2018, 847.37 million baht in 2019 and 1,281.81 million baht in 2020, respectively.

Product Group	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Revenue from sales	98.24	10.53	305.47	36.05	173.44	13.53
Revenue from services	825.23	88.42	540.92	63.83	1,107.67	86.42
Other income*	9.80	1.05	0.98	0.12	0.70	0.05
Total revenues	933.27	100.00	847.37	100.00	1,281.81	100.00

Remark * Other income included refunded fine received sales promotion revenue.

Total revenue of the Company included revenue from sales and services and other income. Between 2018 - 2020, the proportion of revenue from sales and services per total revenue was 98.95%, 99.88%, and 99.95%, respectively. The proportion of other income per total revenue was 1.05%, 0.12%, and 0.05%, respectively.

Revenue from sales and services

The Company's revenue from sales and services between the year 2018 - 2020

Product Group	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Revenue from services	825.23	89.36	540.92	63.91	1,107.67	86.46
Revenue from contracted work of system installation	803.90	87.05	532.05	62.86	1,083.26	84.56
- Electrical system	200.90	21.75	250.05	29.54	945.79	73.82
- Telecommunication system Information Technology	603.00	65.30	281.99	33.32	137.47	10.74
Revenue from repair and maintenance services	21.33	2.31	8.87	1.05	24.41	1.90
Revenue from equipment sales	98.24	10.64	305.47	36.09	173.44	13.54
Total revenue from sales and services	923.47	100.00	846.39	100.00	1,281.11	100.00

Revenue from services

Revenue from services included revenue from the installation of power systems and telecommunication and information technology systems, and repair and maintenance services. In 2018-2020, the Company earned revenue from services 825.23 million baht, 540.92 million baht, and 1,107.67 million baht, respectively. In other words, the proportion between sales and service revenue was 89.36% in 2018, 63.91% in 2019, and 86.46% in 2020.

Revenue from contracted work of system installation

In 2018, the Company recorded revenue from contracted system installation of 803.90 million baht or 87.05% of revenue from sales and services. The revenue from the contracted installation business grew in 2018 by 41.42%, contributed by the increase of work related to telecommunication and information technology, including the transformation from overhead line to underground line along the sky train route and the contracted software system installation.

In 2019, the Company had revenue from contracted system installation amounted 532.05 million baht, a decrease by 33.82% from 2018 due to the significant number of recognized revenue from telecommunication and information technology work in 2018. Nonetheless, revenue from contracted power system installation expanded by 24.46% since the Company undertook to convert the overhead line into an underground line along the Yellow Line sky train.

In 2020, the Company's revenue from contracted system installation was 1,083.26 million baht, or 84.56% of the revenue from sales and services. Revenue from contracted system installation increases compared to the same period of last year at 551.21 million baht due to the addition of power system installation from 250.05 million baht to 945.79 million or a growth of 278.24%. Such positive growth was due to the revenue recognition of the project 'overhead line to underground line along the Pink and Yellow Line'.

Revenue from repair and maintenance services

The Company's revenue from repair and maintenance services was 21.33 million baht, 8.87 million baht, and 24.41 million baht in 2018 - 2020, respectively, or 2.31%, 1.05%, and 1.90% of total revenue from sales and services between the year 2018 - 2020 respectively. The majority of customers were the turnkey work of telecommunication and information technology system installation. After the warranty period, these customers hired the Company for continual services on repair and maintenance. The said revenue dropped in 2019 since the customers' equipment was not yet due for repair and maintenance. Another factor was the customers' budget cut.

Revenue from equipment sales

Between 2018 - 2020 the Company generated revenue from sales of equipment 98.24 million baht, 305.47 million baht, and 173.44 million baht, respectively. The revenue from sales of equipment in 2019 was high since the Company had one major customer purchasing telecommunication system equipment. However, revenue from equipment sales depended on customers' budgets and demand at a certain period.

Other income

Other income included interest received, profit (loss) from asset disposal, refunded fine. In 2018-2020, the Company's other revenue was 10.70 million baht, 0.98 million baht, and 0.70 million baht, respectively, representing 1.14%, 0.12%, and 0.05% of total revenue. The Company received a refunded fine in 2018 at 8.79 million baht. Other significant income between the year 2019-2020 was from product distributors' indemnification and sales promotion.

11.2.2 Costs and expenses

The Company's main expenses included the cost of sales, cost of services, selling and service expenses, administrative expense, and financial cost. In 2018 - 2020, the Company's cost and expenses amounted to 834.55 million baht and 772.74 million baht and 1,174.44 million, respectively, representing 89.42%, 91.03%, and 91.62% of total revenue.

Costs and expenses	2018		2019		2020	
	million baht	percent	million baht	percent	million baht	percent
Cost of sales	88.08	9.44	276.48	32.63	152.62	11.91
Cost of services	669.29	71.71	421.91	49.78	942.15	73.50
Selling and service expenses	23.69	2.54	23.98	2.83	27.75	2.17
Administrative expenses	53.35	5.72	50.29	5.93	51.69	4.02
Financial costs	0.15	0.02	0.09	0.01	0.23	0.02
Total costs and expenses	834.55	89.42	772.74	91.18	1,174.44	91.62
Total revenues	933.27	100.00	847.37	100.00	1,281.81	100.00

Costs of sales and services

The Company's sales and services costs between the year 2018 - 2020 were 757.36 million baht, 698.38 million baht, 1,094.77 million baht, or calculated as gross profit margin 17.99%, 17.49%, and 14.54%, respectively. Costs of sales and services divided by business types were the cost of system installation business, cost of repair and maintenance service, and the equipment distribution business cost.

Costs of sales and services	2018		2019		2020	
	million baht	Gross profit margin (%)	million baht	Gross profit margin (%)	million baht	Gross profit margin (%)
Cost of system installation business	655.79	18.42	415.61	21.88	924.63	14.64
Cost of repair and maintenance service	13.50	36.74	6.29	29.10	17.52	28.22
Cost of equipment distribution	88.08	10.35	276.48	9.49	152.62	12.00
Total cost of sales and services	757.36	17.99	698.38	17.49	1,094.77	14.54



Cost of system installation service

Cost of system installation service was 655.79 million baht in 2018, 415.61 million in 2019, and 924.63 million baht in 2020, or a gross profit margin of 18.42% 21.88%, and 14.64%, respectively.

The system installation service's main cost included costs for tools, materials, equipment, contract payment, project management fee, operative expenses, and fees. In 2019, the system installation service's gross profit margin increased to 21.88% from 18.42% in 2018 because the Company undertook the project with a higher gross profit margin. Another contributing factor was the management's effort to implement enhance cost management by closely monitoring the costs, arranging a meeting for the project operation team to discuss the cost management identifying sources of expenses and resolution. In 2020, the system installation business noted the decrease of gross profit margin from 14.64% compared to 21.88% in 2019. The reduction of gross profit margin in contracted work is due to the fact that the Company recruited more engineers to accommodate additional projects at present and in the future, causing a higher cost of the project management fee.

Cost of repair and maintenance service

Cost of repair and maintenance services was 13.50 million baht in 2018, 6.29 million baht in 2018, 17.52 million baht in 2020, or a gross profit margin of 36.74 million baht 29.10 million baht and 28.22 million baht, respectively. The decrease of gross profit margin in repair and maintenance service was due to more equipment purchases in some projects.

Cost of equipment distribution

Equipment distribution between the year 2018 - 2020 was 88.08 million baht, 276.48 million baht, 152.62 million baht, respectively, or a gross profit margin of 10.35%, 9.49%, and 12.00%, respectively. Gross profit margin from equipment sales had been moderate and rose in 2020 after the Company procured equipment with equivalent quality at a lower cost.

Selling and service expenses

In 2018-2020, the Company's selling and service expenses were 23.69 million baht, 23.98 million baht, and 27.75 million baht, representing 2.54%, 2.83% 2.17% of total revenue. Selling and service expenses included employee expenses, marketing expenses. The comparison with the previous year showed an increase, mainly due to the addition of employee expenses in response to business expansion and preparation expenses for registering as a listed company.

Administrative expenses

In 2018-2020, the Company's administrative expenses were 53.35 million baht, 50.29 million baht, and 51.69 million baht, representing 5.72%, 5.93% 4.02% of total revenue, respectively. The increase in administrative expenses in 2020 by 2.78% compared to the same period last year was mainly from the rise in employee expenses in response to business expansion and preparation expenses for registering as a listed company.

Financial costs

The Company's financial expenses during the year 2018-2020 were 0.15 million baht, 0.09 million baht, and 0.23 million baht, respectively, representing 0.02%, 0.01%, and 0.02% of total revenue. The low rate of financial expense followed the rate of loan from the financial institution. As of 2018, the financial expenses included interest paid to financial institutions and a hire-lease contract. However, at the ending of 2019 and 2020, the Company had no loan from financial institutions (except the bank guarantee). Hence, the majority was interest paid under the remaining hire-lease contract.

11.2.3 Net profit

According to the operation result mentioned above, the Company recorded a net profit for 2018-2020 of 82.93 million baht, 60.75 million baht, and 88.17 million baht, respectively 8.89%, 7.16%, and 6.86%. Considerably, the net profit was slightly dropped when compared to the same period last year. Despite the decreasing gross profit margin, the Company's revenue soared from having contracts for the mega project, converting overhead lines to underground lines along the Yellow Line and Pink Line, while the net profit margin slightly dropped.

11.3 Financial status

As of 31 December 2020, the Company's total assets valued 2,267.86 million baht, increasing when compared to that as of 31 December 2019 at 1,432.32 million baht. The leading cause of such increase contributed by cash, cash equivalents, contract assets, and advances for products amounted to 829.82 million baht and 354.76 million baht and 104.68 million baht, respectively. The rise of asset value followed the growth of the Company's revenue from high valued contracts in 2020.

As of 31 December 2020, the Company recorded total assets of 808.54 million baht, an increase when compared to that of 282.12 million baht as of 31 December 2019. The rise of asset value followed the increase in trade receivables and other receivables at 432.95 million baht mainly. Accordingly, the increase of trade receivables and accrued cost of projects were from the unbilled business operation, which increased directly upon the additional work value.

As of 31 December 2020, the shareholders' equity totaled 1,459.32 million baht, increasing when compared to 1,150.20 million baht as of 31 December 2019. The rise of shareholders' equity followed the share premium of 973.63 million baht after offering the stock exchange and profitable operational result.

11.3.1 Liquidity

Cash flow

The Company's cash flow received (used in) operating activities (143.62) million baht upon the increase of current contract assets (354.19) million baht, advanced for products (104.68) million baht. Trade receivables and other receivables were 432.47 million baht despite earnings before income tax of 110.29 million baht.

Net cash flow received (used in) investments was (80.45) million baht, following the investment in available-for-sale securities-bond at (140.00) million baht. Another factor was asset disposal valued at 120.00 million baht and reduced restricted bank deposits by (59.36) million baht.

Net cash flow received (used in) financing activities was 1,503.89 million baht, according to the cash received from a capital increase at 1,167.04 million baht and dividend payment to shareholders (111.60) million baht.

11.3.2 Financial Ratio Analysis

Liquidity ratio

The Company's liquidity ratio as of 31 December 2020 was 2.76 times, an increase from 1.37 from the previous year. The rise of liquidity contributed by cash remained from I.P.O. to Thailand's Stock Exchange, a shorter collection period from 55 days during the last year to 21 days in 2020.

Profitability ratio

The Company recorded a net profit of 82.93 million baht, 60.75 million baht, and 88.17 million baht, respectively, representing 8.89%, 7.16%, and 6.88%. Considerably, the net profit was slightly dropped when compared to the same period last year. Despite the decreasing gross profit margin, the Company's revenue soared from having contracts for the mega project, converting overhead lines to underground lines along the Yellow Line and Pink Line, while the net profit margin slightly dropped.

Efficiency Ratio

Return to total assets as of 31 December 2020 was 5.68%, a drop from the previous year by 34.64%. After the cash received from I.P.O. capital increase in November 2020, the rise of value increased the Company's total asset value. Meanwhile, total net profit risen by 45.15%, return to fixed assets as of 31 December 2020 was 330.33, an increase by 27.13% from 259.83 in the previous year due to a rise in net profit.

Financial Policy Ratio

Debt to equity ratio as of 31 December 2020 was 0.55 time, a decrease from 1.21 in the previous year due to a large number of shareholders after I.P.O. for capital increase.



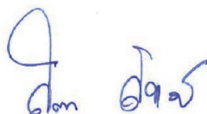
12. Statement Certification

The Company has reviewed the information shown in this Annual Report with prudence and hereby certify that such information is accurate, adequate, true, does not mislead the third party. All material statement is included. The Company do certify that:

(1) The financial statement and financial information summarized in the annual statement form contain complete significant details relating to the company's financial status, operation result, and cash flow.

(2) The Company has arranged a suitable information disclosure system to ensure that the material information will be disclosed accurately and entirely and oversee compliance with the said system.

(3) The Company has arranged a proper internal control system and supervised it to ensure compliance with the said system. The Company has informed the internal control system assessment result on 25 February 2020 to the auditor and Audit Committee. The said information includes defects and significant changes of the internal control system, an offense that may affect the financial statement's preparation.

Name:	Title:	Signature
Mr. Jarun Wiwatjesadawut	Chief Executive Officer	
Mr. Chamnan Wongrusmeeduan	Director and Senior Deputy Chief Executive Officer	
Mr. Suradech U-thairat	Director, Deputy Chief Executive Officer and Acting Director of Administration	
Miss Ladda Lattivan	Director of Accounting and Finance	



Attachment 1

Details on Directors and Executives

1. Details on directors, executives and authorized person

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years			
					Duration	Title:	Company Name:	Type of business
Mr. Nontigorn Kanchanachitra Chairman of the Board Independent Director	65	Doctor of Business Administration Human Resource Management Dhomburi Rajabhat University Master of Political Science Public Administration Middle Tennessee State University, USA Bachelor of Political Science Chiang Mai University Role of the Chairman Program (RCP), Class 26/2011 Director Certification Program (DCP) Class 102/2008 Audit Committee Program (ACP) Class 22/2008 Role of the Compensation Committee (RCC), Class 6/2008 Financial Statement for Director Curriculum (FSD) Class 1/2008	400,000 shares or 0.053%	-	2018 - Present	Chairman of the Board Independent Director	PCL. J.R.W. Utility	Provide eletrical and telecommunication systems contractor service, and Information Technology
					2017 - Present	Member of the board	Co., Ltd. NK Studio	Management and administration consulting service activity
					2017 - Present	Member of the board	Office of the Civil Service Commission	Government agencies
					2016 - Present	Member of the board	Council of State	Government agencies
					2015 - Present	Chairman of the Board Independent Director	PCL. SISB	International school
					2011 - Present	University Council Committee	Rattanaabundit University	University
					2010 - September 20 2020	Independent director	PCL. Krung Thai Bank	Bank

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years			
					Duration	Title:	Company Name:	Type of business
General Sakda Perunavin Chairman of the Audit Committee Independent Director	61	Master of Information Technology King Mongkut's University of Technology Thonburi Bachelor of Engineering Computer engineering Chulachomklao Royal Military Academy Director Accreditation Program (DAP) Class 157/2019	300,000 shares or 0.039%	-	2015 - 2018	Chairman of the Board and Audit Committee	PCL. Interlink Telecom	Telecommunication network service
					2011 - 2017	Member of the board	Industrial Estate	Supply and develop land to establish industrial estate
					2010-2015	Secretary	Office of the Civil Service Commission	Government agencies
					2018 - Present	Chairman of the Audit Committee Independent Director	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology
					Oct. 2017 - Oct 2019	Senior expert	Army	Army

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years			
					Duration	Title:	Company Name:	Type of business
Vice Admiral Bumrungrak Saraggananda A member of the Audit Committee Independent Director	61	Bachelor of Science Royal Thai Naval Academy Naval Education Department Director Accreditation Program (DAP) Class 157/2019	300,000 shares or 0.039%	–	2018 - Present	A member of the Audit Committee Independent Director	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology Navy
Mr. Kawin Thangsupanich A member of the Audit Committee Independent Director	53	Master of Business Administration Finance Sasin Graduate Institute of Business Administration Chulalongkorn University Bachelor of Economics Quantitative analysis Chulalongkorn University	200,000 shares or 0.026%	–	2018 - Present 2017 - Present	A member of the Audit Committee Independent Director Member of the board	PCL. J.R.W. Utility Co., Ltd. Union Chemical and Equipment	Provide electrical and telecommunication systems contractor service, and Information Technology Distributing chemicals and chemical equipments

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years			
					Duration	Title:	Company Name:	Type of business
		Energy for chief executive officers program, class 12 Thailand Energy Academy Director Accreditation Program (DAP), Class 139/2017			2016 - Present	Independent director	PCL. FWD Insurance (former name: Co., Ltd. Siam City Insurance)	Provide life and non-life insurances
					2017 - 2018	Deputy Chief Financial Officer	Co., Ltd. Union Chemical and Equipment	Distributing chemicals and chemical equipments
					2017 - 6 Aug 2020	Member of the board	Co., Ltd. Thai-Sunseap	Produce semiconductors and ICs
					2016 - 6 Aug 2020	Member of the board	Co., Ltd. Able Consultant	Consultant on energy conservation and environmental impacts
					2018 - 2019	Consultant	State Railway of Thailand	State Enterprise
					2017 - 2019	Secretary of the minister	Securities Ltd. KT-ZMICO	Securities Company
					2014 - 2015		Ministry of Information and Communication Technology	Government section

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years			
					Duration	Title:	Company Name:	Type of business
Mr. Jarun Wiwatjesadawut Director and Chief Executive Officer (authorized director)	57	Bachelor of Political Science Chulalongkorn University	253,538,618 shares or 33.36%	-	1993 - Present	Director and Chairman of the Executive Board	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology Sikarin
		Director Certification Program (DCP) Class 98/2008			2002 - Present	Member of the board	PCL. Sikarin	
		Director Accreditation Program (DAP) Class 9/2004			1994-2020	Member of the board	Co., Ltd. Samti Green Pack	Distributing packaging materials
Mr. Chamnan Wongrusmeeduan Member of the board and Senior Vice Chairman of the Executive Board (authorized director)	64	Doctor of Theology Buddhist studies Mahamakut Buddhist University Master of Business Administration Thammasat University Bachelor of Engineering Electrical engineering King Mongkut's Institute of Technology Ladkrabang Director Accreditation Program (DAP) Class 80/2009	400,000 shares or 0.053%	-	2007 - Present	Senior Director and Vice Chairman of the Executive Board	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years			
					Duration	Title:	Company Name:	Type of business
Mr. Suradech U-thairat Member of the board Deputy Chief Officer (authorized director)	54	Bachelor of Laws Ramkhamhaeng University Director Accreditation Program (DAP) Class 9/2004	53,881,200 shares of 7.09%	-	1998 - Present	Director and Vice Chairman of the Executive Board	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology
					1998 - Present	Member of the board	Co., Ltd. Image Line Advertising	Provide all types of advertising service
					2016 - Present	Member of the board	Co., Ltd. Up2G	Distributing finished garment
Mr. Bandan Pongsastra Director of Sales and Marketing Department	51	Master of Business Administration Thammasat University Bachelor of Engineering King Mongkut's Institute of Technology Ladkrabang	500,000 shares or 0.065%	-	2011 - Present	Director of Sales and Marketing Department	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology
Mr. Nuttawut Chumnankit Director of Project Operation Department	54	Bachelor of Engineering Electronics engineering King Mongkut's Institute of Technology Ladkrabang	10,000 shares or 0.001%	-	2017 - Present	Director of Project Operation Department	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology
					2008 - 2017	Consultant	Co., Ltd. Invincible	Provide designing and general contractor services

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years			
					Duration	Title:	Company Name:	Type of business
Mr. Sujit Tantasuriya Director of Engineering and Solution Department	40	Bachelor of Engineering Computer engineering Mahanakorn University of Technology	25,000 shares or 0.003%	–	2018 - Present	Director of Engineering and Solution Department	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology
Miss Sumalee Rangubpis Director of Commerce Department	43	Bachelor of Humanities Bangkok University Company Secretary Program (CSP) Class 32/2009 Effective Minute Taking Curriculum (EMT) Class 15/2009	70,000 shares or 0.009%	–	2007 - Present	Director of Commerce Department	PCL. J.R.W. Utility	Provide electrical and telecommunication systems contractor service, and Information Technology
Miss Ladda Lattawan Director of Accounting and Finance Department (CFO)	40	Master of Business Administration Burapha University Bachelor of Business Administration Accountancy Rajamangala University (Rajamangala University of Technology Krungthep) CFO in Practice Certification Program Class 9/2019 Orientation Course – CFO Focus on Financial Reporting Class 3/2019	40,000 shares or 0.005%	–	2010 - Present 2016 - Present 2016 - Present	Director of Accounting and Finance Department Member of the board Member of the board	PCL. J.R.W. Utility Co., Ltd. PBR Textile Co., Ltd. LPB Consultant	Provide electrical and telecommunication systems contractor service, and Information Technology Textile and chemical trade Accounting service and auditing

* Note: Includes shareholding of related parties

2. Details on company secretary

Full name/position	Age (Years)	Educational qualifications	Shareholding proportion in the company	Family relationship between Executive Officer	Work experiences in the past 5 years		
					Duration	Title:	Company Name: Type of business
Mrs. Pattarin Manusseree Company secretary	64	Bachelor of Economics Chulalongkorn University	-	-	2011 - Present	Secretary of Senior Executive Vice Chairman	PCL. J.R.W. Utility Provide electrical and telecommunication systems contractor service, and Information Technology Provide electrical and telecommunication systems contractor service, and Information Technology
					2019 - Present	Corporate Secretary	PCL. J.R.W. Utility Provide electrical and telecommunication systems contractor service, and Information Technology

Responsibilities of company secretary

1. To supervise and advise the Board of Directors and Executive Officers about compliance with the laws, regulations, rules and articles of association and to monitor to ensure accurate and regular practice.
2. To arrange the meeting for the Board of Directors and shareholders, including to coordinate to ensure the compliance with the meeting's resolution.
3. To ensure the disclosure of information and information statement under the responsibility to be consistent with regulations and requirements of the Stock Exchange of Thailand and the Securities and Stock Exchange Commission including relevant laws.
4. To prepare and keep the following documents:
 - 4.1 Director Register
 - 4.2 Invitation letters to the Board of Directors' meeting and minutes of the Board of Directors' meeting
 - 4.3 Invitation letters to the shareholders' meeting and minutes of the shareholders' meeting
 - 4.4 Annual Report
 - 4.5 Directors' and Executive Officers' Stakeholding Report

3. Details on the tenure of executives and authorized personnels of the company in related companies on December 31, 2020

Name list	Title: In the Company	Positions in related companies								
		1	2	3	4	5	6	7	8	9
Mr. Nontigorn Kanchanachitra	C							/	C	
General Sakda Perunawin	/, AC									
Vice Admiral Bumrungrak Saraggananda	/, AC									
Mr. Kawin Tangsupanich	/, AC	/		/						
Mr. Jarun Wiwatjesadawut	/, //, M				/					
Mr. Chamnan Wongrusmeeduan	/, //, M									
Mr. Suradech U-thairat	/, //, M					/	/			
Mr. Bandan Pongsastra	M									
Mr. Nuttawut Chumnankit	M									
Mr. Sujit Tantasuriya	M									
Ms. Sumalee Rangubpis	M									
Ms. Ladda Lattawan	M		/							/

Remark : C = Chairman of the Board / = Member of the board AC = A member of the Audit Committee
// = A member of the Executive Committee M = Executive Officer

Related companies :

1. FWD Insurance Company Limited
2. PBR Textile Company Limited
3. Union Chemical and Equipment Company Limited
4. Sikarin Public Company Limited
5. UP2G Company Limited
6. Image Line Advertising Company Limited
7. NK Studio Company Limited
8. SISB Public Company Limited
9. LPB Consultant Company Limited

Attachment 2

Report of the Board of Directors'
responsibility on the financial
reports

Report of the Board of Directors' responsibility on the financial reports

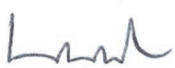
The Board of Directors of J.R.W. Utility Public Company Limited is responsible for combined financial statements, information statements, information disclosure, and financial presentation as appeared in the Annual Report 2020. The said financial statement is prepared in accordance with the financial report standard and based on accurate accounting policy regularly implemented. The Board has put its prudent and reasonable discretion and estimation as necessary. The information disclosure in the note to the financial statement is sufficient. The Company's independent certified public accountant has reviewed and given unconditioned opinion to the said financial statement.

The Board of Directors always highlights the importance of duties and responsibility to conform with the good corporate governance to continue effective, transparent and reliable business operation. The Board of Directors has implemented a suitable control and risk management system, including effective and efficient internal controls to ensure that the accounting information is accurate, adequate, and sufficient to guard the Company's assets and prevent corruption or the significant offense thereof.

In addition, the Board of Directors has appointed the Audit Committee, which comprises of the Independent Director to review the accounting policies and to oversee the data quality in the financial reports, to review the adequacy of the internal control system and internal audit which include risk management system and the disclosure of related transactions. The Audit Committee's opinions on various matters are shown in the Report of the Audit Committee included in the Annual Report.

The Board of Directors is of the opinion that the Company's internal control system as a whole is satisfied. The internal audit assures with reasonable ground that the Company's combined financial statement and its subsidiaries and the financial statement for the ending period as of 31 December 2020 is reliable according to the financial report standard and correctly proceed under the relevant laws and regulations.




Mr. Nontigorn Kanchanachitra
Chairman of the Board




Mr. Jarun Wiwatjesadawut
Chief Executive Officer

Attachment 3

Report of the Audit Committee

Report of the Audit Committee

To Shareholders

The Audit Committee of J.R.W. Utility Public Company Limited (the Company) comprises of 3 independent directors who are qualified, having experience in accounting, finance, economy and management namely General Sakda Perunavin- as a chairman of the board, Vice Admiral Bumrungrak Saraggananda- as a member of the board and Miss Ladda Lattivan- a Director of Accounting and Finance as a secretary to the Audit Committee.

The Audit Committee has performed their duties with independency as assigned by the Board of Directors specified in the Audit Committee Charter which completely conform to the requirement of The Securities and Exchange Commission, Thailand.

Their duties include review of financial statements, connected transactions, risk management, internal control system, supervision of internal audit, compliance with the law, regulations, rules related to business operation, consideration on auditor nomination and auditor's fee.

In 2020, the Audit Committee held 4 meetings. Their work in 2020 is summarized in material part below.

1. Review of financial statement

The Audit Committee has reviewed the quarterly and annual financial statements for the year 2020 by inviting related management and auditor to attend to the financial statement's agenda. The management and auditor clarified and answered the questions related to the accuracy, adequacy, amendment of significant accounting transactions that affect the financial statement, adequacy of the information disclosed in the financial statement, and observations of the auditor after consideration and auditing.

After consideration, the Audit Committee is of the opinion that the financial statements contain accurate and important information as required in the financial report standard for preparing accurate accounting and financial report in timely manner and reliable, bringing best benefit to investors and users of financial statement.



General Sakda Perunavin

Chairman of the Audit Committee

2. The review of connected transactions or the transaction that may have a conflict of interest.

After reviewing the connected transactions or the transactions that may have a conflict of interest which considered to be a connected transaction according to the notification of the Stock Exchange Commission, Thailand, and The Securities and Exchange Commission, Thailand, the Audit Committee explained that the connected transactions are proceeded under general trading course, with fairness, reasonableness and do not cause the transfer of interest. The information disclosure is adequate and sufficient as per good corporate governance, adhering to the notification of the Stock Exchange Commission of Thailand.

3. Review of risk management

The Board of Directors, Risk Management Team, and the Management realize the importance of risk management. They assessed internal and external factors, the feasibility of occurrence, impacts and prepared the risk management plan to prevent or minimize the potential effects on a business operation to be at an acceptable level.

The Risk Management Team which appointed by the Board of Directors is responsible in supervision the corporate risk management. The Management report risk management progress on regular basis.

After auditing management effectiveness, risks according to the Company's operation result report, Internal Auditor's review result, the Company's auditor, the Audit Committee believes that the Company's risk management is at the acceptable level.

4. Review of the Internal Control Assessment

The Audit Committee has reviewed the Company's internal control system under the guidance of the Securities and Exchange Commission and the auditing procedures of the Company's Internal Audit Unit and Auditor. There is neither issue nor defect found that could have significant impact to the Company. The Management has improved items as per suggestions from the Audit Committee, Auditor and Internal Audit Unit on continual basis, highlighting the importance of corporate's internal control which builds solid trust that the Company's internal control is adequate.

5. Review of Legal Compliance

After reviewing the performance and supervision on business operation in line with the system set forth, the Audit Committee considers that the Company strictly complies with the securities and stock exchange law, requirement of the Securities and Exchange Commission, Thailand, including other laws related to its business operation. Such result indicates the Company's correct and proper operation in accordance with normal course of business operation. After reviewing and supervising the Company's operations in accordance with securities and stock exchange law, requirement of the requirement of the Securities and Exchange Commission, Thailand, including other laws related to its business operation, the Audit Committee finds no transaction that is in the contrary to the relevant laws and regulation in year 2020.

6. Supervision on the Internal Audit

The Audit Committee has supervised the Internal Audit Unit to be independent, report directly to the Audit Committee as specified in the Internal Audit Charter, and ensure the auditing is consistent with international standards, monitored, and given advice to the Internal Audit Unit to ensure consistent to approved work plan. The work plan is prepared based on the corporate risk base and aligned with the corporate strategy and direction to add value to the corporation and create good corporate governance, to maintain good internal control. The Audit Committee also reviewed the structure's appropriateness, Internal Audit Unit, Audit procedures, and power rate to enhance effectiveness and efficiency, reviewed the Audit Committee Charter and the Internal Audit Charter to ensure accurate performance of the internal audit profession and consistent with the international standard.

7. Connected transactions or the transaction that may have a conflict of interest

The Audit Committee has reviewed and considered the connected transactions or the transaction that may contain a conflict of interest, based on the necessity, reasonableness, transparency, information disclosure including requirements before proposing to the Board of Directors for approval.

8. Appointment of the auditor and auditor's fee for the year 2020

The Audit Committee has selected the auditor and the auditor's fee taking into consideration work performance, independency, qualifications, skills and education and experience in auditing, including the Company's financial statement of the previous year. The Audit Committee has expressed their opinions to the Board of Directors to propose to the shareholders' meeting for the year 2020. The Audit Committee has appointed Mr. Krissada Lertwana, the certified public accountant no. 4958 or Mr. Termphong Ophonphan, a certified public accountant no. 4501 or Mrs. Poonnart Phaocharoen, a certified public accountant no. 5238 who have no interest with the Company as the Company's auditor. All of these accountant are from EY Office Company Limited.

In summary for the year 2020, the Audit Committee has performed their duties in monitoring the Company's operation based on their skills, adequate independency to the duties and responsibility specified in the Audit Committee Charter. The Audit Committee considers that the Company's financial statement contains material information and is reliable in accordance with generally accepted accounting standards. The financial statement consists of connected transactions or the transaction that may have a conflict of interest. The Company has in place excellent corporate governance; the risk management system maintains risk at an acceptable level. The internal control system is adequate for business operation. The Company's compliance with the law, regulations, and rules related to business operation is complete and sufficient.

On behalf of the Audit Committee

A handwritten signature in blue ink, appearing to be 'Sakda Perunavin'.

General Sakda Perunavin

Chairman of the Audit Committee

Attachment 4

Report of the Nomination and Remuneration Committee

Report of the Nomination and Remuneration Committee

In the meeting held on 29 December 2020, the Board of Directors of J.R.W. Utility Public Company Limited has passed a resolution appointing the Nomination and Remuneration Committee pursuant to the good corporate governance of the listed companies. The committee members possess knowledge, skills, experience, and an understanding of the qualifications, duties, and responsibilities, including understanding corporate governance. The committee must sufficiently dedicate their time performing duties to ensure the Nomination and Remuneration Committee will achieve the target set forth. The Nomination and Remuneration Committee comprises three members, namely below.

1. General Sakda Perunavin	Chairman of the Nomination and Remuneration (Independent Director)
2. Vice Admiral Bumrungrak Saraggananda	Member of the Nomination and Remuneration Committee (Independent Director)
3. Mr. Suradech U-thairat	Member of the Nomination and Remuneration Committee (Independent Director)

***Mr. Suradech U-thairat is a secretary of the Nomination and Remuneration Committee

Performance of the Nomination and Remuneration Committee in 2020: Since the Nomination and Remuneration Committee has been appointed by the Board of Directors on 29 December 2020, there is no performance. However, the committee has reviewed the charter regarding the duties as follows:



General Sakda Perunavin

Chairman of the Audit Committee

Nomination

1) To recruit a person with various qualifications covering profession and expertise without limitation on genders. To consider the suitability of directorship of the committee member to conform with the Company's business operation strategy and propose to the Board of Directors for being forwarded to the shareholders' meeting or the Board of Directors for an appointment.

2) To select the qualified person to undertake the Chief of Executive Officer and propose to the Board of Directors for an appointment.

3) The committee has been appointed as appropriate, and the committee has performed other tasks as assigned by the Company.

Remuneration

1) Determination on compensation: To determine payment, salary adjustment, and directors and committee's compensation to conform with the Company's operation and propose to the shareholders' meeting for approval.

2) To consider and assess performance, determination compensation criteria, determination and adjustment of salary and other compensation of the Chief Executive Officer and propose to the Board of Directors for approval.

3) The committee has been appointed as appropriate, and the committee has performed other tasks as assigned by the Company.

On behalf of the Nomination and Remuneration Committee



General Sakda Perunavin
Chairman of the Audit Committee



Attachment 5

Report of the Executive Committee

Report of the Executive Committee

J.R.W. Utility Public Company Limited has appointed the Executive Committee as the Management to perform its duties on corporate management as assigned by the Board of Directors and as specified in the Executive Committee Charter.

In 2020, the Executive Committee held 22 meetings to perform their duties as assigned. The summary is as follows.

1. To order, plan and proceed with the Company's business according to the Board of Directors' policy.
2. To review, monitor the policy implementation and administrate the company's guidance set forth effectively.
3. To consider, assess the business's investment related to the main business or irrelevant business prior to a proposal to the Board of Directors for consideration and approval.
4. Consider and approve for proceeding or approve the expenditure for different operations regarding the part beyond authority or exceeding the management's approved budget. To ensure compliance with the approval procedures of the Company or as assigned budget.
5. To consider and approve the contract signed with another entity.
6. Consider and approve the profit (loss) plan for the projects within the authorized scope.
7. To proceed with any other activities as assigned by the Board of Directors.

The Executive Committee is determined to manage the business to achieve the Company's vision, mission, goal, and business strategy under good corporate governance, based on the transparency and accountability coupling with business operation with social and environmental responsibility, to generate the robust and sustainable growth.

Chairman of the Executive Committee and Chief Executive Officer



Mr. Jarun Wiwatjesadawut
Chief Executive Officer



Mr. Jarun Wiwatjesadawut
Chief Executive Officer

Attachment 6

Report of the Risk Management Committee

Report of the Risk Management Committee

The Board of Directors of J.R.W. Utility Public Company Limited (the Company) has passed a resolution in the meeting no. 2/2019 held on 11 April 2019, appointing the Risk Management Committee (RMC). The board comprises seven members, namely Mr. Chamnan Wongrusmeeduan as chairman of the Risk Management Committee, Mr. Suradech U-thairat, Mr. Bandan Pongsastra, Miss Sumalee Rangubpis, Mr. Nuttawut Chumnankit, Miss Ladda Lattiwan, Mr. Sujit Tantasuriya as a working group. Mrs. Pattarin Manusseree is a secretary of the Risk Management Committee.

Scope of work of the Risk Management Committee is as stated in the Risk Management Committee Charter under the Enterprise Risk Management (ERM) extend of the Company, which is in line with the COSO's (The Committee of Sponsoring Organizations of the Treadway Commission) risk management guidance generally accepted as risk management.

In the past 2020, the Risk Management Working Group held seven meetings. The summary of important information about their performance is as follows:

1. To determine risk management and propose to the Board of Directors.

2. To determine strategy and risk management approach for each matter to conform with the risk management policy. To monitor and prevent the risk at the proper level and establish practice guidelines to cope with the situation upon the risk's occurrence.

3. To study and assess potential risk, including the trend of impacts to the Company and its subsidiaries, including external and internal threats, covers different topics.

- 1) Strategic risk
- 2) Operative risk
- 3) Financial risk
- 4) Regulation risk



Mr. Chamnan Wongrusmeeduan

Chairman of the Risk
Management Committee

4. To monitor, oversee, supervise and review risk management policy, including strategy and practice guidelines upon the occurrence of risk at least once a year to ensure the suitability of the risk management strategy and efficient implementation.

5. To advise and support the Executive Committee regarding corporate risk management, including promoting and support the improvement and development of corporate risk management regularly and continuously.

6. To exchange information and coordinate related to risk and internal control with the Audit Committee.

7. To support the risk management culture and proper internal control.

8. To perform any other tasks as assigned by the Board of Directors.

According to the duties mentioned above, the Risk Management Committee assures that the Company's risk management is continued and effective, conforms to the sound corporate governance principles and code of practice. The internal control system is adequate and suitable to the business, compliance the laws and regulation related to business operation wholly and correctly.

Chairman of the Risk Management Group



Mr. Chamnan Wongrusmeeduan
Chairman of the Risk
Management Committee



Attachment 7

Report of Auditors and Financial Statements

Independent Auditor's Report

To the Shareholders of J.R.W. Utility Public Company Limited

Opinion

I have audited the accompanying financial statements of J.R.W. Utility Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

I identified revenue recognition to be area of significant risk in the audit because the Company's revenue is significant to the financial statements. For the year ended 31 December 2020, sales and service income amounting to Baht 1,282 million and directly affects its operating results, to which users of financial statements pay attention. Including, this is because the amount of revenue that the Company recognises from such contracts in each period forms are significant portion of the Company's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition is area requiring management to exercise significant judgement to assess the percentage of completion. There are therefore risks with respect to amount and timing of recognition of revenue.

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 by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

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

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquired with the Company's management and engineers/the project managers about the terms of and risks associated with these contracts relevant to revenue recognition.
- Made enquiries of the Company's management and engineers/the project managers, gained an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the project management's competency in estimating project costs, checked actual costs to supporting documents and tested the calculation of the percentage of completion based on actual costs incurred including performed an analytical review to compare the percentage of completion derived from the actual costs incurred to the percentage of completion estimated by the Company's engineers/the project managers.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.

- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue recognition throughout the period.
- Reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

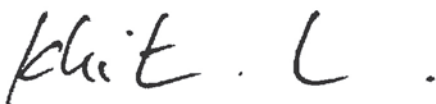
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read 'Khitsada Lerdwana'.

Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 19 February 2021

J.R.W. Utility Public Company Limited

Statement of financial position

As at 31 December 2020

		(Unit: Baht)	
	<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets			
Cash and cash equivalents	8	1,285,009,072	455,189,486
Current investments	4	-	80,917,335
Trade and other receivables	9	84,596,689	59,442,764
Contract assets - classified as current asset	10	410,605,997	56,418,072
Inventories		-	488,325
Advance payment for goods		104,678,108	-
Withholding tax refundable		12,986,993	12,110,630
Other current financial assets	11	100,370,248	-
Other current assets		49,645,062	12,722,097
Total current assets		<u>2,047,892,169</u>	<u>677,288,709</u>
Non-current assets			
Restricted bank deposits	12	120,241,592	60,886,260
Contract assets - classified as non-current asset	10	23,439,327	22,870,900
Investment property	13	45,600,000	45,600,000
Property, plant and equipment	14	26,691,866	24,444,209
Intangible assets		335,969	357,036
Deferred tax assets	21	3,419,122	3,021,753
Other non-current assets		239,718	1,072,180
Total non-current assets		<u>219,967,594</u>	<u>158,252,338</u>
Total assets		<u><u>2,267,859,763</u></u>	<u><u>835,541,047</u></u>

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

J.R.W. Utility Public Company Limited

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	15	698,319,428	265,366,460
Contract liabilities - classified as current liability	10	34,705,359	186,607,737
Current portion of liabilities under			
finance lease agreements	4	-	538,537
Current portion of lease liabilities		1,666,903	-
Corporate income tax payable		3,394,742	-
Other current liabilities		4,621,089	26,789,454
Total current liabilities		<u>742,707,521</u>	<u>479,302,188</u>
Non-current liabilities			
Contract liabilities - classified as non-current liability	10	47,329,119	30,590,290
Liabilities under finance lease agreements			
- net of current portion	4	-	653,339
Lease liabilities, net of current portion		1,384,399	-
Provision for long-term employee benefits	16	17,117,221	15,879,076
Total non-current liabilities		<u>65,830,739</u>	<u>47,122,705</u>
Total liabilities		<u>808,538,260</u>	<u>526,424,893</u>

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

J.R.W. Utility Public Company Limited

Statement of financial position (continued)

As at 31 December 2020

			(Unit: Baht)
	<u>Note</u>	<u>2020</u>	<u>2019</u>
Shareholders' equity			
Share capital	17		
Registered			
760,000,000 ordinary shares of Baht 0.5 each			
(2019: 180,000,000 ordinary shares			
of Baht 1 each)		380,000,000	180,000,000
Issued and fully paid			
760,000,000 ordinary shares of Baht 0.5 each			
(2019: 180,000,000 ordinary shares			
of Baht 1 each)		380,000,000	180,000,000
Share premium		973,632,882	-
Capital reserve for share-based payment transactions		1,425,000	1,425,000
Retained earnings			
Appropriated - statutory reserve	18	19,147,000	14,647,000
Unappropriated		85,116,621	112,426,131
Other components of shareholders' equity		-	618,023
Total shareholders' equity		1,459,321,503	309,116,154
Total liabilities and shareholders' equity		2,267,859,763	835,541,047

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


 Director

J.R.W. Utility Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2020

			(Unit: Baht)
	<u>Note</u>	<u>2020</u>	<u>2019</u>
Profit or loss:			
Revenues			
Revenue from contracts with customers - sales	19	173,438,450	305,467,840
Revenue from contracts with customers - services	19	1,107,673,181	540,922,180
Other income		700,272	984,101
Total revenues		<u>1,281,811,903</u>	<u>847,374,121</u>
Expenses			
Cost of goods sold		152,621,829	276,477,020
Cost of services		942,154,289	421,905,263
Selling and servicing expenses		27,752,720	23,981,354
Administrative expenses		51,690,974	50,291,715
Total expenses		<u>1,174,219,812</u>	<u>772,655,352</u>
Operating profit		<u>107,592,091</u>	<u>74,718,769</u>
Finance income		2,928,394	1,521,859
Finance cost		(227,988)	(87,393)
Profit before income tax expenses		<u>110,292,497</u>	<u>76,153,235</u>
Income tax expenses	21	(22,120,030)	(15,407,079)
Profit for the year		<u>88,172,467</u>	<u>60,746,156</u>
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Gain on change in value of available-for-sale investments		-	770,309
Less: Income tax effect		-	(154,062)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		-	616,247
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss	16	-	(3,797,146)
Less: Income tax effect		-	759,429
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(3,037,717)
Other comprehensive income for the year		<u>-</u>	<u>(2,421,470)</u>
Total comprehensive income for the year		<u>88,172,467</u>	<u>58,324,686</u>
Basic earnings per share	22		
Profit for the year		<u>0.17</u>	<u>0.17</u>

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

J.R.W. Utility Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2020

	(Unit: Baht)						
	Issued and fully paid share capital		Capital reserve for share-based payments		Retained earnings		Total
	Share premium		Share premium		Appropriated	Unappropriated	
Balance as at 1 January 2019	180,000,000	-	1,425,000	11,547,000	93,817,692	1,776	286,791,468
Profit for the year	-	-	-	-	60,746,156	-	60,746,156
Other comprehensive income for the year	-	-	-	-	(3,037,717)	616,247	(2,421,470)
Total comprehensive income for the year	-	-	-	-	57,708,439	616,247	58,324,686
Dividend paid (Note 25)	-	-	-	-	(36,000,000)	-	(36,000,000)
Transferred to statutory reserve (Note 18)	-	-	-	3,100,000	(3,100,000)	-	-
Balance as at 31 December 2019	180,000,000	-	1,425,000	14,647,000	112,426,131	618,023	309,116,154
Balance as at 1 January 2020	180,000,000	-	1,425,000	14,647,000	112,426,131	618,023	309,116,154
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	618,023	(618,023)	-
Balance as at 1 January 2020 - as restated	180,000,000	-	1,425,000	14,647,000	113,044,154	-	309,116,154
Total comprehensive income for the year	-	-	-	-	88,172,467	-	88,172,467
Increase share capital (Note 17)	200,000,000	973,632,882	-	-	-	-	1,173,632,882
Dividend paid (Note 25)	-	-	-	-	(111,600,000)	-	(111,600,000)
Transferred to statutory reserve (Note 18)	-	-	-	4,500,000	(4,500,000)	-	-
Balance as at 31 December 2020	380,000,000	973,632,882	1,425,000	19,147,000	85,116,621	-	1,459,321,503

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



Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Profit before tax	110,292,497	76,153,235
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation	4,896,019	3,810,426
Amortisation	102,468	78,093
Unrealised gain on changes in value of available-for-sale securities - debt securities	(19,489)	-
Loss on sale of investment in available-for-sale securities - debt securities	769,771	-
Unrealized loss on exchange rate	240,262	-
Provision for long-term employee benefits	1,238,145	1,140,203
Finance income	(2,928,394)	(1,521,859)
Finance cost	227,988	87,393
Profit from operating activities before changes in operating assets and liabilities	114,819,267	79,747,491
Operating assets (increase) decrease		
Trade and other receivables	(24,911,936)	141,246,594
Contract assets - classified as current asset	(354,187,925)	43,945,734
Inventories	488,325	6,736,571
Advance payment for goods	(104,678,108)	(1,919,259)
Withholding tax refundable	(876,363)	514,298
Other current assets	(36,922,965)	(1,434,726)
Contract assets - classified as non-current asset	(568,427)	9,229,875
Other non-current assets	832,462	(342,559)
Operating liabilities increase (decrease)		
Trade and other payables	432,474,096	58,926,062
Contact liabilities - classified as current liability	(151,902,378)	170,935,680
Contact liabilities - classified as non-current liability	16,738,829	15,672,875
Other current liabilities	(22,168,365)	5,659,329
Cash flows from (used in) operating activities	(130,863,488)	528,917,965
Interest paid	(227,988)	(87,393)
Corporate income tax paid	(12,530,876)	(27,745,750)
Net cash flows from (used in) operating activities	(143,622,352)	501,084,822

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

J.R.W. Utility Public Company Limited**Cash flow statement (continued)****For the year ended 31 December 2020**

	(Unit: Baht)	
	<u>2020</u>	<u>2019</u>
Cash flows from investing activities		
Acquisition of investment in available-for-sale securities - debt securities	(140,000,000)	(80,000,781)
Cash received from sale of investment in available-for-sale securities - debt securities	120,000,229	-
Increase in restricted bank deposits	(59,355,332)	(29,386,374)
Acquisition of equipment	(3,497,085)	(2,453,267)
Acquisition of intangible assets	(81,401)	(286,017)
Decrease in short-term loans to unrelated party	-	3,002,312
Interest received	2,482,981	1,574,906
Net cash flows used in investing activities	<u>(80,450,608)</u>	<u>(107,549,221)</u>
Cash flows from financing activities		
Net cash received from increase in share capital	1,167,041,101	-
Decrease in short-term loan from financial institution	-	(6,000,000)
Payment of lease liabilities	(1,548,555)	(543,027)
Dividend paid	(111,600,000)	(36,000,000)
Net cash flows from (used in) financing activities	<u>1,053,892,546</u>	<u>(42,543,027)</u>
Net increase in cash and cash equivalents	<u>829,819,586</u>	<u>350,992,574</u>
Cash and cash equivalents at beginning of year	<u>455,189,486</u>	<u>104,196,912</u>
Cash and cash equivalents at end of year	<u><u>1,285,009,072</u></u>	<u><u>455,189,486</u></u>
Supplemental cash flows information		
Non-cash transactions		
Acquisition of equipment under financial lease agreement	-	554,935
Acquisition of equipment but has not yet paid	238,610	-
Increase in right-of-use assets	3,407,981	-

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

J.R.W. Utility Public Company Limited

Notes to financial statements

For the year ended 31 December 2020

1. General information

1.1 General information of the Company

J.R.W. Utility Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the contractor, consultation, installation, repair, inspection, trading and distribution of tools, equipment, and materials relating to electricity, civil, mechanical, electronic, security equipment and all type of telecommunications systems. The registered office of the Company is at 32/288-290 Moo 8, Ramindra Road, Tharang, Bangkhen, Bangkok.

The first trading day of the Company's shares on the Stock Exchange of Thailand was 30 November 2020.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

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

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

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

3. New financial reporting standards

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

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. 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:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The impact of the adoption of these standards on the Company's financial statements is as follows.

Classification and measurement of investments in available-for-sale debt securities - The Company's available-for-sale investments debt securities are measured at fair value through other comprehensive income. The Company has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gains on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.

The Company recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

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

TFRS 16 Leases

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

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

This standard does not have any significant impact on the Company's financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Company elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach.

In the fourth quarter of 2020, the Company has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets, provisions and contingent liabilities. As a result, in preparing the financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Company's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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

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

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

	(Unit: Thousand Baht)		
	31 December 2019	The impact of financial reporting standards related to financial instruments	1 January 2020
Statement of financial position			
Assets			
Current assets			
Current investments	80,917	(80,917)	-
Other current financial assets	-	80,917	80,917
Liabilities and shareholders' equity			
Current liabilities			
Current portion of liabilities under finance lease agreement	539	(539)	-
Current portion of lease liabilities	-	539	539
Non-current liabilities			
Liabilities under finance lease agreements, net of current portion	653	(653)	-
Lease liabilities, net of current portion	-	653	653
Shareholders' equity			
Retained earnings - unappropriated	112,426	618	113,044
Other components of shareholders' equity	618	(618)	-

Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)
	1 January 2020
Classification of available-for-sale investments as financial assets at fair value through profit or loss - net of income tax	618

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	The former carrying amount	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	455,189	-	455,189	455,189
Current investments	80,917	-	-	-
Other current financial assets	-	80,917	-	80,917
Trade and other receivables	59,443	-	59,443	59,443
Restricted bank deposits	60,886	-	60,886	60,886
Total financial assets	656,435	80,917	575,518	656,435

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

5. Significant accounting policies

5.1 Revenues and expense recognition

a) Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon 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 and discounts.

b) Revenue from contract installation services

The Company has determined that their installation services contracts generally have one performance obligation. The Company recognises revenue from contract installation services over time where the stage of completion is measured using an input method, based on comparison of actual costs incurred up to the end of the period and total anticipated costs at completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Contract assets" under current assets and non-current assets in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Company's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Contract liabilities" under current liabilities and non-current liabilities in the statement of financial position. Contract liabilities are recognised as revenue when the Company performs under the contract.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

c) Service income

Service income is recognised at a point in time upon completion of the service.

d) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

e) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

5.2 Cash and cash equivalents

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

5.3 Inventories

Finish goods is valued at the lower of cost (under the first-in, first-out method) or net realisable value. The comprises cost of materials and labour and other related expenses.

5.4 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

There are no depreciation expenses of land which classify as investment property.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.5 Property, plant and equipment/Depreciation

Land is stated at cost. Land improvement, buildings, building improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Land improvement	7 years
Building	20 years
Building improvement	20 years
Tools and office equipment	5 years
Furniture	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land.

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

5.6 Intangible assets and amortisation

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

The intangible assets with finite useful lives of the Company is software with a useful lives of 5 years.

5.7 Leases

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

The Company as a lessee

Accounting policies adopted since 1 January 2020

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets on building are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term of 1 - 3 years.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

Accounting policies adopted before 1 January 2020

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

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

5.8 Related party transactions

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

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

5.9 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.10 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

5.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss

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

5.12 Share-based payment

Transfer of the Company's equity instruments by its shareholders to parties (including employees) that have supplied goods or services to the Company are treated as share-based payment transactions, unless the transfer is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value at transfer date over the transfer price of equity instrument as an expense in profit or loss, and as the capital surplus on share-based payment in the statement of changes in shareholders' equity.

5.13 Provisions

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

Provision for losses on installation service projects is made in the accounts in full when the possibility of loss is ascertained.

5.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

Accounting policies adopted before 1 January 2020

Trade and other receivables

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

Current investments

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

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

5.16 Fair value measurement

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

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

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

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

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

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

6. Significant accounting judgements and estimates

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

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. The management is required to determine when the performance obligation under the contract is satisfied.

The Company recognises revenue over time. To reflect the satisfaction of the performance obligations, the management determines the stage of completion using an input method, based on comparison of actual costs incurred up to the end of the period and total anticipated costs at completion. Significant judgement is required in determining the costs incurred for work performed to date, estimated total contract revenue and costs, and the recoverability of the costs to complete, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies on past experience, historical information and information from the project engineers.

Determination of transaction price

In determining transaction price, the management is required to use judgement in estimating the variable consideration. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold. The Entity include any amount of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

7. Related party transactions

During the year, the Company had no significant business transactions with related parties.

Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	29,998	26,618
Post-employment benefits	686	580
Total directors and management's benefits	<u>30,684</u>	<u>27,198</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Cash	10	10
Bank deposits	<u>1,284,999</u>	<u>455,179</u>
Total cash and cash equivalents	<u>1,285,009</u>	<u>455,189</u>

As at 31 December 2020, bank savings and fixed deposits carried interests between 0.05 and 0.80 percent per annum (2019: between 0.20 and 1.25 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<u>Trade receivables - unrelated parties</u>		
Age on the basis of due dates		
Not yet due	41,208	3,008
Past due		
Up to 3 months	21,167	55,916
Total trade receivables	<u>62,375</u>	<u>58,924</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	22,222	519
Total trade and other receivables	<u>84,597</u>	<u>59,443</u>

10. Contract assets/Contract liabilities

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Contract assets - classified as current assets		
Unbilled receivables	403,118	55,824
Retention receivables	7,488	594
Total contract assets - classified as current assets	<u>410,606</u>	<u>56,418</u>
Contract assets - classified as non-current assets		
Unbilled receivables	3,371	5,167
Retention receivables	20,068	17,704
Total contract assets - classified as non-current assets	<u>23,439</u>	<u>22,871</u>
Total contract assets	<u>434,045</u>	<u>79,289</u>
Contract liabilities - classified as current liability		
Services income received in advance	27,988	178,646
Retention payables	6,717	7,962
Total contract liabilities - classified as current liability	<u>34,705</u>	<u>186,608</u>
Contract liabilities - classified as non-current liability		
Retention payables	47,329	30,590
Total contract liabilities - classified as non-current liability	<u>47,329</u>	<u>30,590</u>
Total contract liabilities	<u>82,034</u>	<u>217,198</u>

Details of unbilled receivables and service income received in advance are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Project value as per contract	<u>8,517,722</u>	<u>4,404,752</u>
Accumulated amount recognised as revenue based on percentage of completion	2,263,346	1,236,537
Less: Value of total billed	<u>(1,856,857)</u>	<u>(1,175,546)</u>
Unbilled receivables	<u>406,489</u>	<u>60,991</u>
Value of total billed	70,339	322,234
Less: Accumulated amount recognised as revenue based on percentage of completion	<u>(42,351)</u>	<u>(143,588)</u>
Service income received in advance	<u>27,988</u>	<u>178,646</u>

11. Other current financial assets

	(Unit: Thousand Baht)
	<u>2020</u>
Investments in available-for-sale securities - cost	100,034
Add: Gain on change in value of available-for-sale investments	<u>21</u>
Investments in available-for-sale securities - fair value	100,055
Deposits in financial institutions	<u>315</u>
Total other current financial assets	<u>100,370</u>

The fair value hierarchy of the above investments in available-for sale securities is level 2.

Movement in the investments in available-for-sale securities for the year ended 31 December 2020 are summarised follow:

	(Unit: Thousand Baht)
Book value as at 1 January 2020	80,806
Acquisition during the year	140,000
Disposal during the year	(120,000)
Unrealized gain on changes in value of available-for-sale securities - debt securities	19
Loss on sale of investment in available-for-sale securities - debt securities	<u>(770)</u>
Book value as at 31 December 2020	<u>100,055</u>

12. Restricted bank deposits

These represent fixed deposits pledged with the financial institutions to secure credit facilities and bank guarantees as at 31 December 2020 and 2019.

13. Investment property

The fair value of the investment property has been determined based on valuation performed by an accredited independent valuer based on market prices comparison (Market Approach) according to valuation report dated 24 December 2018 amounting to Baht 52 million.

The Company has pledged investment property with net book value amounting to approximately Baht 46 million (2019: Baht 46 million) as collateral against credit facilities received from the financial institutions.

14. Property, plant and equipment

(Unit: Thousand Baht)

2020

Net book value:

Property, plant and equipment	24,354
Right-of-use assets	2,338
Total	26,692

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Land	Land improvement	Building	Building improvement	Tools and office equipment	Furniture	Motor vehicles	Right-of-use assets	Total
Cost									
1 January 2019	5,922	739	36,497	5,859	9,816	2,101	8,640	-	69,574
Additions	-	-	-	-	2,783	225	-	-	3,008
31 December 2019	5,922	739	36,497	5,859	12,599	2,326	8,640	-	72,582
Additions	-	-	-	59	3,517	160	-	3,408	7,144
31 December 2020	5,922	739	36,497	5,918	16,116	2,486	8,640	3,408	79,726
Accumulated depreciation:									
1 January 2019	-	739	24,175	2,834	8,288	1,255	7,037	-	44,328
Depreciation for the year	-	-	1,825	293	525	222	945	-	3,810
31 December 2019	-	739	26,000	3,127	8,813	1,477	7,982	-	46,138
Depreciation for the year	-	-	1,722	294	1,157	247	406	1,070	4,896
31 December 2020	-	739	27,722	3,421	9,970	1,724	8,388	1,070	53,034
Net book value:									
31 December 2019	5,922	-	10,497	2,732	3,786	849	658	-	24,444
31 December 2020	5,922	-	8,775	2,497	6,146	762	252	2,338	26,692
Depreciation for the year:									
2019 (Baht 0.03 million included in cost of goods sold and services, and the balance in administrative expenses)									3,810
2020 (Baht 1.53 million included in cost of goods sold and services, and the balance in administrative expenses)									4,896

As at 31 December 2020 certain items of land improvement, motor vehicles, tools, furniture and office equipment of the Company were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 21 million (2019: Baht 14 million).

As at 31 December 2020, the Company has pledged their property and building amounting to approximately Baht 17 million (2019: Baht 19 million) as collateral against credit facilities received from the financial institutions.

15. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Trade account payables	56,620	30,814
Other payables	15,678	257
Accrued project cost	615,607	230,322
Accrued expenses	10,414	3,973
Total trade and other payables	<u>698,319</u>	<u>265,366</u>

16. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits at beginning of year	15,879	10,942
Recognised in profit or loss:		
Current service cost	945	827
Interest cost	293	313
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	-	1,425
Financial assumptions changes	-	1,335
Experience adjustments	-	1,037
Provision for long-term employee benefits at end of year	<u>17,117</u>	<u>15,879</u>

The Company expects to pay Baht 0.5 million of long-term employee benefits during the next year (2019: None).

As at 31 December 2020 the weighted average duration of the liabilities for long-term employee benefits is 13 years (2019: 13 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	<u>2020</u>	<u>2019</u>
Discount rate	1.71	1.71
Salary increase rate	4.65	4.65
Staff turnover rate	0 - 17	0 - 17

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)			
	<u>2020</u>		<u>2019</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1,240)	1,319	(1,253)	1,335
Salary increase rate	1,418	(1,343)	1,268	(1,203)
Staff turnover rate	(1,521)	1,615	(1,362)	1,444

17. Share capital

On 17 March 2020, the Annual General Meeting of the Company's shareholders passed the following significant resolutions:

- a) Approved the resolution to propose the appropriation of Baht 3.1 million of the retained earnings to the statutory reserve and the payment of a dividend for the year 2019 of Baht 0.62 per shares by 180,000,000 shares a totaling of Baht 111.6 million.
- b) Approved the increase of the Company's registered share capital by Baht 200 million (200,000,000 shares at a par value of Baht 1 each) from amounting to Baht 180 million (180,000,000 shares at a par value of Baht 1 each) to new registered share capital of Baht 380 million (380,000,000 shares at a par value of Baht 1 each) to support the funding and business expansion. The Company registered the increase of its capital with the Ministry of Commerce on 1 April 2020.

c) Approved the resolution to propose the allocation of the additional ordinary shares are as follows:

1. Additional ordinary shares by 100,000,000 shares at a par value of Baht 1 each to be offered to the existing shareholders in proportion to the price of Baht 1 per share (The Company registered the increase in its paid-up capital with the Ministry of Commerce on 1 April 2020).
2. Additional ordinary shares by 92,000,000 shares at a par value of Baht 1 each to be offered an Initial Public Offering.
3. Additional ordinary shares 8,000,000 shares at a par value of Baht 1 each to be offered to the directors, management and employees of the Company during the same offering period and the offering price equal to an Initial Public Offering price.

On 19 August 2020, the Extraordinary General Meeting of Shareholders of the Company no. 1/2020 passed a resolution approving the change in the par value of the Company's ordinary shares from Baht 1 each to Baht 0.5 each, causing the number of the Company's registered ordinary shares to increase from 380,000,000 shares to 760,000,000 shares. The Company registered the change in the par value with the Ministry of Commerce on 19 August 2020.

During 20 and 23 - 24 November 2020, the Company made a Public Offering of the 200,000,000 additional shares at a price of Baht 5.50 per share, or for a total of Baht 1,100,000,000 and received payment of this share capital increment during 24 - 25 November 2020. All direct expenses related to the share offering amounting to Baht 26.4 million (net of income tax of Baht 6.6 million) are presented as a deduction from the share premium. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 November 2020.

The Stock Exchange of Thailand has approved the listing of the ordinary shares of the Company as securities on the SET, to be traded from 30 November 2020.

18. Statutory reserve

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

19. Revenue from contracts with customers**Disaggregated revenue information**

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Type of goods or service:		
Sales income	173,439	305,468
Revenue from installation services	1,083,259	532,048
Service income	24,414	8,874
Total revenue from contracts with customers	<u>1,281,112</u>	<u>846,390</u>
Timing of revenue recognition:		
Revenue recognised at a point in time	173,439	305,468
Revenue recognised over time	1,107,673	540,922
Total revenue from contracts with customers	<u>1,281,112</u>	<u>846,390</u>

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Salary, wages and other employee benefits	90,050	73,524
Depreciation and amortisation	4,998	3,889
Fees	19,396	8,753
Purchase of goods	196,220	356,003
Subcontractors costs	821,059	300,256
Changes in finished goods	488	6,737

21. Income tax

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

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Current income tax:		
Current income tax charge	15,925	15,635
Effect of income tax related to Initial Public Offering share capital (Note 17)	6,592	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(397)	(228)
Income tax expenses reported in profit or loss	<u>22,120</u>	<u>15,407</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Deferred tax on gain from revaluation of current investments	-	(154)
Deferred tax on actuarial loss	-	759
Total	<u>-</u>	<u>605</u>

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

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Accounting profit before tax	<u>110,292</u>	<u>76,153</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	22,058	15,231
Effects of:		
Non-deductible expenses	125	232
Additional expense deductions allowed	(63)	(56)
Total	<u>62</u>	<u>176</u>
Income tax expense reported in profit or loss	<u>22,120</u>	<u>15,407</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Deferred tax assets		
Provision for long-term employee benefits	3,423	3,176
Deferred tax liabilities		
Revaluation in value of investments in available-for-sale securities	(4)	(154)
Total	<u>3,419</u>	<u>3,022</u>

22. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to equity holders of the Company for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect the impact of the change in the par value of the ordinary shares as described in Note 17 to the financial statements.

The prior year's basic earnings per shares has been calculated as if the change in par value of the ordinary shares had been distributed, at the beginning of the earliest period reported.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Basis earning per share		
Profit for the year	88,172	60,746
Weighted average number of ordinary shares (Thousand shares)	530,492	360,000
Profit attributable to equity holders of the Company (Baht per share)	0.17	0.17

23. Segment information

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

For management purposes, the Company is organised into business units based on its products and services and have two reportable segments as follows:

- Sales of electronics equipment segment
- Contract services segment

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company's operating segments for the year ended 31 December 2020 and 2019, respectively.

(Unit: Thousand Baht)

	Sales of electronics equipment segment		Contract services segment		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	173,439	305,468	1,107,673	540,922	1,281,112	846,390
Segment profit	20,817	28,991	165,519	119,016	186,336	148,007
Other income					700	984
Selling and servicing expenses					(27,753)	(23,981)
Administrative expenses					(51,691)	(50,292)
Finance income					2,928	1,522
Finance cost					(228)	(87)
Income tax expenses					(22,120)	(15,407)
Profit for the year					88,172	60,746

Geographic information

The Company operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customer

For the year 2020, the Company has revenue from two customers in the amount of Baht 1,043 million and Baht 150 million (2019: Baht 494 million and Baht 335 million derived from two customers).

24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributes to the fund monthly at the rate of 2 - 6 percent of basis salary. The fund, which is managed by AIA Master Pooled Asset Management, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 2 million (2019: Baht 2 million) were recognised as expenses.

25. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	36.0	0.20
Total for 2019		36.0	0.20
Final dividends for 2019	Annual General Meeting of the shareholders on 17 March 2020	111.6	0.62
Total for 2020		111.6	0.62

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of approximately Baht 0.9 million (2019: None), relating to the acquisition of machinery.

26.2 Construction and service contracts commitment with subcontractors

As at 31 December 2020, the Company had commitments of approximately Baht 1,989.8 million (2019: Baht 1,162.6 million) in respect of construction and service contracts with its subcontractors.

26.3 Material and equipment commitment for construction

As at 31 December 2020, the Company had commitments of approximately Baht 3,133.3 million (2019: Baht 1,091.2 million) in respect of material and equipment purchase for construction.

26.4 Operating lease and service commitments

The Company has entered into several lease agreements in respect of the lease of buildings and motor vehicles. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Payable:		
In up to 1 year	2.4	4.1
In over 1 and up to 5 years	0.2	0.1

26.5 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totalling Baht 6,212.0 million is expected to be recognised in the future in respect of performance under contract with customers that are undelivered (or partially undelivered) (2019: Baht 3,024.6 million).

26.6 Bank guarantees

As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 1,842.0 million (2019: Baht 992.1 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

Under the conditions of the bank guarantees agreement, the Company has to comply with the conditions as stipulated in the agreement. If the Company is unable to comply with such agreements, there may be contingent liabilities in the future.

27. Financial instruments

27.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables, restricted bank deposits, trade and other payables and liabilities under lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables and deposits with banks and financial institutions, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at financial institutions and liabilities under lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	2020						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
<u>Financial Assets</u>							
Cash and cash equivalent	800,018	-	-	484,946	45	1,285,009	0.05 - 0.80
Trade and other receivables	-	-	-	-	84,597	84,597	-
Restricted bank deposits	-	120,242	-	-	-	120,242	0.40 - 1.10
Other current financial assets	315	-	-	-	100,055	100,370	0.20 - 0.75
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	698,319	698,319	-
Lease liabilities	1,667	1,384	-	-	-	3,051	3.81 - 10.10
	802,000	121,626	-	484,946	883,016	2,291,588	

(Unit: Thousand Baht)

	2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
<u>Financial Assets</u>							
Cash and cash equivalent	18	-	-	455,132	39	455,189	0.20 - 1.25
Current investments	111	-	-	-	80,806	80,917	0.65 - 0.70
Trade and other receivables	-	-	-	-	59,443	59,443	-
Restricted bank deposits	-	60,886	-	-	-	60,886	0.70 - 0.85
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	265,366	265,366	-
Liabilities under finance lease agreements	539	653	-	-	-	1,192	3.81 - 10.10
	668	61,539	-	455,132	405,654	922,993	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from purchasing the inventories that is denominated in foreign currencies, which currently are not hedged by any derivative financial instrument.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	0.14	-	30.21	-

Liquidity risk

As at 31 December 2020, the Company's liquidity risk is low because the Company has no bank overdrafts and bank loans.

27.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Company's debt-to-equity ratio was 0.55:1 (2019: 1.70:1).

29. Events after the reporting period

On 19 February 2021, a meeting of the Company's Board of Directors passed the following significant resolutions:

- a) Passed the resolution to propose the appropriation of Baht 4.5 million of the retained earnings to the statutory reserve.
- b) Passed the resolution to propose the payment of a dividend for the year 2020 of Baht 0.06 per shares, or a total of Baht 45.6 million.

These resolutions will be proposed for approval by the Annual General Meeting of the Company's shareholders.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.





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J.R.W. Utility Public Company Limited
32/288-290 Moo 8, Soi Ramindra 65, Ramindra Rd.,
Tharang, Bangkhen, Bangkok 10230
Tns. 02-509-7000-2

